

**CITY OF SARATOGA SPRINGS
OFFICE OF THE COMMISSIONER OF FINANCE
QUARTERLY FINANCIAL REPORT
FOR THE QUARTER ENDED
JUNE 30, 2020**

I respectfully submit to the City Council the Second Quarter Financial Report of 2020 ending June 30. Please note that this report is prepared on a cash basis and no adjustments have been made for receivables or payables.

REVENUES:

General Fund Revenues

Property taxes in the General Fund are recognized as revenue for the full amount levied at the time the tax roll is posted to the general ledger and an adjustment is made at year end to defer to future years the amount not collected. The Finance Office has reviewed the payments made as of 06/30/20 and 71% has been collected or \$11,450,065. Last year at this time 69% was collected. Historically collection rates for the second quarter have averaged 70%. Property taxes can be paid in four installments with the first installment due March 1. However, the City offers a discount of 2.25% if the full year is paid on or before March 1. This accounts for the greater than 50% collection rate after only the second due date has passed.

This quarter's slightly larger than normal collection rate may have to do with a law that denies basic STAR benefits for property owners with delinquent taxes. The City provided a list of delinquent taxpayers in late April to the County. The County then provided the list to NYS. NYS notified delinquent homeowners in May that they needed to pay their taxes in full within 30 days or they will lose their STAR benefit. On or about July 31st NYS will notify assessors and county directors of properties not eligible for STAR in 2020.

As of 06/30/20 many of the City's larger revenue items are received on a lag, months after they have been earned.

- VLT aid was received on June 30th in the amount of \$1,860,473.60. This was a 20% reduction. The City budgeted \$2,325,592, so \$465,118.40 has not been received and at this time the City is not certain when or if it will receive the remaining 20%.
- Sales Tax figures include only four months since May and June collections are not distributed to the City from NYS Taxation and Finance until July and August, respectively. The amount received as of 06/30/20 was \$3,303,771 and as of 06/30/19 it was \$4,243,010. As of June 30th, actual sales tax received is down 22% from 2019. The City originally budgeted \$13,550,000 for 2020. It was revised downward on 06/20/20 to \$10,280,727, a 24% reduction,

- Hotel Occupancy Tax is paid to the City from the County on a quarterly basis. The first quarterly payment for 2020 was received in April. The second will arrive mid-July. At this time Occupancy tax receipts are \$64,200, a decrease of \$9,160 or 12% from 2019. This line is budgeted at \$676,000 and I do not expect to meet that budget,
- County surplus distribution, A032-41120, is paid on a quarterly basis too, with the first payment made in April. These amounts are expected to meet the 2020 budget.
- NYRA Admissions Tax is paid annually after the racing season has closed. Since there are no fans being admitted to the Race course, I expect the entire budget of \$723,300 to not be received.
- The bulk of Franchise Tax is paid annually, in the last quarter of the year. As of 06/30/20, receipts are \$142,579, a 2% increase from 2019.
- State Aid Revenue sharing is distributed in two installments, September and December, with the largest share received in December. Disbursements at this time are expected be reduced by 20%.
- Ambulance Transport fees as of 06/30/20 were \$514,430 and were \$573,894 as of 06/30/19. At this I do not expect reimbursements will meet budgeted amounts.
- Mortgage Tax is paid semiannually in May and November. As of June 30th Mortgage Tax receipts are consistent with the prior year. Mortgage Tax will most likely meet the \$1, 600,000 budgeted for 2020. As of 06/30/20 \$630,203 was received and as of 06/30/19 \$623,054 was received.
- On June 18, 2020 the City issued a Tax Anticipation Note for \$6,300,000.00.

Taking into consideration the property tax revenue recognition issues, approximately 46% of revised revenues were actually received as of 06/30/20. This activity is a decrease from prior years when revenues collected were about 50% as of June 30th.

Water and Sewer Revenues

The first quarter water and sewer bills for 2020 were mailed in April for a May 15th due date and second quarter will be mailed in July for an August 15th due date.

Capital Revenues

The City closed on a General Obligation Bond on June 18, 2020 to finance various 2020 capital projects for \$7,428,164.

EXPENSES:

General Fund Expenses

Finance Office – Discount on Taxes is a final figure.

All – Liability insurance has been paid in full for the year. Additional expenses would be for claims or additional coverage. Also most departments' total expenses are running at about 47%, which is consistent with prior years. Variances are due to seasonal expenses and grants. Retirement expenses have only been paid for 3 months of 2019. The remaining 9 months will be paid in December.

Capital Expenses

Capital expenses are usually larger in the months where weather is more conducive to construction.

Community Development

Since the Community Development block grants are awarded on a different schedule than the City's fiscal year, no budget is established.

Submittal Date: July 27, 2020
Agenda Date: August 4, 2020