

BRING YOUR DREAMS.



MEMO

DATE: September 25, 2018

TO: Paul Briseno, City Manager
Mayor and City Council

FROM: Shawna Costello, Finance Director

RE: August 2018 Monthly Financial

The following report contains the financial summaries of the City Funds (excluding Brookings Municipal Utilities and Brookings Health System) for the month ended August 31, 2018.

Overview:

- Reports attached for reference include:
 - Cash Summary report – includes all monies for the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, City Enterprise Funds Liquor, Airport, Golf Course, Solid Waste Collections, Solid Waste Disposal, Research & Technology Center), Agency Funds (City Employee Flex Accounts, Rural Fire), and Health Insurance Fund (combined City/BMU)
 - Investment Report (excludes BMU and BHS)
 - Sales Tax Reports
 - YTD Balance Sheet
 - YTD Budget to Actual

Investments:

- We continue to see gradual increases in interest rates for our investments. For August, our 1-year US Treasury Yield increased from 2.126% in July to 2.16% in 2018.

Sales Tax:

- Sales Tax
 - In September the SD Legislature passed a pair of bills impacting remote sellers and marketplace providers.
 - Beginning November 1, 2018, remote sellers who meet certain thresholds must obtain a SD sales tax license and pay applicable sales tax. A remote seller is one without a physical presence in SD with gross revenues from sales into SD exceed \$100,000 or the business made sales delivery into SD in 200 or more separate

transactions. This includes not only tangible personal property but any products transferred electronically, or services.

- Beginning March 1, 2019, marketplace providers who meet certain thresholds must obtain a SD sales tax license and pay applicable sales tax. Marketplace providers are required to remit sales tax on all sales it facilitates into SD if the thresholds of 200 transactions in SD or \$100,000 or more in sales to SD customers.
- For August, 1st Penny, 25%, and 75% tax ended over 2017 receipts at 3.85%.
- 3rd B Tax - Tax on Lodging, Alcohol and Prepared Food, ended the month at 2.61% over August 2017.
- BID Tax (pillow tax) has consistently been performing below 2017 numbers however does appear to be picking up steam ending August at -4.22% compared to last year. July was down -7.74% from 2017.

Budget to Date:

- At this point, most departments are in line with their 2018 budget with the exception of the following: