

COBURG CITY COUNCIL ACTION/ISSUE ITEM



TOPIC: FINANCE DEPARTMENT QUARTERLY REPORT

Meeting Date: November 9, 2022

Staff Contact: Anne Heath

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REQUESTED COUNCIL ACTION

- Information only
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POLICIES OR CITY COUNCIL GOAL(S) ADDRESSED

2021-22 City Council Goals:

- Fiscal Stewardship
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ANALYSIS

Important notes regarding the quarter ended September 30, 22

- September is the 3rd month of the fiscal year. If revenues and expenses were spread evenly throughout the year, the City should be at 25% of budget with each.
 - **Whole City Revenue** received \$1,470,011, which equals 12% of budget. Compared to \$1,078,046 last year at month end, which was 11%. The following are important points to consider regarding revenues:
 - Property Tax Dollars are normally received in November and December. The City has budgeted to receive \$926,212 in property taxes in fiscal year 2023, which includes a budget for delinquent tax collection.
 - Reimbursement requests for the budgeted Water Master Project as well as the Street Project have been submitted, but have not yet been received.
 - State fuel taxes has generated \$24,782 in revenue, which is 21% of budget. City Fuel taxes has generated \$29,287 in revenue which is at 17% of budget
 - Water and Sewer Fees are at budget level.
 - **Whole City Expenses** are \$1,987,989, which is 13% of budget. Compared to \$1,301,125 last year at month end, which was also 13%.
 - Capital projects of the City are in process but do not always fall in the months expected.
 - Capital expenditures have been paid, but not reimbursed as of September 30, 2022

- City Debt payments have not been made, and are not scheduled until later months in the fiscal year.
- All Funds, General, Streets, Water, Sewer are operating within their budgets.
- There is a 2% difference between Revenues received and Expenditures. We normally want to keep the gap between the two to 3%.

GENERAL FUND CASH

General Fund Cash is usually at its lowest in the fall months until property tax revenues are received. This year, it is lower than normal. This is because annual contract payments such as liability insurance, Software licensing, IOOF Lease Agreement, and IT expenses were all paid in full rather than in quarterly payments, which the City had the option to do and has done in the past. Additionally, the month of August had three pay periods, which increased the amount of payroll paid out in this month. When coupled with extra over-time Police were paid in order to serve Oakridge (billed by not received). This was an expensive quarter for payroll. This does not change the bottom line as far as the full fiscal year; it does leave the General Fund low on cash until tax dollars are received in November. This does not mean that the City as a whole is low on Cash. City Administrator has issued a no-spend unless necessary policy for all departments until tax dollars have been received. This situation is not abnormal for small cities at this time of the year. However, this year is a bit lower than normal due to the payment of some very large bills.

PUBLIC INVOLVEMENT

N/A

NEXT STEPS

- Interview process for Accountant
- Continue providing Audit Information

ATTACHMENTS

- A. Budget Performance Analysis – General Fund**
 - B. Full City Revenue and Expense Charts**
 - C. Fund Total sheets – From Springbrook**
 - D. Cash on Hand Spreadsheet**
 - E. Checks written list for June 2022**
 - F. Bank Statements – June 2022**
 - G. LGIP Statements – June 2022**
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REVIEWED BY:

Anne Heath, City Administrator