DISCUSSION ON THE MONTHLY FINANCIAL REPORTS
PERIOD ENDING JULY 31, 2022

Highlights

The annual principal and interest payment on the City's debt has been made, so there has been a drop in the amount of the City's bonded indebtedness. Both the General Fund and the Utility Fund are in the red for June. The General Fund is in the black for the year, while the Utility Fund is in the red this month. We are expecting to receive $334,000 in Covid relief (ARPA) grant funds for the Utility Fund. Those funds should bring the Utility Fund back into the black.

Report on Reserves

As of July, the City held about $9.9 million in its various accounts, about a $99,000 decrease over last month. $494,271 of the above total are restricted funds (customer deposit, bond payment, HOT, and dedicated court funds), leaving the City a balance of about $9.4 million in what, primarily, are reserve funds. If the adopted FY 2021-22 goes according to plan, the amount held in reserve will decrease by $1,770,000 over the course of the year, leaving the City with about $6.8 million in, primarily, reserve funds. (Usually the drawdown is less than what is budgeted due to lower than expected operating expenditures and capital projects that carry over into the next budget cycle.) The City's total operating budget for FY 2021-22, less capital expenditures, contingency funds, and dedicated court funds, is $3,680,065. With roughly $3.7 million in annual operating costs, the current $9.4 million in reserves would carry the City for about 31 months and the projected $6.8 million in reserves at the end of this fiscal year would carry the City for about 20 months.

General Ledger Cash Balance Report

As has been mentioned previously, often there are differences between the bank account balances and the general ledger cash balance reports. The general ledger report carries in its balance checks that were written in the past which have never been deposited. Also, the instant a transaction is entered into the general ledger, it shows up in the general ledger report, but it can take days for both deposits and withdrawals to clear the bank and be reflected in our bank account balances.

The general ledger cash balance for the various funds through June 30th is about $9.9 million, about a $130,000 decrease from a month ago, and an increase of about $1,000,000 from a year ago.

General Ledger Cash Balance Report - Court Fund

The amount in the Court Fund has increased by about $600 from a month ago.

Cash and Investment Report

As noted above, there was about $9.9 million in the City's accounts as of July 31st, this is about a $99,000 decrease over last month.

Budget Report - General Fund

For the month, expenditures have exceeded revenues by about $8,000, and for the year revenues have exceeded expenditures by about $1,282,000.

Budget Report - Utility Fund

For the month, expenditures have exceeded revenues by about $109,000 and for the year expenditures have exceeded revenues by about $19,000.

Sales and Use Tax Report

The State has not posted its sales and use tax figures for August (tax on sales made in June) in time to be included in this packet report. The table provided in last month's packet has been updated to show the funds received during July. The July payment came in at $143,944.29, about a 10% over last year's payment. For the past 12 months, revenues have increased by about 7.8% over the previous 12 month period.