

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

Highlights

For the City, October 1st marked the beginning of a new fiscal year. The General Fund was in the black for October by about \$61,000. The Utility Fund was in the black for October by about \$33,000. The \$334,000 in Covid relief (ARPA) grant funds for the Utility Fund for FY 2021-22 (last year) were finally received while we were at the TML Annual Conference. The City currently has about \$10.5 million in its various accounts, a new high.

Report on Reserves

As noted above, as of October 31, the City held about \$10.5 million in its various accounts, about a \$72,000 increase over last month. \$505,335 of the above total are restricted funds (customer deposit, bond payment, HOT, and dedicated court funds), leaving the City a balance of about \$10 million in what, primarily, are reserve funds. If the adopted FY 2022-23 goes according to plan, the amount held in reserve will decrease by \$3,491,300 over the course of the year, leaving the City with about \$6.4 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 \$4,392,765. With roughly \$4.4 million in annual operating costs, the current \$10 million in reserves should carry the City for about 27 months, if the budgeted drawdown in reserves is realized, the City's reserves should carry the City for about 18 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 October 31st is about \$10.3 million, about a \$340,000 increase from a month ago, and an increase of about \$1.4 million from a year ago.

General Ledger Cash Balance Report - Court Fund

The amount in the Court Fund has increased by about \$700 from a month ago.

Cash and Investment Report

As noted above, there was about \$10.5 million in the City's accounts as of October 31st, this is about a \$72,000 increase over last month.

Budget Report - General Fund

For the month, expenditures have exceeded revenues by about \$61,000.

Budget Report - Utility Fund

For the month, revenues have exceeded expenditures by about \$61,000 and for the year revenues have exceeded revenues by about \$33,000.

Sales and Use Tax Report

The State has not posted its sales and use tax figures for November (tax on sales made in September) 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 October. The October payment came in at \$163,231.03, about a 21.8% increase over last year's payment. For the past 12 months, revenues have increased by about 6.3%.