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

Highlights

We have now passed the half-way mark for the fiscal year. With the receipt of $217,000 from TWDB for our Grand Avenue Lift Station Project, the Utility Fund moved into the black for March and stands within $100,000 of moving into the black for the year. The General Fund continues to be in the black both for March and for the year.

Report on Reserves

As of March 31st, the City held about $9.7 million in its various accounts which is roughly $500,000 more than last month's balance. $479,118 of the above total are restricted funds (customer deposit, bond payment, HOT, and dedicated court funds), leaving the City a balance of about $9.2 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 $9.2 million in reserves would carry the City for about 30 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 March 31st is about $9.6 million, about a $350,000 increase from a month ago, and an increase of about $840,000 from a year ago.

General Ledger Cash Balance Report - Court Fund

The amount in the Court Fund has increased by about $360 from a month ago.

Cash and Investment Report

As noted above, there was about $9.7 million in the City's accounts as of March 31st, this is roughly $500,000 more than last month.

Budget Report - General Fund

For the month, revenues exceeded expenditures by about $94,000 and for the year by about $1,112,000.

Budget Report - Utility Fund

For the month, revenues have exceeded expenditures by about $250,000. As noted above, $217,000 of those revenues were catch up payments from TWDB. For the year, expenditures have exceeded revenues by about $96,000.

Sales and Use Tax Report

The State has not posted its sales and use tax figures for April (tax on sales made in February) 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 March. The March payment came in at $122,481.96, about a 10% increase over last year's payment. For the past 12 months, revenues have increased by about 15% over the previous 12 month period.