

## **DISCUSSION ON THE MONTHLY FINANCIAL REPORTS**

### **PERIOD ENDING January 31, 2023**

#### **Highlights**

The General Fund was in the black for January by about \$326,000 and for the year by about \$472,000. This surge is due to the seasonal inflow of property tax payments. Also, we had another good month for sales tax revenue in January. The Utility Fund was in the black for December by about \$7,000 and in the black for the year by \$156,000. The City currently has about \$10.9 million in its various accounts, another new high.

#### **Report on Reserves**

As noted above, as of December 31st, the City held about \$10.9 million in its various accounts, about a \$158,000 increase over last month. \$515,163 of the above total are restricted funds (customer deposit, bond payment, HOT, and dedicated court funds), leaving the City a balance of about \$10.4 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 \$10.4 million in reserves should carry the City for about 28 months, if the budgeted drawdown in reserves is realized, the City's reserves should carry the City for about 18 months beyond the end of the current fiscal year.

#### **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 January 31st is about \$10.9 million, about a \$114,000 increase from a month ago, and an increase of about \$1.87 million from a year ago.

#### **General Ledger Cash Balance Report - Court Fund**

The amount in the Court Fund has increased by about \$500 from a month ago.

#### **Cash and Investment Report**

As noted above, there was about \$10.9 million in the City's accounts as of December 31st, this is about a \$158,000 increase over last month.

#### **Budget Report - General Fund**

For the month, revenues have exceeded expenditures by about \$326,000 and for the year by about \$472,000.

**Budget Report - Utility Fund**

For the month, expenditures have exceeded revenues by about \$7,000 and for the year revenues have exceeded expenditures by about \$156,000.

**Sales and Use Tax Report**

The State has not posted its sales and use tax figures for February (tax on sales made in December) 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 January. The January payment came in at \$147,966.29, about a 4.9% increase over last year's payment. For the past 12 months, revenues have increased by about 5.4%.