

DISCUSSION ON THE MONTHLY FINANCIAL REPORTS PERIOD ENDING SEPTEMBER 30, 2021

Highlights

Year-to-date, all funds are in the black, although the Utility Fund would be in the red by about \$50,000 if it weren't for a budgeted transfer of \$1,400,000 from the General Fund to cover some of the ongoing capital improvement project costs.

Report on Reserves

As of September 30, the city held about \$9.1 million in its various accounts which represents about a \$96,000 decrease from last month. \$531,000 of the above total are restricted funds (customer deposit, bond payment, and dedicated court funds), leaving the City a balance of about \$8.6 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 2022-22, less capital expenditures, contingency funds, and dedicated court funds, is \$3,680,065. With roughly \$3.7 million in annual operating costs, the current \$8.6 million in reserves would carry the city for about 28 months and the projected \$6.8 million in reserves at the end of this fiscal year would carry the City for about 22 months.

General Ledger Cash Balance Report

As has been mentioned previously, 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 September 30th is about \$8.9 million, about a \$110,000 decrease from a month ago, and a decrease of about \$50,000 from a year ago. If the CVB totals are removed from consideration, this month's total is virtually the same as that of a year ago.

General Ledger Cash Balance Report - Court Fund

The amount in the Court Fund has increased by about \$1,500 from a month ago.

Cash and Investment Report

As noted above, there was about \$9.1 million in the City's accounts as of September 30th, this is a decrease of about \$96,000 from last month.

Budget Report - General Fund

For the month, revenues have exceeded expenditures by about \$327,000. For the year, revenues have exceeded expenditures by about \$614,000. These figures include a September \$1,400,000 transfer in from reserves and a \$1,066,000 transfer out to the Utility Fund. If the above transfers are eliminated, September expenditures exceeded revenues by about \$7,000 and FY 2020-21 revenues exceeded expenditures by about \$280,000.

Budget Report - Utility Fund

For the month, revenues have exceeded expenditures by about \$921,000. For the year, revenues have exceeded expenditures by about \$1,350,000. These figures include a September \$1,400,000 transfer from the General Fund. Without that transfer, September expenditures would have exceeded revenues by about \$479,000 and FY 2020-21 expenditures would have exceeded revenues by about \$50,000. Due to ongoing grant projects and this being the end of the fiscal year, some additional expenditures will be posted during the next several weeks as grant project pay applications are processed.

Budget Report - CVB Fund

City Secretary Ritchie continues to transfer incoming funds on a monthly basis. She is planning on transferring the remainder of the CVB funds in our CVB bank account once the auditor has had an opportunity to review the balances. As of September 30th, there was \$30,231 in that account.

Sales and Use Tax Report

The State has not posted its sales and use tax figures for October (tax on sales made in August) 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 September. The September payment came in at \$125,589.65, a 2% increase over last year's payment. For the past 12 months, revenues have increased by 21% over the previous 12-month period.