

Department of Finance

September 2022 Financial Report



Executive Report

| Revenue Source | Original Budget 2022 | Revised Budget 2022 | Actual to Date September 2022 | % of Revised Budget |
|--|-------------------------|-------------------------|-------------------------------|---------------------|
| Prior Year Unappropriated Funds | \$ 8,981,945.82 | \$ 8,981,945.82 | \$ 8,981,945.82 | |
| Prior Year General Fund Reserve | \$ 1,370,000.00 | \$ 1,370,000.00 | \$ 1,370,000.00 | |
| Total Prior Year Carryforward Balance | \$ 10,351,945.82 | \$ 10,351,945.82 | \$ 10,351,945.82 | |
| Taxes, assessments, & related revenue | \$ 12,349,550.00 | \$ 12,349,550.00 | \$ 11,215,890.92 | 90.8% |
| Local revenue | \$ 35,200.00 | \$ 35,200.00 | \$ 19,977.38 | 56.8% |
| Development related revenue | \$ 788,500.00 | \$ 788,500.00 | \$ 491,547.50 | 62.3% |
| Other revenue | \$ 336,467.00 | \$ 336,467.00 | \$ 265,660.60 | 79.0% |
| Total Operating Revenue | \$ 13,509,717.00 | \$ 13,509,717.00 | \$ 11,993,076.40 | 88.8% |
| Total Available Funds | \$ 23,861,662.82 | \$ 23,861,662.82 | \$ 22,345,022.22 | 93.6% |
| Expenditure Source | Adopted Budget 2022 | Revised Budget 2022 | Actual to Date September 2022 | % of Revised Budget |
| Personnel | \$ 6,742,376.00 | \$ 6,802,372.58 | \$ 4,727,883.79 | 69.5% |
| Operating Expenses | \$ 2,133,516.00 | \$ 2,458,236.88 | \$ 1,486,183.91 | 60.5% |
| Prior Year Remaining Encumbrances | | \$ 309,658.55 | | |
| Operating Expenditures | \$ 8,875,892.00 | \$ 9,570,268.01 | \$ 6,214,067.70 | 64.9% |
| Excess (deficiency) of operating revenues over operating expenditures | \$ 4,633,825.00 | \$ 3,939,448.99 | \$ 5,862,503.87 | |
| Capital Equipment | \$ 301,400.00 | \$ 561,656.51 | \$ 106,284.97 | 18.9% |
| Transfers | \$ 399,261.00 | \$ 2,434,711.00 | \$ 2,434,711.00 | 100.0% |
| Addition to 27th Payroll Reserve | \$ 18,261.00 | \$ 18,261.00 | \$ 18,261.00 | 100.0% |
| Addition to Comp Abs Reserve | \$ 12,356.00 | \$ 10,000.00 | \$ 10,000.00 | 100.0% |
| Advances | \$ - | \$ - | \$ - | |
| Additional to reserve fund balance | \$ 75,000.00 | \$ 75,000.00 | \$ 75,000.00 | 100.0% |
| Contingencies | \$ 75,000.00 | \$ 80,000.00 | \$ 9,800.60 | 12.3% |
| Nonoperating Expenditures | \$ 881,278.00 | \$ 3,179,628.51 | \$ 2,654,057.57 | 83.5% |
| Total Expenditures | \$ 9,757,170.00 | \$ 12,749,896.52 | \$ 8,868,125.27 | 69.6% |
| Excess (deficiency) of revenue over all expenditures | \$ 3,752,547.00 | \$ 759,820.48 | \$ 3,124,951.13 | |
| Ending Year Unappropriated Funds | \$ 12,734,492.82 | \$ 9,848,238.98 | \$ 12,106,896.95 | |
| Ending Year General Fund Reserve | \$ 1,445,000.00 | \$ 1,445,000.00 | \$ 1,445,000.00 | |
| Total Current Year Balance | \$ 14,179,492.82 | \$ 11,293,238.98 | \$ 13,551,896.95 | |
| Total Available Funds | \$ 23,936,662.82 | \$ 24,043,135.50 | \$ 22,420,022.22 | |

75.0% = Target expenditure and revenue collection rate.

Quick Facts

ALL FUNDS

| | |
|-----------------------------|----------------------|
| 09/30/2022 | 09/30/2022 |
| Cash Balances | Unencumbered Balance |
| \$28,746,038 | \$21,804,203 |
| ↑ \$8,311,929 from 1/1/2022 | |

GENERAL FUND (GF)

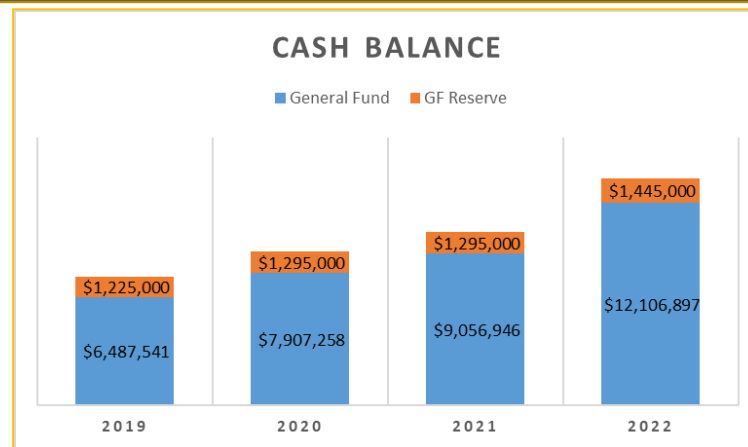
| | |
|-----------------------------|----------------------|
| 09/30/2022 | 09/30/2022 |
| Cash Balance | Unencumbered Balance |
| \$12,106,897 | \$10,931,178 |
| ↑ \$3,124,951 from 1/1/2022 | |

General Fund Highlights

The General Fund balance = **\$13,551,897**. This figure includes the general reserve fund. The unencumbered balance of **\$10,931,178** is 123.48% of the 5-Yr GF revenue average;

- \$6.50 M in excess of the short-term range (50%)
- \$4.29 M in excess of the fiscally prudent range (75%)

Per the Fund Balance Policy, an excess of the fiscally prudent range can be allocated to capital improvements.

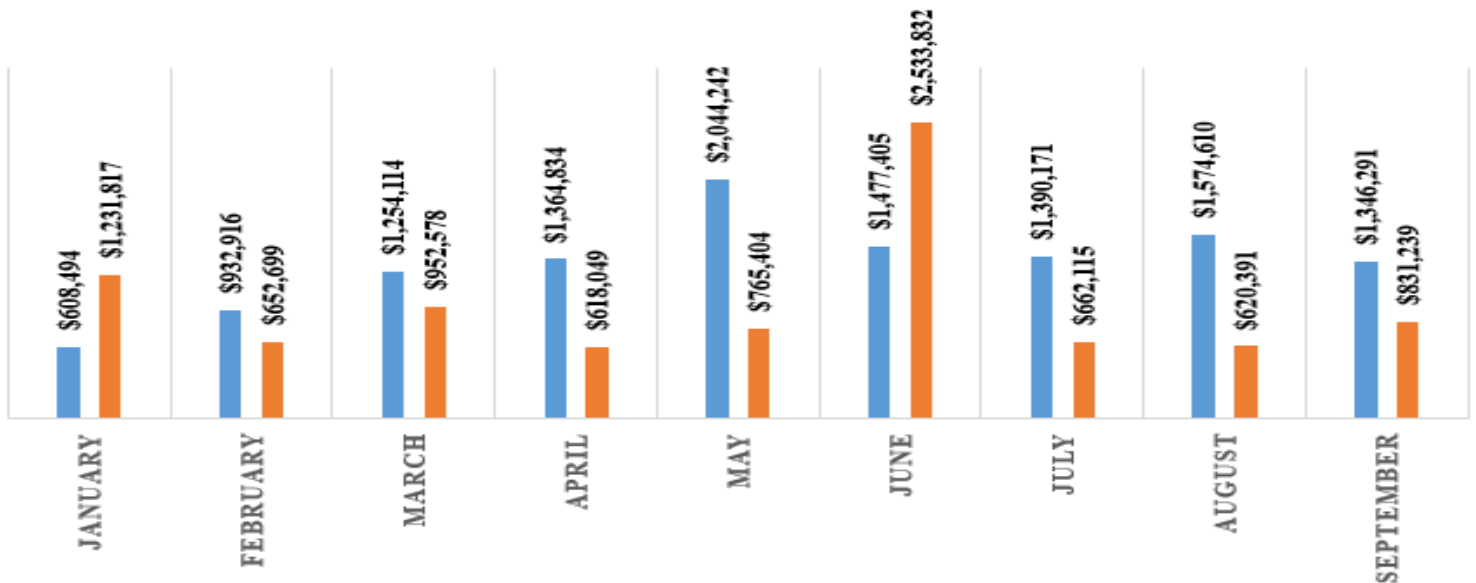


General Fund Cash Flow Analysis

Total GF Revenue: **\$ 11,993,076**

Total GF Expenditures: **\$8,868,124**

Net Cash Flow: **\$3,124,952**



The City is averaging monthly expenditures of \$706,128. On average, the cash balance is increasing at a rate of \$347,217 per month after transfers.

Expenditures are slightly higher in September due to a third payroll. A detailed variance report will be provided to the Finance Committee.

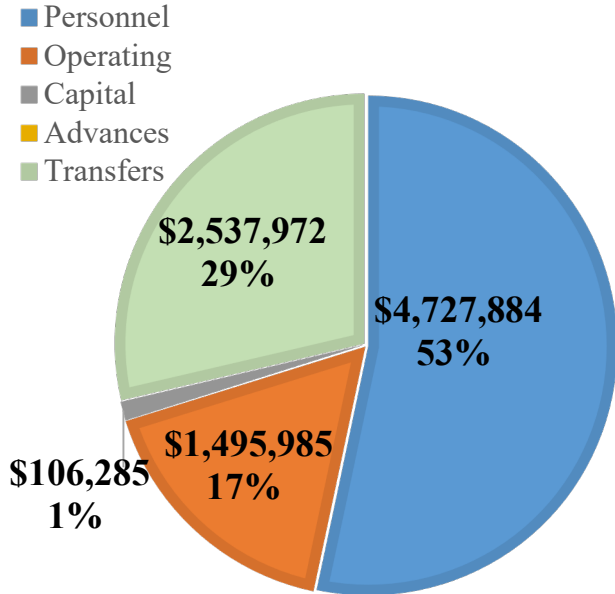
Year-to-Date General Fund Cash Position

| Month | Revenues | Expenditures | Transfers | Net | Liquidity |
|--------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| January | \$ 608,494 | \$ 782,556 | \$ 449,261 | \$ (623,323) | \$ (174,062) |
| February | \$ 932,916 | \$ 652,699 | \$ - | \$ 280,217 | \$ 280,217 |
| March | \$ 1,254,114 | \$ 952,578 | \$ - | \$ 301,536 | \$ 301,536 |
| April | \$ 1,364,834 | \$ 618,049 | \$ - | \$ 746,786 | \$ 746,786 |
| May | \$ 2,044,242 | \$ 590,404 | \$ 175,000 | \$ 1,278,838 | \$ 1,453,838 |
| June | \$ 1,477,405 | \$ 645,121 | \$ 1,888,711 | \$ (1,056,427) | \$ 832,284 |
| July | \$ 1,390,171 | \$ 662,115 | \$ - | \$ 728,055 | \$ 728,055 |
| August | \$ 1,574,610 | \$ 620,391 | \$ - | \$ 954,219 | \$ 954,219 |
| September | \$ 1,346,291 | \$ 831,239 | \$ - | \$ 515,052 | \$ 515,052 |
| Total | \$ 11,993,076 | \$ 6,355,152 | \$ 2,512,972 | \$ 3,124,952 | \$ 5,637,924 |

All Funds - Cash Position

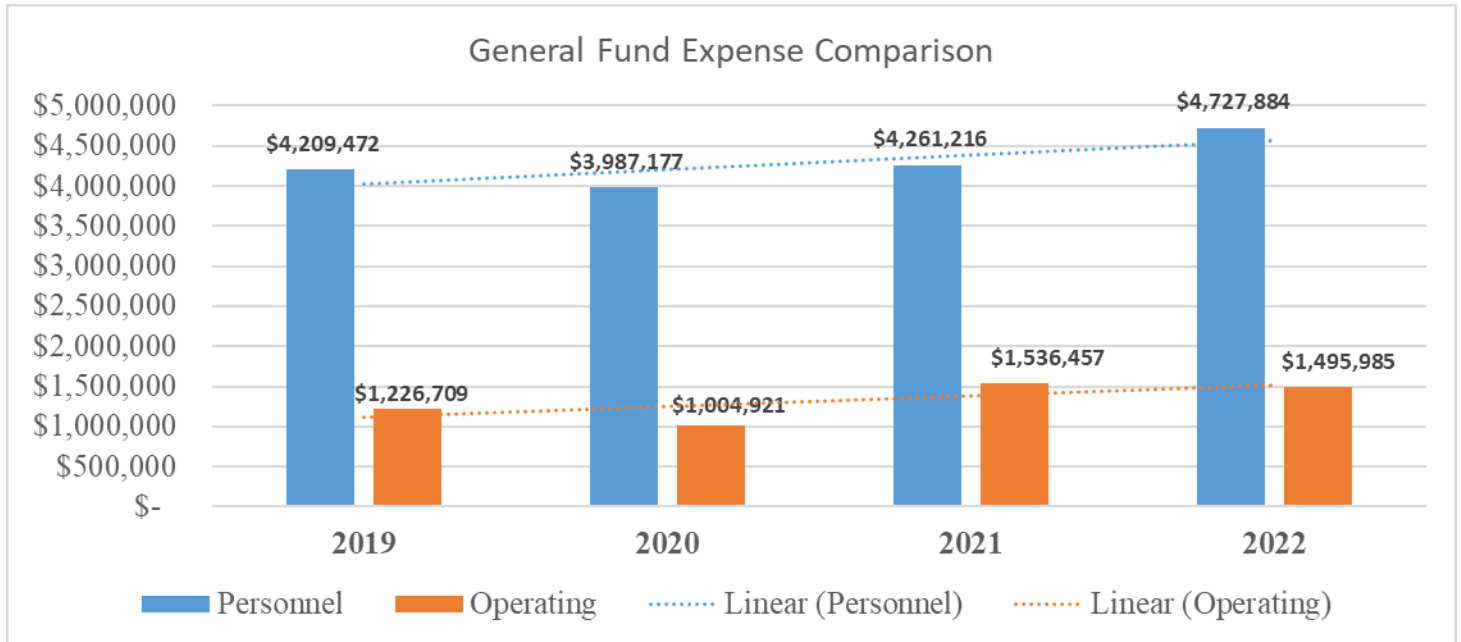
| Fund | Description | Beg. Balance | Net Change | End. Balance |
|--------------------|--------------------------------------|---------------------|---------------------|----------------------|
| 100 | GENERAL FUND | \$ 8,981,946 | \$ 3,124,951 | \$ 12,106,897 |
| 101 | GENERAL FUND RESERVE | \$ 1,370,000 | \$ 75,000 | \$ 1,445,000 |
| 105 | CORMA FUND | \$ 112,386 | \$ 132,046 | \$ 244,433 |
| 110 | 27TH PAYROLL RESERVE FUND | \$ 113,716 | \$ 18,261 | \$ 131,977 |
| 111 | COMPENSATED ABSENCES RESERVE FUND | \$ 2,356 | \$ 10,000 | \$ 12,356 |
| 210 | MUNICIPAL MOTOR VEHICLE LICENSE FUND | \$ 71,168 | \$ 54,720 | \$ 125,888 |
| 211 | STREET CONSTRUCTION MAINTENANCE | \$ 2,091,994 | \$ 644,524 | \$ 2,736,518 |
| 221 | STATE HIGHWAY IMPROVEMENT | \$ 610,131 | \$ (292,560) | \$ 317,572 |
| 241 | PARKS & RECREATION | \$ 1,221,930 | \$ 161,276 | \$ 1,383,206 |
| 265 | LAW ENFORCEMENT ASSISTANCE FUND | \$ 9,493 | \$ 10,621 | \$ 20,114 |
| 266 | AMERICAN RESCUE PLAN ACT | \$ 700,523 | \$ 706,116 | \$ 1,406,639 |
| 271 | LAW ENFORCEMENT FUND | \$ 13,192 | \$ - | \$ 13,192 |
| 281 | DRUG LAW ENFORCEMENT | \$ 4,826 | \$ 338 | \$ 5,164 |
| 291 | BOARD OF PHARMACY-LAW ENFORCEMENT | \$ 6,756 | \$ 250 | \$ 7,006 |
| 295 | P&R REC. PROGRAMS | \$ 271,043 | \$ (29,534) | \$ 241,509 |
| 296 | VETERAN'S MEMORIAL FUND | \$ 8,083 | \$ 210 | \$ 8,293 |
| 298 | POLICE CANINE SUPPORT FUND | \$ 25,428 | \$ (4,216) | \$ 21,212 |
| 310 | SELDOM SEEN TIF DEBT SERVICE FUND | \$ 15 | \$ (38,443) | \$ (38,428) |
| 311 | CAPITAL IMPROVEMENTS BOND | \$ 273,056 | \$ 565,588 | \$ 838,644 |
| 319 | POLICE FACILITY DEBT SERVICE | \$ 2,249 | \$ 185,100 | \$ 187,349 |
| 451 | DOWNTOWN TIF PUBLIC IMPROVEMENT | \$ 2,130,144 | \$ 580,215 | \$ 2,710,359 |
| 452 | DOWNTOWN TIF HOUSING RENOVATION | \$ 39,262 | \$ 5,872 | \$ 45,135 |
| 453 | SELDOM SEEN TIF PUBLIC IMPROVEMENTS | \$ 1 | \$ 238,307 | \$ 238,308 |
| 455 | SAWMILL CORRIDOR COMM IMPR TIF | \$ 790,965 | \$ 376,027 | \$ 1,166,992 |
| 470 | SANITARY SEWER AGREEMENTS | \$ - | \$ 0.00 | \$ - |
| 491 | CAPITAL PROJECTS FUND | \$ 61,000 | \$ 1,886,421 | \$ 1,947,421 |
| 492 | VILLAGE DEVELOPMENT FUND | \$ 190,214 | \$ 114,508 | \$ 304,722 |
| 494 | VOTED CAPITAL IMPROVEMENT FUND | \$ 35,095 | \$ 12 | \$ 35,107 |
| 497 | SELDOM SEEN TIF PARK IMPROVEMENTS | \$ 273,820 | \$ - | \$ 273,820 |
| 910 | UNCLAIMED FUNDS FUND | \$ 860 | \$ - | \$ 860 |
| 911 | FLEXIBLE BENEFITS PLAN FUND | \$ 4 | \$ 182 | \$ 186 |
| 991 | BOARD OF BUILDING STANDARDS | \$ 506 | \$ (159) | \$ 347 |
| 992 | ENGINEERING INSPECTIONS FUND | \$ 922,797 | \$ (208,723) | \$ 714,075 |
| 994 | ESCROWED DEPOSITS FUND | \$ 98,232 | \$ (5,350) | \$ 92,882 |
| 996 | FINGERPRINT PROCESSING FEES | \$ 918 | \$ 366 | \$ 1,284 |
| Grand Total | | \$20,434,109 | \$ 8,311,929 | \$ 28,746,038 |

Total Expenses by Type = \$8,868,125.



Anticipated percentage of expenditures = 75.0% of budget

- Personnel expenses are 69.5% of budget, a favorable variance of \$373,986 or 5.5%. This variance is driven by open positions and a health care savings.
- Operating expenses are 60.5% of budget, a favorable variance of \$357,494 or 14.5%. When possible, the positive variance will be leveraged to cover higher than anticipated energy costs.
- Capital expenses are 18.9% of budget, a favorable variance of \$314,957 or 56.1%.
- All Departments, are under the 75.0% target.



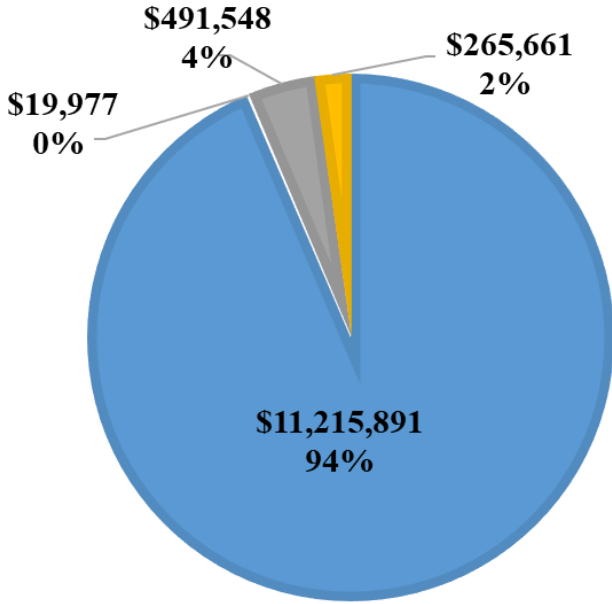
YTD personnel and operating expenditures are averaging a 7.2% increase as compared to 2021 expenditures. However, 2022 expenditures are normalizing to pre-pandemic levels. Adjusting for pre-pandemic data, personnel expenses are increasing at an average of 4.2% per year, and operating expenses at average of 7.3% per year.

Notable Activity

- Police Department – Procured (2) police cruisers. Vehicles are expected to arrive in 2023. Encumbrance will rollover the 2023 budget.
- Parks & Recreation – Tree Removal \$8,580
- Building – Inspection Services \$6,825
- Finance – Accounting Services – ACFR - \$3,500
- Public Information – Website Audit - \$9,000
- Other – CIC Transfer - \$25,000 – Final transfer will be executed in October.

Total Revenues by Type = \$11,993,077

■ Taxes & Assessments ■ Local ■ Development ■ Other



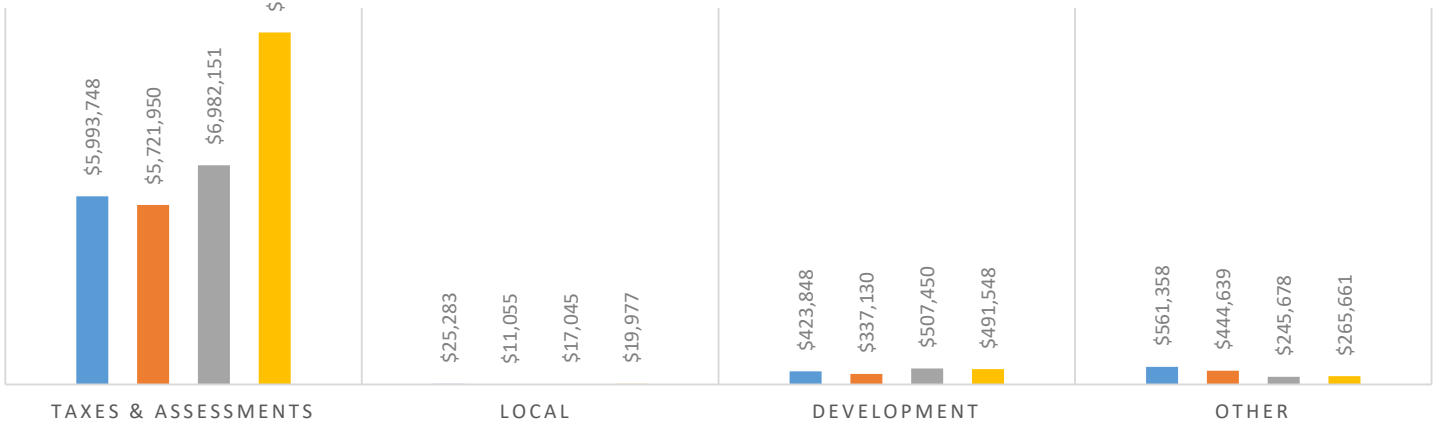
Anticipated percentage of revenues for September = 75% of budget

Total revenues are 88.8% of budget; a positive variance of \$1,635,804

- Taxes and Assessments revenues are 90.8% of budget, a favorable variance of \$1,953,728 or 15.8%.
- Local revenues are 56.8% of budget, an unfavorable variance of \$6,423 or 18.2%. This is not uncommon for a small budget line item. The unfavorable variance is mainly driven by rental income.
- Development revenues are 62.3% of budget, an unfavorable variance of \$99,828 or 12.3%.
- Other revenues are 79.0% of budget, a favorable variance of 4.0% or \$5,837. This is evidence of the value of the investment plan put in place in the spring. Net interest is expected to increase.

GENERAL FUND REVENUE COMPARISON

■ 2019 ■ 2020 ■ 2021 ■ 2022



Notable Activity

- Interest income (MTD \$37,863.86) is starting to pick-up due to our current investment strategy and changes in market rates. The 2 YR T Note rate is currently 3.45% a significant increase from 0.17% last year. In addition, the STAR Ohio rate is 2.2% compared to 0.07% in 2021. The city’s portfolio yield to maturity is 2.29%.
- Verona Loan payment (P&I) of \$63,600 was processed from fund 470 – Sewer Agreements to fund 100 – General Fund.
- Homestead/Rollback distribution of \$94,188.90. \$47,827 was deposited into the General Fund.

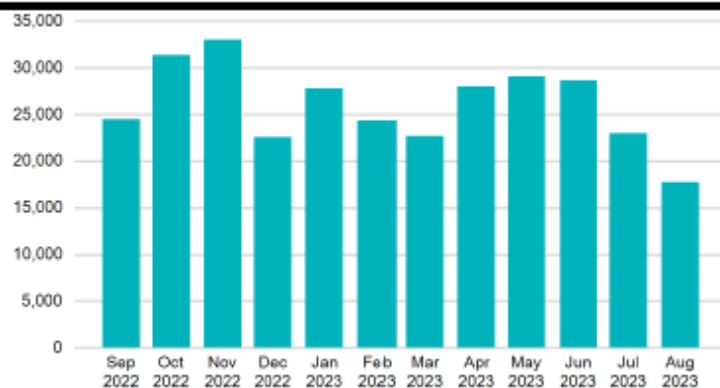
Current Period
09/01/22 to 09/30/22

| | |
|-------------------------------|------------------------|
| Beginning Market Value | \$20,196,198.16 |
| Taxable Interest | 20,938.99 |
| Fees and Expenses | -1,678.24 |
| Cash Receipts | 1,500,000.00 |
| Change in Investment Value | -297,833.98 |
| Change in Accrued Income | 8,163.18 |
| Ending Market Value | \$21,425,788.11 |

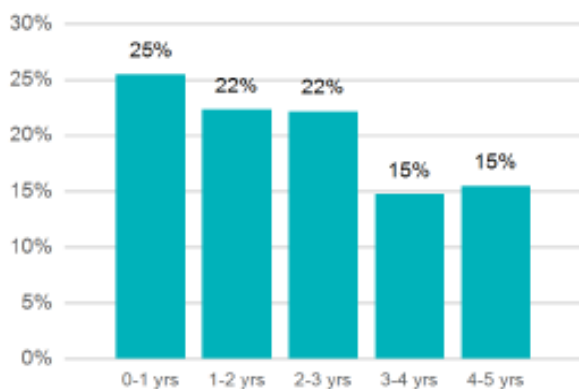
PORTFOLIO CHARACTERISTICS

| | |
|------------------------------|----------|
| Portfolio Yield to Maturity | 2.29% |
| Portfolio Effective Duration | 2.10 yrs |
| Weighted Average Maturity | 2.23 yrs |

PROJECTED MONTHLY INCOME SCHEDULE



MATURITY DISTRIBUTION



| | Yesterday | Last Week | Last Year |
|-------------------------|-----------|-----------|-----------|
| GDP (\$0-\$25MM) | 1.50% | 1.50% | NA |
| STAR Ohio | 2.36% | 2.33% | 0.07% |
| 2 Yr T Note | 3.45% | 3.35% | 0.20% |
| 5 Yr T Note | 3.30% | 3.15% | 0.77% |

Market Rates and Portfolio Characteristics – As of August 30, 2022 (Provided by Meeder)