

To: **Mayor and City Council**
 Through: **Nate Burkett, City Manager**
 From: **Char Stark, Finance Director**
 Date: **August 23, 2021**

Mid-Year Quarterly Financial Report

BACKGROUND INFORMATION:

We are at the half way mark for 2021 and I thought it would be a good time to update Council on the financial status of the General Fund. This report will include the following:

- General Fund monthly Income statement report for June
- A review of the Revenues for the first half of the year
- Investment graphs for June

JUNE INCOME STATEMENT

The May general fund report reported to Council on July 26 showed that all operating departments were under the anticipated spending for May. That continues for June. Attached is the monthly report for June showing that most all of the departments are spending under 50% or at 50% with the exception of Fire which is reporting for three quarters of payment made to SMFD as well as Civil defense in which an annual payment has been made to Dakota County.

REVENUES

Revenues for the general fund are reporting with a partial tax settlement that was received on June 21. The following revenues are reporting in above the annual budget for 2021:

Revenue	Budget	As of 6/30/2021	Variance
Building Permit	245,000	635,803	+390,803
Electrical Permit	30,000	62,492	+ 32,492
Mechanical Permit	60,000	172,766	+112,766
Pet License	4,000	6,462	+ 2,462
Planning Reviews	70,000	364,668	+294,668
		Total	+833,191

It is anticipated that an excess of the General Fund fund balance will exist at the end of the calendar year and the policy of transferring that excess fund to the following funds will occur:

- Debt Service Fund-35%
- Street Maintenance Fund-15%
- Government facility Fund-25%
- Vehicle and Equipment Fund-25%

The excess of fund balance is the Revenues less expenditures and allows for 60% of the next year’s budget to be available. Anything above that amount is considered excess and under the policy can be transferred to the above funds listed above. This would be brought to the Council for approval.

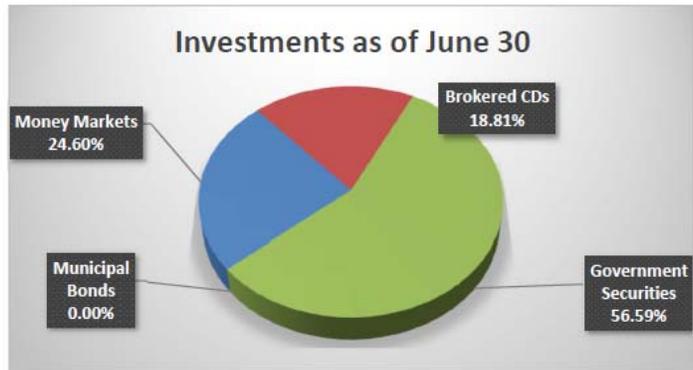
INVESTMENTS

Below is the current allocation of City Investments as of June 30 2021. The graph is reporting on types of investment instruments. The second reporting is on the maturities of these investment instruments. The investments are laddered to meet the cash flow needs of the City.

Second Quarter

Money Markets	\$ 7,277,468
Brokered CDs	\$ 5,565,579
Government Securities	\$ 16,739,291
Municipal Bonds	\$ -
Total	<u>\$ 30,082,050</u>

Scheduled Maturities	
Money Market	\$ 7,486,474
< 1 year	\$ 247,259
1 to 2 years	\$ 2,208,292
2 to 3 years	\$ 3,111,043
3 to 4 years	\$ 1,502,757
4 to 5 years	\$ 1,104,082
>5 years	\$ 14,422,143
Total	<u>\$ 30,082,050</u>



SUMMARY

Based on the current levels of spending and current revenue earnings the General Fund should report at the end of the year with an excess fund balance of nearly \$1,000,000. It is expected that the revenues will continue but at a slower pace than the first half of this year. The expenditures from the operating department should also continue to report at savings for the year.