



STAFF REPORT

TO: Mayor Fischer and Members of the City Council
FROM: Sam Magureanu, Finance Director
DATE: May 10, 2023
RE: 2023 1st Quarter Financial Reports

INTRODUCTION:

Attached are the 2023 1st Quarter Financial Reports for the City of Little Canada.

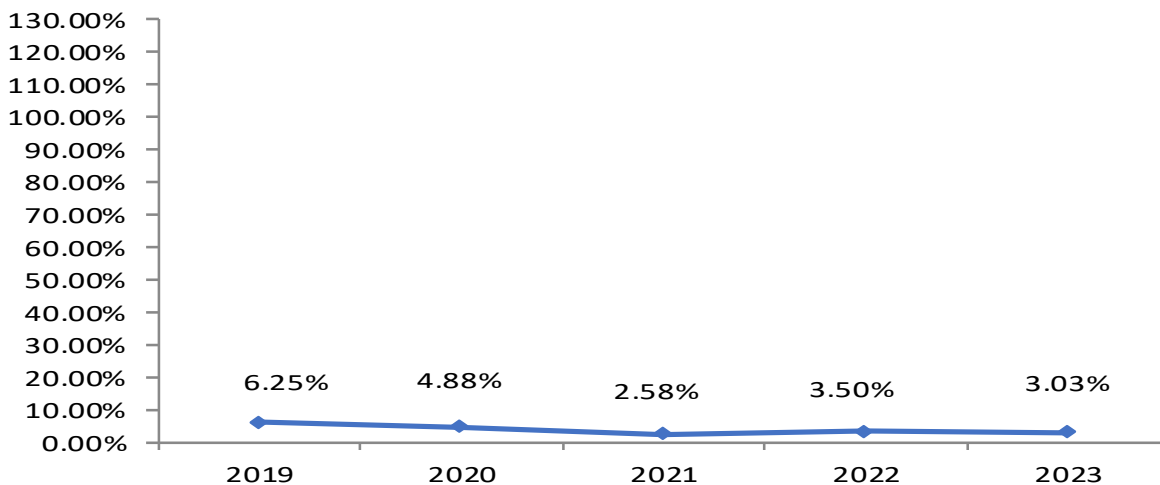
Attachments:

- General Fund Quarterly Financial Report
- Special Revenue and Enterprise Funds Quarterly Financial Report
- Investments by Maturity and Type

General Fund Revenue

Tax revenues are paid in three instalments (June/ July, October/November and a final settlement in January of the following year). Since property tax collections have not yet been received, only 3.03% of the budgeted revenues have been collected through the 1st quarter. The collection percentage rate is consistent and comparable with prior years. 2019 was an exception when a significant building permit was collected during the 1st quarter.

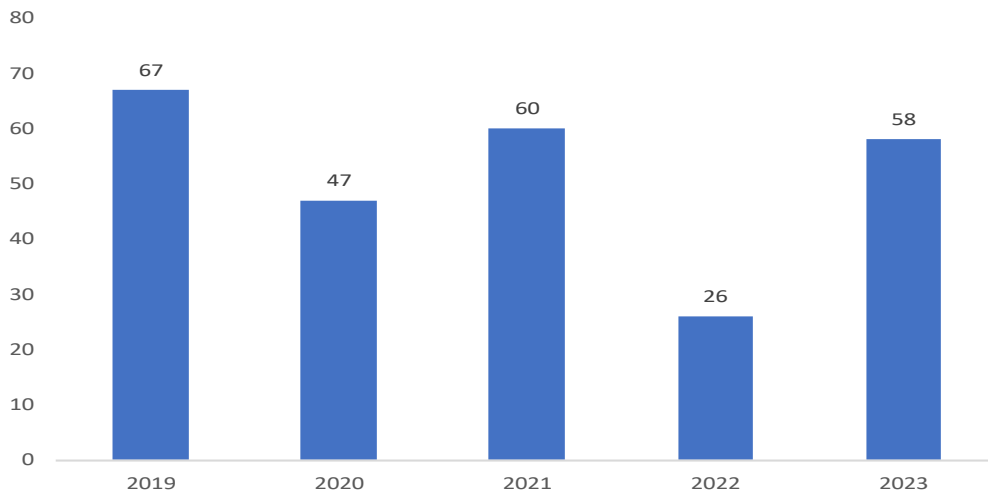
% of Revenue to Budget



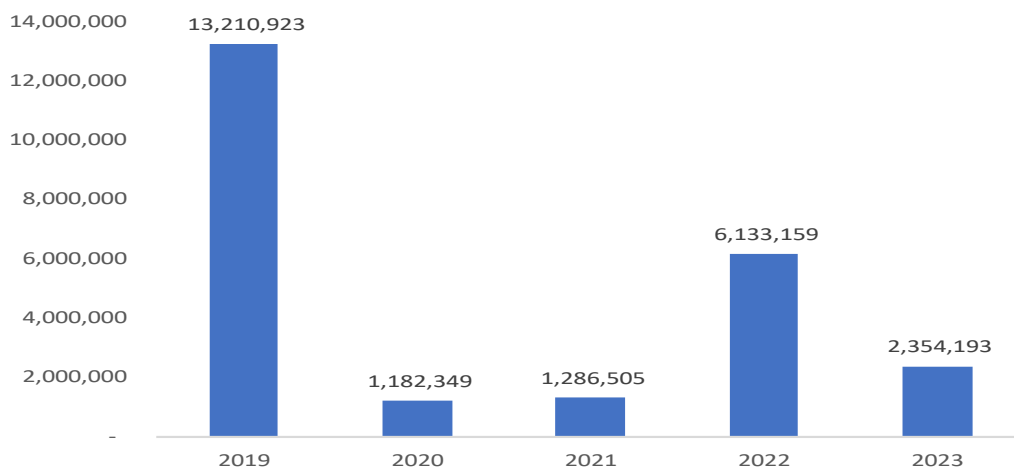
Highlights:

- Permits are trending lower in the 1st quarter of 2023 at 16.36% of total budgeted revenues when compared to 2022 at 30.02% of budgeted revenues. These types of revenues can fluctuate based on timing of projects and volume. Weather can also play a significant role especially when considering permits for roofing and siding. Q1 of 2022 includes one large permit for the construction of a warehouse/office new construction located at 2055 Spruce Street.

Building Permits Issued - Q1



Building Permit Valuation - Q1

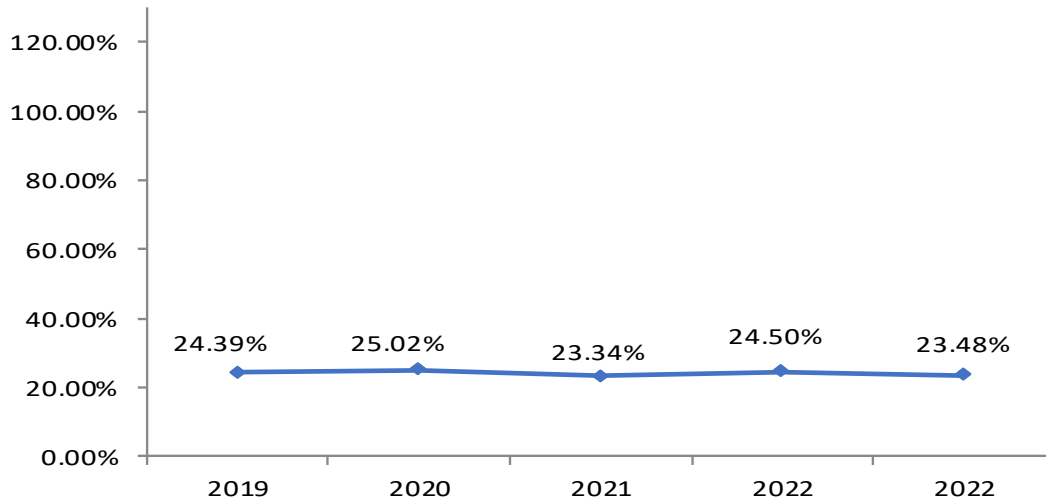


- The Old Fire Hall rentals and park shelter rentals are in the charges for services category. These rentals are trending higher in 1st quarter 2023 at 29.27% of total budgeted revenues when compared with 1st quarter of 2022 at 18.97% of total budgeted revenues. The increase relates to additional income generated from the facility rental to Ramsey County, estimated at approximately 14K for 2023.

General Fund Expenditures

As of March 31st, actual expenditures are at 23.48% of the budget and are comparable with prior years.

% of Expenditures to Budget



Highlights:

- The 1st quarterly installment for election services was paid to Ramsey County during the 1st quarter, whereas in 2022 it was paid during the 2nd quarter.
- The Fire Department is at 44.21% of the budget since services are prepaid each quarter and includes Q1 and Q2. This is consistent with the practice in prior years.
- Northeast Youth & Family Services contract is paid once per year, so Community Partnerships are at 77.99% of the budget. This is consistent with prior years.
- Street Lighting is trending higher at 24.89% when compared to 17.79% in 2022. The increase relates primarily to electricity cost increases that impacted the City beginning with Q3 and Q4 of 2022.

Special Revenue and Enterprise Funds

The Quarterly Financial Report for the special revenue and enterprise funds is attached to this report. All funds fell within the expected budget amounts.

Other Items

General Liability Insurance was paid in Q2 (April) in 2022 versus Q1 in 2023 as a result the Insurance fund 700 is trending higher at 52.21% of budget in 2023 when compared with 33.62% of budget in 2022.

Investments

As of March 31, 2022, total cash and investments for all City Funds totaled \$17,750,566.14, and the allocation by investment type is as follows:

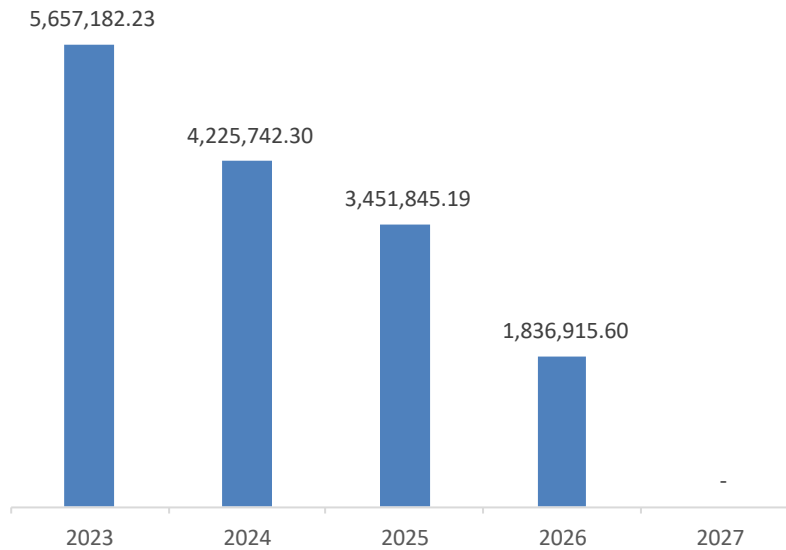
Type	Amount	Percentage
MM	\$1,100,114.01	6.20%
CD	\$11,533,956.50	64.98%
Agency	\$2,349,157.70	13.23%
Treasury	\$1,045,272.32	5.89%
Municipal	\$243,298.80	1.37%
Checking 4M	\$1,478,766.81	8.33%
Total	\$17,750,566.14	100.00%

All of the CD's that City holds are under \$250,000 and are FDIC insured. There is one CD at RCU that is collateralized, as per the City's investment policy. All current investments are within the City's Investment Policy.

Since the City's cash and investments are needed for cash flow in the City's operating and capital activities, it is helpful to understand the maturities in order to structure future investment opportunities. Below are the future maturities for the City's cash and investments.

Investments Maturity by Year and Month									
		2023	2024	2025	2026	2027	2028	2029	Total
January	1	-	418,348.19	445,000.00	-	-	-	-	863,348.19
February	2	-	-	245,000.00	249,000.00	-	-	-	494,000.00
March	3	-	370,560.80	733,815.00	607,915.60	-	-	-	1,712,291.40
April	4	249,000.00	200,454.22	350,000.00	245,000.00	-	-	-	1,044,454.22
May	5	789,934.00	245,000.00	-	-	-	-	-	1,034,934.00
June	6	490,000.00	545,082.67	-	-	-	-	-	1,035,082.67
July	7	490,000.00	586,000.00	745,000.00	490,000.00	-	-	-	2,311,000.00
August	8	1,140,000.00	735,000.00	490,000.00	-	-	-	-	2,365,000.00
September	9	500,000.00	249,376.70	198,030.19	-	-	-	-	947,406.89
October	10	1,508,248.23	383,919.72	-	-	-	-	-	1,892,167.95
November	11	245,000.00	-	245,000.00	-	-	-	-	490,000.00
December	12	245,000.00	492,000.00	-	245,000.00	-	-	-	982,000.00
		5,657,182.23	4,225,742.30	3,451,845.19	1,836,915.60	-	-	-	15,171,685.32
									16,271,799.33
									1,100,114.01 MM

Maturities by Year



The City budgets investment income as part of the budget process so it is helpful to understand the coupons (interest rate) for the cash and investments.

As of March 31, 2023		
Coupon	Amount	Percentage
To 1.00%	8,765,644.60	57.78%
1.01% to 1.50%	245,000.00	1.61%
1.51% to 2.00%	1,225,298.80	8.08%
2.01% to 2.50%	150,000.00	0.99%
2.51% to 3.50%	2,323,081.18	15.31%
3.51 to 5.00%	2,462,660.74	16.23%
Total	15,171,685.32	100.00%

As expected, new investments purchased during the 1st Quarter of 2023, yield a higher interest, due to the Federal Reserve significantly increasing the rates in Q3 and Q4 of 2022. The City purchased six new securities since the beginning of the year at an average yield of 4.46%.

I am happy to answer any questions regarding the City's finances and this report.

CITY OF LITTLE CANADA
GENERAL FUND QUARTERLY FINANCIAL REPORT
THROUGH MARCH 31, 2023 WITH COMPARISON TO MARCH 31, 2022

General Fund	2023			2022		
	Budget	YTD	% of Budget	Budget	YTD	% of Budget
Revenues:						
Taxes	3,786,436	5,110	0.13%	3,392,230	0	0.00%
Licenses	54,880	1,445	2.63%	63,225	2,859	4.52%
Liquor Licenses	47,162	0	0.00%	47,730	35	0.07%
Permits	304,360	49,778	16.36%	212,200	63,705	30.02%
Charges for Services	28,639	8,383	29.27%	24,090	4,570	18.97%
Fines	40,000	10,827	27.07%	44,000	9,345	21.24%
Intergovernmental Revenue	275,478	68,795	24.97%	287,518	72,787	25.32%
Investment Income	23,800	0	0.00%	36,100	545	1.51%
Miscellaneous	185,265	2,614	1.41%	187,297	1,469	0.78%
Transfers In	109,134	-	0.00%	106,400	-	0.00%
Total Revenues	4,855,154	146,952	3.03%	4,400,790	155,314	3.53%
Expenditures						
Mayor & Council	99,589	21,527	21.62%	93,900	21,915	23.34%
Elections	33,000	6,950	21.06%	33,000	0	0.00%
Administration	393,558	60,914	15.48%	230,600	49,036	21.26%
Attorney	95,500	13,896	14.55%	95,500	11,060	11.58%
Engineer	31,100	2,830	9.10%	28,000	1,675	5.98%
Planning	190,108	37,481	19.72%	172,120	30,472	17.70%
Insurance	45,390	0	0.00%	38,790	9,698	25.00%
City Center	38,800	7,044	18.15%	31,700	7,161	22.59%
Old Fire Hall	10,600	2,925	27.59%	8,400	1,964	23.38%
Police	1,894,299	460,566	24.31%	1,801,685	437,609	24.29%
Fire Department	523,840	231,595	44.21%	479,185	211,461	44.13%
Fire Marshal	15,950	3,026	18.97%	15,200	1,688	11.11%
Protective Inspections	282,166	52,227	18.51%	235,030	58,452	24.87%
Emergency Service/Civil Defense	3,895	281	7.21%	2,910	98	3.38%
Animal Control	3,370	0	0.00%	3,370	0	0.00%
Streets	376,458	74,283	19.73%	341,680	81,989	24.00%
Storm Water	19,990	177	0.89%	16,490	-162	-0.98%
Street Lighting	71,630	17,832	24.89%	65,300	11,616	17.79%
Recycling/Sanitation	32,140	4,476	13.93%	31,640	3,501	11.06%
City Garage	49,669	14,394	28.98%	37,445	12,087	32.28%
Parks & Recreation	579,338	96,649	16.68%	530,270	101,018	19.05%
Community Partnerships	29,764	23,214	77.99%	30,095	22,309	74.13%
Shade Trees	20,000	7,600	38.00%	10,000	0	0.00%
Transfers Out	0	0	#DIV/0!	0	0	#DIV/0!
Contingency	15,000	-	0.00%	68,480	-	0.00%
Total Expenditures	4,855,154	1,139,886	23.48%	4,400,790	1,074,646	24.42%
Rev. over/(under) expenditures	-	(992,934)		-	(919,332)	

Highlights/Comments

Tax revenues are paid in 3 instalments (June/ July, October/November and a final settlement in January of the following year)
Comparable with PY, historically collected in Q2 and Q3
Comparable with PY, historically collected in Q2 and Q3
Comparable with PY, one large permit pulled in 2022 for construction of a warehouse/office new construction 2055 Spruce St
Increase in rentals from Ramsey County for the Old Fire Station in 2023
Comparable with PY
First Distribution of MSA funds, comparable with PY
Will be allocated at year end
Sherifs credit and Falcon Heights Inspection anticipated in Q2
Transfers done at year end

PY first quarte payment in May versus January in 2023
Opt Out Quarterly JE not yet posted approximately 10 K will be reclassified to Fund 700 Insurance Fund

Need to post the Quartely Insurance Allocation

Trending within Expectation
Q1 and Q2 paid - Trending within Expectation

Electricity cost higher in 2023

Removed trees

CITY OF LITTLE CANADA
SPECIAL REVENUE AND ENTERPRISE FUNDS QUARTERLY FINANCIAL REPORT
THROUGH MARCH 31, 2023 WITH COMPARISON TO MARCH 31, 2022

FUND		2023			2022		
		Budget	Actual	% of Budget	Budget	Actual	% of Budget
Parks & Recreation (201)	Revenues	\$ 56,160	\$ 19,333 (1)	34.42%	\$ 49,380	\$ 10,653	21.57%
	Expenditures	63,297	4,849	7.66%	53,990	8,028	14.87%
	Net Change	<u>\$ (7,137)</u>	<u>\$ 14,484</u>		<u>\$ (4,610)</u>	<u>\$ 2,624</u>	
		(1) More adult classes and field rental from Catholic Softball group in 2023					
Cable TV (202)	Revenues	\$ 112,609	\$ - (1)	0.00%	\$ 114,080	\$ - (1)	0.00%
	Expenditures	116,324	14,722 (2)	12.66%	125,070	12,442 (2)	9.95%
	Net Change	<u>\$ (3,715)</u>	<u>\$ (14,722)</u>		<u>\$ (10,990)</u>	<u>\$ (12,442)</u>	
		(1) In line with budget and expectations (2) In line with budget and expectations.					
Recycling & Disposal (203)	Revenues	\$ 544,044	\$ 2,569 (1)	0.47%	\$ 505,560	\$ 2,235 (1)	0.44%
	Expenditures	572,400	77,549 (2)	13.55%	523,700	71,581 (2)	13.67%
	Net Change	<u>\$ (28,356)</u>	<u>\$ (74,980)</u>		<u>\$ (18,140)</u>	<u>\$ (69,346)</u>	
		(1) In line with budget and expectations (2) In line with budget and expectations.					
Water Operating (601)	Revenues	\$ 2,069,680	\$ 27,629 (1)	1.33%	\$ 1,752,680	\$ 28,063 (1)	1.60%
	Expenditures	2,177,029	258,801 (2)	11.89%	1,805,130	265,297 (2)	14.70%
	Net Income before other items	(107,349)	(231,172)	215.35%	(52,450)	(237,235)	452.31%
	Depreciation	-	-		-	-	
	Net Income/(loss)	<u>\$ (107,349)</u>	<u>\$ (231,172)</u>		<u>\$ (52,450)</u>	<u>\$ (237,235)</u>	
		(1) Q1 Billed in April, consistent with PY (2) In line with budget and expectations					
Sewer Operating (602)	Revenues	\$ 1,725,204	\$ (2,083) (1)	-0.12%	\$ 1,551,580	\$ (2,706) (1)	-0.17%
	Expenditures	1,849,436	278,463 (2)	15.06%	1,590,125	423,485 (2)	26.63%
	Net Income before other items	(124,232)	(280,547)	225.82%	(38,545)	(426,191)	1105.70%
	Depreciation	-	-		-	-	
	Net Income/(loss)	<u>\$ (124,232)</u>	<u>\$ (280,547)</u>		<u>\$ (38,545)</u>	<u>\$ (426,191)</u>	
		(1) Q1 Billed in April, consistent with PY (2) In line with budget and expectations					
Insurance (700)	User Charges	\$ 319,210	\$ -	0.00%	\$ 293,015	\$ 73,114	24.95%
	Expenditures	323,710	168,998	52.21%	297,550	100,039	33.62%
	Net Change	<u>\$ (4,500)</u>	<u>\$ (168,998)</u> (2)	3755.51%	<u>\$ (4,535)</u>	<u>\$ (26,925)</u>	593.72%

Broker	Type	Interest Rate	Purchase Date	Maturity Date	Carrying Value
Wells Fargo	Treasury	0.125%	1/15/22	1/15/2024	218,061.39
Moreton	Treasury	0.125%	12/2/21	3/31/2023	-
Moreton	CD	0.150%	12/30/20	6/28/2023	245,000.00
Wells Fargo	CD	0.200%	6/30/21	6/30/2023	245,000.00
Moreton	CD	0.200%	2/10/21	8/10/2023	245,000.00
UBS	CD	0.250%	7/29/21	7/23/2023	245,000.00
Moreton	CD	0.250%	8/20/21	8/18/2023	245,000.00
Moreton	CD	0.250%	2/19/21	8/19/2024	245,000.00
Moreton	Agency	0.270%	11/25/2020	8/23/2023	500,000.00
Wells Fargo	CD	0.300%	12/11/20	12/11/2023	245,000.00
Moreton	CD	0.300%	7/16/21	7/17/2023	245,000.00
Moreton	CD	0.300%	8/17/21	8/19/2024	245,000.00
Moreton	CD	0.300%	3/25/21	3/5/2025	241,815.00
Moreton	Agency	0.375%	12/2/21	5/7/2023	299,934.00
Wells Fargo	CD	0.400%	6/30/21	7/1/2024	245,000.00
Wells Fargo	CD	0.400%	4/8/21	1/8/2025	245,000.00
Wells Fargo	CD	0.400%	9/20/21	3/20/2025	245,000.00
Wells Fargo	CD	0.450%	7/21/21	7/22/2024	245,000.00
Moreton	CD	0.450%	8/13/21	8/13/2025	245,000.00
Wells Fargo	CD	0.500%	11/5/21	11/6/2023	245,000.00
Wells Fargo	CD	0.500%	7/28/21	7/29/2024	96,000.00
UBS	CD	0.500%	2/12/21	2/12/2025	245,000.00
Wells Fargo	CD	0.650%	4/29/21	4/29/2025	200,000.00
Moreton	Agency	0.700%	12/2/21	6/24/2024	299,847.00
RCU	CD	0.800%	10/13/20	10/12/2023	1,017,987.21
Wells Fargo	Agency	0.810%	10/29/21	7/29/2025	500,000.00
Moreton	CD	0.850%	12/15/21	12/16/2024	247,000.00
UBS	CD	0.900%	11/17/21	11/17/2025	245,000.00
UBS	CD	0.900%	3/25/21	3/25/2026	245,000.00
Moreton	CD	0.950%	7/22/21	7/22/2026	245,000.00
Wells Fargo	CD	1.000%	4/13/21	4/13/2026	245,000.00
Wells Fargo	CD	1.000%	7/8/21	7/8/2026	245,000.00
Wells Fargo	CD	1.350%	12/16/21	12/16/2026	245,000.00
Wells Fargo	CD	1.750%	11/27/19	5/26/2023	245,000.00
Moreton	CD	1.750%	2/14/20	8/14/2024	245,000.00
Wells Fargo	CD	1.800%	3/3/22	3/3/2025	247,000.00
Wells Fargo	CD	1.850%	10/31/19	10/31/2023	245,000.00
Moreton	Municipal	2.000%	3/31/21	3/1/2024	125,383.20
Moreton	Municipal	2.000%	2/17/21	3/1/2026	117,915.60
Morgan Stanley-UBS	CD	2.150%	8/16/17	8/16/2023	150,000.00
UBS	CD	2.650%	4/21/22	4/25/2025	150,000.00
Wells Fargo	Agency	3.250%	8/24/22	9/1/2023	500,000.00
4M	CD	3.250%	9/16/22	6/16/2024	245,235.67
UBS	Treasury	3.275%	8/26/22	10/31/2023	245,261.02
UBS	Treasury	3.337%	8/26/22	09/30/2025	198,030.19
4M	CD	3.350%	9/22/22	3/22/2024	245,177.60
UBS	Agency	3.376%	8/26/22	9/13/2024	249,376.70
Wells Fargo	CD	3.400%	6/30/22	7/7/2025	245,000.00
UBS	CD	3.400%	8/4/22	8/4/2025	245,000.00
Moreton	CD	3.800%	11/9/22	2/9/2023	-
Wells Fargo	CD	4.050%	11/17/22	3/17/2023	-
4M	Treasury	4.060%	1/19/23	10/31/2024	383,919.72
Moreton	CD	4.200%	11/18/22	4/18/2023	249,000.00
Moreton	CD	4.200%	2/24/23	2/24/2026	249,000.00
4M	CD	4.412%	1/27/23	4/29/2024	200,454.22
Wells Fargo	CD	4.500%	11/30/22	5/30/2023	245,000.00
4M	CD	4.558%	1/13/23	1/13/2025	200,000.00
Wells Fargo	CD	4.750%	11/30/22	5/30/2024	245,000.00
Wells Fargo	CD	4.750%	3/9/23	3/9/2026	245,000.00
Wells Fargo	CD	4.750%	12/5/22	12/16/2024	245,000.00
4M	CD	4.803%	1/30/23	1/30/2024	200,286.80
TOTAL					15,171,685.32