

MEMORANDUM FOR: Mayor, Council Members, Fund Managers and Citizen Stakeholders

FROM: David Swindell, Chief Financial Officer

SUBJECT: Monthly City Cash Report

DATE: February 19, 2010

1. **FOR INFORMATION.**

2. **Purpose.** To convey the cash report and provide helpful information on how to read the report.

3. **Discussion.**

a. **Timing.** We present this report to the Council on the third Thursday of the month, reporting the cash situation as of the end of prior month. Thus, during the October meeting we report the cash situation as of the end of September and so on.

b. **What is included.** The cash report displays all the money that the city has. A household analogy might be list of what you hold in all of your checking and savings accounts. There are things other than cash that are important, like debt and non-financial assets. We report those in our annual audited financial report. Still, cash is very important and the Council monitors it monthly.

c. **Structure of the report.**

1) **Statement of Cash and Cash Equivalents for City Funds.** By “city funds,” we mean the money available to support operations, as opposed to money restricted to support activity in three trust funds. We report that separately, per 3) below. In this one-page section, citizens should note how much money we have, how it went up or down versus the prior month, and how the money is invested. It is normal for the city to “lose” cash in most months, as expenses exceed revenue. The exception is in January and July, when revenue spikes with semi-annual property tax receipts.

2) **Change in Cash and Cash Equivalents for City Funds.** This one page report details how the cash changed during the month, with emphasis on revenue received. The major expense is “all checks issued.” We don’t detail the expenses here but we do provide a separate report that does (Payroll and Claims Report). Citizens should note the various revenue sources and we often provide comparisons to prior years on important items such as sales tax revenue and so on.

3) **Statement of Cash and Investment Balances for Trust Funds.** This is where we discuss the status of the three trust funds, with Police Retirement being the largest. This one page shows the investment status, discusses changes during the month and summarizes the fund balances all on one page. Citizens should note how this money is invested and how fund balances changed. Since the retirement fund has long-term liabilities, it is typically invested in long-term bonds.

4) **Fund balances for All Funds.** This report displays the cash by city fund, with a comparison to the previous month. The total on this report equals the total of the city funds (report #1) and the trust funds (report #3). The second page provides discussion and analysis for the month. Citizens should note funds that are negative, as these are borrowers from the General Fund. Some funds are always negative because they are financed with federal grants. We spend the money and then wait to get reimbursed. While typical, it is still important to monitor.

CITY OF POCA TELLO
STATEMENT OF CASH, CASH EQUIVALENTS AND INVESTMENTS BALANCES FOR CITY FUNDS
AS OF JANUARY 31, 2010

		<u>Value at Market</u>
Cash on Hand	\$	26,793.42
Cash in Banks		12,543,624.60
Cash held by third parties		508,858.65
Cash held in Broker Accounts		5,006.01
Cash held at the State of Idaho Investment Pool		4,134,988.30
Total cash	\$	<u>17,219,270.98</u>
Investments at Fairmarket Value		
Current Investments		
City Government		
Certificate of Deposit	\$	1,070,065.91
Key Bank Money Market Fund (General Funds)		2,113,323.39
Wells Fargo Money Market Fund (Water Bond Proceeds)		5,982,462.45
Total cash and cash equivalents	\$	<u><u>26,385,122.73</u></u>
Long-Term Investments		
General Government		
State Investment Pool Bond Fund	\$	5,511,274.72
Total long-term investments	\$	<u><u>5,511,274.72</u></u>
Total Cash, Cash Equivalents and Long-Term investments	\$	<u><u>31,896,397.45</u></u>

"The Number": Up \$9,566,679.27 from last month. Represents 82.7% in cash or short term investments

Represents 17.3% total in longer term investments

"All the city money we have": Up \$9,634,366.76 from last month,

**Change in Cash and Equivalents City Funds
January 31, 2010**

Cash Receipts

Community Recreation Center Grant	22,247.00	0.15%
Airport Rent & Landing Fees	44,439.44	0.29%
Community Recreation Center Service Charges	48,080.58	0.32%
Police Fees and Fines	50,342.89	0.33%
Transit Service Charges	63,042.97	0.41%
Idaho State Insurance Fund - refund of premiums	86,090.00	0.57%
Franchise Fee - Idaho Power (up 16% vs last year's 80,374.68)	93,950.86	0.62%
Idaho State Liquor Tax (down 5% vs. last year's 109,798.00)	103,306.00	0.68%
Franchise Fee - Intermountain Gas (down 3% vs. last year's 138,365.70)	134,269.23	0.88%
Idaho State - Transportation Department grant	134,272.91	0.88%
Grant - Federal - Water construction	135,240.14	0.89%
Water Pollution Control Service Charges	151,932.26	1.00%
Bannock County Road and Bridge	166,287.16	1.09%
Other Miscellaneous Receipts	168,596.23	1.11%
Bannock County Ambulance	181,019.25	1.19%
Transit Grant-Federal	330,571.00	2.17%
Idaho State Sales Tax Revenue Sharing (down 8% vs. last year's 401,530.22)	367,526.51	2.42%
Idaho State Highway User Fees (down 1% from last year's 488,862.30)	482,916.25	3.18%
Airport Grant AIP-3160028 (terminal project)	553,027.00	3.64%
Utility Billing Service Charges	1,356,605.55	8.92%
Bannock County tax	10,530,421.74	69.26%
from outside sources	15,204,184.97	100.00%

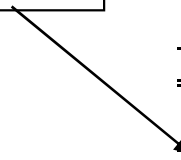
Cash Disbursements

Total payroll and material claims per February 4th report	-5,653,435.79
Less Trust Funds Claims	65,236.84
City Fund payroll and material claims	-5,588,198.95
Merchant fees (credit card acceptance fees)	-3,514.06
Bank service charges	-5,227.11
Returned Checks	-4,338.59
Other checks cut (Library trustee, Youth forum, Police narc's)	-36,270.99
Administration support fee	44.00
Total cash dispersed to outside sources	-5,637,505.70
Net cash received by operations	9,566,679.27

Internal activity

Long-term investments sold	
City Portfolio	
Other disbursements	
Capital Gain/Loss	
Other Receipts	
Principal Accrued	15,135.81
Long-term investment purchased	
Net change in cash and long term investment	9,581,815.08
Fair Market Value Adjustments	
City Long Term portfolio	52,551.68
Net change in cash value and long term investment value	\$ 9,634,366.76

**Operating result for January 2010: Up
\$9,634,366.76**



CITY OF POCATELLO
STATEMENT OF CASH, CASH EQUIVALENTS AND INVESTMENTS BALANCES FOR TRUST FUNDS
AS OF JANUARY 31, 2010

Cash in Bank	\$380,776.69
Cash held in Broker Accounts	61,043.02
Total cash and cash equivalents	\$441,819.71

LONG TERM INVESTMENTS

Commercial Notes	\$390,671.26
FHLB Bonds	308,371.25
FNMA Mortgage Notes	5,249,845.66
FHLMC Mortgage Notes	2,257,149.83
GNMA Mortgage Pools	62,116.98

"All the Trust money we have": Up \$134,068.94 for the month

Total Cash, Cash Equivalents and Long-Term Investments	\$8,709,974.69
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Change in Cash and Equivalents For Trust Funds
For January 2010

Cash Receipts

Bannock and Power County Tax	\$0.37
Return of Investment Capital	20,158.61
Interest	35,074.47
from outside sources	55,233.45

Cash Disbursements

All checks issued	-65,225.84
L/T Investment Purchased	-199,750.00
Postage	-11.00
Bank charges	-57.75
Admin Support Fee	-44.00
Total cash dispersed to outside sources	-265,088.59

Net cash received by operations

-\$209,855.14

Internal activity

Long-term investments sold	
Police Retirement Portfolio	-\$20,158.61
Other disbursements	
Capital Gain/Loss	133.32
Other Receipts	
Principal Accrued	
Long-term investment purchased	199,750.00

Net change in cash and long term investment

Trust operating result for January 2010: Up \$134,068.90

-\$30,130.43

Fair Market Value Adjustments (Unrealized)

Police Long Term portfolio	164,199.33
Net change in cash value and long term investment value	\$134,068.90

TRUST FUND BALANCES - CHANGE
January 31, 2010

FUNDS	CASH ENDING BALANCE 12/31/09	CASH ENDING BALANCE 01/31/10	NET CHANGE IN CASH BY FUND
951 POLICE RETIREMENT TRUST	8,539,553.11	8,673,621.06	\$134,067.95
953 AIRPORT BOND TRUST	16,500.64	16,501.07	0.43
961 SO. BAN. HWY. DEV. TRUST	19,852.04	19,852.56	0.52
TOTALS	\$8,575,905.79	\$8,709,974.69	\$134,068.90

FUNDS		CASH ENDING BALANCE 12/31/09	CASH ENDING BALANCE 01/31/10	NET CHANGE IN CASH BY FUND
001	GENERAL FUND	136,377.61	7,122,438.89	6,986,061.28
002	LIABILITY INSURANCE FUND	723,040.33	789,981.09	66,940.76
003	STREET FUND	(74,327.80)	1,498,146.89	1,572,474.69
004	RECREATION FUND	217,228.96	425,257.20	208,028.24
005	CEMETERY FUND	125,556.94	191,206.47	65,649.53
006	AIRPORT FUND	77,390.06	293,900.03	216,509.97
007	LIBRARY FUND	46,465.40	659,812.45	613,347.05
009	POC. REG. TRANSIT FUND	(471,263.71)	(238,095.72)	233,167.99
012	VIDEO SERVICES FUND	88,303.52	65,045.67	-23,257.85
013	BUSINESS IMPROV. FUND	2,482.57	18.50	-2,464.07
014	CHIEF THEATRE FUND	142,480.59	141,427.59	-1,053.00
016	EMERGENCY REPAIR FUND	27,925.71	27,062.29	-863.42
017	STORMWATER ENVIRONMENTAL SCIENCE FUND	96,583.19	104,959.90	8,376.71
	SUBTOTAL SPECIAL REVENUE FUNDS	1,001,865.76	3,958,722.36	2,956,856.60
030	SANITATION FUND	2,727,539.74	2,827,093.98	99,554.24
031	WATER FUND	3,302,722.81	2,612,766.07	-689,956.74
032	WATER POLLUTION CONTROL	2,462,721.09	2,562,161.31	99,440.22
035	AMBULANCE FUND	114,145.51	104,087.22	-10,058.29
	SUBTOTAL ENTERPRISE FUNDS	8,607,129.15	8,106,108.58	-501,020.57
050	INFORMATION SYSTEMS FUND	299,104.86	320,483.21	21,378.35
052	UTILITY BILLING FUND	666,619.80	669,656.32	3,036.52
053	MEDICAL INSURANCE FUND	1,396,895.27	1,120,465.90	-276,429.37
054	PUBLIC WORKS DIRECTOR	120,933.06	123,458.70	2,525.64
055	FUEL INTERNAL SERVICE FUND	38,092.08	60,706.31	22,614.23
	SUBTOTAL INTERNAL SERVICE FUNDS	2,521,645.07	2,294,770.44	-226,874.63
059	DEBT SERVICE FUND GOV	6,084.74	58,187.13	52,102.39
060	DEBT SERVICE FUND WPC	1,232,882.34	1,206,728.33	-26,154.01
061	DEBT SERVICE FUND WATER	961,939.76	962,066.03	126.27
	SUBTOTAL DEBT SERVICE FUNDS	2,200,906.84	2,226,981.49	26,074.65
070	FEDERAL AID PROJECTS	(188,655.42)	(48,967.85)	139,687.57
071	STATE PROJECTS	196,030.88	208,663.88	12,633.00
072	AIRPORT CONSTRUCTION	(508,501.19)	(214,134.06)	294,367.13
073	WATER CONSTRUCTION	7,132,902.51	7,251,840.06	118,937.55
078	CAPITAL ACQUISITION FUND	31,113.00	32,363.00	1,250.00
	SUBTOTAL CAPITAL PROJECT FUNDS	6,662,889.78	7,229,765.03	566,875.25
080	FORECLOSURE STABILIZATION	(26,071.65)	(109,802.67)	-83,731.02
081	CDR-CDBG ENTITLEMENT FUND	89,266.68	87,132.81	-2,133.87
082	ENERGY BLOCK GRANT	(181.12)	(1,143.92)	-962.80
088	POLICE GRANT FUNDS	(26,609.69)	(23,601.46)	3,008.23
	SUBTOTAL GRANT REVENUE FUNDS	36,404.22	-47,415.24	-83,819.46
951	POLICE RETIREMENT TRUST	8,539,553.11	8,673,621.06	134,067.95
952	RETIREMENT PAYOUT TRUST	343,621.60	343,909.60	288.00
953	AIRPORT BOND TRUST	16,500.64	16,501.07	0.43
954	EIDC REVOLV. LOAN TRUST	137,436.18	102,427.53	-35,008.65
955	CDR LOAN TRUST	136,750.70	76,386.02	-60,364.68
956	POLICE TRAINING TRUST	0.00	0.00	0.00
957	ZOO ANIMAL TRUST	48,666.51	53,703.97	5,037.46
958	WATER ACQUISITION TRUST	46,377.83	46,377.83	0.00
959	SIDEWALK REVOL. LOAN TRUST	26,326.77	26,387.22	60.45
960	STANDROD TRUST	194,368.94	195,203.01	834.07
961	SO. BAN. HWY. DEV. TRUST	19,852.04	19,852.56	0.52
962	FACADE LOAN TRUST	65,513.90	65,450.58	-63.32
963	PARKS AND RECREATION DEVELOPMENT TRUST	3,043.43	3,043.43	0.00
964	PROPERTY ABATEMENT FUND	73,581.93	73,591.83	9.90
	SUBTOTAL TRUST AND RESTRICTED FUNDS	9,651,593.58	9,696,455.71	44,862.13
970	SEIZED FUNDS AGENCY	13,229.54	13,229.54	0.00
971	UNCLAIMED PROPERTY AGENCY	0.00	0.00	0.00
973	STATE SALES TAX AGENCY	0.00	0.00	0.00
974	COBRA INS. AGENCY	5,894.93	5,315.34	-579.59
	SUBTOTAL AGENCY FUNDS	19,124.47	18,544.88	-579.59
	TOTAL ALL FUND TYPES	30,837,936.48	40,606,372.14	9,768,435.66

Discussion & Analysis ("City Funds"):

City Operating result for January 2010 was a gain of \$9,634,366.76.

City Revenues: January was an above average month for revenues, which is normal. January and July are the two months of the year when the City receives large portions of our property tax revenue. We received \$10,530,421.74 in property taxes from Bannock County vs \$10,239,063.99 last year. The City received quarterly payments from the State of: Liquor Tax \$103,306 (down 5% from last years 109,798.00), Sales Tax \$367,526.51 (down 8% from last years \$401,530.22) and Highway User Fees \$482,916.25 (down 1 % from last years 488,862.30). We received \$93,950.86 in franchise fees from Idaho Power (up 16% from last years \$80,374.68) and \$134,269.23 form Intermountain Gas (down 3% from last years \$138,365.70) We also received the following grant revenues: Idaho State Department of Transportation \$134,272.91, Federal Grant for South Valley Water Tank \$135,240.14, Transit system federal grants \$330,571 and Airport construction grant of \$553,027.00.

City Expenses: Expenses were average for January, We had \$5.6 million in expense, (vs. \$5.2 million in 2009) and \$15.2 million in revenue such that at month's end, the city is up \$9,634,366.76 (city funds).

City Investment Posture: At month end, City funds were 82% in cash or short-term investments and 18% in long term investments. \$9,646,263.02 of all assets (24%) were in one of the two State of Idaho investment pools and 8,095,785.84 of all assets (20%) are invested in two moneymarket funds. Key investment rates:

Investments	Rate	Change vs. last month
State Investment Pool Short Term:	0.22%	increase of .02
State Investment Pool Long Term:	3.61%	increase of .23
Wells Fargo Sweep account:	0.01%	unchanged
Wells Fargo Money Market:	0.50%	unchanged
Key Bank Money Market:	0.25%	decrease of .01

Discussion and Analysis ("Trust Funds"):

Trust Operating Result for January is a gain of \$134,068.90. We issued \$65,225.84 in benefits. Interest earnings, return of capital, realized and unrealized gains were enough to cover expenses.

Trust Investment Posture for January had the following changes. We received principal returns of \$20,158.61, interest earnings of \$35,074.47, capital gains of \$133.32 and unrealized capital gains were \$164,199.33. Overall, the trusts funds have 5.1% of their investments in cash or cash equivalents and 94.9% are in longer term investments.

Combined City and Trust Internal Borrowing Analysis:

All the money we have:	\$40,606,372.14
Less the stuff we really shouldn't touch:	
Sanitation Enterprise	2,827,093.98
Water Enterprise	10,826,672.16
WPC Enterprise	3,768,889.64
Medical Reserve	1,120,465.90
Trust Funds	<u>8,709,974.69</u>
Result:	\$13,353,275.77

This positive number, hence no internal borrowing this month. It is \$1,841,204.26 more than one year ago. The total amount of cash, cash equivalents, and long term investments is \$1,170,817.48 less than one year ago.

Outlook: February will be an average month for revenue. We expect expenses to be average.

Overall: January's performance was not satisfactory. The under performance of State shared revenues continue to be a concern and may require future budget adjustments. Council will consider after mid-year during a study session on April 8, 2010.

Respectfully,

David Swindell, Chief Financial Officer