

FINANCE DEPARTMENT
John Bennett, Finance Director

The major responsibility of the Finance department continues to be the maintenance of the integrity of the City's general accounting system. This requires internal auditing, ongoing monitoring of the reports generated from the computer system to determine the accuracy of the data, and verifying the validity of the checks issued in payment of general obligations and payroll. We, in the Finance department, rely heavily on all of the department supervisors for providing internal controls of City property and monies within their jurisdiction. It is our duty to assist them in carrying out those functions in a prudent manner.

Investments

The Finance Department is also responsible for developing cash forecasts. This is necessary for budgetary analysis, debt management, and general financial planning. The City's funds are invested with maturity dates that correspond to this cash forecast. This department attempts to invest the City's funds so as to receive the highest rate of return possible with the least amount of risk. The City's investment opportunities on unrestricted funds are limited to Certificates of Deposit and U. S. Treasury Notes. Interest earnings on these unrestricted funds totaled \$618,851 in 2002. The average yield on cash and investments was 2.8% for 2002. The following is a comparative summary of interest earnings and yields for the last four years:

	<u>Earnings</u>	<u>Yield</u>
2002	\$ 618,851	2.8
2001	\$1,279,573	5.4
2000	\$1,543,142	5.9
1999	\$1,077,376	4.8

Computer Systems

This department continues to check the performance of the City's computerized accounting system in order to provide reports that are meaningful to the user and to instigate necessary changes to provide better management of the financial operations of the City. Through the use of computer networking, almost all of the City's departments now enter their own employee's time sheets into our payroll program. Because we have entrusted them with this duty, extreme caution must be taken to ensure that the proper accounting for employee's time is executed at all times.

Payroll

At the end of 2002, there were 230 people on the City's payroll. This figure is comprised of 172 permanent and 58 seasonal employees. During the year, payroll checks were written for a total of \$7,159,518, which was \$195,117 more than the previous year. The City employed a total of 445 different people during 2002.

By the end of the year, we had 1 less employee signed up to participate in the City's automatic payroll deposit program. This brings the total number of employees involved with this program to 99. Eventually, we would like to achieve 100% participation.

Accounts Payable

During 2002, the Finance department issued 5,236 accounts payable checks to pay for goods and services. This represents an increase of 128 checks over the previous year. The total amount of these checks was \$14,899,608. That is \$139,514 more than was spent the previous year. Accounts payable checks were issued to 1,501 different vendors.

Utility Billing

In December of 2002, the City Council approved changing the residential water and sewer billing from quarterly to monthly effective with the December billing cycle.

In 2002, there were 6,526 residents using City water and sewer services. Total residential water charges for the year were \$756,043 and total sewer charges were \$1,247,267. This averages out to about \$307 per year per household or approximately \$78 per quarterly statement. In addition to the residential customers, the City had 296 commercial water and sewer users. Total commercial water charges for the year were \$295,760 and total sewer charges were \$1,401,792.

At the end of the year, we had 123 senior citizens and/or disabled citizens qualify for the low income reduced water and sewer rates. The annual savings for each eligible customer amounts to approximately \$124.

We continue to have more customers sign up for the City's automatic water/sewer bill payment plan. Currently, there are 568 customers or 8.7% of residential users that are taking advantage of this payment plan. That is an increase of 141 customers from last year. It is our goal to have 10% - 15% of our customer base using the automatic payment plan in the future.