

FINANCE DEPARTMENT
Rhonda Krcil, 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.

In September of 2004 the finance department said farewell to John Bennett, the previous finance director. Prior to John's retirement, he had worked for the City for over 32 years. Rhonda Krcil who served as John's assistant for the last eleven years took over his position. The Assistant Finance Director position was not replaced. Instead an additional accounting clerk was added to the department. Lisa Herman started in December of 2004.

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 \$280,572 in 2004. The average yield on cash and investments was 1.6% for 2004. The following is a comparative summary of interest earnings and yields for the last four years:

	<u>Earnings</u>	<u>Yield</u>
2004	\$ 280,572	1.6
2003	\$ 320,707	1.8
2002	\$ 618,851	2.8
2001	\$1,279,573	5.4

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 2004 there were 215 people on the City's payroll. This figure is comprised of 172 permanent and 43 seasonal employees. During the year, payroll checks were written for a total of \$7,125,825, which was \$28,986 more than the previous year. The City employed a total of 498 different people during 2004.

At the end of the year, we had 112 employees signed up to participate in the City's automatic payroll deposit program. The state passed legislation in 2004 allowing governmental units to make automatic deposit mandatory. The City has opted to begin this at the beginning of 2005. This saves the City the cost of the actual paycheck and it will also eliminate the problem of an employee losing their paycheck.

Accounts Payable

During 2004, the Finance department issued 4,795 accounts payable checks to pay for goods and services. This represents a decrease of 35 checks over the previous year. The total amount of these checks was \$11,349,111. That is \$4,836,429 less than was spent the previous year. Accounts payable checks were issued to 1,514 different vendors.

Utility Billing

In 2004, there were 6,234 residents using City water and sewer services. Total residential water charges for the year were \$754,873 and total sewer charges were \$1,260,065. This averages out to about \$323 per year per household or approximately \$27 per monthly statement. In addition to the residential customers, the City had 596 commercial water and sewer users. Total commercial water charges for the year were \$418,623 and total sewer charges were \$1,601,379.

At the end of the year, we had 100 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 \$148.

We continue to have more customers sign up for the City's automatic water/sewer bill payment plan. Currently, there are 1,056 customers or 16.1% of all users that are taking advantage of this payment plan. That is an increase of 51 customers from last year. As people become more comfortable with the automatic payment plans that are available, we hope to see the participation in this payment option continue to increase.