

# QUARTERLY FINANCIAL UPDATE

3<sup>RD</sup> QUARTER

**May 3, 2012**

**Council Meeting**

Prepared by Hope Cribb

Finance Manager

This report supplements the March Financial Status Report which you have all received. A copy is on file with the Clerks office.

We are through the third quarter of Fiscal Year 2011-12. In that time we have been informed of some updates in our budgeted revenues. The changes are as follows:

### General Fund

Local Sales Tax—we have adjusted down our estimate for sales tax for the year. While it is going up over last year, it is not as much as we had expected.

Property Tax Levy—we have received more than half the property taxes levied this year. Also, we have received \$25,000 for prior year's property taxes.

Fire Service Agreement Fees—we have billed the first half of the year service fees to the outlying fire districts.

Public Surplus Sales (General Fund)—we have sold \$26,700 of abandoned or excess equipment on the Public Surplus website

One Time Revenues—there are several items that we have budgeted revenues for but as yet have not had any income. We had budgeted for the sale of land to the SLE but do not expect this to happen before the end of the fiscal year. We have received the reimbursement for the Wallow Fire.

Building Permits and associated line items—we are beginning to see an increase in building activity. Revenue from building permits is \$118,300. We budgeted for several additional projects but it does not look as if these projects will come in before the end of the fiscal year. Therefore, we have adjusted down our projected year end revenue.

Elections—only one election was required which resulted in a savings of \$54,300.

Revenues in progress—we will receive the third quarter franchise fees in April.

Expenditures—we have made the final payment of this fiscal year for the court contract, made our annual payment for the public safety laptops (only one left due next year), and made our final payment for this year for our general insurance.

### Airport Fund

The Airport was returned to Town management. We have received the balance in the bank account as well as revenues for hangar rental, tie-downs, etc. We have incurred expenses for payroll and operations.

### Grants Fund

We have received some grant revenue but requests are pending for reimbursement of additional expenditures.

### Grant Capital Projects Fund

We are in the process of requesting additional reimbursement for the CDBG project in progress for which there are expenditures.

Development Impact Fees (several funds) –we have received \$199,500 in various impact fees.

### Water Fund

In Fund 662, Cragin Development Fund, we received our WIFA reimbursement for \$412,700. Another request for reimbursement has been submitted in the amount of \$1,007,400.

# Revenue Comparison

The chart below shows the status of pertinent revenues through March of the current year as compared to the last two years. As you can see we are on target for this year. The state shared revenues are down, but we knew the State was reducing those line items and we budgeted accordingly. The Bed Tax revenue increased but remember, the tax rate was raised in August, 2010. The Vehicle License Tax is overstated because the State sent the first April payment at the end of March.

	March 2010	March 2011	March 2012
<b><u>Taxes</u></b>			
Local Sales Tax	\$ 3,995,731	\$ 4,024,104	\$ 4,050,547
State Sales Tax	750,648	765,582	780,805
Income Tax	1,494,126	1,126,384	968,548
Vehicle License Tax	605,023	556,557	581,433
Highway Users Gas Tax	915,555	925,990	778,879
Property Tax	503,213	493,527	470,843
Bed Tax	81,585	128,656	137,476
<b><u>Licenses and Permits</u></b>			
Business Licenses	\$ 51,800	\$ 48,775	\$ 50,855
Construction Related	88,924	82,229	121,206
<b><u>Fines</u></b>			
	\$ 108,789	\$ 88,712	\$ 74,677
<b><u>Charges for Services</u></b>			
Water	\$ 2,525,461	\$ 2,807,757	\$ 2,868,349
Construction Related	64,916	55,852	60,380
Fire Fees	8,295	4,158	4,775
Law Enforcement Fees*	67,777	39,668	25,622
Airport	7,600	10,000	25,687
*(Tribe Dispatch incl in LE Fees \$28,125 for 2010 & \$10,937 2011)			
<b><u>Miscellaneous</u></b>			
Recreation Fees	\$ 81,872	\$ 96,502	\$ 115,381
Development Fees	137,566	85,584	199,463

# Expenditures

Every year there are factors that affect the expenditures in each fund. In order to compare current year to date expenditures to previous years, a direct comparison would not show a true picture. So as a means of comparing the current year's expenditures to date to the two prior years, I used a percentage of the budgeted amounts as compared to actual costs. This method gives a clearer picture, taking into account any factors that would affect the budget. For instance, last year the medical insurance expenses were much less than prior years and the current year because of the change over to an insurance pool and depleting the accumulated fund balance.

	Percentage (%) of Expenditures as Compared to Budget		
	March 2010	March 2011	March 2012
General Fund	69.8	65.8	59.7
HURF	49.0	67.2	58.9
Library	73.6	70.7	67.8
Water	26.4	28.1	34.0

As you can see, the General Fund expenditures to date are less than previous years. This means that the departments continue to spend less through the third quarter than previous years. A large portion of the "savings" is due to the vacancies in the Police Department.

The HURF(Streets) Fund had a very low percentage in 2010 because several capital projects were not started as of March. The reason for the high percentage in 2011 was the fact that the total \$250,000 Pavement Preservation had been expended and there was an unbudgeted LTAF expenditure (with an offsetting revenue). This year there have been very few capital improvements budgeted.

The Library Fund continues to reduce their spending.

The Water Fund has increased spending due to the installation of water lines, purchase of two service trucks and a trailer, and a land acquisition on Stover Road.

## In Summary

At this point, with the above mentioned adjustments, we expect to end the year with fund balance in the General Fund of approximately \$200,000-300,000. I will continue to prepare monthly status reports to keep you up-to-date on any changes. If there is any additional information that you require, either in this quarterly update or the monthly reports, please let me know.