

**QUARTERLY  
FINANCIAL UPDATE  
4TH QUARTER**

**September 6, 2012  
Council Meeting**

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

We are through the final quarter of Fiscal Year 2011-12. We projected a year end fund balance between \$200,000-300,000 in the General Fund. We came in at \$245,000 after all year end transfers were completed.

#### General Fund

Property Tax Levy—we have received 98% of property taxes levied this year. Also, we have received \$27,000 for prior year's property taxes.

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

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 billed for reimbursement for the use of our firefighters on several wildfires.

Building Permits and associated line items—we are beginning to see an increase in building activity. Revenue from building permits is \$146,800. 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.

Franchise Fees--we received the third quarter franchise fees.

Expenditures—we accrued the payroll liability for year end closing, we incurred additional costs associated with departing employees, the Parks & Rec administration building suffered water damage, and the Library required major repairs to the heating and cooling system.

#### 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.

#### Equipment Replacement Fund

We have received our lease proceeds for the purchase of the three police vehicles.

Development Impact Fees (several funds) –we have received \$231,800 in various impact fees.

Water Fund--In Fund 662, Cragin Development Fund, we received our WIFA reimbursement for \$1,009,400.

## Revenue Comparision

The chart below shows the status of pertinent revenues through June 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 Town assumed control of the Airport in February, 2012.

	June 2010	June 2011	June 2012
<b><u>Taxes</u></b>			
Local Sales Tax	\$5,784,193	\$5,696,337	\$5,827,060
State Sales Tax	1,132,337	1,179,574	1,195,625
Income Tax	1,992,175	1,501,845	1,291,416
Vehicle License Tax	863,732	852,475	833,014
Highway Users Gas Tax	1,416,512	1,428,970	1,266,058
Property Tax	773,306	746,809	702,121
Bed Tax	135,730	219,568	220,569
<b><u>Licenses and Permits</u></b>			
Business Licenses	\$ 72,150	\$ 69,825	\$ 70,550
Construction Related	117,148	124,893	150,149
<b><u>Fines</u></b>	\$ 181,139	\$ 134,147	\$ 116,253
<b><u>Charges for Services</u></b>			
Water	\$3,413,896	\$3,813,185	\$3,979,617
Construction Related	84,396	103,004	85,929
Fire Fees	11,320	4,500	5,675
Law Enforcement Fees	46,930	12,317	34,380
Airport (Tribe Dispatch incl in LE Fees \$37,500 for 2010)	7,562	10,000	61,341
<b><u>Miscellaneous</u></b>			
Recreation Fees	\$ 163,943	\$ 167,464	\$ 198,123
Development Fees	267,295	126,785	231,787

# 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. This comparison is of operating costs only, all capital and transfer amounts have been deducted.

## Percentage (%) of Expenditures as Compared to Budget

FUND	June 2010	June 2011	June 2012
General Fund	91.4%	93.2%	85.9%
HURF	83.5%	91.7%	87.9%
Library	94.3%	95.9%	94.3%
Water	73.5%	87.7%	114.1%

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 fourth quarter than previous years. A large portion of the "savings" is due to the vacancies in the Police Department, having only one election, and Information Technology's reduced expenditures on equipment.

The HURF(Streets) Fund has a "savings" because of reduced spending in drainage supplies, street/sidewalk supplies, and pavement preservation. The reason for the higher 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).

The Library Fund continues to reduce their spending.

The Water Fund had increased spending due to an overage for repairing pumps, increased vehicle maintenance and fuel cost, and a payout for an employee.