

# QUARTERLY FINANCIAL UPDATE

**October 20, 2011  
Council Meeting**

Prepared by Hope Cribb  
Finance Manager

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

We are through the first 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

School Resource Officer—budgeted for two officers, approved for only one. This results in a reduction of \$70,000. The expenditures related to the second officer have been reallocated to the Police Operations budget. Due to the fact that the Police Department has several vacancies, the second officer will move into one of those positions.

Gila County—budgeted \$100,000 for Animal Control reimbursement. In fact an agreement was reached after adoption of the budget in the amount of \$135,000. This results in a \$35,000 increase.

COPS Grant—we have been notified that we will not receive this grant. We have budgeted expenses related to the two officers that this grant was to cover. We will have to make sure that money is not spent. A reduction of \$143,000.

SAFER Grant—we have been notified that we will not receive this grant for an additional six firefighters. Once again we will have to make sure that the amount budgeted for those positions is not spent. A reduction of \$353,200.

One Time Revenues—there are several items that we have budgeted revenues for but as yet have not had any income.

Building Permits—while we are showing an increase over the prior year, there are projects that are outside the control of the Town that are still in limbo.

### Grants Fund

We have not yet received any grant revenue but requests are pending for reimbursement of the expenditures.

### Equipment Replacement Fund

We are in the process of getting the lease proceeds for the new Fire Truck.

## Grant Capital Projects Fund

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

## Revenue Comparison

The chart below shows the status of pertinent revenues through September 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. All the wonderful events that have occurred this year have increased the recreation revenues substantially.

	September 2009	September 2010	September 2011
<b><u>Taxes</u></b>			
Local Sales Tax	\$ 1,068,500	\$ 1,182,400	\$ 1,177,300
State Sales Tax	186,000	181,300	188,800
Income Tax	498,000	375,500	322,800
Vehicle License Tax	155,900	156,800	152,300
Highway Users Gas Tax	260,800	250,100	216,600
Property Tax	3,200	3,400	4,700
Bed Tax	16,800	18,000	25,900
<b><u>Licenses and Permits</u></b>			
Business Licenses	\$ 19,900	\$ 19,200	\$ 19,600
Construction Related	28,900	37,400	42,800
<b><u>Fines</u></b>			
	\$ 48,600	\$ 28,200	\$ 28,200
<b><u>Charges for Services</u></b>			
Water	\$ 993,000	\$ 1,077,000	\$ 1,065,900
Construction Related	16,300	17,400	27,900
Fire Fees	7,200	1,100	600
Law Enforcement Fees	18,800	19,800	10,100
Airport	7,600	10,000	10,000
(Tribe Dispatch incl in LE Fees \$9,375 for 2009 & 2010)			
<b><u>Miscellaneous</u></b>			
Recreation Fees	\$ 38,600	\$ 50,600	\$ 76,400
Development Fees	29,000	36,000	28,800

# 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

	September 2009	September 2010	September 2011
General Fund	26.1	24.8	20.0
HURF	18.8	16.5	18.3
Library	28.3	22.0	21.5
Water	10.1	8.8	11.9

As you can see, the General Fund expenditures to date are less than previous years. This means that the departments are spending less this first quarter than previous years.

The HURF(Streets) Fund is spending more at this time of the year than was spent in the previous year. This additional expense is due to repairs to the street sweeper.

The Library Fund has also reduced their spending.

The Water Fund has increased spending due to the installation of water lines and WQARF expenses.

## In Summary

At this point in time, we are staying on budget. 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.