QUARTERLY FINANCIAL UPDATE

2ND QUARTER

January 19, 2012

Council Meeting

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Finance Manager

JAN 19 2012 D.4

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

We are through the second 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

Property Tax Levy—we have received more than half the property taxes levied this year. Also, we have received $18,000 for prior year's property taxes.

School Resource Officer—we have billed the first half of the School Resource Officer to the school district. This amount is $30,800.

Fire Service Agreement Fees—we have billed the first half of the dispatch services to the Tribe, $52,200. In January the first half of the year service fees will be billed to the outlying fire districts.

Public Surplus Sales (General Fund)—we have sold $24,700 of abandoned or excess equipment on the Public Surplus website

Enterprise Fund Overhead—we have received the transfer of $74,100 from the two water funds to cover overhead expenses that are incurred by the General Fund.

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

Building Permits and associated line items—we are beginning to see an increase in building activity. Revenue from building permits is $95,200. We budgeted for several additional projects and hope to see revenue from these projects before the end of the fiscal year.

Revenues in progress—we are waiting for reimbursement for the Wallow Fire, some franchise fees are expected in January, and the sale of property to the SLE is still in progress.

Library Fund

We have received the first half of the Gila County Library District Tax.

Airport Fund

We have received some grant money to reimburse for the airfield signage and markings expenditures.

Grants Fund

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

Equipment Replacement Fund

We have received the lease purchase proceeds for the new Fire Truck.

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 $189,900 in various impact fees.

Water Fund

Two one time revenues were received: $81,800 in Fund 661 for the sale of the well to Star Valley, and $75,000 in Fund 662 for costs associated with the Cragin Project from the Bureau of Reclamation. Also in Fund 662 we received our WIFA reimbursement for $783,600.

Special Assessment Funds

The final bills for East Loop Improvement District have been sent. Also, the first half bills for the Westerly Road Improvement District have been mailed.

Revenue Comparsion

The chart below shows the status of pertinant revenues through December 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.

	December 2009	December 2010	December 2011
Taxes			
Local Sales Tax	$ 2,597,786	$ 2,613,267	$ 2,618,591
State Sales Tax	459,063	458,576	473,675
Income Tax	996,078	750,922	645,681
Vehicle License Tax	368,000	363,031	347,258
Highway Users Gas Tax	604,927	592,735	503,040
Property Tax	392,269	377,327	375,396
Bed Tax	57,638	81,322	93,846
Licenses and Permits			
Business Licenses	$ 34,690	$ 33,200	$ 33,350
Construction Related	63,258	61,817	97,153
Fines	$ 87,264	$ 63,972	$ 59,937
Charges for Services			
Water	$ 1,798,746	$ 1,950,967	$ 2,000,452
Construction Related	46,160	33,987	42,092
Fire Fees	7,984	2,320	4,037
Law Enforcement Fees*	43,287	28,922	16,547
Airport	7,600	10,000	216,045
*(Tribe Dispatch incl in LE Fees $18,750 for 2009 & $10,937 2010)			
Miscellaneous			
Recreation Fees	$ 54,737	$ 71,182	$ 92,083
Development Fees	102,678	64,542	189,873

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

	December 2009	December 2010	December 2011
General Fund	52.1	47.5	40.8
HURF	37.3	50.2	38.3
Library	53.3	47.9	45.9
Water	20.0	19.7	24.9

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 second quarter than previous years. A large portion of the "savings" is due to the vacancies in the Police Department.

The HURF(Streets) Fund is back on track with their expenditures as compared to 2009. The reason for the high percentage in 2010 was the fact that the total $250,000 Pavement Preservation had been expended by December.

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 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.