Ivins City Finance

Monthly Budget Report for April

Date: *May 18, 2017*

Purpose: *Submit April 2017 Budget Summary and Printout to the Mayor and Council*

Background:

The fiscal year is 83.33% complete at the end of April. This is the beginning of the fourth quarter of the fiscal year and the City's revenues and expenditures are in line with management's expectations, except for vehicle purchases. There are a couple areas of where we spend significant amounts of the budget early in the year, such as, Sand Hollow Aquatic Center, insurance and surety bonds and the Community Education Channel. These will be highlighted below in the summaries for each major fund. The overview of the budget through April 30, 2017 is as follows:

- General Fund
    - General Fund Revenues –
        - The City received has received 94.9% of budgeted tax revenue through the month. This amounts to $3,006,070. The City receives the majority of its property tax revenue during December and January.
        - Building Permits are a reflection of growth in the community. This affects not only the Building Permit Revenue but also the Impact Fee Funds and the Enterprise Funds. There were 11 permits issued in the month of April, for a total of 115 this fiscal year. The budgeted amounts reflect an anticipated 90 permits for the year.
        - The City has received 5 of the 6 B & C Road funds from the State. The payments had been delayed while the cities, counties, and state worked out the new funding calculations from last year's legislation.
        - General Fund Revenue is 91.0% of the budgeted year to date amount.
    - General Fund Expenditures and Departments –
        - The City Manager and Department Heads are reviewing the budgets on a regular basis, having good communication with the Finance Director, and managing their respective department expenditures.

        - The budget was adopted in June and this report reflects the approved budgeted amounts.
        - The department expenditures are consistent with the planning of the Department Heads. All departments have made their anticipated expenditures through the end of April.
        - Overall, the General Fund Expenditures are 81.6% which is below the budgeted amount to date including payment timing and one-time expenditures.
        - The General Fund shows a surplus of $563,353 through the end of April. This is slightly ahead of normal for this time of year. The largest revenue source for the city is property tax which has been received. The City has a significant surplus that will be depleted as the fiscal year continues.

- Impact Fee Funds

    - All Impact Fee Funds (Public Safety, Street, & Park) are affected by the number of building permits being issued. All 3 funds have met or exceeded the expectations of their budgeted revenue. Streets Impact Fees are below the budgeted amount due to the large decrease in the amount adopted by council after the study was completed.

- Capital Projects Fund

    - The activities in the Capital Projects Fund are proceeding as planned. The major expenditures for the Tuacahn Roundabout Statue, Highway 91 Improvements, Desert Rose Park work, Tuacahn Trail work, and the Center Street Flood Wall have been recorded in the year to date. The majority of revenue for the capital projects comes from other funds.

- Enterprise Funds

    - All the Enterprise Funds Non-Operating Items are showing the effect of the growth in building permits with strong impact fee revenue.

        - Water Fund
            - Operating Items
                - Water Fund Operating Revenue through April at 81.0%.
                - Water Fund Operating Expenses are 82.3%.
                - Income from Operations is $160,260.
            - Non-Operating Items
                - Non-Operating Revenues include impact fees and interest earnings. The Non-Operating Revenues are at 127.9% of budget.
                - Non-Operating Expenses are in line with expectations and are at 62.2% of budget.
                - Deficit from Non-Operating Items is ($1,563,546). This is due to the construction of the Cliffrose Water Tank. Impact Fees will be used to offset this deficit.
            - Overall, the Water Fund is showing a deficit of ($1,403,286) for the year to date. This deficit will remain until the year is closed out and final year-end entries are made.

- Waste Water Fund
  - Sewer Fund
    - Operating Items
      - Both Operating Revenue and Expenses are in line with expectations at 85.8% and 80.6% respectively.
      - The Operating Income through this period is $109,594.
    - Non-Operating Items
      - Non-Operating Revenue (impact fees and interest) is 136.8% of budget from Impact Fees and a CIB reimbursement.
      - Non-Operating Expenses are as expected at 58.8%.
      - The Non-Operating Surplus is $24,512.
    - Overall, the Sewer Fund is showing income of $134,106 for the year to date.
  - Storm Water Fund
    - Operating Items
      - Both Operating Revenue and Expenses are in line with expectations at 82.8% and 86.8% respectively.
      - The Operating Income through this period is $126,959.
    - Non-Operating Items
      - Non-Operating Revenue is at 224.0% due to Impact Fees and CIB / NRCS reimbursements.
      - Non-Operating Expenses are as expected at 15.4%.
      - The Non-Operating Deficit is ($172,184). This is due to the bond payment being made in the first quarter, the Center Street Flood Wall, and the Master Plan and Projects.
    - Overall, the Storm Water Fund is showing a deficit of ($45,226) for the year to date. This deficit will remain until the year is closed out and final year-end entries are made.

This is a summary of the budget through April 30, 2017. Attached is the budget report for your review. If you would like to discuss this or have any questions, please contact me at the office.

Respectfully,



Wally Ritchie
Director of Finance

May 18, 2017