Ivins City Finance

Monthly Budget Report for August

Date: *September 21, 2017*

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

Background:

The fiscal year is 16.67% complete at the end of August. This is the second month of the fiscal year and the City's revenues and expenditures are in line with management's expectations. There are a couple areas of where we spend significant amounts of the budget early in the year, such as, insurance and surety bonds and the annual audit. These will be highlighted below in the summaries for each major fund. The overview of the budget through August 31, 2017 is as follows:

- General Fund
    - General Fund Revenues –
        - The City has received 11.9% of budgeted tax revenue through the month. This amounts to $400,905. 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 August. The budgeted amounts reflect an anticipated 100 permits for the year.
        - The City received the first distribution of B & C Road Funds for the year in the amount of $94,634.
        - General Fund Revenue is 13.7% 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 are within their anticipated expenditures through the end of August.
        - Overall, the General Fund Expenditures are 15.4% which is in line with the budgeted amount to date. Some individual departments are above this percentage due to pay period timing and one-time expenditures.
        - The General Fund shows a deficit of ($106,470) through the end of August. This is typical for this time of year. The largest revenue source for the city is property tax which is not received until later in the year. The City will run a deficit through the first 4 to 5 months of the fiscal year until property taxes are collected.

- 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 realized at least 23.0% of their budget revenue.

- Capital Projects Fund

    - The activities in the Capital Projects Fund are proceeding as planned. Some projects have begun and expenditures have been recorded through the month of August. There may be a change to purchase a fire apparatus instead of undertaking a fire station remodel. This will come to Council before a change is made. The majority of revenue for the capital projects comes from other funds.

- Enterprise Funds

    - All of the Enterprise Funds Operating and Non-Operating Items are showing steady growth and operations within management expectations.

        - Water Fund
            - Operating Items
                - Water Fund Operating Revenue through August at 23.2%.
                - Water Fund Operating Expenses are 21.6%.
                - Income from Operations is $67,466.
            - Non-Operating Items
                - Non-Operating Revenues include impact fees and interest earnings. The Non-Operating Revenues are at 22.1% of budget.
                - Non-Operating Expenses are in line with expectations and are at 1.9% of budget.
                - Surplus from Non-Operating Items is $8,872.
            - Overall, the Water Fund is showing a surplus of $76,338 for the year to date.

        - Waste Water Fund
            - Sewer Fund
                - Operating Items
                    - Both Operating Revenue and Expenses are in line with expectations at 16.5% and 14.9% respectively.

        - The Operating Income through this period is $30,050.
    - Non-Operating Items
        - Non-Operating Revenue (impact fees and interest) is 24.2% of budget.
        - Non-Operating Expenses are as expected at 0.0%.
        - The Non-Operating Surplus is $14,158.
    - Overall, the Sewer Fund is showing income of $44,208 for the year to date.

- Storm Water Fund
    - Operating Items
        - Both Operating Revenue and Expenses are in line with expectations at 16.4% and 18.5% respectively.
        - The Operating Income through this period is $18,949.
    - Non-Operating Items
        - Non-Operating Revenue is at 70.1% due to a NRCS reimbursement.
        - Non-Operating Expenses are as expected at 7.3%.
        - The Non-Operating Deficit is ($60,390).
    - Overall, the Storm Water Fund is showing a deficit of ($41,442) for the year to date. This is primarily due to bond interest and capital projects.

This is a brief summary of the budget through August 31, 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

September 21, 2017