



Finance Department Memorandum

Date: March 31, 2010
To: Mayor Harold Perrin
From: Jim Eagan, Assistant Finance Director
Subject: February 2010 Financial Results

We have concluded our financial reporting for the month of February, 2010. Below is a summary of the financial results for the first two months of 2010

REVENUES

Among all O&M Funds, only Parking Meter Fund showed positive results versus the 2010 budgeted revenues. On a combined basis, O&M revenues through February 28, 2010 were \$230,937.78, or 3.87%, below our projections.

The E-911 Fund had the largest percentage shortfall of revenue of 45.54% year-to-date, or \$77,836.35 below budget.

The Street Fund also experienced lower than anticipated revenues, ending \$54,217.89 or 10.33% below budget. This shortage can be attributed to lower than anticipated monies from State Turnback, County Road Tax, and right-of-way permit fees.

Total General Fund revenues were \$73,203.47 below projections. Shortfalls were noted in receipts of county sales tax and franchise tax, but these were offset by increases in court fines. Income from billing of SRO officers was not received, but this will be corrected when the quarterly invoice payments are received. Year-to-date revenues were also assisted by income from privilege licenses of \$606,501.43. This represents 85.42% of annual revenues to be collected from issuance of these licenses, and is a non-recurring revenue stream.

EXPENSES

Expenses in O&M funds totaled \$5,107,130.67 year-to-date, as noted in reports provide to you by Gary Harpole. This was \$808,840.52 below budgeted expenses, creating an overall surplus of \$631,239.50 in O&M funds.

FUND BALANCES

Fund balances increased since receipts year-to-date exceeded disbursements by \$1,164,818.23. This is primarily the result of an excess of revenues versus spending in Capital Improvements of \$1,156,411.52. As stated above, O&M fund balances increased overall, but reductions were noted in Street, Parks, and E-911 funds. Offsetting these decreases were additions to the General Fund balance of \$738,112.87, Sanitation Fund balance of \$173,456.887, and Parking Meter fund balance of \$4,446.56.

SUMMARY

While results have been favorable year-to-date, there is cause for concern. Should expenses relative to budget increase, this could erase current surpluses mentioned above. Also of concern is the downward trend in sales tax receipts, which may require an adjustment in revenue projections.

