

# City of Millington

## Third Quarter FY14 Budget Review

The annual budget in this document has been allocated by month based on historical information for both revenues and expenditures rather than using the one-twelfth allocation available in our computer system and used in the regular monthly reports. Expenditures in this report include open encumbrances while the regular monthly report does not include encumbrances. Encumbrances are reservations of funds for purchase orders or contracts that have been issued but not yet paid.

Overall, the city is on the right track to a good year financially. The General Fund revenue collections are a little behind budget but expenditures are well under budget. Information on specific funds is shown below. Accounts have been grouped to provide for ease of understanding.

### General Fund

This fund accounts for all activities of the government that are not accounted for in a special fund. All general revenues of the City are collected by this fund. The major functions of fire, police, courts, libraries, arts and recreation, parks as well as city administration are included in this fund.

While revenues to date are only 67% of the total expected for the year, they represent 99.7% of what was expected year to date. Collections for both City Sales Tax and City Court Fines are tracking significantly less than budget. Business Tax is tracking below budget but is in a year of transition due to State law changes. Various other revenues are both above and below budget. Current projections reflect a \$162,786 shortfall in overall revenues.

Expenditures are well under budget to date and are 43% of the total expected for the year. Personnel related expenditures are expected to approximate budget by year-end. If spending patterns continue, other expenditures will be significantly below budget for the year and should cover any revenue shortfalls.

	Year to Date		Annual	
	Budget	Actual	Budget	Forecast
<b>Revenues</b>				
Property Taxes	2,287,311	2,367,215	2,790,992	2,861,578
City Sales Tax	1,868,000	1,783,854	3,200,000	3,050,000
City Court Fines	425,000	247,687	600,000	305,000
All other Revenues	2,732,698	2,890,793	4,220,766	4,432,394
<b>Total Revenues</b>	<b>7,313,009</b>	<b>7,289,548</b>	<b>10,811,758</b>	<b>10,648,972</b>
<b>Expenditures and Encumbrances</b>				
Compensation for Full time Employees and Elected Officials	3,293,561	2,203,816	4,739,990	4,702,189
Compensation for Part-time and Temporary Employees	250,237	151,867	347,232	328,482
Fringe Benefits for all Employees	1,368,988	759,828	1,886,871	1,656,796
Transfers to Other Funds	492,303	314,070	894,894	1,042,594
All other Expenditures	2,177,953	1,173,272	2,897,771	2,755,361
<b>Total Expenditures</b>	<b>7,583,042</b>	<b>4,602,852</b>	<b>10,766,758</b>	<b>10,485,422</b>
<b>Revenues over (under) Expenditures</b>	<b>(270,033)</b>	<b>2,686,696</b>	<b>45,000</b>	<b>163,550</b>

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### Sales Tax Fund

This fund accounts for the .5 cent sales tax collected by the City. It is intended to be used for city operated schools and libraries.

This fund has a cash balance of \$1,201,900 as of March 31. Revenue budget appears reasonable based on collections since this tax was adopted. Collections reflect four months of the twelve that will be realized for the year.

	Year to Date		Annual	
	Budget	Actual	Budget	Forecast
<b>Revenues</b>				
City Sales Tax	758,333	800,832	1,300,000	1,320,000
Interest Income	-	310	-	430
<b>Total Revenues</b>	758,333	801,142	1,300,000	1,320,430
<b>Expenditures and Encumbrances</b>				
Legal & Professional	150,000	92,418	200,000	99,000
Election Expense & Other	35,150	-	35,200	30,000
Millington City Schools	126,079	124,773	241,285	400,000
Contingency - Unapp Rev	-	-	823,515	-
<b>Total Expenditures</b>	311,229	217,191	1,300,000	529,000
<b>Revenues over (under) Expenditures</b>	447,105	583,951	-	791,430

### Water Fund

This fund accounts for the city's production, storage and transportation of water for homes and businesses.

	Year to Date		Annual	
	Budget	Actual	Budget	Forecast
<b>Revenues</b>				
Water Sales	910,267	858,337	1,284,800	1,209,820
All other Revenues	38,138	58,099	50,850	66,944
<b>Total Revenues</b>	948,404	916,436	1,335,650	1,276,764
<b>Expenditures and Encumbrances</b>				
Personnel & Fringe Expenditures	397,431	394,000	558,898	563,443
O&M Expenditures	526,392	462,443	701,856	630,124
<b>Total Expenditures</b>	923,823	856,443	1,260,754	1,193,567
<b>Revenues over (under) Expenditures</b>	24,581	59,993	74,896	83,197

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### Sewer Fund

This fund accounts for the activities of the city's collection, transportation, treatment and disposition of wastewater.

The renovation of the sewer plant is under way. This project is funded almost completely by a loan from the State and the loan is drawn as funds are needed. Once complete the cost of renovations will be depreciated. It is expected that current rates are adequate to cover the loan repayment and all operating costs of the sewer fund for current year and several years into the future.

	Year to Date		Annual	
	Budget	Actual	Budget	Forecast
<b>Revenues</b>				
Sewer (Water Service Based) Fees	779,167	758,829	1,100,000	1,065,000
County Sewer Fees	97,500	109,529	130,000	137,000
Navy Sewer Fees	408,750	491,269	545,000	610,000
All other Revenues	26,625	52,266	35,500	59,672
<b>Total Revenues</b>	<b>1,312,042</b>	<b>1,411,893</b>	<b>1,810,500</b>	<b>1,871,672</b>
<b>Expenditures and Encumbrances</b>				
Personnel & Fringe Expenditures	434,607	415,023	610,460	603,018
O&M Expenditures	661,331	599,815	883,374	821,782
Contingency	-	-	316,666	-
<b>Total Expenditures</b>	<b>1,095,938</b>	<b>1,014,838</b>	<b>1,810,500</b>	<b>1,424,800</b>
<b>Revenues over (under) Expenditures</b>	<b>216,104</b>	<b>397,055</b>	<b>-</b>	<b>446,872</b>

### Sanitation Fund

This fund accounts for the collection of sanitation fees and providing of collection of garbage, trash and yard waste for both residential and commercial customers.

This fund is budgeted to generate a small surplus this year but it had a deficit fund balance of \$187,409 as of June 30, 2013. New equipment for commercial sanitation is needed but has been deferred due to budget constraints. Current billing rates can support operations but cannot fund asset purchases or major breakdowns.

	Year to Date		Annual	
	Budget	Actual	Budget	Forecast
<b>Revenues</b>				
Sanitation Fees	683,400	706,755	964,800	982,000
All other Revenues	15,450	45,186	20,600	49,765
<b>Total Revenues</b>	<b>698,850</b>	<b>751,941</b>	<b>985,400</b>	<b>1,031,765</b>
<b>Expenditures and Encumbrances</b>				
Personnel & Fringe Expenditures	421,238	402,633	589,576	586,279
O&M Expenditures	226,508	156,509	297,996	336,232
<b>Total Expenditures</b>	<b>647,747</b>	<b>559,142</b>	<b>887,572</b>	<b>922,511</b>
<b>Revenues over (under) Expenditures</b>	<b>51,103</b>	<b>192,799</b>	<b>97,828</b>	<b>109,254</b>

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### Stormwater Fund

This fund accounts for the revenues and expenditures related to the collection, transportation, treatment and disposition of storm water.

This fund had a spendable fund balance of \$321,180 as of June 30, 2013. It is expected that the June 30, 2014 fund balance will be reduced to \$194,000 after all projects are completed this year.

	Year to Date		Annual	
	Budget	Actual	Budget	Forecast
<b>Revenues</b>				
Stormwater Fees	189,900	200,083	253,200	263,500
All other Revenues	3,960	6,765	5,280	8,002
Planned Use of P/Y Funds	-	-	163,454	-
<b>Total Revenues</b>	<b>193,860</b>	<b>206,848</b>	<b>421,934</b>	<b>271,502</b>
<b>Expenditures and Encumbrances</b>				
<b>Total Expenditures</b>	<b>316,451</b>	<b>266,405</b>	<b>421,934</b>	<b>397,840</b>
<b>Revenues over (under) Expenditures</b>	<b>(122,591)</b>	<b>(59,557)</b>	<b>-</b>	<b>(126,338)</b>

### State Drug Fund

This fund is required to account for proceeds and use of drug fines and forfeitures provided under State law.

Revenues and expenditures are low in this budget to date. Concern is trend toward lower revenues than in past years will lead to less funds available for equipment needs of police department.

	Year to Date		Annual	
	Budget	Actual	Budget	Forecast
<b>Revenues</b>				
Revenues	42,488	6,596	56,650	6,655
Planned Use of P/Y Funds	-	-	17,057	-
<b>Total Revenues</b>	<b>42,488</b>	<b>6,596</b>	<b>73,707</b>	<b>6,655</b>
<b>Expenditures and Encumbrances</b>				
<b>Total Expenditures</b>	<b>55,280</b>	<b>9,260</b>	<b>73,707</b>	<b>13,303</b>
<b>Revenues over (under) Expenditures</b>	<b>(12,793)</b>	<b>(2,664)</b>	<b>-</b>	<b>(6,648)</b>

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## Third Quarter FY14 Budget Review

### DEA Drug Fund

This fund is required to account for proceeds and use of drug fines and forfeitures provided under Federal law.

Revenues and expenditures are low in this budget to date. Concern is trend toward lower revenues than in past years will lead to less funds available for equipment needs of police department.

	Year to Date		Annual	
	Budget	Actual	Budget	Forecast
<b>Revenues</b>				
Revenues	78,788	54,439	105,050	55,040
Planned Use of P/Y Funds	-	-	8,867	-
<b>Total Revenues</b>	<u>78,788</u>	<u>54,439</u>	<u>113,917</u>	<u>55,040</u>
<b>Expenditures and Encumbrances</b>				
<b>Total Expenditures</b>	<u>85,438</u>	<u>35,231</u>	<u>113,917</u>	<u>66,074</u>
<b>Revenues over (under) Expenditures</b>	<u>(6,650)</u>	<u>19,208</u>	<u>-</u>	<u>(11,034)</u>

### State Street Aid Fund

State law provides for the sharing of certain taxes related to fuel and restricts their use to maintenance or construction of roads within the city. This fund accounts for those activities.

This fund generally collects and spends its entire budget over the course of the year.

	Year to Date		Annual	
	Budget	Actual	Budget	Forecast
<b>Revenues</b>				
<b>Total Revenues</b>	<u>159,554</u>	<u>183,334</u>	<u>273,236</u>	<u>299,362</u>
<b>Expenditures and Encumbrances</b>				
Expenditures	272,285	223,558	363,047	308,567
Transfer from General Fund	(112,731)	(33,456)	(89,811)	(89,811)
<b>Total Expenditures</b>	<u>159,554</u>	<u>190,102</u>	<u>273,236</u>	<u>218,756</u>
<b>Revenues over (under) Expenditures</b>	<u>-</u>	<u>(6,768)</u>	<u>-</u>	<u>80,606</u>

# City of Millington

## Third Quarter FY14 Budget Review

### Capital Improvement Program Fund

Construction of city property and purchase of major assets are accounted for in this fund. This allows one time costs or costs that occur infrequently to be reported separately from the annual operating budget.

Expenditures to date relate to the purchase of a fire truck and construction costs of the Veterans Parkway project.

	Year to Date		Annual	
	Budget	Actual	Budget	Forecast
<b>Revenues</b>				
Revenues	609,762	591,031	530,920	591,038
Planned Use of P/Y Funds	-	-	256,000	-
<b>Total Revenues</b>	609,762	591,031	786,920	591,038
<b>Expenditures and Encumbrances</b>				
Project Expenditures	666,762	569,942	829,420	600,957
Transfer to (from) other funds	(82,500)	-	(42,500)	(207,500)
<b>Total Expenditures</b>	584,262	569,942	786,920	393,457
<b>Revenues over (under) Expenditures</b>	25,500	21,089	-	197,581

### CON Capital Improvement Program Fund

This is a special Capital Improvement Fund. It accounts for the proceeds of a Capital Outlay Note that was issued for capital projects in October 2010. Once the funds have all been disbursed, this fund will cease to exist.

	Year to Date		Annual	
	Budget	Actual	Budget	Forecast
<b>Revenues</b>				
Revenues	-	9	-	12
Planned Use of P/Y Funds	-	-	24,569	-
<b>Total Revenues</b>	-	9	24,569	12
<b>Total Expenditures</b>	10,801	-	24,569	-
<b>Revenues over (under) Expenditures</b>	(10,801)	9	-	12

# City of Millington

## Third Quarter FY14 Budget Review

### Debt Service Fund

This fund accounts for the resources accumulated and the payments made for principal and interest on general obligation debt of the City.

This fund generally breaks even each year since funds are transferred in based on actual need. One of our debt issues is variable rate while the others are all fixed rate.

	Year to Date		Annual	
	Budget	Actual	Budget	Forecast
<b>Revenues</b>				
<b>Total Revenues</b>	8	7	10	8
<b>Expenditures and Encumbrances</b>				
Principal Payments	198,100	198,026	513,420	513,420
Interest and Admin Payments	139,725	133,257	243,013	231,871
Transfer from other funds	(337,825)	(334,304)	(756,423)	(745,283)
<b>Total Expenditures</b>	-	(3,020)	10	8
<b>Revenues over (under) Expenditures</b>	8	3,027	-	-