

**Town of Garfield
Financial Summary Report Narrative
4th Quarter 2008
2008 Final Amended Budget / Year End Actuals**

YEAR END BALANCE COMPARISON

Ending Balances 2008 / Beginning Balances 2009

	BUDGETED	ACTUAL
1 Current Expense	\$41,653.00	\$40,504.27
2 CE Reserve	\$4,500.00	\$22,717.51
101 Streets	\$8,509.00	\$26,223.56
102 Arterial	\$86,812.00	\$87,559.38
103 Library	\$203.00	\$223.42
104 Capital Facilities	\$21,500.00	\$21,613.79
110 Fire Equip	\$12,250.00	\$12,403.97
111 Police Eq't Reserve	\$14,250.00	\$14,411.36
112 Equip Reserve	\$34,100.00	\$34,175.27
113 Park Gazebo/Band	\$3,330.00	\$3,363.69
401 Water	\$204,049.00	\$239,860.46
402 Water Loan	\$5,724.00	\$5,742.87
403 Sewer Loan	\$10,100.00	\$10,137.02
411 Sewer Reserve	\$41,800.00	\$42,129.56
412 Utilities Equip Resv	\$80,450.00	\$81,541.07
413 Sewer Loan Resv	\$55,050.00	\$55,963.28
601 Water Deposits	\$3,825.00	\$4,669.08
	\$628,105.00	\$703,239.56

CURRENT EXPENSE (CE) 001

Revenues

Taxes – 103% of Budget

Property taxes received were just slightly under projected.

Local sales tax received was \$2,800 over projected figures.

Criminal justice tax received was over the estimated revenues of \$6,000 with actual receipts of \$7,470.

Utility taxes estimates were all close, except electricity which was short by approximately \$2,000. It's worth noting that the 4th quarter taxes are not received until January 2009.

Licenses/Permits – 118% of Budget

Building permits, animal licenses and conditional use/variance permits were all over projection but this can vary widely year to year.

State Generated Revenues – 80% of Budget

It's very important to note here that the State's City Assistance had a shortfall of \$5,600, with actual receipts of \$18,361 compared to a budget of \$24,000. For 2009, we are hearing the actual receipts will likely be closer to \$14,500. The budget estimate for 2009 is \$22,000.

Misc. Revenues – 95% of Budget

This category represents investment interest, community center rental, and other minor miscellaneous revenues and is very small.

Expenditures

Legislative - 49% of Budget and Executive – 0% of Budget

In total, these departments are significantly under budget due to the generosity of the mayor and council in declining any payment. However, both advertising and publication fees are significantly higher than in past years due to the activity of the town with public works projects, updating necessary ordinances, and the police officer advertisements earlier in the year.

Judicial – 98.5% of Budget

This department funds the contract with the county for court services.

Finance – 91% of Budget

This department represents ½ of the clerk-treasurer's expenses plus any financial costs.

Legal – 100% of Budget

This department covers the costs of the town's legal counsel.

Central Services – 84% of Budget

The definition for this department is "activities of general nature, not associated directly with a specific service function." Currently 7% of the Public Works Superintendent and 12% of the Public Works Assistant are paid from this department. The balance of this fund pays a portion of insurance, electricity, repairs & maintenance, supplies, etc.

For the 2009 Budget, the expenses of this department have been divided into the separate fund/departments that more clearly reflect the activities/functions undertaken.

General Government – 99% of Budget

This expenditure of \$297.50 represents the annual dues to the Association of Washington Cities. No other expenditures are billed to this department.

Law Enforcement – 97% of Budget

With the departure of the town's long-standing marshal Joe Merry, and subsequent contract for police services with the neighboring community, Palouse, this budget report only reflects the town's expenditures when there was a town marshal in the early part of 2008. Any ongoing law enforcement costs appear under Communications/Alarms/Dispatch (phone) and Other Expenditures Intergovernmental Payments (contract payment – Palouse).

Fire – 76% of Budget

The department is under because the Public Safety Building Feasibility Study was not finished in 2008. \$5,335 was left unexpended and hence also not received in reimbursement. This entire expenditure is 100% reimbursed to the town with the reimbursement recorded under State Generated Revenues.

Protective Inspections – 106%

The building inspector contract is paid from this department. Per agreement, the town pays the inspector 75% of the permit fee. Although it shows this budget over, conversely building permit fees received were over too.

Communications/Alarms/Dispatch – 81% of Budget

Both police and fire telephone and fire siren expenses are paid from this department. The reimbursement from the Rural Fire District will offset expenditures in this fund.

Other Environment Services – 106% of Budget

The only expenditure here was for the 2009 dog tags.

Planning & Community Development – 0% of budget

Although the planning commission had a busy this year, there were no expenditures.

Housing & Community Development – 100% of budget.

The only expenditure budgeted for this fund occurred in January and represented the council's decision to give the balance of the proceeds from the HUD house sale to the Garfield Public Development Authority.

Substance Abuse – 64% of budget

This is a state mandated payment to the authorized county substance abuse counseling service (Palouse River Counseling) and is based upon liquor sales. The request for payment can be erratic. The 4 quarter payment for this does not get billed until 2009.

Park – 97% of Budget

Nothing out of the ordinary to report.

Non-Expenditures – 102% of Budget

These expenditures are pass-thru costs, such as the \$4.50 collected (agency deposits) and sent to the state for building permits and costs to Department of Licensing and Washington State Patrol associated with Concealed Pistol License issuance.

Capital Expenditures – 22% of Budget

An office chair and some office equipment (computer screen, etc.) were purchased from this account.

Interfund Transfers – 100%

All budgeted interfund transfers were made in 2008.

Other Expenditures Intergovernmental Payments – 89%

As noted above, expenditures in this fund represent the contract with the City of Palouse for police services. The budgeted figure was over by one month's payment, hence the lower than budgeted expenditure. The current contract runs from May 1, 2008, through April 30, 2009.

CURRENT EXPENSE (CE) RESERVE 002

Revenues

Revenues for this fund originated from the Current Expense (CE) Fund. The council's intent was to have sufficient funds set aside for the 3-year audit that is scheduled for 2010. This audit will cover the years of 2007 – 2009. The 3-year audit completed in 2007 cost the town over \$11,000.

Expenditures

The council budgeted an \$18,000 transfer from the CE Reserve Fund to the CE Fund if cash flow requires such action. At year-end though, no transfer or portion thereof, was required, hence the higher than anticipated fund carry over into 2009.

STREET FUND 101

The Ending Balance in this fund is greater than anticipated because the final 5% retainage of \$12,167 was not paid until 2009, awaiting final state-required release documents. Additionally, there was not an additional increase for street work as anticipated.

For 2009, this fund will not be receiving property taxes as the Street Levy ballot measured failed to pass in November 2008.

Revenues

Property Taxes – 98.5% of Budget

Property taxes received were just slightly under projected.

State Generated Revenues – 100% of Budget

The Transportation Improvement Board (TIB) covered 100% of the cost of the street overlay project which was completed in August. The entire \$40,880 grant was received from TIB and spent in 2008.

The 2008 Sidewalk Project was completed but the anticipated TIB grant revenues were less than initially expected, leaving a shortfall of \$2,715 in revenues.

Motor Vehicle Fuel Tax receipts were over the \$12,000 budget by \$2,400 due to the higher cost of fuel in 2008.

Interfund Transfer – 100% of Budget

The interfund transfer amount reflects the new budgeted figure as amended by the council to reflect the higher cost for the sidewalk project and shortfall in TIB funds.

Expenditures – 95% of Budget

The 2008 Sidewalk Project was completed in 2009, but the final 5% retainage of \$12,167 was not paid until 2009, awaiting final state-required release documents. This cost will show up in the 2009 budget, hence the higher than expected 2008 ending balance for the Street Fund.

STREET RESERVE FUND 102

Revenues – 116% of Budget

When the council amended the Street Fund and Street Reserve Fund budgets in September, all revenues and expenditures related to the street project were put into the Street Fund. Interest was slightly higher than anticipated.

Expenditures – 100% of Budget

The expenditure for this fund was the interfund transfer to the Street Fund for the sidewalk project.

LIBRARY FUND 103

Revenues – 100% of Budget

A portion of the town's general property tax levy is allocated to this fund to cover the library contract costs with Whitman County.

Expenditures – 100% of Budget

The payment to the Whitman County Library is made in two installments, April and November. With voter approval in November 2008, Garfield annexed into the Whitman County Library District. Starting in 2010, expenditures to operate the library will be paid through citizen property taxes paid directly to the library and not part of the town's budget.

CAPITAL FACILITIES FUND 104

Revenues – 100% Of Budget

The revenue for this fund is real estate excise tax and is based upon house sales. It can vary widely from year to year. It is anticipated this will be lower in 2009.

Expenditures

No expenditures were made in this fund in 2008.

FIRE EQUIPMENT RESERVE 110

POLICE EQUIPMENT RESERVE 111

EQUIPMENT RESERVE 112

Revenues

The major revenue for these funds is from interfund transfers. All interfund transfers were received in 2008.

Expenditures

No expenditures were made in these funds in 2008

PARK GAZEBO/BANDSTAND 113

This fund only earns interest at this time. Revenues were at 101% of budget. No expenditures were made for this fund in 2008. It is anticipated these funds will be used for a project in 2009.

WATER FUND 401

This fund comprises all three utilities – water, sewer and garbage (including recycling.) The Ending Balance in this fund is greater than anticipated due to revenues being \$13,000 over budgeted projections, while expenditures in Sewer were under by \$5,800, Garbage were under by \$5, 200, and Capital Expenditures were under budget by \$14,200

Revenues

Water revenues ended at 105% of budget. Sewer revenues received were at 106% of budget. Garbage revenues were at 104% of budget. Late charges received were at 121% of budget.

Expenditures

Water – 103% of Budget

As expected, utility taxes, supplies, fuel, electricity and electricity are the higher line items.

Sewer – 90% of Budget

Utility taxes were roughly 50% of anticipated costs and fuel was minimal in this fund.

Garbage – 93% of Budget

Landfill fees were lower than anticipated, coming in at 86% of budgeted costs.

Other – 90% of Budget

The 538 portion of the Water Fund is for expenditures that are not separable for any combination of utilities. This department represents ½ of the clerk-treasurer's expenses plus other general costs for the utilities such as supplies, postage, telephone and software. For the 2009 Budget, the expenses of this department have been divided into the separate utilities, more clearly reflecting the activities/functions undertaken.

Capital Expenditures – 48% of Budget

The Capital Expenditure portion of the Water Fund primarily represents the water line extension but also includes equipment and office furniture. Supplies for the water line extension were purchased but the project not yet undertaken, hence the low final actual expenditures.

Please note the town received an Association of Washington Cities Risk Management Grant of \$1000 for a security system at the wastewater treatment plant. This appears under Miscellaneous Revenues. The expenditure of \$1,005 is under Capital Expenditures Equipment.

As part of the 2009 Budget, council opened a new Utilities (Water/Sewer/Garbage) Reserve Fund. As of January 2009, \$115,000 of this Fund will transfer into the new Utilities Reserve Fund.

WATER LOAN 402 – 100% of Budget

This fund was established to solely repay the Public Works Board (Dept of Health) loan for the water reservoir. The payment of \$23,906 is due each October. The revenue for this payment comes from an interfund transfer of \$23,905 from the Water Fund.

SEWER LOAN REDEMPTION 403 – 100% of Budget

This fund was established to solely repay the Department of Ecology loan for the wastewater treatment plant (WWTP). The annual payment of \$51,197 is made in two installments per year in April and October. The revenue for this payment comes from two interfund transfers totaling \$51,197 from the Sewer Fund

SEWER RESERVE 411

Revenues for this fund come from test only. No expenditures were made in this fund in 2008. As part of the 2009 Budget, council opened a new Utilities (Water/Sewer/Garbage) Reserve Fund. As of January 2009, the entire balance of this Fund will transfer to the new Utilities Reserve Fund.

UTILITIES EQUIPMENT RESERVE 412

Revenues for this fund come from interest and an interfund transfer from the Water Fund. No expenditures were made in this fund in 2008.

SEWER LOAN RESERVE 413

This fund was required when the town received its loan from the Department of Ecology for the WWTP. The town is required to have sufficient resources in this fund to make the final loan payment in 2022. Revenues for this fund come from interest only. No expenditures were made in this fund in 2008.

GARFIELD PDA 621

This fund has no revenues or expenditures for 2008. This fund was started when the town formed the Garfield Public Development Authority. The council could chose to close this fund.

WATER DEPOSITS 633

This fund is solely for collecting water utility deposits (non-revenues). After 12 calendar months with no payment problems, water deposits can be applied to the corresponding account or reimbursed to the water user directly. Expenditures (listed as non-expenditures) from this fund are for water deposit reimbursements.