

**Town of Garfield  
Financial Summary Report Narrative  
1st Quarter 2013**

**BUDGET AMENDMENTS**

The 2013 Budget was adopted by Ordinance No. 428N December 5, 2012.

**CURRENT EXPENSE (CE) 001**

**Revenues**

Taxes

Property tax received for the 1st Quarter totaled \$1,039.16 which is 1.9% of the 2013 budgeted line item and represents prior year taxes. The majority of property taxes are received in April and November, following the March and October tax statements.

Local sales tax received is at 17.9% of the \$25,000 budgeted, with receipts of \$6,065.50 to date. Please note these funds appear in two lines, 313.10 and 313.11 as the account code as changed to 313.11.

Criminal justice tax is at \$1,784.36 or 24.8% of the projected budget.

Utility tax is right on target ranging from 22.1% for water to 27.5% for sewer for the first quarter. Effective April 1, 2013 the utility tax for telephone service will be 6%, reflecting the original intent of the council at the time utility taxes were implemented.

Licenses/Permits

This entire category reflects a very minor portion of the total municipal budget. Receipts in this category include building permits; dog licenses, and concealed pistol licenses. There were no building permits issued in the 1<sup>st</sup> quarter. Animal licenses are at 41.7% of the budget with a total of 20 dog licenses issued by the end of the first quarter. Concealed pistol licenses are at \$116.50 or 116.5% of the budgeted line item.

State Generated Revenues

City Assistance received was \$2,914.99 with a total budget of \$7,500. Criminal justice monies came in approximately 25%-27% of the budgeted figure. \$1,337.26 in Liquor Control Board Profits was received in the 1<sup>st</sup> quarter or 33.4% of the \$4,000 budgeted line item.

Misc. Revenues

Miscellaneous revenues came in at \$419.36. This represents a very small portion of current expense and includes copies, investment interest (\$214.33), sales tax interest and miscellaneous receipts (\$165 from the Rural Fire District for phone/pension costs).

Non Revenues

Non-revenues represent monies that the town simply collects and passes on to other agencies, such as the \$4.50 per building permit state fee or the portion of fees for concealed pistol licenses (CPL) the state charges for processing. There is a \$615 non-revenue that represents a bank error in the first quarter, depositing funds that were not the towns. This same \$615 is reflected under non-expenditures, when these funds were adjusted back to the bank.

Interfund Transfers

There were no interfund transfers in the 1<sup>st</sup> quarter of 2013.

**Expenditures**

**Legislative and Executive**

These departments ended at 45.8% and 22.3% of their projected budgets. The insurance line item is at 101.3% of its budgeted line of \$3,840 as the insurance total annual premium is paid in the first month of the year.

The salaries and wages line items in these departments are under budget this year due to the decline of salary payments. You will note the small expenditure under Personnel Benefits. This represents the quarterly payment to the Department of Labor and Industries for the mayor and council.

#### Judicial

This line item is for the contract payment with Whitman County for court services and has an established per capita fee. No payment has been made in 2013.

#### Finance

For the first quarter of 2013 this department is at 25.9% of its budget and represents ½ of the clerk-treasurer's expenses plus any financial costs. As noted above, the insurance premium paid in total in the first month of the year, shows this line item at 94.1% of budget.

#### Legal

This department covers the costs of the town's legal counsel and is at 25% of budget.

#### General Government

This expenditure of \$293 represents the annual dues to the Association of Washington Cities. No other expenditures are billed to this department.

#### Fire

This category ended at 26.6% of the budget. Starting with the 2<sup>nd</sup> quarter of 2013, the town entered into an interlocal agreement with the Whitman County Rural Fire District #3 via Resolution 2013-05 to form a Joint Fire Protection Board (JFB). Fire expenditures will be split 40% town / 60% fire district with the town reimbursing the JFB for the expenditures.

#### Protective Inspections

The building inspector contract is paid from this department. Per agreement, the town pays the inspector 75% of the permit fee. There have been neither building permits issued nor expenditures in the building department.

#### Communications/Alarms/Dispatch

Both police and fire telephone and fire siren expenses are paid from this department. The budget ended at 9.9% of budget.

#### Other Environment Services

The only expenditure under this category is for dog licenses which are not purchased until the 4<sup>th</sup> quarter of the year.

#### Planning & Community Development

To date, there have been no expenditures in this department.

#### Substance Abuse

This is a state mandated payment to the authorized county substance abuse counseling service (Palouse River Counseling) and is based upon liquor sales. There have been no expenditures in this department.

#### Park/Pool

This department finished at 16.9% of its budget with total expenditures of \$2,643.51 at the end of the first quarter.

### Non-Expenditures

These expenditures are pass-thru costs, such as the \$4.50 for building permits and processing costs for concealed pistol licenses collected (agency deposits) and sent to the state. As noted above, this department also reflects the \$615 non-expenditure to correct the bank's error of the deposit of funds not belonging to the town.

### Capital Expenditures

To date, there have been no expenditures in this department.

### Interfund Transfers

To date, there have been no transfers-out.

### Other Expenditures Intergovernmental Payments

This fund represents the law enforcement contract with the City of Palouse. A 3-year contract renewal from 2011-2013 was approved in November of 2010. A monthly rate of \$5,834.95 will continue throughout 2013.

## **CURRENT EXPENSE (CE) RESERVE 002**

### **Revenues**

No revenues have been received to date.

### **Expenditures**

No expenditures to date have occurred.

## **STREET FUND 101**

### **Revenues**

#### Property Taxes

This line item represents the voter approved special levy for streets and is at \$1,039.17 which is 1.8% of the 2013 budgeted line item and represents prior year taxes. The majority of property taxes are received in April and November, following the March and October tax statements.

#### State Generated Revenues

Motor Vehicle Fuel Taxes came in at \$2,879.11 or 28.8% of this budgeted line item amount of \$10,000.

#### Misc. Revenues

Interest for the first quarter totaled \$32.21.

#### Interfund Transfer

No interfund transfers were received from the Street Reserve Fund.

### **Expenditures**

The general operations of the Street Funded ended at 18.5% of the annual budget projected for the year with most lines items at or below their budgeted 25% figure, except personnel benefits at 26.9% and operating supplies at 28.8%. Street Professional Services (BIAS) and insurance are both paid in January for the full year so reflect the full annual costs and came in at 104% and 101.2% respectively for their annual budgeted line items. The capital expenditure of \$2,240.76 represents the final 5% retainage to Western Construction for the JE Love storm drain project. The Department of Ecology reimbursement for this expenditure will be received by the town in the 2<sup>nd</sup> quarter of 2013.

## **STREET RESERVE FUND 102**

### **Revenues**

Investment interest today is at \$26.03. No other revenues were received.

### **Expenditures**

There have been no expenditures to date.

## **CAPITAL FACILITIES PROJECT FUND 304**

Per council direction, at the end of 2012 this fund was reclassified as 304 Capital Facilities Project Fund by Ordinance No. 426N.

### **Revenues**

The revenue for this fund is real estate excise tax and is based upon house sales. It can vary widely from year to year. 1<sup>st</sup> quarter receipts totaled \$376.20. \$27.66 in interest was received.

### **Expenditures**

No expenditures have occurred to date.

## **FIRE EQUIPMENT RESERVE 310**

## **POLICE EQUIPMENT RESERVE 311**

## **EQUIPMENT RESERVE 312**

Per council direction, at the end of 2012 these funds were reclassified as Capital Projects Funds a renumbered 310, 311 and 312 respectively, by Ordinance No. 426N.

### **Revenues**

The major revenues for these funds are Interfund Transfers from Current Expense. There were no interfund transfers completed the first quarter of 2013. Effective with Resolution 2013-02 interest earnings for these funds are deposited directly into each of these funds respectively.

### **Expenditures**

No expenditures have occurred to date.

## **WATER FUND 401**

This fund comprises all three utilities – water, sewer and garbage (including recycling.)

### **Revenues**

By council action, a portion of the utility payments for water, sewer and garbage are designated for the reserve funds – Utilities Reserve (410) and Utilities Equipment Reserve (412). Hence the two revenue lines each for water, sewer and garbage sales and water, sewer and garbage sales combined reserve. The transfer to the reserve funds appears under Interfund Transfers Utilities Reserve and Utilities Equipment Reserve. Water receipts are at \$21,178.68, roughly 20% of its budget; Sewer receipts are \$35,682.52, roughly 25% of its budget; Garbage receipts are \$25,768.42, roughly 25% of its budget; and late fees totaled \$1,630 for the 1<sup>st</sup> quarter. Interest is at \$88.39, over the projected \$60. No transfers-in have occurred to date.

### **Expenditures**

Total water expenditures ended at 22.2% of budget. A few line items were over the 25% figure and include office supplies, professional services, personnel benefits, fuel, training and insurance. Total sewer expenditures ended at 32%. A few line items were over the 25% figure and include office and operating supplies, professional services, personnel benefits, fuel, and insurance. Total garbage expenditures are at 21.7% at the end of the 4th Quarter. A few line items were over the 25% figure and include office and operating supplies, professional services, personnel benefits, fuel, utilities and

insurance. Professional Services (BIAS) and insurance are both paid in January for the full year so reflect the full annual costs.

There were no capital expenditures to date.

#### **WATER LOAN 402**

This fund was established to repay the Public Works Board (Dept of Health) loan for the water reservoir. The annual payment is paid in September. The revenue for this payment comes from an Interfund Transfer of \$22,167 from the Water Fund. Historically the loan payment and interfund transfer for this fund are done at the end of the 3<sup>rd</sup> quarter. No activity has occurred to date.

#### **SEWER LOAN REDEMPTION 403**

This fund was established to 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 March and September. The revenue for this payment comes from two interfund transfers totaling \$51,197 from the Sewer Fund. The first loan payment of \$25,598.57 along with the corresponding interfund transfer from the Sewer Fund to cover that expenditure were made in March.

#### **UTILITIES RESERVE 410**

Per council, a portion of water, sewer and garbage rates each month are designated for this reserve fund. Receipts to date total \$7,479.22 plus \$315.56 in interest and represent 26.3% and 22.5% of their budgeted line items.

No capital expenditures or transfers out occurred during the first quarter of 2013.

#### **UTILITIES EQUIPMENT RESERVE 412**

Per council, a portion of water, sewer and garbage rates each month are designated for this reserve fund. Receipts to date total \$1,867.06 plus \$124.31 in interest and represent 23.9% and 16.6% of their budgeted line items.

No capital expenditures or transfers out occurred during the first quarter of 2013.

#### **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. 1st Quarter of 2013 interest is at \$61.31, already over the projected \$60.

#### **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. To date they total \$75.00.