

City of Warrensburg

Quarterly Financial Report

First Quarter Ending December 31, 2008



JANUARY 26, 2009

Overview

This quarterly report describes some of the financial activity for the City of Warrensburg during the first quarter of the FY 2008-2009. This report focuses on the General Fund. The first part of this report shows the preliminary audited fund balance and a table that demonstrates the impact of the first quarter revenue and expense activity. Next, is the five largest revenue streams and their status with respect to the budget. We also provide the same analysis for expenses by major departments.

this fiscal year is \$3,608,111. This is a General Fund increase in the fund balance of \$656,545 from fiscal year 2007. The auditors plan to present the 2007-2008 audit to you at your upcoming February 23 City Council Meeting.

The increase in the 2008 fund balance of \$656,545 can be attributed to increased revenues of approximately \$500,000 and a decrease in final expenditures of \$331,165 from what the City originally budgeted in the 2007-2008 budget. This beginning unreserved fund balance for the general fund of \$3,608,111

represents an increase of \$3,026,831 from the 1999-1998 fund balance of \$581,280. A review of the bar graph below shows that, subsequent to the 1998-1999 fiscal year, the General Fund balance has grown steadily as revenue has continued to exceed expenses.

Using the benchmark of 25% for the first quarter for end of December 2008, our overall revenues are at 20.79% (-4.21% of projected) and expenses are at 24.44%. The estimated ending quarterly fund balance, as noted below, is \$3,173,770.

GENERAL FUND FIRST QUARTER STATEMENT OF REVENUE AND EXPENSES

The preliminary numbers for the General Fund Balance on October 1, 2008 indicate that the beginning fund balance for

General Fund	Budget	YTD Actual	Percent
Balance, Start of Year	\$ 3,608,111	\$ 3,608,111	
Revenues*	\$ 8,362,462	\$ 1,738,875	20.79%
Expenditures*	\$ 8,892,361	\$ 2,173,216	24.44%
Balance	\$ 3,078,212	\$ 3,173,770	

*Includes Transfers

Mayor

Donna DeFrain

Mayor Pro-Tem

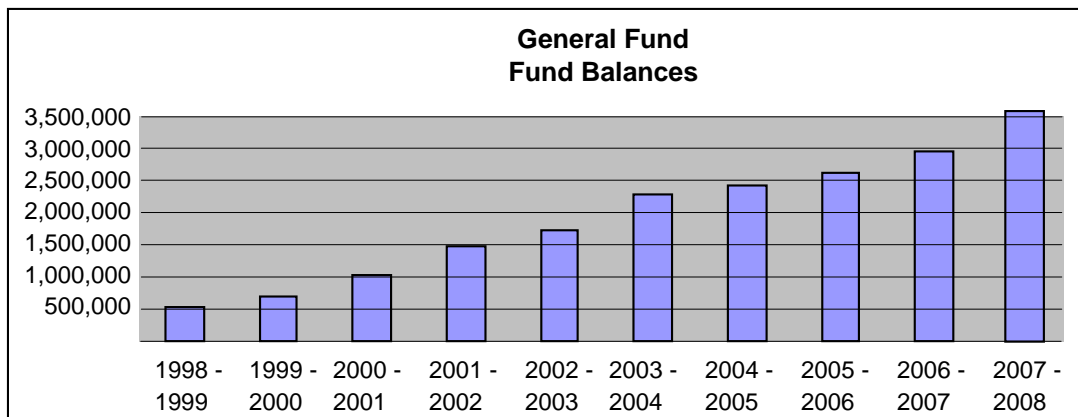
Jeff Terry

Council Members

Debbie Arwood
Curt Dyer
Don Nimmer

City Manager

Jeff Hancock



First Quarter General Fund Revenues

On the revenue side, Property Tax is also down for the first quarter because those taxes do not come until January. As of this date we have received \$569,046 of the \$601,609 or just under 96% of the 2008-2009 budgeted revenues. For the same reason, Licenses and Permit revenues are below benchmark because business licenses do not typically come in until renewal season in June and July. On the following two pages we have provided graphs that depict an actual revenue comparison for the sales tax and utility franchise receipts between fiscal year 2007-08 and fiscal year 2008-2009.

	Budget	Received YTD Actual	Percent Received
Sales Tax	\$ 3,879,151	\$ 875,397	22.57%
Property Tax	\$ 647,271	\$ 68,011	10.51%
Utilities	\$ 2,351,032	\$ 507,042	21.57%
Fines & Forfeitures	\$ 401,252	\$ 90,377	22.52%
Licenses & Permits	\$ 147,951	\$ 16,685	11.28%
Total Key Revenues	\$ 7,426,657	\$ 1,557,512	20.97%
All Other Revenues	\$ 935,805	\$ 181,363	19.38%
Transfers	\$ 558,689	\$ 139,623	24.99%
Total Revenues	\$ 8,362,462	\$ 1,738,875	20.79%

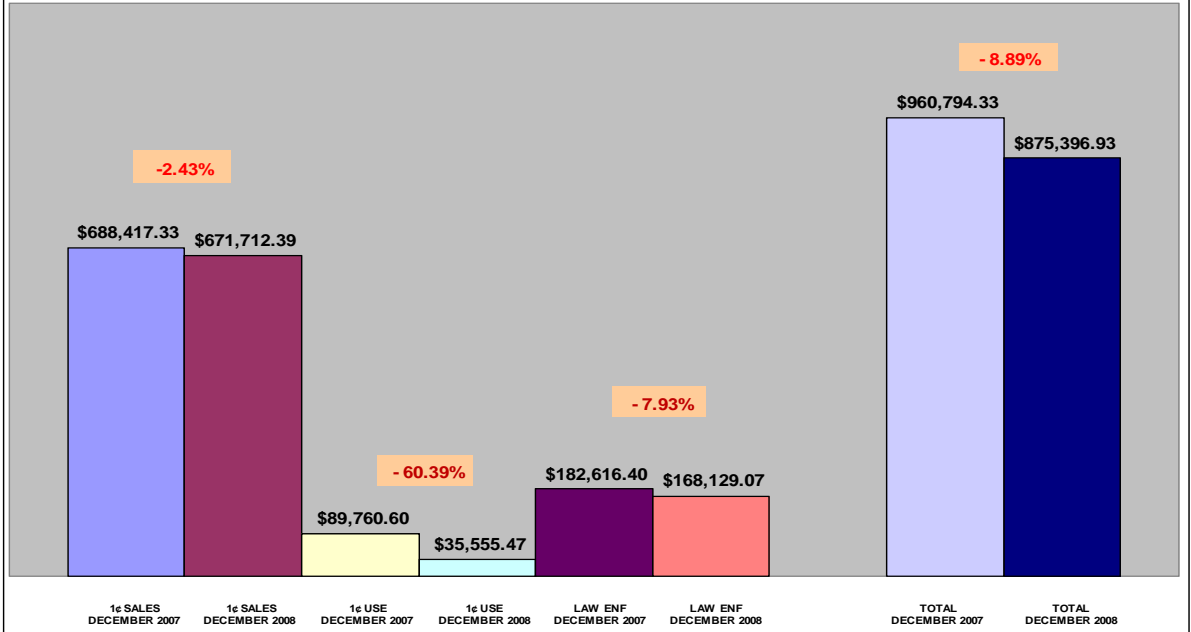
First Quarter General Fund Expenses

Most departments are under 25% of projected expenditures. While Support Services is an area that is over on projected spending, major insurance payments are encumbered at the end of December. Insurance was budgeted at \$179,550 and is at 85% of projected spending by the end of first quarter; however the expenditure of \$152,393 should be near the total annual cost for insurance for this fiscal year. Switching insurance carriers realized \$27,157 in savings. Data Processing is a line item that is well over the projected earmark for the quarter because of our annual maintenance agreements are paid on October 1 for the fiscal year. The passage of the County's quarter cent sales tax for dispatch will provide an approximate savings in 2008-09 of \$190,000 and should prove to be beneficial.

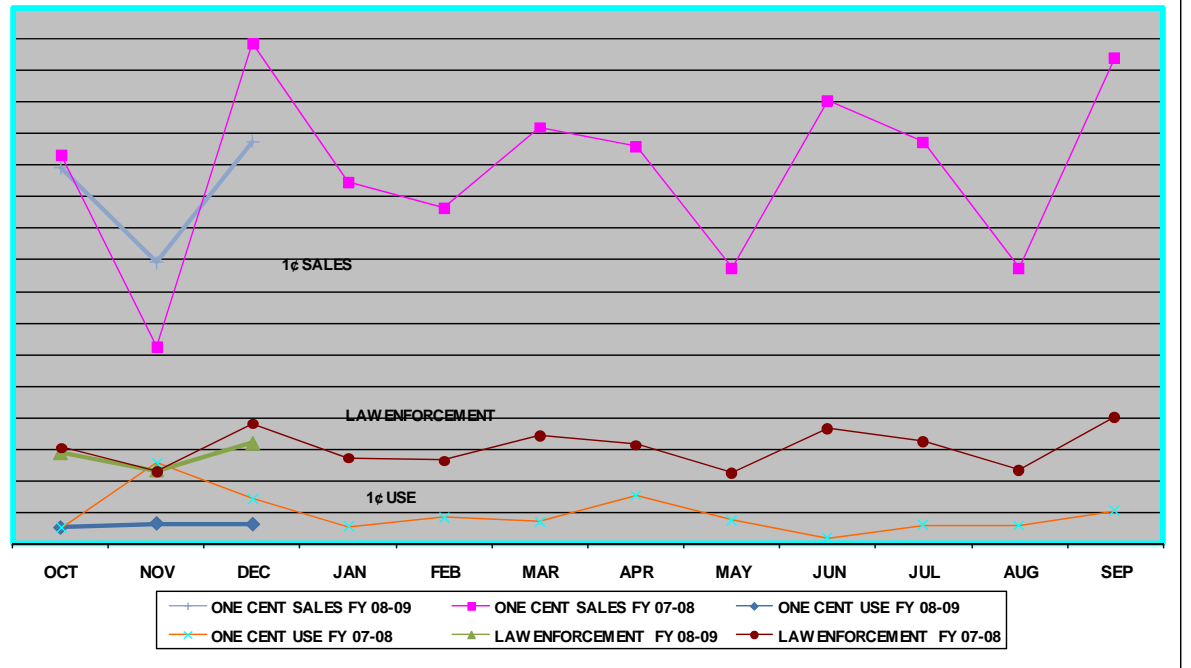
	Budget	YTD Actual	Percent Expended
Public Safety & Health			
Fire Department	\$ 2,070,538	\$ 433,989	20.96%
Police Department	\$ 2,519,407	\$ 600,132	23.82%
Animal Control	\$ 139,016	\$ 34,688	24.95%
Community Development	\$ 407,254	\$ 87,277	21.43%
Transportation			
Street Maintenance	\$ 1,081,204	\$ 275,173	25.45%
Snow & Ice	\$ 41,670	\$ 32,714	78.51%
Finance & Support Services			
Finance	\$ 198,077	\$ 47,878	24.17%
Support Services	\$ 1,307,113	\$ 394,404	30.17%
General Government			
Mayor & Council	\$ 6,215	\$ 1,456	23.43%
City Clerk	\$ 69,382	\$ 14,289	20.59%
Administration	\$ 181,473	\$ 44,438	24.49%
Municipal Court	\$ 197,443	\$ 42,416	21.48%
Legal Services	\$ 67,275	\$ 12,791	19.01%
Total Departmental	\$ 8,286,067	\$ 2,021,644	24.40%
Transfers	\$ 606,292	\$ 151,573	25.00%
	\$ 8,892,359	\$ 2,173,217	24.44%



Sales/Law Enforcement Tax Totals Comparison October-December 2007 to 2008

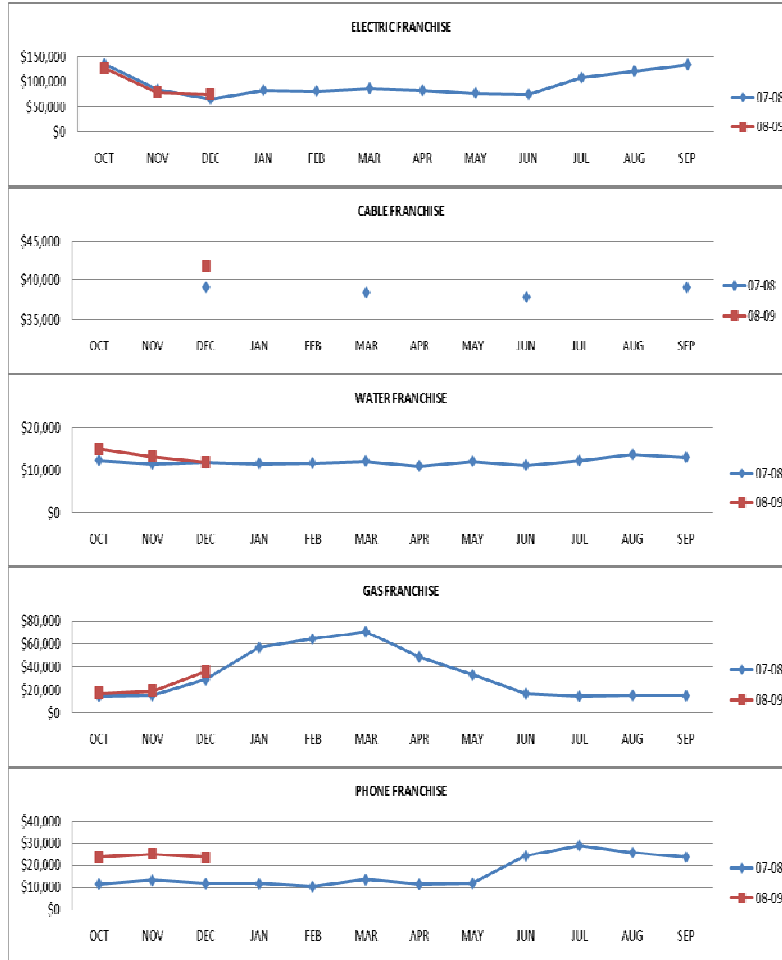


Sales/Law Enforcement Tax Comparison October-December 2007 to 2008



Utility Franchise Revenues Comparison

Sales/Law
Enforcement Tax
Comparison
October-December
2007 to 2008



Local Economy and Future Budgetary Plans

While Johnson County unemployment figures for November 2007 to November 2008 have risen from 4.3% to 5.4% I remain optimistic. As noted in the attached ICMA Whitepaper, during this economic downturn, important guiding principals should apply. They are;

- Insofar as possible, maintain spending rather than cutting revenues and eliminating even more programs and services. In particular, do not trim capital projects with limited impact on the operational budget.
- Avoid across the board cuts that take funds away from higher priority programs and services along with those with lower priority.
- Avoid hiring freezes that either randomly distribute vacancies or leave high turnover agencies severely understaffed.
- Lead inclusively and encourage creativity and engagement at all levels of the organization rather than tightening controls and making top-down decisions.
- Draw on the organization and the community's ideas and support, and use the crisis to identify how the organization can be strengthened.