

# **City of Muscatine**

## **Budget Basis Financial Statements Overview**

**Year Ended June 30, 2011**

**City of Muscatine, Iowa**

**General Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balance  
Year Ended June 30, 2011**

**Revenues:**

**Taxes:**

<b>Property</b>	<b>\$ 6,461,806.63</b>
<b>Utility</b>	<b>29,013.78</b>
<b>Hotel/Motel</b>	<b>363,664.56</b>
<b>Cable Franchise</b>	<b>236,252.62</b>
<b>Utility Franchise</b>	<b>227,680.09</b>
<b>Licenses and permits</b>	<b>271,372.27</b>
<b>Fines and forfeitures</b>	<b>393,339.74</b>
<b>Intergovernmental</b>	<b>511,130.67</b>
<b>Charges for services</b>	<b>444,456.21</b>
<b>Use of money and property</b>	<b>156,641.88</b>
<b>Other</b>	<b>934,040.35</b>

**Total revenues** **\$ 10,029,398.80**

**Expenditures:**

**Current:**

<b>Public safety</b>	<b>\$ 6,814,921.67</b>
<b>Public works</b>	<b>2,092,211.60</b>
<b>Health and social service</b>	<b>17,800.00</b>
<b>Culture and recreation</b>	<b>2,705,710.96</b>
<b>Community and economic development</b>	<b>755,281.39</b>
<b>General government</b>	<b>1,936,767.68</b>

**Capital outlay:**

<b>Public safety</b>	<b>99,726.00</b>
<b>Public works</b>	<b>105,782.83</b>
<b>Culture and recreation</b>	<b>151,259.41</b>
<b>Community and economic development</b>	<b>-</b>
<b>General government</b>	<b>33,786.37</b>

**Total expenditures** **\$ 14,713,247.91**

**Revenues (under) expenditures** **\$ (4,683,849.11)**

<b>Other financing sources (uses):</b>	
<b>Operating transfers in</b>	<b>\$ 5,599,718.32</b>
<b>Operating transfers out</b>	<b>(540,550.73)</b>
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<b>Total other financing sources (uses)</b>	<b>\$ 5,059,167.59</b>
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<b>Revenues and other sources over expenditures and other uses</b>	<b>\$ 375,318.48</b>
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<b>Fund balance, June 30, 2010</b>	<b>1,875,766.65</b>
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<b>Fund balance, June 30, 2011</b>	<b>\$ 2,251,085.13</b>
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<b>Less reserve for encumbrances</b>	<b>174,079.56</b>
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<b>Unreserved fund balance, June 30, 2011</b>	<b>\$ 2,077,005.57</b>
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**City of Muscatine**  
**General Fund**  
**Fund Balance Analysis**  
**Fiscal Year Ended June 30, 2011**

<b>Original Budget - Ending Fund Balance</b>	\$ 1,662,076
<b>Original Revised Estimate - Ending Fund Balance</b>	\$ 1,613,919
<b>Actual Ending Fund Balance</b>	<u>\$ 2,077,006</u>
<b>Actual over Revised Estimate by</b>	<u>\$ 463,087</u> **
<b>Budgeted Items not Purchased - Requested to Carryforward to FY 2011/2012 (None)</b>	

**\*\* Revenues over original Revised Estimate by \$201,876:**

**Significant Revenue Items:**

Tax Collections <u>under</u> Revised Estimate	\$ (1,501)
Utility Taxes <u>under</u> Revised Estimate	(1,684)
Utility Franchise Fees <u>over</u> Revised Estimate	27,680
Cable Franchise Fees <u>under</u> Revised Estimate	(3,747)
Road Use Tax funding <u>under</u> original Revised Estimate (Corresponding expenditures also under Rev. Est.)	(167,781)
Employee Benefits funding <u>under</u> Revised Estimate (Corresponding expenditures also under Rev. Est.)	(57,192)
Health Insurance Wellness Program funding <u>under</u> Revised Estimate (Corresponding expenditures also under Rev. Est.)	(11,484)

<b>Hotel/Motel Tax <u>over</u> Revised Estimate</b>	<b>53,665</b>
<b>Building &amp; Zoning Revenues <u>over</u> Revised Estimate</b>	<b>23,363</b>
<b>Police Grants <u>over</u> Revised Estimate</b>	<b>17,694</b>
<b>Library Revenues <u>over</u> Revised Estimate</b>	<b>4,014</b>
<b>Art Center Revenues <u>under</u> Revised Estimate</b>	<b>(1,512)</b>
<b>Parks and Recreation Revenues <u>over</u> original Revised Estimate</b>	<b>10,467</b>
<b>Cemetery Revenues <u>over</u> original Revised Estimate</b>	<b>19,508</b>
<b>Public Works Revenues <u>over</u> original Revised Estimate (primarily due to increased reimbursement from the County for salt and increased engineering charges to capital projects)</b>	<b>51,012</b>
<b>Court Fines <u>over</u> Revised Estimate</b>	<b>48,816</b>
<b>Automatic Traffic Enforcement Fines <u>over</u> Revised Estimate</b>	<b>148,533</b>
<b>License and Permit Revenues <u>under</u> original Revised Estimate</b>	<b>(3,440)</b>
<b>Ambulance Fund Transfer <u>over</u> original Revised Estimate (budget amended for increased overtime)</b>	<b>42,319</b>
<b>Various Other Revenues <u>over</u> Revised Estimate (Net)</b>	<b>3,146</b>
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	<b>\$ 201,876</b>
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**\*\* Expenditures under Original Revised Estimate by \$260,940:**

**Significant Expenditure Items:**

<b>General government activities <u>under</u> original Revised Estimate</b>	<b>\$ 70,516</b>
<b>Public safety activities <u>under</u> original Revised Estimate</b>	<b>121,479</b>
<b>Library, Art Center and Parks <u>under</u> original Revised Estimate</b>	<b>20,271</b>
<b>Planning, Zoning, &amp; Building Safety <u>over</u> original Rev. Est.</b>	<b>(9,131)</b>
<b>Public Works activities <u>under</u> original Revised Estimate</b>	<b>51,111</b>
<b>Airport Subsidy <u>under</u> original Revised Estimate</b>	<b>6,875</b>
<b>Levee Tax Levy, Transit Tax Levy Transfers and Misc. <u>over</u> Revised Estimate</b>	<b><u>(181)</u></b>
	<b><u>\$ 260,940</u></b>

**City of Muscatine**  
**Fund Balance Comparison - Operating Funds**  
**June 30, 2011**

<b><u>Fund</u></b>	<b>Original Budget</b>	<b>Revised Estimate</b>	<b>Actual 6-30-11</b>	<b>Variance Favorable (Unfavorable)</b>
<b>General Fund</b>	<b>\$ 1,662,076</b>	<b>\$ 1,613,919</b>	<b>\$ 2,077,006</b>	<b>\$ 463,087 (1)</b>
<b>Debt Service Fund</b>				
<b>General Obligation</b>	<b>20,707</b>	<b>135,108</b>	<b>138,908</b>	<b>3,800</b>
<b>Enterprise Funds:</b>				
<b>Water Pollution Control Operations</b>	<b>2,103,419</b>	<b>2,179,276</b>	<b>2,142,663</b>	<b>(36,613) (2)</b>
<b>Collection and Drainage</b>	<b>517,047</b>	<b>657,473</b>	<b>817,075</b>	<b>159,602 (3)</b>
<b>Solid Waste Management:</b>				
<b>Refuse Collection</b>	<b>196,185</b>	<b>102,344</b>	<b>149,400</b>	<b>47,056 (4)</b>
<b>Landfill Operations</b>	<b>(2,078,574)</b>	<b>(2,175,472)</b>	<b>(2,100,612)</b>	<b>74,860 (5)</b>
<b>Landfill Closure Reserve</b>	<b>377,819</b>	<b>443,566</b>	<b>399,799</b>	<b>(43,767) (6)</b>
<b>Landfill Post-Closure Reserve</b>	<b>793,585</b>	<b>765,232</b>	<b>757,344</b>	<b>(7,888)</b>
<b>Transfer Stations Operations</b>	<b>(169,363)</b>	<b>(16,240)</b>	<b>(12,874)</b>	<b>3,366</b>
<b>Transfer Station Closure Reserve</b>	<b>29,095</b>	<b>38,645</b>	<b>38,645</b>	<b>-</b>
<b>Airport Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Parking System</b>	<b>38,519</b>	<b>48,004</b>	<b>57,436</b>	<b>9,432 (7)</b>
<b>Transit System</b>	<b>60,408</b>	<b>50,307</b>	<b>86,329</b>	<b>36,022 (8)</b>
<b>Golf Course Operations (net of     Clubhouse inventory)</b>	<b>76,666</b>	<b>121,969</b>	<b>92,879</b>	<b>(29,090) (9)</b>
<b>Boat Harbor Operations</b>	<b>2,934</b>	<b>(11,793)</b>	<b>(9,337)</b>	<b>2,456</b>
<b>Marina Operations (net of inventory)</b>	<b>700</b>	<b>663</b>	<b>453</b>	<b>(210)</b>
<b>Ambulance Operations</b>	<b>112,880</b>	<b>297,493</b>	<b>458,463</b>	<b>160,970 (10)</b>

**City of Muscatine**  
**Fund Balance Comparison - Operating Funds**  
**June 30, 2011**

<u>Fund</u>	<u>Original Budget</u>	<u>Revised Estimate</u>	<u>Actual 6-30-11</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Internal Service Funds:</b>				
Equipment Services (net of inventory)	83,338	113,700	113,864	164
Health Insurance	983,178	1,466,306	1,620,753	154,447 (11)
Dental Insurance	32,503	38,100	32,913	(5,187)
<b>Special Revenue Funds:</b>				
Employee Benefits	-	88,811	148,204	59,393 (12)
Emergency Tax Levy	80,000	80,000	80,165	165
Community Block Grant	27,444	27,608	32,610	5,002
Home Ownership Program	106,522	113,442	112,272	(1,170)
Sunset Children's Education Program	-	-	4,407	4,407
Local Option Sales Tax	1,733,896	1,646,389	1,388,089	(258,300) (13)
Road Use Tax	77,477	521,478	755,526	234,048 (14)
Tax Increment (Downtown)	232,544	80,918	81,062	144
Tax Increment (Southend)	1,152,756	1,142,880	1,136,387	(6,493)
Tax Increment (Northeast)	-	-	-	-
Tax Increment (Cedar Development)	8,799	9,062	9,117	55
Tax Increment (Muscatine Mall)	2,347	2,389	1,729	(660)
Equipment Replacement	97,656	95,312	105,561	10,249
Computer Replacement - City	-	10,300	7,908	(2,392)
Computer Replacement - Library	-	-	20,066	20,066
Police Forfeitures Fund	4,035	3,606	7,174	3,568
Clark House/Sunset Park Operations	485,392	556,359	656,789	100,430 (15)
Section 8 Voucher Program	166,483	320,220	359,583	39,363 (16)
<b>Totals</b>	<b>\$ 9,018,473</b>	<b>\$ 10,567,374</b>	<b>\$ 11,767,756</b>	<b>\$ 1,200,382</b>

- 1. See General Fund analysis.**
- 2. Water Pollution Control revenues \$194,520 less than budgeted (industrial under by \$126,206; residential/commercial under by \$64,525). Expenditures under revised estimate by \$157,790.**
- 3. Collection and Drainage expenditures under revised estimate by \$159,859.**
- 4. Refuse Collection expenditures under revised estimate by \$54,981; revenues under by \$7,925.**
- 5. Landfill revenues under estimate by \$24,671 due to reduced waste volume; expenditures under revised estimate by \$99,530.**
- 6. Transfer from Landfill fund under estimate by \$43,767 for fiscal year 2011 closure allocation.**
- 7. Parking revenues over revised estimate by \$6,073. Expenditures under revised estimate by \$3,359.**
- 8. Transit expenditures under revised estimate by \$29,913; revenues over by \$6,052.**

- 9. Golf Course revenues under the original revised estimate by \$41,275; expenditures under by \$12,185.**
- 10. Ambulance revenues over revised estimate by \$221,981; expenditures over original revised estimate by \$61,012 due to the increased number of ambulance runs.**
- 11. Health Insurance claims, admin fees, etc. were \$152,666 less than estimated; Wellness Program funding \$11,484 less than estimated. Revenues were \$9,703 less than estimated.**
- 12. General fund employee benefit costs less than revised estimate due to vacancies and coverage changes.**
- 13. Local option sales tax transfers for actual project costs were \$258,300 higher than estimated (projects had progressed farther than anticipated as of 6-30-11).**
- 14. Road Use Tax revenues over revised estimate by \$66,267; funding transfers were \$167,781 less than the original revised estimate.**
- 15. Public housing expenditures under original revised estimate by \$93,166 which includes \$49,800 for carryforward items. Revenues were \$7,264 higher than estimated.**
- 16. Section 8 Housing revenues \$42,471 more than estimated; expenditures \$3,108 higher than the original revised estimate.**

# Year-End Summary

- **The General Fund unreserved ending balance at the end of FY 2011 was \$463,087 higher than estimated. The unreserved ending balance increased by \$328,449 compared to the ending balance for FY 2010.**
- **The ending General Fund balance is 13.6% of expenditures which is higher than the “minimum of 10%” required by the City’s financial policies. This is also an increase from the 11.7% at the end of FY 2009/2010.**
- **The increase in the General Fund balance as compared to expenditures begins to address comments in Moody’s bond rating narratives which stated “...Moody’s considers the 10% to be relatively narrow....” and suggested a higher level of General Fund balance may be appropriate.**
- **There were positive fund balances in all of the City’s funds with the exception of the Landfill, Transfer Station, and Boat Harbor (deficits were budgeted in each of these funds).**
- **Most other City funds have ending balances close to or higher than projected and are in good position going into the budget development for the upcoming year.**