

City of Lawrence, Kansas Third Quarter Report – 2013

Purpose of Report

The following information summarizes the financial activities of the City of Lawrence through the end of the third quarter of 2013 on a budget basis. The report provides budgetary highlights from the major funds of the City. The report also compares financial activities to the budget and the two previous years.

Summary / Conclusion

With 75% of the year lapsed, revenues in most of the City's budgeted funds are exceeding 75% of budget. Likewise, expenditures in all of the City's budgeted funds are below 75% of budget. Staff will continue to monitor sales tax receipts as well as liquor tax receipts as growth in collections to date in these revenue sources has slowed.

Departments will continue to monitor revenues and manage their expenditures accordingly in order to finish 2013 as projected, with balanced budgets in most the City's major budgeted funds. However, it is very likely that it will be necessary to spend down fund balance in the General Operating Fund due to the Commission decision to issue a loan to the Lawrence Community Shelter.

General Operating Fund

Table 1. General Fund

<i>Revenue Source</i>	<i>2011 3rd Qtr.</i>	<i>% of budget</i>	<i>2012 3rd Qtr.</i>	<i>% of budget</i>	<i>2013 3rd Qtr.</i>	<i>% of budget</i>
Property Taxes	\$13,753,005	92.8%	\$13,953,920	91.4%	\$15,062,874	93.3%
Franchise Fees	\$4,978,958	81.4%	\$4,942,760	77.2%	\$5,159,486	79.4%
Sales / Use Tax	22,509,573	74.8%	23,910,125	78.3%	24,155,231	73.8%
Licenses & Permits	722,283	83.1%	707,746	78.6%	788,167	80.8%
Intergovernmental	624,863	80.6%	669,187	81.4%	650,463	78.1%
Service Charges	633,477	96.3%	574,580	85.1%	648,726	104.1%
Fines	2,077,971	70.4%	1,964,241	65.3%	2,092,450	69.7%
Interest	113,779	45.5%	26,320	17.6%	161,000	92.0%
Miscellaneous	3,022,202	67.8%	2,596,165	57.2%	3,383,745	73.2%
Transfers	2,715,014	75.6%	2,751,602	75.3%	2,751,553	75.2%
Total Revenue	\$ 51,151,125	79.2%	\$ 52,096,646	79.0%	\$ 54,853,695	79.2%
<i>Expenditures</i>						
General Government	\$ 19,701,877	56.3%	\$ 20,143,141	59.0%	\$ 20,444,555	59.4%
Public Safety	21,199,866	74.2%	22,432,354	74.9%	23,610,251	74.0%
Public Works	5,244,257	76.8%	5,005,834	76.1%	5,161,917	76.0%
Parks & Recreation	2,322,200	71.9%	2,402,408	74.2%	2,339,876	71.3%
Total Expenditures	\$ 48,468,200	65.8%	\$ 49,983,737	67.7%	\$ 51,556,599	67.5%
<i>Revenues over Expenditures</i>	2,682,925		2,112,909		3,297,096	

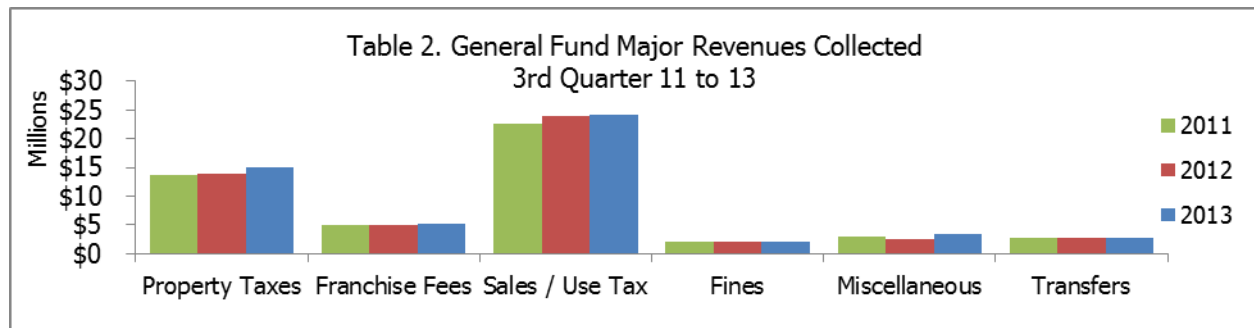
Summary

Revenues totaling \$54,853,695 have been collected in 2013 as of the end of September. This is an increase of \$2,757,049, or 5.3% from revenues collected in the first three quarters of 2012 and represents 79.2% of the 2013 budget. General Fund expenditures through the end of the third quarter of 2013 totaled \$51,556,599, which represents 67.5% of budgeted expenditures for 2013. This is an increase of \$1,572,862, or 3.1%, from this same period last year.

When adjusted for the transfer of \$5.9M that was budgeted in 2013 to comply with the state law that limits budgeted fund balance to 5% of expenditures, expenditures to date in 2013 represent 73.1% of 2013 budget. In 2012, 73.5% of the budget was expended as of the end of the third quarter.

Revenue Highlights

Table 2 shows the major revenue sources in the General Operating Fund and compares collections through the end of September for the past three years. Additional information can be found below.



Property Taxes. Despite a slight reduction in assessed valuation for 2013, property tax revenues grew for the second consecutive year, increasing 7.9% over the first three quarters of last year. This can be attributed to an increase in the mill levy for 2013 along with an increase in motor vehicle tax revenue. Collections as of the end of September 2013, represent 93.3% of the amount budgeted for 2013, compared to 91.4% of budget collected as of the end of the third quarter 2012 and 92.8% of budget collected as of the end of the third quarter 2011.

Franchise Fees. Overall, collections at the end of the third quarter were up 4.4%, or \$216,726, over the total franchise fees collected in the first three quarters of 2012. Collections from gas franchise fees are up 27.9%, or \$162,871, over this period last year. Collections from cable TV franchise fees are up 5.1%, or \$25,655, while collections from electric franchise fees were up 1.2%, or \$42,214. Collections from telephone franchise fees were down 3.8%, or \$14,013, from this period last year.

Total franchise fee collected as of the end of the third quarter of 2013 represent 79.4% of 2013 budget. In 2012, third quarter collections represented 77.2% of budget.

Sales/Use Tax. Sales and Use Tax proceeds continue to grow, however, the rate of growth is much slower in 2013, increasing just \$245,106, or 1.0%, over the same period last year. In 2012, third quarter collections increased 6.2% over the prior year.

Overall, sales/use tax revenues collected through the end of September 2013 represent 73.8% of the amount budgeted for 2013, compared to 78.3% of budget collected at the end of this quarter in 2012 and 74.8% at the end of the third quarter of 2011.

It should be noted that the City has changed the method of accounting for sales tax proceeds from Tax Increment Financing (TIF) Districts and Transportation Development Districts (TDDs.) Beginning in 2013, those proceeds are no longer included in the amounts shown in this report. When those proceeds are

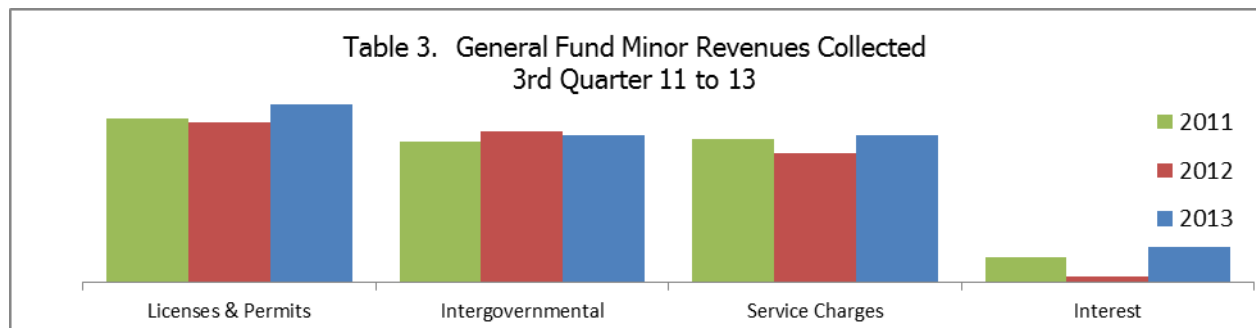
included, sales and use tax collections as of the end of September grew \$646,608, or 2.7%, over collections in the same period of 2012 and represent 75.0% of the 2013 budget.

Miscellaneous Revenues. Miscellaneous revenues collected to date increased \$787,580, or 30.3% when compared to 2012 and represent 73.2% of 2013 budget. The largest revenue included in miscellaneous revenues is payments from Douglas County for providing EMS services. The timing of these payments varies each year. In 2013, the City recorded \$709,579 more in the first three quarters than in 2012. This category also includes the payment from Douglas County for their share of the maintenance of the County Health Building. To date, the City has received \$23,885 more in 2013 than in the first three quarters of 2012.

Transfers In. Revenue is transferred to the General Operating Fund from other City funds for general overhead expenses and in lieu of a franchise fee paid by utilities. No increase was budgeted for transfers for 2013, and therefore, the amount of transfers in as of the end of the third quarter of 2013 is flat with 2012. Transfers to date represent 75.2% of budget.

Fines. Collection of fines in the General Fund continues to fluctuate. In 2013, collections increased 6.5%, or \$128,209, over the same period 2012. Last year, collections were 5.5% less than the prior year.

As of the end of September, collections in 2013 represent 69.7% of the amount budgeted for fines. In 2012, collections as of the end of the third quarter represented 65.3% of budget while in 2011, collections represented 70.4% of budget.



Licenses and Permit Fees. As shown on Table 3, revenue from licenses and permit fees through the end of third quarter 2013 is up \$80,421, or 11.4%, from this period last year. Revenue from building permit and inspection fees was up 13.6%, or \$75,575, from the first nine months of 2012. Revenue from business licenses decreased \$4,574, or 4.4%, from this quarter in 2012. Occupational licenses (plumber, electrician, contractor, solicitor, taxicab, etc.) were up 20.2%, or \$9,420, compared to this period last year. Overall, license and permit revenues collected through the end of September represent 80.8% of 2013 budget.

Intergovernmental Revenues. Intergovernmental revenue (state highway maintenance funds, liquor tax proceeds, miscellaneous grants, etc.) has fluctuated in recent years. Revenue received in the first three quarters of 2013 decreased \$18,724, or 2.8%, from the prior year. This is largely attributed to a grant the City received in 2012 for \$18,494 that was not duplicated in 2013.

Proceeds from the liquor tax remained flat in the first three quarters of 2013. Staff will continue to monitor this revenue source, which has been seeing growth in recent years, including in 2012, when proceeds increased 7.4% over the prior year.

Service Charges. Overall, revenue from service charges increased 12.9%, or \$74,146, over this period in 2012 and represent 104.1% of the 2013 budget for service charges.

Reimbursements for YSI are up \$29,038, or 62.6%, compared to this period last year. Collections for cemetery lots are up 47.5%, or \$24,465, over 2012. Street tree revenue is also up \$25,915, or 63.2%, over

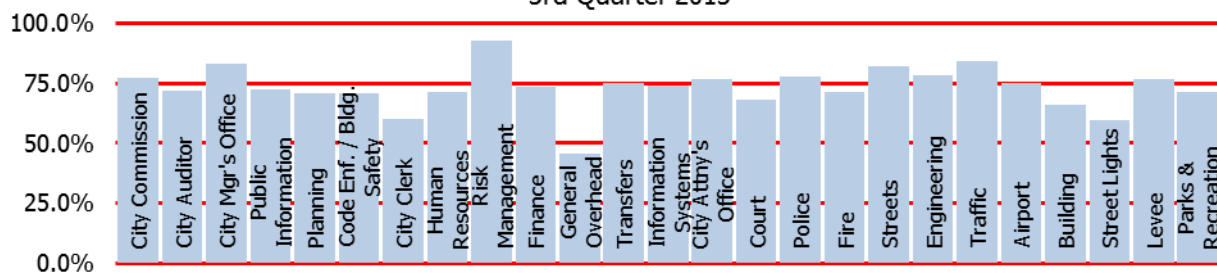
last year. These increases were offset somewhat but the timing of the payment for the Kaw Valley Drainage District. While this \$19,800 payment was received in the first three quarters of 2012, it has not been received to date in 2013.

Interest. Interest revenue in the General Fund continues to be low due to lower interest rates, the timing of our investments, and having lower balances to invest. As of the end of September 2013, \$161,000 has been earned. This is an increase over this period last year and represents 92.0% of the budget. In 2012, only 17.6% of budget was collected as of the end of the third quarter, while 45.5% of budget was collected in the first three quarters of 2011.

Expenditures

Overall, General Fund expenditures through the end of the third quarter of 2013 represent 67.5% of the 2013 adopted budget. When adjusted for the transfer budgeted for fund balance purposes, 73.1% of 2013 budget has been spent with 75% of the year lapsed.

Table 4. General Fund Expenditures as percent of Budget by Department
3rd Quarter 2013



As shown on Table 4, twelve divisions in the General Fund have expended more than 75% of their 2013 budget as of the end of the third quarter. Even without encumbrances included, ten divisions have expended more than 75% of their budgets as of the end of September. More information is provided on each of these divisions below.

- **City Commission (77.5%)** due to the timing of expenditures related to travel to the National League of Cities conference;
- **City Manager's Office (83.4%)** due to costs associated with personnel as well as timing of payments to Douglas County for the City's share of the sustainability coordinator position;
- **Risk Management (92.6%)** due to the timing of payment of insurance premiums and a significant increase in premiums;
- **Transfers (75.2%)** due to the timing of transfers to the City's workers compensation reserve and general liability reserve funds;
- **City Attorney's Office (76.9%)** due to charges for outside counsel;
- **Police (78.0%)** due to the replacement of mobile data computers and the timing of vehicle replacement;
- **Streets (82.2%)** due to encumbrances for the street maintenance program;
- **Engineering (78.2%)** due to encumbrances as well as costs associated with personnel;
- **Traffic (84.2%)** due to encumbrances as well as the timing of the purchase of signs and sign materials;
- **Airport (75.3%)** due to encumbrances for equipment and the overlay program;
- **Levee (77.0%)** due to motor vehicle repairs; and
- **Health Department / Community Health Building Maintenance (89.4%)** due to the timing of the payment to the Lawrence Douglas County Health Department for the City's share of their operations (\$648,929.) Excluding the operation costs, only 70.7% of the division budget has been expended as of the end of September.

Expenditures to date represent an increase of \$1,572,864, or 3.1% over the same period last year. The majority of the increase in total expenditures in the general fund can be attributed to public safety, however, general government and public works expenditures increased as well. Parks and recreation expenditures were actually 2.6%, or \$62,533, less than in the same period last year. Additional information for each category of expenditure is provided below.

General Government expenditures include City Commission, City Manager’s Office, Public Information, Planning and Development Services, City Clerk, Human Resources, Risk Management, Finance, General Overhead, Transfers, Information Systems, Legal Services, Human Relations, and Municipal Court. Expenditures in this category as of the end of the third quarter of 2013 have increased \$301,414, or 1.5% over 2012.

As shown on Table 5, almost half of this increase can be attributed to increased costs associated with personnel. The city’s contribution from the general fund for employee healthcare increased \$129,009 over this period last year. The remainder of the increase is due to merit increases for eligible employees as well as increased KPERS, FICA, and unemployment costs.

Expenditure Category	13 vs. 12	% change
Personal Services	\$150,221	2.1%
Contractual Services	13,615	0.4%
Commodities	7,171	5.4%
Capital Outlay		
Miscellaneous	(48)	-11.0%
Transfers	130,455	1.4%
TOTAL CHANGE OVER PRIOR YEAR	\$301,414	1.5%

Another significant portion of the increase in general government spending was in transfers out of the general fund. Overall, \$130,455, or 1.4%, more was transferred out of the general fund in the first three quarters of 2013 than was transferred out in the first three quarters of 2012. This was due to increased collections from the infrastructure and transit sales taxes.

The remaining categories of general government expenditures increased just \$20,739, or less than one percent, over the same period last year.

Overall, general government expenditures through the end of the third quarter 2013 represented 59.4% of 2013 budget. In 2012, 59.0% of the budget for this category of expenditures had been expended as of the end of September. In 2011, only 56.3% of the budget was expended at the end of this quarter.

Public Safety includes Police, Fire Medical, and the City’s share of the Health Department operations and community health building maintenance. Overall, third quarter public safety expenditures increased 5.3%, or \$1,177,897, over the third quarter of 2012 and represent 74.0% of budget. In 2012, 74.9% of the budget was expended at the end of September while 74.2% was expended at the end of the third quarter of 2011.

Expenditure Category	13 vs. 12	% change
Personal Services	\$421,246	2.2%
Contractual Services	28,441	1.4%
Commodities	92,097	10.4%
Capital Outlay	636,113	306.9%
TOTAL CHANGE OVER PRIOR YEAR	\$1,177,897	5.3%

As shown on Table 6, more than half of the increase in public safety expenditures was for capital outlay, which increased 306.9%, or \$636,113 over this period last year. As of the end of September 2013, \$636,705 was spent on police equipment, compared to \$0 spent on police equipment as of the end of September 2012.

Another significant increase was in costs associated with personnel, which increased 2.2%, or \$421,246, over the same period last year. Much of this increase can be attributed to increased overtime and benefit costs. Overtime expenses were up 18.8%, or \$170,910, compared to this period in 2012. The city's contributions to employee retirement plans for public safety employees in the first three quarters of 2013 increased \$166,032, or 6.6%, over this period last year. The remainder of the increase came from the general wage adjustment for MOU covered employees, and step increases for eligible employees.

Public safety contractual services were 1.4%, or \$28,441, more than in first three quarters of 2012. This can be attributed in part to increased motor vehicle repair expenses, computer and other service contracts, and natural gas.

Public safety commodities through the end of the third quarter 2013 increased \$92,097, or 10.4%, over commodities expenditures through the end of the third quarter of 2012. This was largely due to operating supplies (up 79.1%, or \$74,352,) uniforms (up 27.1%, or \$17,892,) software (up 47.7%, or \$15,717), and tools (up \$14,312.)

Public Works includes Street Maintenance, Engineering, Traffic, Airport, Building Maintenance, Street Lights, Levee Maintenance, and Building Maintenance. Expenditures in this category to date have increased \$156,083, or 3.1%, from the first three quarters of 2012 and represent 76.0% of budget. In 2012, 76.1% of the budget was expended, and in 2011, 76.8% of budget was expended as of the end of the third quarter.

Expenditure Category	13 vs. 12	% change
Personal Services	\$23,355	1.5%
Contractual Services	205,500	18.5%
Commodities	(65,458)	-2.9%
Capital Outlay	(7,314)	-10.9%
TOTAL CHANGE OVER PRIOR YEAR	\$156,083	3.1%

Public works personnel costs increased 1.5%, or \$23,355, over the same period last year due to overtime and part-time salaries. Contractual services increased \$205,500, or 18.5%, over the first nine months of 2012. This was largely due to snow removal expenses. There were no snow removal expenses in the first three quarters of 2012. In 2013, \$99,654 was spent on snow removal as of the end of September. Expenditures for temporary help in the traffic and building maintenance divisions increased \$22,007 over this period last year.

Public works commodities through the end of September 2013 were down \$65,458, or 2.9%, from this period in 2012. The most significant reduction was in the street maintenance program, which was down \$178,597, or 10.4%, compared to the same period last year. Expenditures for asphalt are also down 47.4%, or \$74,410, from this period last year. These decreases were offset by increases in salt (up \$106,461) and traffic paint supplies (up \$59,443.)

As of the end of September 2013, \$7,314, or 10.9%, less was spent on capital outlay in public works than in the same three quarters of last year. This can be attributed to the street division, which has not purchased equipment to date in 2013 compared to last year, when equipment had been purchased by the end of the third quarter.

Parks and Recreation expenditures from the General Fund through the end of September decreased by 2.6%, or \$62,532, from this period in 2012. Expenditures in this category represent 71.3% of 2013 budget compared to 74.2% of budget spent at the end of September 2012.

Expenditure Category	13 vs. 12	% change
Personal Services	(\$29,928)	-1.9%
Contractual Services	19,919	3.9%
Commodities	(27,537)	-10.3%
Capital Outlay	(24,986)	-49.4%
TOTAL CHANGE OVER PRIOR YEAR	(\$62,532)	-2.6%

Costs associated with personnel were down 1.9%, or \$29,928, from the same period last year despite merit increase for eligible employees and increased benefit costs. Parks and recreation commodities decreased \$27,537, or 10.3%, compared to this period last year largely due to decreased expenses for trees, seeds, and plants, which were down \$12,110, or 40.5%. Other decreases include janitorial supplies, which decreased \$7,642, and baseball and softball supplies, which were down 46.2%, or \$4,542. Capital outlay for parks and recreation decreased \$24,986, or 49.4%, from this quarter last year. In 2012, two vans damaged in a fire were replaced. In 2013, no parks vehicles have been replaced as of the end of September.

Contractual services in parks and recreation increased \$19,919, or 3.9%, compared to third quarter 2012. This can be attributed to mowing contract expenditures (up \$38,239), other contractual services (up \$45,618), electricity (up \$12,220), and natural gas (up \$9,231.)

Bond and Interest Fund

Table 9. Bond and Interest Fund

Revenue Source	2011 3rd Qtr.	% of budget	2012 3rd Qtr.	% of budget	2013 3rd Qtr.	% of budget
Property Taxes	\$5,332,711	91.5%	\$6,545,625	92.1%	\$6,530,580	91.9%
Motor Vehicle Taxes	460,941	90.7%	469,462	92.6%	564,289	92.5%
In Lieu Taxes	146	2.0%	-	-	-	-
Special Assessments	3,665,460	146.6%	3,066,131	122.7%	2,675,342	107.0%
Reimbursements	76,588		33,985		41,701	
Interest	624	0.4%	21,626	28.8%	404	0.5%
Rents	102,372	97.5%	101,132	84.3%	101,987	81.6%
Transfers	88,409		-		88,034	
Total Revenue	\$ 9,727,251	106.9%	\$10,237,961	99.3%	\$10,002,337	96.0%
Expenditures						
Principal	\$7,712,386	82.0%	\$8,249,232	86.2%	\$8,642,829	75.5%
Interest	2,297,974	57.3%	2,119,852	71.6%	1,966,845	62.4%
Total Expenditures	\$ 10,010,360	71.9%	\$ 10,369,084	80.8%	\$ 10,609,674	64.4%
<i>Revenues over Expenditures</i>	\$ (283,109)		\$ (131,123)		\$ (607,337)	

Revenues. Table 9 shows revenues in the Bond and Interest Fund at the end of the third quarter were \$235,624, or 2.3%, less than at the end of the third quarter last year and represent 96.0% of 2013 budget. The decreased can be attributed to a decrease in special assessment payments, which were \$390,789, or 12.7% less than in the same period last year.

in our General Operating Fund before it can be transferred to other funds. As budgeted for 2013, the transfer remained flat with the amount transferred in 2012.

Prior to 2012, the fund also received property tax revenue. However, the Commission eliminated the mill levy for the Recreation Fund and replaced property tax with sales tax. Nothing was budgeted for this revenue source in 2013, however, motor vehicle taxes and delinquent property tax payments were received and accounted for less than one percent of the total revenues collected in the fund as of the end of the third quarter.

Expenditures. Table 10 above shows Recreation Fund expenditures through the end of the third quarter decreased 2.4%, or \$67,707, compared to the first three quarters of 2012 and represent 69.0% of 2013 budget. In 2012, 68.4% of the budget was expended as of the end of September while in 2011 only 66.8% of the budget was expended at this point in the year.

Category of Expenditure	YTD 2012	YTD 13	13 v 12	% change
Personal Services	2,322,296	2,307,755	(14,541)	-0.6%
Contractual Services	308,324	289,625	(18,699)	-6.1%
Commodities	226,201	197,227	(28,974)	-12.8%
Capital Outlay	5,493	-	(5,493)	-100.0%
TOTAL CHANGE OVER PRIOR YEAR	2,862,314	2,794,607	(67,707)	-2.4%

As shown on Table 11, costs associated with personnel were relatively flat with this period last year despite merit increases for eligible employees. Contractual services were down \$18,699, or 6.1%, compared to this quarter in 2012, due to a 40.2%, or \$32,653, decrease in electricity expenses.

Commodities decreased \$28,974, or 12.8%, compared to this period last year largely due to a decrease in equipment and other operating supplies. No capital outlay expenditures were made in the first nine months of this year compared to last year, when a treadmill was purchased for the East Lawrence Recreation Center.

Public Transportation Fund

Table 12. Public Transportation Fund

Revenue Source	2011 3rd Qtr.	% of budget	2012 3rd Qtr.	% of budget	2013 3rd Qtr.	% of budget
Property Taxes						
Service Charges	\$ 203,790	82.2%	\$ 226,781	88.9%	\$ 250,856	88.0%
Miscellaneous	36,327		189,417			
Transfer(Sales Tax)	2,066,622	77.9%	2,191,894	79.7%	2,247,514	75.5%
Total Revenue	\$ 2,306,739	79.5%	\$ 2,608,092	86.8%	\$ 2,498,370	76.6%
<i>Expenditures</i>						
Public Transportation*	\$ 1,737,279	52.4%	\$ 1,975,895	62.0%	\$ 2,222,022	51.6%
Total Expenditures	\$ 1,737,279	52.4%	\$ 1,975,895	62.0%	\$ 2,222,022	51.6%
<i>Revenues over Expenditures</i>	\$ 569,460		\$ 632,197		\$ 276,348	

*doesn't include encumbrance to MV Transportation for operations.

Revenues. Table 12 shows revenues collected through the end of the third quarter in 2013 represent 76.6% of budget, compared to 86.8% of budgeted revenues collected at the end of this period in 2012. The 4.2% decrease can be attributed to one-time miscellaneous revenues received in 2012 that have not been received to date in 2013.

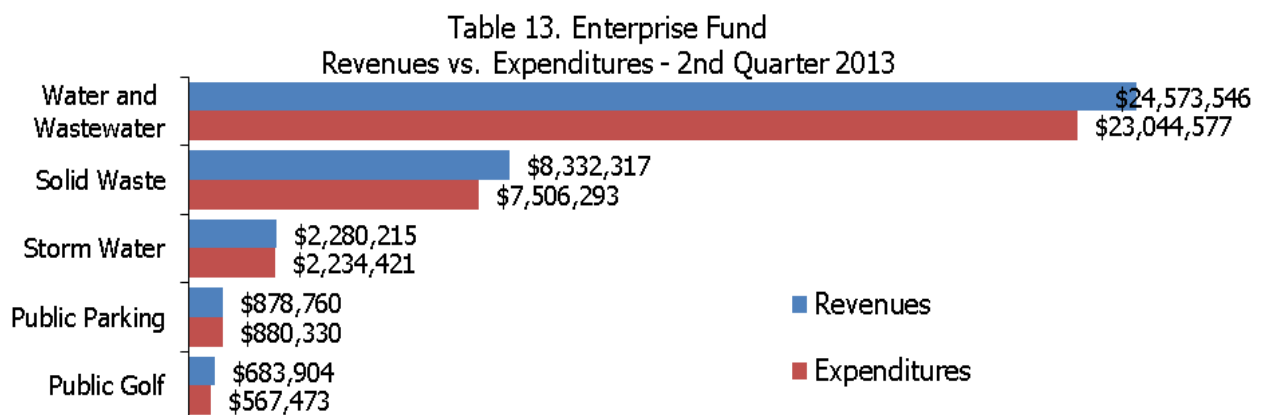
Sales tax proceeds, which are categorized as a transfer because state law requires that sales tax revenue be deposited in our General Operating Fund before it can be transferred to other funds, increased 2.5% or \$55,620 over the first nine months of 2012. Revenues from service charges (bus fares, sale of bus passes, etc.) increased \$24,075 or 10.6%, compared to the same period last year. This is continued improvement from 2012, when third quarter revenues from fares increased \$22,991 over the prior year.

Expenditures. Excluding the encumbrance to MV Transportation for operations, expenditures in the Public Transportation Fund through the end of the third quarter of 2013 represent 51.6% of budget and increased by \$246,127, or 12.5% over third quarter 2012.

Category of Expenditure	YTD 2012	YTD 13	13 v 12	% change
Personal Services	\$ 56,996	\$ 61,805	\$ 4,809	8.4%
Contractual Services	1,223,497	1,408,970	185,473	15.2%
Commodities	695,402	751,247	55,845	8.0%
Capital Outlay		-	-	
TOTAL CHANGE OVER PRIOR YEAR	\$ 1,975,895	\$ 2,222,022	\$ 246,127	12.5%

As shown on Table 12a, costs associated with personnel increased just \$4,809, or 8.4%, over last year due increased part-time salaries. Contractual services through the end of the third quarter 2013 increased 15.2%, or \$185,473 from this period last year. This increase can largely be attributed to an increase in the cost of the contracted service provided by MV Transportation. Commodities increased by 8.0%, or \$55,845, due to increased fuel expenses, which were \$34,550 higher than in third quarter 2012. Equipment also increased \$15,910 over this period last year.

Enterprise Funds



Summary

Table 13 compares revenues and expenses to date for the City's five Enterprise Funds. Of these five funds, only one - the Public Parking Fund - has expenses exceeding revenues as of the end of the third quarter in 2013. Additional revenue and expenditure information for each Enterprise Fund is provided below.

Water and Wastewater Fund

Table 14. Water and Wastewater Fund

<i>Revenue Source</i>	<i>2011 3rd Qtr.</i>	<i>% of budget</i>	<i>2012 3rd Qtr.</i>	<i>% of budget</i>	<i>2013 3rd Qtr.</i>	<i>% of budget</i>
Intergovernmental	-		-		-	
Customer Charges	\$ 22,661,609	73.3%	\$ 25,683,775	83.5%	\$ 23,898,716	74.5%
Interest	19,528	7.1%	36,819	73.6%	27,281	109.1%
Other Revenue	414,567	88.0%	352,330	86.6%	647,549	159.1%
Transfer	-		-		-	
Total Revenues	\$ 23,095,704	72.9%	\$ 26,072,924	83.5%	\$ 24,573,546	75.6%
<i>Expenses</i>						
Operations	\$ 22,368,221	50.7%	\$ 24,025,875	52.9%	\$ 23,044,577	49.0%
<i>Net Income</i>	\$ 727,483		\$ 2,047,049		\$ 1,528,969	

Revenues. Total revenues collected to date in the Water and Wastewater Fund in 2013 were \$1,499,378, or 5.8%, less than revenues collected at the end of September 2012 and represent 75.6% of the 2013 adopted budget. This decrease can be attributed to record level water sales in 2012, when 83.5% of the budget was collected as of the end of the third quarter.

Expenses. Water and Wastewater Fund expenses as of the end of the third quarter of 2013 were \$981,298, or 4.1%, less than expenditures in the same period last year and represent 49.0% of the 2013 budget. Four operating divisions have exceeded 75% of budget with 75% of the year lapsed. However, expenditures include just over \$2 million in encumbrances that may not be expended in 2013. Without these encumbrances, only one division has exceeded 75% of 2013 budget as of the end of the third quarter.

Category of Expenditure	YTD 2012	YTD 13	13 v 12	% change
Personal Services	\$ 6,836,631	\$ 6,858,322	\$ 21,690	0.3%
Contractual Services	4,441,657	4,645,869	204,212	4.6%
Commodities	3,207,709	3,131,299	(76,411)	-2.4%
Capital Outlay	742,444	178,049	(564,395)	-76.0%
Miscellaneous	4,132	5,568	1,436	34.8%
Debt Service	4,785,274	4,742,442	(42,832)	-0.9%
Transfers Out	4,008,028	3,483,028	(525,000)	-13.1%
TOTAL CHANGE OVER PRIOR YEAR	\$ 24,025,875	\$ 23,044,577	\$ (981,298)	-4.1%

Costs associated with personnel through the end of the third quarter 2013 just \$21,690, more than in 2012. Most of the increase can be attributed to overtime as well as merit increases for eligible employees.

Contractual services in the Water and Wastewater Fund were up 4.6%, or \$204,212, from the same period last year. This increase can largely be attributed to building repairs, which increased \$52,774 over this period last year, as well as increased repairs and maintenance of machinery and equipment, which were up \$41,826.

Commodities through the end of September were down \$76,411, or 2.4%, from last year largely due to a decrease in distribution supplies (down \$80,730), Clinton raw water expenses (down \$75,643), and chemicals (down \$32,776.) These decreases were offset by increases in meters and parts (up \$69,885) and laboratory supplies (up \$36,890.)

Capital outlay decreased \$564,395, or 76.0%, in the first nine months of 2013 compared to the same period last year, due to a difference in timing of equipment purchases.

Debt service through the end of the third quarter was \$42,832, or less than one percent, less in 2013 than it was in this quarter of 2012. Transfers from the fund also decreased \$525,000, or 13.1%, from this period last year due to the timing of the transfer to cash construction.

Solid Waste Fund

Table 15. Solid Waste Fund

<i>Revenue Source</i>	<i>2011 3rd Qtr.</i>	<i>% of budget</i>	<i>2012 3rd Qtr.</i>	<i>% of budget</i>	<i>2013 3rd Qtr.</i>	<i>% of budget</i>
<i>Intergovernmental</i>						
Service Charges	\$ 7,592,055	74.8%	\$ 7,763,724	75.2%	\$ 7,930,338	76.5%
Interest	-	-	4,473	89.5%	2,712	77.5%
Miscellaneous	520,899	82.9%	469,257	74.5%	399,267	83.2%
<i>Transfer</i>						
Total Revenues	\$ 8,112,954	75.1%	\$ 8,237,454	75.2%	\$ 8,332,317	76.8%
<i>Expenses</i>						
Operations	\$ 7,481,978	59.7%	\$ 7,899,565	60.9%	\$ 7,506,293	68.7%
<i>Net Income</i>	\$ 630,976		\$ 337,889		\$ 826,024	

Revenues. Total revenues in the Solid Waste Fund collected through the end of the third quarter of 2013 increased 1.2%, or \$94,863, over the third quarter of 2012 and represent 76.8% of budget. A change in the rate structure and increased roll off revenues resulted in an increase of \$166,614, or 2.1%, in service charges over this quarter last year. Miscellaneous charges decreased 14.9%, or \$69,990, due to reduced revenue from poly-cart rental.

Expenses. Expenses this year to date represent 68.7% of 2013 budget and decreased 5.0%, or \$393,272, from this period last year.

Category of Expenditure	YTD 2012	YTD 13	13 v 12	% change
Personal Services	\$ 4,105,044	\$ 4,022,605	\$ (82,439)	-2.0%
Contractual Services	2,439,324	2,365,348	(73,976)	-3.0%
Commodities	528,190	434,151	(94,039)	-17.8%
Capital Outlay	536,590	393,827	(142,763)	-26.6%
Miscellaneous	8	2	(6)	-75.0%
Transfers Out	290,410	290,360	(50)	0.0%
TOTAL CHANGE OVER PRIOR YEAR	\$ 7,899,566	\$ 7,506,293	\$ (393,273)	-5.0%

Costs associated with personnel for the first nine months of 2013 decreased \$82,439, or 2.0%, from the same period last year. This can be attributed to holding vacant positions open while we continue to implement automation and recycling.

Contractual services were down \$73,976, or 3.0%, from the same period last year. Included in contractual services are landfill charges, which decreased 5.3%, or \$92,509, from last year. Household hazardous waste expenses decreased \$21,958 from the same period last year.

Commodities decreased \$94,039, or 17.8%, largely due to the one-time purchase of poly carts for implementation of the cart program in 2012 that was not repeated this year.

Capital outlay to date in 2013 decreased \$142,763 from last year due to a difference in vehicles purchased in 2012 compared to 2013. Transfers out remained relatively flat compared to this period last year.

Public Parking Fund

Table 16. Public Parking Fund

<i>Revenue Source</i>	<i>2011 3rd Qtr.</i>	<i>% of budget</i>	<i>2012 3rd Qtr.</i>	<i>% of budget</i>	<i>2013 3rd Qtr.</i>	<i>% of budget</i>
Service Charges	\$ 872,756	75.2%	\$ 868,179	74.2%	\$ 878,760	68.4%
Interest	-	-	572	114.0%	-	0.0%
Total Revenues	\$ 872,756	75.2%	\$ 868,751	74.2%	\$ 878,760	68.4%
<i>Expenses</i>						
Operations	\$ 841,400	65.0%	\$ 831,280	68.3%	\$ 880,330	54.8%
<i>Net Income</i>	\$ 31,356		\$ 37,471		\$ (1,570)	

Revenues. Revenues in this fund increased 1.2%, or \$10,009 over this period last year and represent 68.4% of the 2013 budget. In 2012, 74.2% of budgeted revenues were collected as of the end of the third quarter. In 2011, 75.2% of the budget was collected as of the end of this quarter.

Expenses. Expenses in the first nine months of this year increased \$49,050, or 5.9%, compared to the same period last year and represent 54.8% of 2013 budget. Costs associated with personnel increased 4.6% due to merit increases for eligible employees and increased benefit costs. Contractual services increased \$20,930, or 22.1%, from this quarter last year largely due to electricity (up \$7,290), printing (up \$6,565), and building repairs (up \$5,871.) Commodities were down 6.2%, or \$3,111, compared to third quarter 2012. This can be attributed to decreased expenses for meters and parts.

Storm Water Fund

Table 17. Storm Water Fund

<i>Revenue Source</i>	<i>2011 3rd Qtr.</i>	<i>% of budget</i>	<i>2012 3rd Qtr.</i>	<i>% of budget</i>	<i>2013 3rd Qtr.</i>	<i>% of budget</i>
Service Charges	\$ 2,243,652	76.1%	\$ 2,251,606	76.3%	\$ 2,276,900	77.2%
Interest	149	3.0%	1,939	77.5%	3,315	221.0%
Total Revenues	\$ 2,243,801	75.9%	\$ 2,253,545	76.3%	\$ 2,280,215	77.3%
<i>Expenses</i>						
Operations	\$ 2,280,711	63.0%	\$ 2,463,933	66.9%	\$ 2,234,421	57.7%
<i>Net Income</i>	\$ (36,910)		\$ (210,388)		\$ 45,794	

Revenues. Revenues collected in the Storm Water Fund in the first nine months of 2013 increased 1.2% over the first nine months of last year, increasing \$26,670. Revenues to date represent 77.3% of the 2013 budget, compared to 2012 when 76.3% of 2012 budget was collected as of the end of September.

Expenses. Year to date expenses as of the end of September 2013 represent 57.7% of budget and decreased \$229,512 or 9.3%, from this period last year. Costs associated with personnel remained relatively flat with last year, decreasing less than one percent despite merit increases for eligible employees and increased benefits costs. Contractual services through the end of the third quarter of 2013 increased 31.0%,

or \$28,684, over prior year. One of the largest increases was in motor vehicle repair expenses, which increased \$26,660, or 53.9%.

Commodities expenses through the end of September decreased \$156,138, or 35.1%, compared to the same period in 2012. Much of this decrease can be attributed to storm water improvements made in 2012 on Delaware Street, from 8th to 9th Street and Pennsylvania Street, north of 8th. To date, \$99,625 less has been spent on improvements in 2013 than in this period last year. Expenditures for pipe are also down \$28,380, or 49.6%, compared to this period in 2012.

Capital outlay as of the end of the third quarter of 2013 was \$96,816, or 30.2%, less than in the same period of 2012. In 2012, \$239,577 more was spent in construction expenses related to Delaware Street, from 8th to 9th than in 2013 to date. This difference was offset by an increase of \$140,500 in equipment expenses in 2013.

Debt service payments this year to date were just \$428 less this year than last year. Finally, the transfers out of this fund were identical to those made in this period last year.

Public Golf Course Fund

Table 18. Public Golf Fund

<i>Revenue Sources</i>	<i>2011 3rd Qtr.</i>	<i>% of budget</i>	<i>2012 3rd Qtr.</i>	<i>% of budget</i>	<i>2013 3rd Qtr.</i>	<i>% of budget</i>
<i>Intergovernmental</i>						
Service Charges	\$ 618,481	56.4%	\$ 713,465	79.3%	\$ 682,192	80.3%
Interest	-	-	427	85.4%	-	-
Miscellaneous	(2,070)	-19.7%	(4,197)	-279.8%	1,712	171.2%
<i>Transfer</i>						
Total Revenues	\$ 616,411	55.6%	\$ 709,695	78.7%	\$ 683,904	80.4%
<i>Expenses</i>						
Operations	\$ 621,442	41.6%	\$ 634,030	54.2%	\$ 567,473	51.5%
<i>Net Income</i>	\$ (5,031)		\$ 75,665		\$ 116,431	

Revenues. Public Golf Course Fund revenue collected as of the end of the third quarter of 2013 was \$25,791 or 3.6%, less than revenue collected over the same period in 2012. However, with 75% of the year lapsed, revenues collected to date represent 80.4% of 2013 budget. Last year, 78.7% of budgeted revenues were collected as of the end of September. In 2011, only 55.6% of budgeted revenues were collected at this point in the year.

Expenses. Public Golf Course Fund expenses through the end of September 2013 represent 51.5% of expenses budgeted for 2013 and decreased \$66,557, or 10.5%, compared to expenses from this period in 2012. Costs associated with personnel decreased 2.7% or \$9,255 from this period last year. Contractual services to date in 2013 were down \$5,426, or 4.5%, compared to the first nine month of 2012. Commodities also decreased 13.4%, or \$19,430, from the third quarter of 2012, largely due to decreased expenses for fuel. The largest decrease was in capital outlay, which was \$32,445, less than in this period in 2012 due to reduced expenditures for general improvements.