



City of Bozeman - Quarterly Report

Issued by: Finance Department Issued on: November 28, 2011

Fiscal Year 12, QUARTER 1 - All Fund Expenditures - by Department, Used and Remainder

The City has spent \$18 Million of its \$75.4 Million budget. This amounts to 24% utilized, with 25% of the fiscal year passed. Departments with the highest level of utilization are the Wastewater Plant - due to the completion of the WRF Construction, and Water Operations - due to the replacement of the water main under 8th Street. The Departments listed with no utilization are due to their cyclical nature (primarily scheduled debt payments.)

Department Description	Annual Budget	Expenditures to Date	Percent Used	Dollars Remaining
CITY COMMISSION	\$152,466.00	\$44,896.34	29.45%	\$107,569.66
CITY MANAGER	\$828,516.00	\$183,896.81	22.20%	\$644,619.19
MUNICIPAL COURT	\$623,850.00	\$169,220.40	27.13%	\$454,629.60
CITY ATTORNEY	\$847,575.00	\$158,750.05	18.73%	\$688,824.95
FINANCE	\$823,492.00	\$239,096.50	29.03%	\$584,395.50
PLANNING	\$657,504.00	\$169,609.22	25.80%	\$487,894.78
FACILITIES MANAGEMENT	\$1,416,600.00	\$514,459.30	36.32%	\$902,140.70
INFORMATION TECHNOLOGY	\$982,936.00	\$168,244.20	17.12%	\$814,691.80
POLICE	\$6,528,587.00	\$1,475,908.32	22.61%	\$5,052,678.68
FIRE	\$4,330,921.00	\$1,015,520.24	23.45%	\$3,315,400.76
BUILDING INSPECTION	\$868,136.00	\$218,457.76	25.16%	\$649,678.24
PARKING	\$395,678.00	\$107,784.66	27.24%	\$287,893.34
PUBLIC SERVICE	\$77,437.00	\$9,281.01	11.99%	\$68,155.99
STREETS	\$5,903,509.00	\$2,523,738.10	42.75%	\$3,379,770.90
WATER PLANT	\$16,849,438.00	\$1,432,880.58	8.50%	\$15,416,557.42
WATER OPERATIONS	\$2,939,660.00	\$1,571,638.22	53.46%	\$1,368,021.78
WASTEWATER OPERATIONS	\$3,228,652.00	\$441,554.84	13.68%	\$2,787,097.16
WASTEWATER PLANT	\$4,197,212.00	\$2,759,055.94	65.74%	\$1,438,156.06
SOLID WASTE COLLECTION	\$2,281,842.00	\$599,753.91	26.28%	\$1,682,088.09
SOLID WASTE DISPOSAL	\$305,200.00	\$13,015.29	4.26%	\$292,184.71
VEHICLE MAINTENANCE	\$748,716.00	\$244,124.12	32.61%	\$504,591.88
CEMETERY	\$509,295.00	\$115,473.49	22.67%	\$393,821.51
PARKS	\$1,239,817.00	\$267,066.62	21.54%	\$972,750.38
FORESTRY/TREE MAINTENANCE	\$439,452.00	\$111,915.24	25.47%	\$327,536.76
LIBRARY	\$1,659,793.00	\$354,227.10	21.34%	\$1,305,565.90
RECREATION	\$1,322,225.00	\$321,445.44	24.31%	\$1,000,779.56
COMMUNITY DEVELOPMENT	\$4,427,358.00	\$421,175.84	9.51%	\$4,006,182.16
NON-DEPARTMENTAL	\$8,197,510.00	\$2,406,113.28	29.35%	\$5,791,396.72
G O BONDS	\$744,198.00	\$0.00	0.00%	\$744,198.00
TAX INCREMENT FINANCE DIS	\$424,878.00	\$0.00	0.00%	\$424,878.00
SID SINKING	\$1,500,000.00	\$0.00	0.00%	\$1,500,000.00
TOTALS	\$75,452,453.00	\$18,058,302.82	23.93%	\$57,394,150.18

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Fiscal Year 12, QUARTER 1 - All Fund Revenues

Total City Revenues are budgeted at \$60.8 Million for the year. Through the month of September, we have collected approximately \$10.7 Million, leaving \$50.1 Million (82%) uncollected.

As is expected this time of the year, Tax Revenues and Special Improvement District Assessments for FY12 have not been received (except for minor amounts of past-due special assessments.) However, in mid-September, after the budget was adopted, we received an unanticipated payment of long-protested taxes totalling \$378,000. The Department of Revenue settled litigation with Verizon and Alltel related to amounts owing from 2007 and 2008, and various 2009 protests were resolved. These are posted as revenue in FY11, under governmental accounting rules. We'll show them as an addition to the amounts "Assigned to Future Capital" in the General Fund for FY11.

Charges for Services comprise Water, Wastewater & Garbage revenues, along with Impact Fees, Building Permits, and Street and Tree Maintenance Assessments. Water and Sewer collections for the quarter are trending slightly above our estimates. If you recall, the months with the most seasonal variation for water sales have historically been July, August, September and October. Notwithstanding the rate increase of 4.5%, metered water sales for the quarter were above last year's water sales levels. Street & Tree Maintenance Assessments had not been billed or collected in the 1st Quarter, so they impact the % collected in a negative direction at this point in time.

Fines and Forfeitures are primarily amounts imposed by the Police Department and collected by the Municipal Court. Delays in receiving the September Municipal Court deposit make this category show a lower percentage collected. We have been working with the Court over the past few weeks in order to receive more timely court deposits. Assistance from the Finance Department, along with additional training of Court staff, should help resolve the lag time in Court deposits being received in the Finance office.

Other Financing Sources include Transfers from Other Funds and Loan Proceeds. Transfers, because they are initiated in-house, are stable and relatively predictable. The Loan Proceed amounts we expect this year are related to the South 8th Reconstruction, which is scheduled to occur this spring. The loans have yet to be approved on the Commission agenda. Interest Income and Loan Repayments are on-track.

Activity Basic Account Description	Budget	Revenue Collected	Percent Collected	Uncollected
TAXES	\$16,510,625.00	\$0.00	0.00%	\$16,510,625.00
SPECIAL ASSESSMENTS	\$2,329,000.00	\$33,072.85	1.42%	\$2,295,927.15
LICENSES AND PERMITS	\$1,310,700.00	\$337,826.71	25.77%	\$972,873.29
INTERGOVERNMENTAL REVENUE	\$6,536,454.00	\$1,518,757.52	23.24%	\$5,017,696.48
CHARGES FOR SERVICES	\$26,981,399.00	\$7,330,831.31	27.17%	\$19,650,567.69
FINES AND FORFEITURES	\$1,536,500.00	\$296,490.43	19.30%	\$1,240,009.57
INTEREST INCOME	\$598,200.00	\$200,304.77	33.48%	\$397,895.23
LOAN REPAYMENTS	\$9,000.00	\$2,448.86	27.21%	\$6,551.14
OTHER REVENUES	\$260,267.00	\$133,249.49	51.20%	\$127,017.51
OTHER FINANCING SOURCES	\$4,745,375.00	\$861,313.27	18.15%	\$3,884,061.73
TOTALS	\$60,817,520.00	\$10,714,295.21	17.62%	\$50,103,224.79

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Fiscal Year 12, QUARTER 1 - General Fund Expenditures - by Department, Used and Remainder

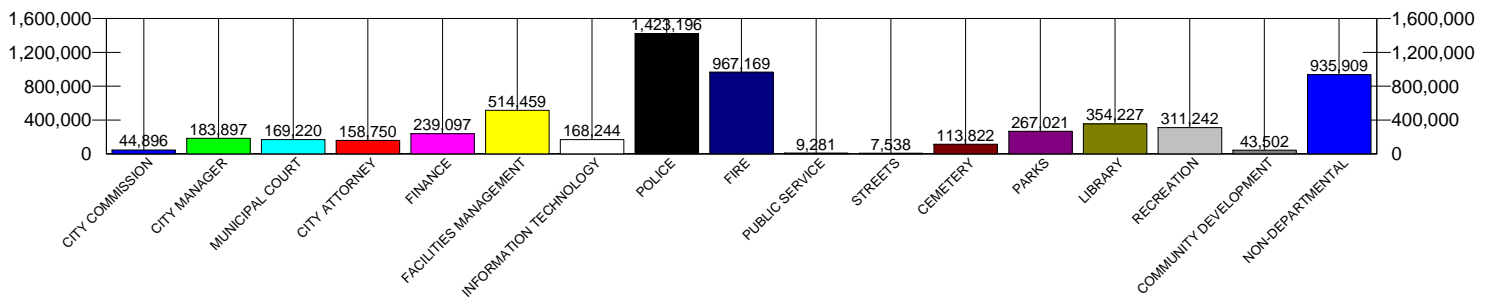
The General Fund has spent \$5.9 Million of its \$23.8 Million budget. This amounts to 24.8% utilized, with 25% of the fiscal year passed. The Commission's budget saw expenditures for annual League of Cities dues posting in July, making the "percent used" higher than expected under an annualized amount. There was a significant amount of spending related to Hail Damage Repairs in the Facilities Management budget during the summer construction season.

The Non-Departmental elements of the General Fund budget are related to Liability and Property Insurance payments, the City Band, the State's share of Police and Firefighter retirement payments, and a contingency amount. Because the Insurance payment is made annually in August, spending in the 1st quarter is predictably higher than the annualized amount. Capital carry-over budget authority had not been booked in department budgets by the end of September. Those amounts will be added to the Annual Budget amounts in the next quarterly report.

Department Description	Annual Budget	Expenditures to Date	Percent Used	Dollars Remaining
CITY COMMISSION	\$152,466.00	\$44,896.34	29.45%	\$107,569.66
CITY MANAGER	\$828,516.00	\$183,896.81	22.20%	\$644,619.19
MUNICIPAL COURT	\$623,850.00	\$169,220.40	27.13%	\$454,629.60
CITY ATTORNEY	\$734,555.00	\$158,750.05	21.61%	\$575,804.95
FINANCE	\$823,492.00	\$239,096.50	29.03%	\$584,395.50
FACILITIES MANAGEMENT	\$1,416,600.00	\$514,459.30	36.32%	\$902,140.70
INFORMATION TECHNOLOGY	\$982,936.00	\$168,244.20	17.12%	\$814,691.80
POLICE	\$6,259,664.00	\$1,423,195.86	22.74%	\$4,836,468.14
FIRE	\$4,163,421.00	\$967,168.80	23.23%	\$3,196,252.20
PUBLIC SERVICE	\$77,437.00	\$9,281.01	11.99%	\$68,155.99
STREETS	\$158,415.00	\$7,537.50	4.76%	\$150,877.50
CEMETERY	\$509,295.00	\$113,821.96	22.35%	\$395,473.04
PARKS	\$1,177,817.00	\$267,020.79	22.67%	\$910,796.21
LIBRARY	\$1,651,893.00	\$354,227.10	21.44%	\$1,297,665.90
RECREATION	\$1,286,550.00	\$311,241.56	24.19%	\$975,308.44
COMMUNITY DEVELOPMENT	\$370,605.00	\$43,502.31	11.74%	\$327,102.69
NON-DEPARTMENTAL	\$2,622,891.00	\$935,909.36	35.68%	\$1,686,981.64
TOTALS	\$23,840,403.00	\$5,911,469.85	24.80%	\$17,928,933.15

General Fund Budget

By Department - Amounts Used



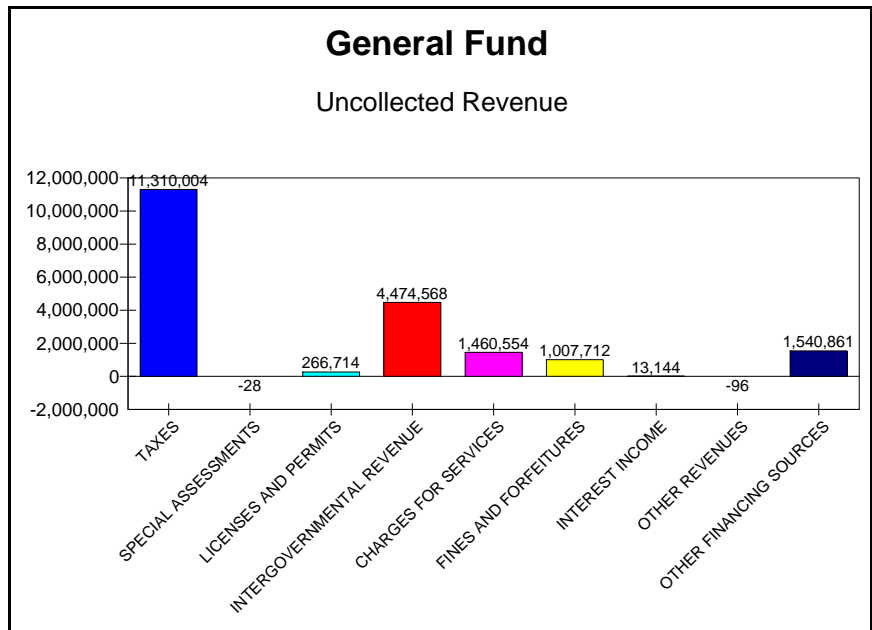
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Fiscal Year 12, QUARTER 1 - General Fund Revenues

General Fund Revenues are budgeted at \$22.9 Million for the year. Through the month of September, we have collected approximately \$2.9 Million (13%) to date, leaving \$20. Million (87%) uncollected. This is not unusual in the General Fund, where the Taxes and Intergovernmental Revenue (most notable being the Entitlement Share) are received primarily in the 2nd and 4th quarters of the fiscal year. The amounts and types of Uncollected Revenue are presented in the graph below, showing the significant reliance of the General Fund on Taxes and Intergovernmental sources.

Business, gaming, and alcohol licenses (4%), as well as animal permits are due in January, so we will begin to see the bulk of these revenues collected next quarter. Charges for Services (32%) generally comprise billings to departments for administrative overhead, the MSU Fire Protection agreement, pool fees for admissions and lessons, and rental of Lindley, Beall, and Senior Center facilities. The MSU Fire agreement was paid in full during this quarter, helping to boost the percent collected in this activity for the quarter.

Other Revenues collected during the quarter are related to phone credits from Verizon, revenue from scrap materials, and Special License plate revenues.



Activity Basic Account Description	Budget	Revenue Collected	Percent Collected	Uncollected
TAXES	\$11,310,004.00	\$0.00	0.00%	\$11,310,004.00
SPECIAL ASSESSMENTS	\$0.00	\$28.02		(\$28.02)
LICENSES AND PERMITS	\$278,250.00	\$11,535.99	4.15%	\$266,714.01
INTERGOVERNMENTAL REVENUE	\$5,767,836.00	\$1,293,267.81	22.42%	\$4,474,568.19
CHARGES FOR SERVICES	\$2,160,935.00	\$700,380.87	32.41%	\$1,460,554.13
FINES AND FORFEITURES	\$1,226,500.00	\$218,788.30	17.84%	\$1,007,711.70
INTEREST INCOME	\$70,000.00	\$56,855.95	81.22%	\$13,144.05
OTHER REVENUES	\$46,500.00	\$46,595.53	100.21%	(\$95.53)
OTHER FINANCING SOURCES	\$2,080,567.00	\$539,706.27	25.94%	\$1,540,860.73
TOTALS	\$22,940,592.00	\$2,867,158.74	12.50%	\$20,073,433.26

General Fund Revenue compared with General Fund Expenditures: At this point in the year, General Fund Revenues of \$2.9 Million are not enough to cover General Fund Expenditures of \$5.9 Million. At the end of September, we are relying on the General Fund reserve to provide approximately \$3.0 Million cash for operations until tax payments and other revenues arrive later in the 2nd Quarter.