Town of Moraga	AGENDA ITEM
Audit and Finance Committee	7

Meeting Date: October 25, 2010

TOWN OF MORAGA STAFF REPORT

To: **Audit and Finance Committee**

From: **Emily Boyd, Interim Administrative Services Director**

Subject: **Review 1st Quarter FY2010-11 Budget-to-Actual Report**

Request

Review 1st Quarter FY2010-11 Financial Report.

Background

Budget documents (annual and mid-year) and the annual audited financial reports have been the only financial reports provided to the Town Council. Beginning in FY2010-11, staff proposes providing a quarterly budget-to-actual report (Attachment A).

Discussion

The report consists of 4 pages: General Fund Revenues, General Fund Expenditures, Other Funds Revenues, and Other Funds Expenditures.

General Fund Revenues

The months of July through September are generally low revenue months. Property taxes are received in December, April, and June. PG&E Franchise Fees are not received until April.

Sales Tax Revenues reported in FY2010-11 are less than the amount reported in FY2009-10 due to timing differences in recording receipts. This is not necessarily an indication that sales tax revenues are falling. Further, revenues reported here are actual payments received by the Town, not necessarily reflective of sales taxes actually paid by consumers during the period. These types of differences smooth out as the year progresses and are not predictive of total annual revenue increases or declines.

Sales Tax Revenues were budgeted at $616,710 for FY2010-11. Muni Services, the organization that audits the State Board of Equalization and prepares Sales Tax Reports for the Town, estimates annual revenues to be $637,442.

Property rents at 329 Rheem are less in FY2010-11 than in FY2009-10 because there are fewer tenants. At this time, only two tenants remain.

Licenses, permits and fees for services are also reported less in FY2010-11 than in FY2009-10. The major cause of this decline is that fewer public works construction projects and fewer development projects are underway.

FY2010-11 reports Transfers In from other Funds totaling $166,898. This is reimbursement to the General Fund for costs related to Public Works / Engineering Administration, Street Maintenance, Storm Drain Maintenance, and Public Safety Administration.

Transfers In from Special Revenue Funds were as follows:

Fund	**Amount**
Gas Tax	$ 45,733
Measure C/J	70,179
Traffic Safety	6,250
NPDES	44,735
Total	$166,898

General Fund Expenditures

Expenditures are more evenly distributed month-to-month than are revenues. The percent of budget remaining should be close to the percent of the year remaining. During the first quarter of the fiscal year, expenditures generally run close to budget.

Other Fund Revenues and Expenditures

Revenues in other funds tend not to follow a regular receipt schedule. For example, in FY2008-09 gas taxes were received in the 1st quarter, while in FY2009-10 and FY2010-11, no gas taxes were received. This does not indicate that gas tax revenues have fallen, but rather than payments coming from the State have recently been slow in coming during the first few months of a fiscal year.

The small revenue amounts in many of the funds are interest earnings.

As noted above, the expenditures in Gas Tax, Measure C/J, and NPDES are transfers out of those funds into the General Fund to reimburse the General Fund costs for Street Maintenance and Storm Drain Maintenance.

Fiscal Impact

No additional staff time or personnel will be required to prepare quarterly reports.

Alternatives

1) Review the reports, make inquiries, and provide recommendations as needed.

Recommendations

Review reports, make inquiries, and provide recommendations as needed.

Report reviewed by: D. Michael Segrest, Town Manager

Attachments:

A) 1st Quarter, FY2010-11 Budget-to-Actual Reports