

Town of Milton
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**TOWN MANAGER'S
 MONTHLY FINANCIAL REPORT**

For the period ending 4/30/13:

The following report is an un-audited account of finances.

Summary

The comparison of the current fiscal year performance (modified accrual basis) to the prior year's performance (cash basis):

Type	General Fund +	General Fund -	Same Period Prior Year	Difference from Prior Year
All General Fund Revenue ytd	\$1,325,330.65		\$1,154,516.17	\$170,814.48 (more revenue than prior year)
All General Fund Expenditures ytd		\$942,429.29	\$889,737.76	\$52,691.53 (more expense than prior year)
Net change				n/a

Revenue Highlights

The increase in year to date revenue, relative to the prior fiscal year, includes \$120,518.21 in grant receipts that were not listed in the General Fund revenue report last year. Receipts of Property Taxes in 2013 as of April 30 were \$731,919 (cash basis) – as compared to \$738,777 in the prior year. The adjusted revenue comparison would indicate that year to date revenue in 2013 is \$26,762 less than the prior year.

Our auditor recommended a change to the Admin Misc Revenue category. This change relates to a \$5,520 invoice to the Delaware Department of Natural Resources “credited” in 2012. The revenue would have been a reimbursement for grant expenses, but the reimbursement was credited in another category. Because all values carry forward from year to year, this incorrect entry had to be reversed. While the change affects the apparent value of revenue compared to budget, the fund balance is correct. Also, Lien certificate revenue, last year, was \$5,610 greater because of an event that will not likely be repeated. And, the year to date transfer tax collected is \$4,926 less than the prior year.

Revenue from rental and business licenses is \$18,245 greater than it was at the same period in the prior year. Receipts from sewer permit fees are \$5,850 less than the prior year. Collection of fees for professional services is \$11,678 greater than it was at the same time last year. Property tax appeals that were granted will result in a \$3,145 reduction in revenue, compared to the budgeted value.

The trend in transfer tax revenue continues to be positive. With \$103,123 collected during 58% of the year, an annualized value of \$177,798 can be projected. This is approximately \$23,000 more than the anticipated value (budget) of \$155,000.

Expenditure Highlights

Capital expenditures for the replacement security system and computer hardware (server) were budgeted, but account for \$12,695 of the increase in expenditures, when compared to the prior year. Likewise, an increase in accounting fees was also budgeted for the current year. Expenditures in the Administrative Department increased by \$22,980 for the necessary task of having a private audit.

In an effort to provide greater transparency, grant expenses are shown in the General Fund budget. Detail is lacking in this report, though. For example \$10,000 in Gasoline expenses was shifted from "Gasoline" to "Grant Expenses – Sussex County". Additional expenses in that category are Year to date auto repair expenses in the Police Department are \$13,832. This value has already exceeded the annual budget by \$1,332.

Code Department expenditures for engineering services are at 83% of the annual budget. Of the \$16,613 expended, 95% is expected to be recovered through billing the applicants that create the demand for this service. The pace of development has increased faster than was anticipated. The resulting higher expenditures will be balanced by a corresponding increase in revenue, though.

During the budget process last year, the relationship between building permit fees (revenue) and building inspection costs (expenditures) was discussed. Fees for some projects were collected in FY 2012 and it was known, then, that the inspection costs would be incurred in FY 2013. This expenditure was not budgeted, though. So, the year to date unbudgeted expenditure for building inspections is \$18,796. Please note that Building Permit Fees collected in FY 2012 were 202% of budget – or \$95,599 greater than expected.

The comparison of General Fund Expenditures to budget in 2013 is 58% - with 58% of the fiscal year completed. At the same time in 2012, 66% of the budgeted expenditures had occurred.

Proprietary Fund

Revenue and expenditures for the Town of Milton enterprises are reported in the Proprietary Fund.

Type	Proprietary Fund +	Proprietary Fund -	Same Period Prior Year	Difference from Prior Year
All Revenue ytd	\$591,841.70		\$518,589.49	\$73,252.21 (more revenue than prior year)
All Expenditures ytd		\$478,024.42	\$451,433.93	\$26,590.49 (more expense than prior year)
Net change				+\$46,661.72

While billing is quarterly, 21% of Milton's utility customers make late payments (including shut-offs). This makes year to year comparisons of revenue, on a given date, quite variable. The allocation of Public Works salary expenses to Water (proprietary fund), Streets and Parks (both general fund) is greater during cold weather months than it is during warm weather months. Streets and Parks, conversely, have more hours allocated during warm weather months.

Expenditures attributed to the referendum were not budgeted in September. The January decision to move forward with a referendum did not change the budget. Consequently, there is \$16,229 of unbudgeted expenses for consulting services, newspaper advertising and mailing. Finally, \$22,199 in meter upgrades (not budgeted in FY 2013) are a continuation of the FY 2012 meter upgrade project.