



**Monthly Financial Report Summary (Unaudited)
for the period ending January 31, 2013**

With seven months of Fiscal Year 2013 completed, revenues continue to track slightly higher to the prior year as expected compared to budget. As of January 31, General Fund revenues were **\$10.78 mil.** This represents 55% of our FY 2013 budget. Last year, at this time, the City had collected \$10.15 mil, after excluding the \$900,000 revenue sharing payment from Isle of Wight County.

At January 30th, the City has realized \$2.47 million in current real estate tax or 48% of budget, a gain as expected (tax rate increase) over prior year collections of \$2.30 million (a \$170,000 or 7.4% increase). Personal property tax collections were \$1,140,295 or 86.8% of budget, slightly higher than prior year receipts of \$1,105,539. Collection of delinquent real estate taxes continue to perform very well with 87% of the budget realized at the end of January. Other general property taxes comprised of penalty and *interest on delinquent taxes* and *public service corporation* and *machinery & tools* taxes reflect a \$34,000 increase over the previous year; public service corporation taxes increased 9.5% over prior year. At December 30th, the City had received all of the anticipated revenue from machinery & tools. In the prior year, the majority of revenue was not received until February. Revenue from penalties and interest on delinquent taxes is tracking less than the prior year with \$77,000 realized at January 31st (64% of budget) compared to \$92,000 in the prior year.

Other Local taxes collected through January 31 (cash basis), were \$2.58 million, or 50% of budget. This is an increase of \$272,000 or nearly 12% from last year, resulting primarily from increases in sales and use taxes, cigarette taxes, meals and lodging taxes.

Charts 1-4. Compares revenue received for selected local taxes in the period ending January 31, 2013 to revenues received at January 31, 2012.



Chart 1



Chart 2

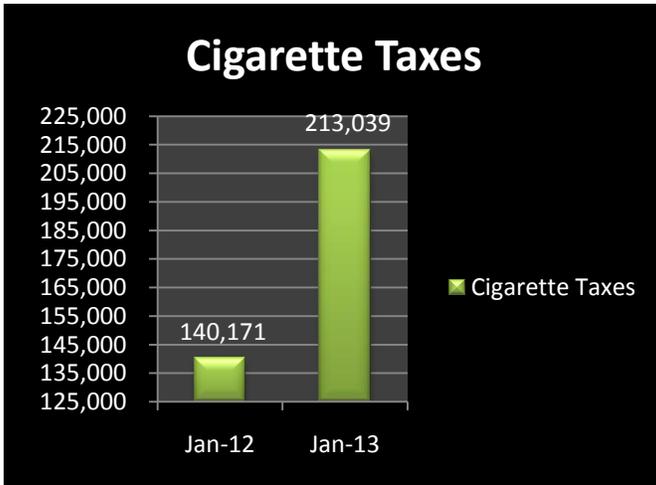


Chart 3

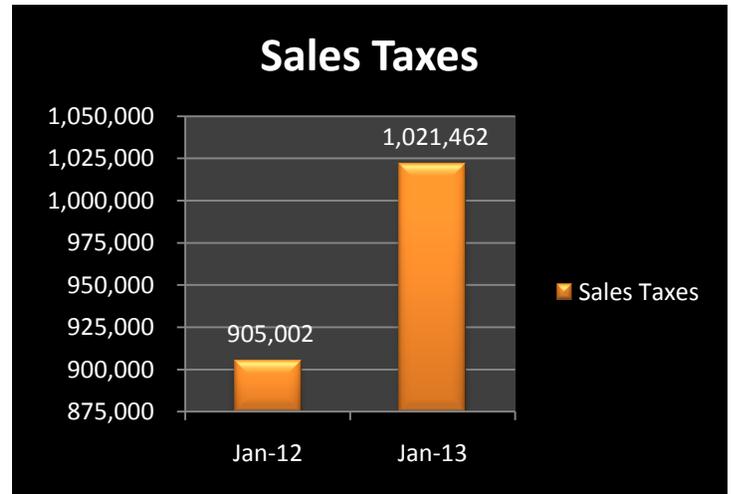


Chart 4

GENERAL FUND

REVENUE ANALYSIS HIGHLIGHTS

- ✓ Local Sales taxes – Revenue collected at January 31 was \$1,021,462 61% of budget; when compared to the prior year period, *this is a 12.8% increase*. Of this amount two months or \$301,879 is recorded on a **cash basis** and was posted to the prior fiscal year).
- ✓ Cigarette Taxes – Revenue of \$213,038 at January 31 *surpasses prior year period revenues of \$140,171 by 52%* as vendor purchases during the 1st quarter of FY 2012-13 far exceeded the prior year period; the 10 cents per pack increase in the cigarette tax rate also contributed to the increase.
- ✓ Restaurant Meals Taxes – Revenue collected in the first half of the fiscal year amounted to \$742,000 or 59% of budget and is nearly *12% more than revenue received at the same period in the prior year*. Of this amount (one month or \$104,186 is recorded on a **cash basis** and was posted to the prior fiscal year).
- ✓ Lodging Taxes – Revenue of \$97,437 *represents a 15.7% increase from revenue received during the same period in the prior year*. (Of this amount, one month or \$23,361 is recorded on a **cash basis** and was posted to the prior fiscal year).
- ✓ Motor Vehicle License – Revenue of \$113,499 at January 31 is consistent with prior year collections at this time and represents 68% of the total budget.



- ✓ Consumer Utility Taxes - The decline in this revenue source from the prior year is primarily attributed to an accounting change in the remittance of Consumer Utility taxes due to outside cities/counties. In the prior year, payments were applied to a utility payable's account and reconciled at year end. This year, payments to localities are posted against monthly revenue. Revenue also reflects a 45 day accrual in which July and some August revenue has been accrued to the prior year. Lastly, refund of taxes paid to Enterprise Zone designee in the current year attributed to some reduction from the prior year.

Other Local Revenue:

- ✓ Permits, Fees & Fines received at January 31 tracked slightly less than prior year period; while court fines reflect some increase, the most significant change is the decrease in building permit revenue received. Permit and related planning fees total nearly \$22,000 at January 31 when compared to \$42,000 received in the prior year period.
- ✓ Charges for Services – Charges for services primarily consists of payments from ambulance recovery charges and waste collection and disposal fees. Revenue from waste collections and disposal is relatively consistent with prior period revenues at \$830,000 collected (56% of budget), revenue from ambulance charges increased to \$137,625 nearly \$45,000 from the prior month. Revenue received as of January 31 represents six months of collections is \$25,000 or 22% more than revenue received in the prior period (fee rate increase). Also included in this source is revenue from Enterprise Funds for administrative services charges.
- ✓ Miscellaneous & Recovered cost – comprised of revenue from sale of surplus items, donations, sale of cemetery lots, insurance recoveries and other miscellaneous revenue. Revenue from these sources, since contingent upon such factors as proceeds from auctions or insurance reimbursements tend to fluctuate from month to month or year to year.

State & Federal Revenue:

Revenue from state aid at January 31 was \$2.15 mil which consists of *non-categorical aid*: recordation taxes, rolling stock, auto rental tax, PPTRA taxes and communication taxes. Recordation taxes on deeds trend less than the prior year, along with revenue from Wireless 911 payments (due to prior year overpayment) while communication taxes reflect a \$13,000 or 5.7% gain from the prior year. (Revenue from this source reflects five months of collections). Categorical Aid consists of shared expense revenue from state supported offices, streets and highway maintenance revenue, state support for law enforcement and grants.



EXPENDITURE ANALYSIS HIGHLIGHTS

Some categories of general fund expenditures reflect decreases in the current fiscal year at January 31 and all are within the 58% range of total budgeted expenditures. **Expenditures of \$7.37 mil** (51% of budget) were over \$266,000 less when compared to January 31, 2012 **expenditures of 7.63 mil** and results from decreases primarily in Legislative, General and Financial (\$30,000), Law Enforcement (\$38,000 – vacancies), Streets (\$82,000 – Street & Traffic lighting and Drainage), Garage (\$22,000), Refuse Collection & Disposal (\$253,000 – primarily tipping fee savings) and Library (\$52,000 – 3rd quarter payment not reflected as of January).

Fire and Rescue reflects an increase of \$58,000 as a result of increased payroll expenditures in fire and rescue. (Note: Budgeted expenditures increased from the prior year). Health Department expenditures increased due to payment of 3rd quarter contribution in January of 2013 and Planning & Beautification increased as a result of payment for professional services in the current fiscal year.

WATER & SEWER FUND

REVENUE ANALYSIS

Revenue from the sale of water and sewer service charges of \$1.69 mil at January 31 was in line with budgeted projections (56% of budget), and for the month of January, 2.3% less than the prior year revenue.

EXPENDITURE ANALYSIS

Expenditures of \$1.35 mil at the end of the month reflect a decrease from FY 2011-12, largely due to sewer system improvement projects that were completed in the prior year. However, expenditures for the Water Division in the current fiscal year reflect an increase over the prior year due to current year capital outlay expenditures. This is typical as projects in this Fund sometimes cross fiscal years. Further, debt service transfer requirements were less.

AIRPORT FUND

Fuel sales at January 31 were 69,484, increasing just a little over \$4,000 in the prior month. Revenue from jet fuel sales are 34% of budget compared to 42% for aviation fuel sales. Typically, these revenues perform better in the spring. Other local revenue consists primarily of airport rental fees and, and revenue of \$37,000 is in sync with prior year collections. Total revenue is higher due to federal grant funds received for the airport runway/lighting/taxiway project. Consequently, on the expenditure side, capital outlay expenses increased due to expenditures associated with the project.



Operating expenditures reflect a decrease over the prior year due to less fuel purchases in the current fiscal period.

ELECTRIC FUND

Tracking close to budget at 56%, revenue in the Electric Fund totaled \$8.16 mil at January 31. Compared to the same period in FY 2011-2012, this is an 8.2% increase (\$556,000) in the sale of energy which is mostly offset by a decrease (\$652,000 or 46%) in the fuel adjustment charges. As a result, the expenditures associated with the sale of energy/fuel adjustment decreased \$665,000 or 45% while expenditures for the sale of energy increased \$295,000 or 5.6%.

Expenditures are also less in capital outlay due to new circuit expenditures and also in other operating expenses that occurred in the prior year

CASH BALANCE

Cash in the Electric Fund at January 31 was \$389,986, an increase of \$102,000 or 35% from December 31 (chart 5). A review of prior year history revealed a loss between December 2011 and January 2012. Below is a history of the cash balance in the Electric Fund for FY2012-13 (current year – table 1) with a prior year comparison (FY 11-12 – table 2).

CURRENT YEAR (Table 1)

Month	FY12-13	Month to Month			Cash Balance	VMEA PAYMENTS
		Revenue	Expenses	Variance		
					\$ 365,374	
July		\$ 1,010,040	\$ (1,143,237)	\$ (133,197)	\$ 232,177	\$ (887,569)
August		\$ 1,281,182	\$ (1,333,420)	\$ (52,238)	\$ 179,939	\$ (1,015,441)
September		\$ 1,289,437	\$ (1,197,113)	\$ 92,324	\$ 272,263	\$ (928,938)
October		\$ 1,170,681	\$ (1,096,168)	\$ 74,513	\$ 346,776	\$ (818,226)
November		\$ 972,947	\$ (960,696)	\$ 12,251	\$ 359,027	\$ (663,847)
December		\$ 1,084,084	\$ (1,155,921)	\$ (71,837)	\$ 287,190	\$ (882,269)
January		\$ 1,276,135	\$ (1,173,339)	\$ 102,796	\$ 389,986	\$ (871,815)
TOTAL		\$ 8,084,506	\$ (8,059,894)	\$ 24,612		\$ (6,068,105)

In the current fiscal year, cash in the fund has slightly increased since July 1 by nearly \$25,000.

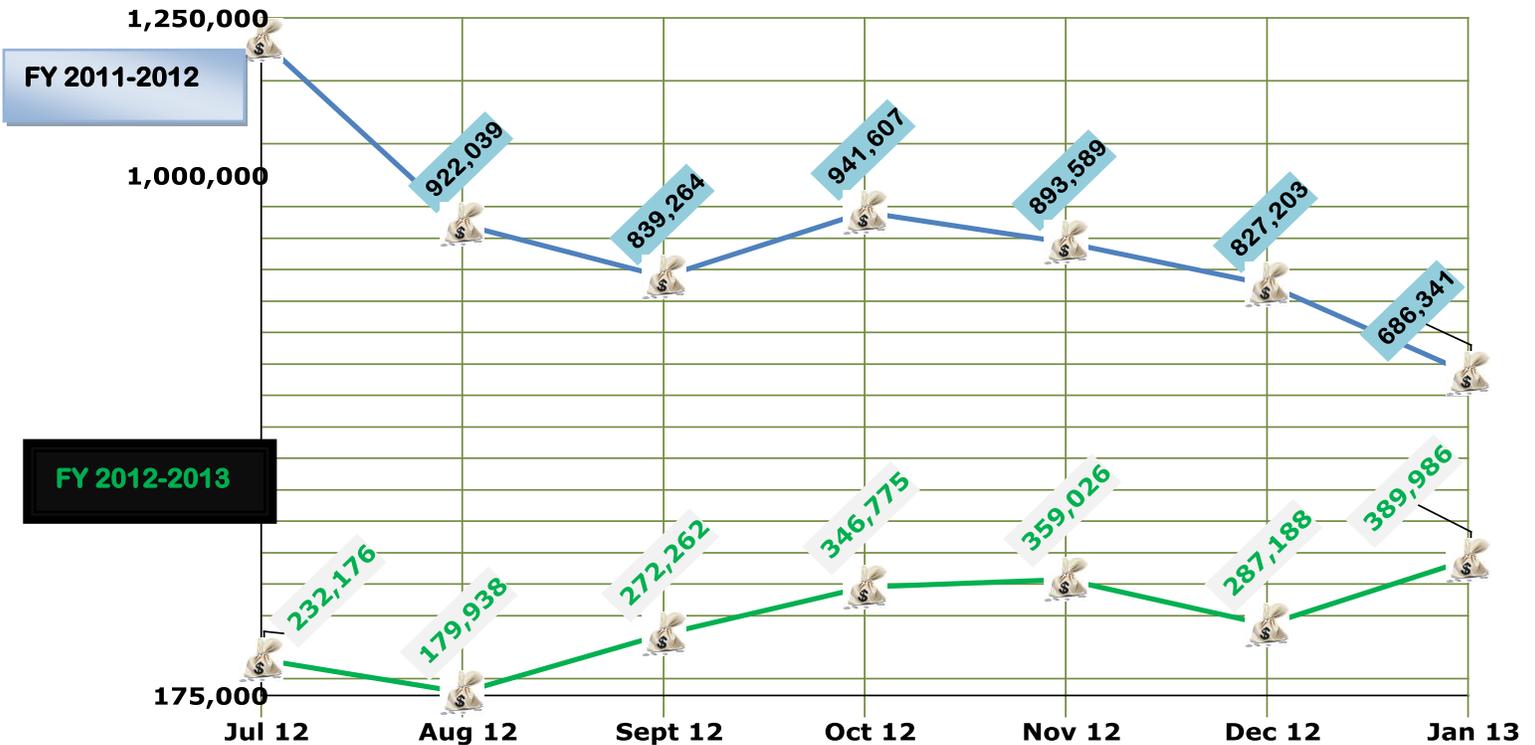
PRIOR YEAR COMPARISON (Table 2)

Month	FY11-12	Revenue	Expenses	Month to Month Variance	Cash Balance	VMEA PAYMENTS
					\$ 1,320,285	
July		\$ 1,204,963	\$ (1,310,148)	\$ (105,185)	\$ 1,215,100	\$ (979,152)
August		\$ 1,187,003	\$ (1,480,064)	\$ (293,061)	\$ 922,039	\$ (1,085,815)
September		\$ 1,273,718	\$ (1,356,492)	\$ (82,774)	\$ 839,265	\$ (1,001,143)
October		\$ 1,190,431	\$ (1,088,088)	\$ 102,343	\$ 941,608	\$ (812,415)
November		\$ 993,593	\$ (1,041,610)	\$ (48,017)	\$ 893,591	\$ (764,435)
December		\$ 1,047,090	\$ (1,113,477)	\$ (66,387)	\$ 827,204	\$ (841,589)
January		\$ 1,134,851	\$ (1,275,713)	\$ (140,862)	\$ 686,342	\$ (1,010,288)
TOTAL		\$ 8,031,649	\$ (8,665,592)	\$ (633,943)		\$ (6,494,837)

In Fiscal Year 2011-2012, cash in the fund had declined nearly \$634,000 from \$1.3 mil to \$686,000.

FISCAL YEAR COMPARISON
chart 5.

CASH BALANCE TREND ANALYSIS



Cash in the fund increased by \$158,000 or 68% from \$232,000 at July 30 to nearly \$390,000 at January 31.