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## City replenishing cash reserves

For the second year in a row, the City ended the fiscal year with a surplus that was added to unrestricted cash reserves. At last week's City Council meeting, Chief Financial Officer Jim Francis reported a Fiscal Year 2012-13 surplus of $640,930. He noted that the surplus was primarily the result of expenditures under budget, rather than improving economic conditions.

Prior to the recession, the City had approximately $16 million, or 26 percent of expenditures, in reserves. Currently, reserves total a little more than $5 million, or 7.8 percent of expenditures.

"Because we had ample reserves in the bank when the recession hit, we were able to minimize the impact on services to our community," says City Manager Evert Palmer. "We used $12 million from our reserves during those lean years, and that's exactly what those reserves were intended for. Now that the economy is improving, our goal is to continue growing our unrestricted fund balance to 15 percent of expenditures so we will be prepared for unexpected expenses in coming years."

Other highlights from the FY 2012-13 Fourth Quarter Financial Report:

- General Fund revenues totaled almost $65.8 million, up almost $317,000 over FY 12, but $76,000 less than expected. Sales tax increased almost 12 percent. Housing sales, prices and new home construction were up, and 73 percent of existing home sales exceeded assessed values. Francis projects an increase in property tax revenues next year.
- General Fund expenditures of approximately $65 million were down almost $290,000 from FY 12, and $717,000 less than budgeted. Expenditures in all departments were closely monitored and most vacant positions were not filled.
- The Utility funds all ended the year with operating revenues exceeding operating costs and adding to their cash balances.
- No new debt was issued in FY 13 and the Sports Complex debt was paid off.

"All in all, the last fiscal year should be looked at as a financially successful year that produced some desirable outcomes, improved our financial position, and positioned us well for the coming year," says Palmer. "We will continue fiscal prudence as we manage our current budget to ensure our revenues and expenditures are balanced."