

CITY COUNCIL STUDY SESSION

TO: Mayor and City Council
FROM: Mari E. Macomber, City Manager *MSM*
SESSION DATE: March 16, 2009
TIME: 12:00 p.m.
PLACE: City Council Chambers

The second floor conference room is beginning to prove unacceptable in accommodating various guests and visitors to these meetings. Therefore, the Study Sessions will be moved to the Council Chambers unless the Council decides otherwise.

AGENDA:

- **GIS Update**
- **2009 Budget Update**
- **Newsletter Review – March 13, 2009**

GIS UPDATE

The City, Adair County Commission and the Adair County Public Water Supply District entered into an agreement in November 2003 to cooperate in the implementation, operation and maintenance of a GIS program for the benefit of each entity. The GIS Consortium (GISC) is overseen by a board of directors appointed by the member agencies. GISC serves to create, maintain, distribute and analyze information about agency infrastructure and surveys in a searchable spatial database form.

Since its inception data has been developed for tax parcels, water systems, sewer systems, streets and zoning. By the end of 2006, the GISC had accomplished the initial goals established in early 2004. In 2006, the GISC began the process of developing a long range plan to optimize the use of GIS and expand the options for services.

Pam Kelrick, GIS Coordinator/Planner was hired by the GISC in January 2004. She has worked to complete the original goals established for the GISC and develop the long range plan.

As part of that long range plan, Ms. Kelrick has been working to identify other partners and ways to enhance the use of GIS. A proposal was developed and submitted to the Governor as part of the stimulus package. The proposal focuses on education and health care and how these two areas serve as economic engines for our community and offer opportunities for expansion. GIS

services would continue with the existing partners and expand to the areas of education and health care. The stimulus request includes start-up funds for equipment, software and an initial hire of a single person to augment our existing contributing personnel.

This is a project that has been mentioned briefly and since it has been submitted to the State it is important to bring the City Council up to date on the project and what it will mean for the community. One of the aspects that I had mentioned to the Council about this project was the potential partnership with the TCRC.

Pam Kelrick will be in attendance at the meeting to explain the proposal and potential partnerships that would develop from this proposal should it be funded.

Recommended Action: The City Council will be encouraged to ask questions about the GISC proposal.

2009 BUDGET UPDATE

The City Council adopted the annual budget in December with the budget taking effect January 1. Shortly after its adoption, Council Member Detweiler asked that we look at ways to cut the budget should the need arise.

As part of the budget process, financial planning is essential for sound fiscal management and stewardship of resources. Our budget serves three primary purposes: 1) formation of public policy; 2) control of spending; and 3) as a written financial plan. It serves as a management planning tool and provides a tool of financial accountability to the Kirksville citizenry. The City is only required to adopt a budget for the General Fund, but we have chosen to adopt a fixed budget encompassing all its Funds on an annual basis. This fixed budget establishes an expenditure ceiling that management may not exceed without Council approval. This is a control mechanism, as are other City Policies.

Financial Policies

The City Council's financial policies are used as the primary guidelines in setting the budget which serve as components of the integral framework for capital planning, expenditure control and resource allocation. The Budget Policy sets both short-term criteria and ongoing directives. The Revenue Policy incorporates the strategy for short-term and long-term revenue setting. The City operates under a conservative Investment Policy that establishes the procedures for investing idle monies. The Cash Management Policy outlines the City's prudent cash handling practices and disbursement scheduling. The Debt Management Policy provides guidance regarding capital planning, debt issuance, debt restrictions and alternative financing resources.

Budget Activities

The budget document serves as a guide to all. There are several key factors taken into account when developing the budget and should be considered when making decisions concerning budget cuts. These include: budget policies, council goals, revenue projections, long range plans, and other obligations and commitments.

Budget Policies: 1) Services provided by the City are categorized in order to set priorities for allocating available funds and are defined as follows:

First priority - Basic or Core Services: Includes (1) legally mandated commitments or services, (2) those most closely linked to the health and safety of the citizens of Kirksville, and (3) those providing a net revenue contribution, or reducing identifiable costs in the same fiscal year.

Second priority - Maintenance of Effort Services: Services that (1) maintain control of City resources (2) reduce identifiable costs in future years, and (3) are necessary to keep the public adequately informed of legislative matters.

Third priority - Quality of Life Services: Activities which are provided for more specialized groups, or are more aesthetic or promotional in nature.

Council Goals: 1) long-term, which cross over multiple years prior to accomplishment or are ongoing due to their nature or 2) short-term, which can be accomplished within a year and do not recur.

Revenue Projections: 1) maintaining a diversified and stable revenue system to shelter it from short-run fluctuations in any one revenue source; reliance on user charges where appropriate to recover full costs of providing the service; consider market rates and charges levied by other public and private organizations for similar services in establishing tax rates, fees and charges; follow an aggressive policy of collecting revenues, including past due bills of any type, and disposal of surplus property.

Long Range Plans: 1) water projects; 2) wastewater projects; 3) street projects; 4) public improvements – parks, airports, trails, sidewalks; 5) maintenance projects – buildings, equipment, infrastructure.

Obligations and Commitments: 1) grant funding for projects and required local match; 2) approved agreements for services; 3) only service provider in town – this goes back to the core services provided by the City.

Summary

The budget contains conservative revenue projections. At present the General Fund revenues are at 26% collection for the year, the end of March will complete 25% of the budget year. As of this report, total revenues collected exceed total expenditures for all funds by \$1,916,730. Included in your packet is Revenue vs.

Expenditure Summary for the first three months of the fiscal year. All funds with the exception of E911, Central Garage, Airport, Aquatic Center and North Park Fund show revenues in excess of expenditures. With the exception of Central Garage, the other funds are those that we have discussed with the City Council regarding their ability to meet their obligations. The Central Garage operations will receive sufficient revenues. The negative balance is a reflection of our accounting. Each of the other funds requires support from the City's General Fund and/or outside funding sources.

Revenue Sources not reflected in Numbers:

- E911 – City, County, Ambulance District, Truman (each pays quarterly)
- Central Garage – Journal Entries from General Fund, Airport, Utility Funds
- Airport – Transfer of Funds from General Fund at end of year
- Aquatic Center – Transfer of Funds from General Fund at end of year, plus user fees pick up during summer months
- North Park – User Fees and KBSA agreement pays for operations

General Fund is the fund most susceptible to changes in the economy. At present, the Sales Tax revenue receipts show an increase in sales tax of 9% compared to the same three month period for last year. Current property tax levy is .6521, which is a decrease from previous years. The highest levy in most recent years was .8114. We are limited to raising the levy to generate similar revenues in property tax as previous years factoring inflation.

Before changes are made we need to take into account the policies of the City, priorities that have been established and commitments made through agreements and partnerships.

Regardless City staff will do the following:

- Monitor Revenues
- Evaluate whether items should be purchased or delayed
- As Vacancies Occur – evaluate whether the position should be filled immediately or not
- Current savings from vacancies – currently recruiting for police officers, firefighters, City Engineer
- Reduce hours of operation
- Solicit grants when possible to help offset costs

The Council can be assured that City staff went through extensive exercises in 2003 and 2004 whereby we evaluated the operations of each department making changes where necessary. If necessary we will do these again making recommendations to the Council.

Recommended Action

There are no recommendations at time.

NEWSLETTER REVIEW – March 13, 2009

Attachments

- Northeast Missouri Geospatial Proposal
- Budget Revenue, Expenditure and Capital Summaries
- Budget Policy
- Revenue vs. Expenditure Summary by Fund

The Northeast Missouri Geospatial Collaborative

The geospatial technology industry (GTI), which includes remote sensing, global positioning systems (GPS), and geographic information systems (GIS), is growing at an annual rate of 35% per year, with the commercial subsection of the market expanding at 100 % each year (Geospatial Information & Technology Association). Yet, because the uses for geospatial technology are so widespread and diverse, a survey of geospatial service providers revealed that 87% of respondents have trouble finding qualified personnel (DeRocco, Assistant Secretary of Labor, U.S. Employment and Training Administration). At the same time, the U.S. Department of Labor has identified geospatial technologies as one of its top ten “high-growth” industries, and identified an anticipated need for tens of thousands of geospatial workers (http://www.doleta.gov/BRG/IndProf/geospatial_profile.cfm). In Missouri alone, for example, the National Geospatial Intelligence Agency (NGIA), headquartered in St. Louis, has predicted its need for geospatial workers to exceed 1200 over the next three years. The use of geospatial technologies and information has become the standard for data management and planning in applications ranging from municipal infrastructure and emergency management, to public health and natural resources.

A multi-institution group in Adair County, Missouri is in a unique position to help address geospatial workforce needs, create jobs and leverage a broad range of relevant assets now and into the future. Personnel of the GIS Consortium (an established interagency office supported by the City of Kirksville, Adair County and the Public Water Supply District #1; GISC), Truman State University (TSU), A.T. Still University (ATSU), Moberly Area Community College (MACC) and the University of MO Extension Telecommunications Technology Resource Center (TCRC) in Kirksville believe that together we can establish a long-term partnership yielding significant and lasting economic benefits for our local community, region, state and even at the federal level. This concept has been in development for months and could be implemented relatively quickly.

Our vision for the ‘Northeast Missouri Geospatial Collaborative’ (‘GC’) will leverage the strongest of our particular region’s economic resources – in government, education and health – to meet collective needs and take advantage of opportunities. Education and health are not merely “services” in Northeast Missouri; they are the economic engines of our community/region and thus represent the springboard for immediate further economic development. The GC will not only meaningfully extend the capacities of its member institutions to train participants in a geospatial workforce, but at the same time will also extend the reach of these institutions, to better serve our community’s needs.

We seek start-up funds for equipment, software and an initial hire of a single person to augment our existing contributing personnel. A one-time infusion of support from the state will be the catalyst that encourages partner institutions here to move forward more confidently with their own sustained commitments to the endeavor. Below, we outline some example challenges to our community and responses/benefits the GC could

provide, organized by the priorities identified in Governor Nixon's recent call for proposals.

DEVELOP HUMAN CAPITAL	
<i>CHALLENGES</i>	<i>RESPONSES</i>
Providing primary and secondary education (teacher and student) exposure and training	Outreach mentor program for elementary and secondary teachers and students – utilizing TSU and MACC students
	Workshops and curriculum for teachers
	High school intern program at the GC
Providing higher education training, research and work experience	Internships for TSU, ATSU and MACC students to build data infrastructure for public utilities and emergency management
	On-line GIS Certificate program for current college students and continuing professional education
	Development of a consistent working relationship with state DHSS (and other relevant state offices) to analyze public health (or other kinds of) information
	A robust, hands-on training ground for students headed to geospatial graduate programs in MO
Providing required continuing education for professionals	On-line continuing education programs for professionals required to incorporate geospatial technology (e.g., emergency management, public health and natural resources personnel)
Developing an innovative education model that enhances existing resources and expertise	Concept is a new, integrated and efficient way to train people at all levels, both within and outside academia, and those in and not yet in the workforce

ENHANCE INFORMATION INFRASTRUCTURE	
<i>CHALLENGES</i>	<i>RESPONSES</i>
Inadequate geospatial information about public infrastructure (e.g., road and utility systems)	GC interns would receive training and education in return for hands-on experience in geospatial technology and real public works project management
	Local, regional, state and federal agencies receive high-quality, up-to-date infrastructure data
Inadequate critical infrastructure data for emergency management	GC could join our TCRC as the regional (and Missouri's second) backup Emergency Operations Center with geospatial data
	Critical infrastructure data could be consistently forwarded to SEMA (and hence to federal Homeland Security)
Underutilized existing public health data in a critically underserved and poorly "understood" region of the state	Existing research resources at our partner institutions have a consistent relationship with state DHSS to put existing data to work
	Research and analysis can be applied at the regional and state level to identify needs and generate effective policy initiatives

JOBS OF THE FUTURE	
<i>CHALLENGES</i>	<i>RESPONSES</i>
Rural communities may have limited access to information technology and associated skills, and therefore technology jobs	GC can coordinate projecting the assets of educational institutions to underserved sectors via its ties to public agencies; this sets an example for other rural communities to pool resources
	Jobs can be created both at the GC and partner institutions because its diverse activities broaden prospects for generating revenue

BUDGET INFORMATION
All Funds

BUDGETED REVENUES BY FUND TYPE				
	Adopted <u>2009</u>	Amended <u>2008</u>	Increase/ <u>(Decrease)</u>	% <u>Change</u>
General Fund	6,929,690	6,696,215	233,475	3.49%
Special Revenue Funds	3,416,518	2,039,390	1,377,128	67.53%
Capital Improvement Funds	2,083,980	2,245,580	(161,600)	-7.20%
Internal Service Funds	1,718,802	1,560,116	158,686	10.17%
Enterprise Funds	8,875,511	10,000,070	(1,124,559)	-11.25%
Fiduciary and Agency Funds	<u>1,243,340</u>	<u>1,244,376</u>	<u>(1,036)</u>	<u>-0.08%</u>
Total	<u>24,267,841</u>	<u>23,785,747</u>	<u>482,094</u>	<u>2.03%</u>
BUDGETED EXPENDITURES BY FUND TYPE				
	Adopted <u>2009</u>	Amended <u>2008</u>	Increase/ <u>(Decrease)</u>	% <u>Change</u>
General Fund	7,443,369	7,657,289	(213,920)	-2.79%
Special Revenue Funds	4,017,053	2,654,601	1,362,452	51.32%
Capital Improvement Funds	1,723,810	2,158,023	(434,213)	-20.12%
Internal Service Funds	1,834,946	1,593,564	241,382	15.15%
Enterprise Funds	8,448,388	9,871,292	(1,422,904)	-14.41%
Fiduciary and Agency Funds	<u>1,382,550</u>	<u>1,397,187</u>	<u>(14,637)</u>	<u>-1.05%</u>
Total	<u>24,850,116</u>	<u>25,331,956</u>	<u>(481,840)</u>	<u>-1.90%</u>
CAPITAL PROJECTS BY FUND TYPE				
	Adopted <u>2009</u>	Amended <u>2008</u>	Increase/ <u>(Decrease)</u>	% <u>Change</u>
General Fund	388,619	500,430	(111,811)	-22.34%
Special Revenue Funds	1,007,236	917,500	89,736	9.78%
Capital Improvement Funds	1,595,000	1,958,168	(363,168)	-18.55%
Internal Service Funds	35,400	0	35,400	#DIV/0!
Enterprise Funds	3,286,866	4,931,000	(1,644,134)	-33.34%
Fiduciary and Agency Funds	<u>1,080</u>	<u>1,472</u>	<u>(392)</u>	<u>-26.63%</u>
Total	<u>6,314,201</u>	<u>8,308,570</u>	<u>(1,994,369)</u>	<u>-24.00%</u>

BUDGET POLICIES

It is the policy of the City Council of the City of Kirksville to annually develop a budget that accurately reflects the revenue and expenditure goals and objectives of the City Council, and incorporate those goals, objectives, programs and projects which best serve the public good. The budget of the City of Kirksville will be constructed and managed in accordance with the policies set forth below. During the course of each fiscal year, the budget will be used to provide direction in the administration of City services.

I. OPERATING BUDGET

- ◆ The City will maintain a financial and budgetary control system to ensure adherence to the budget and awareness of the financial environment. Monthly financial reports will be prepared and submitted to the City Council and all operating departments.
- ◆ The City will attempt to avoid layoffs in actions to balance the budget. Necessary personnel reductions will be made through attrition, if possible.
- ◆ The City will focus cost reduction efforts by using the service classification system to determine priority.

Services provided by the City are categorized in order to set priorities for allocating available funds and are defined as follows:

- *Basic or Core Services:* Includes (1) legally mandated commitments or services, (2) those most closely linked to the health and safety of the citizens of Kirksville, and (3) those providing a net revenue contribution, or reducing identifiable costs in the same fiscal year.
- *Maintenance of Effort Services:* Services that (1) maintain control of City resources, (2) reduce identifiable costs in future years, and (3) are necessary to keep the public adequately informed of legislative matters.
- *Quality of Life Services:* Activities which are provided for more specialized groups, or are more aesthetic or promotional in nature.

The above categories have been applied to the City services as follows:

Basic or Core Services

Debt Services
Police & Fire
Water & Sewer
Street & Public Land Maintenance

Maintenance of Effort Services

Council
Administration
Human Resources
Finance
Municipal Court
Public Facilities
Economic & Community Development
Codes & Engineering

Quality of Life Services

Parks
Recreation
Aquatic Center
North Park
Airport

- ◆ Enterprise funds will be self-supporting, whenever possible, including direct and overhead costs.
- ◆ Charges for Internal Services shall be set at the lowest level possible to maintain essential programs. All excess earnings or costs shall be reconciled proportionately at the end of the fiscal year.
- ◆ Increases in staff will be permitted only in cases where the service demands have been expanded.

II. BALANCED OPERATING BUDGET

The City shall adopt a balanced budget where operating revenues for each Fund are equal to, or exceed, operating expenditures (excluding capital, contingencies and debt service) for that particular Fund. Any increase in expenditures, decrease in revenues or combination of the two that would result in a budget imbalance will require a budget amendment rather than spending unappropriated surpluses or designated reserves to support ongoing operations. Any year-end operating surpluses will revert to unappropriated balances for use in maintaining reserve levels set by policy and the balance will be available for capital projects and/or "one-time only" General Fund expenditures.

This is in accordance with Missouri Statute Section 67.010.2, which prevents the total proposed expenditures from any Fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year.

III. BUDGET PROCESS

The annual budget is a fiscal plan which presents the services which will be provided to the community and the funds needed to perform the services. The City of Kirksville prepares its budget on a calendar year basis, January 1 through December 31.

The budget shall be presented as a legislative document that, together with the related appropriating ordinance, will represent City Council policy concerning the sources and uses of funds for the budget year.

The budget process will adhere to the following time lines:

- ◆ The City Manager will present policy recommendations and develop goals for the upcoming budget year to be submitted to the Council between 120 and 180 days prior to the beginning of each budget year.
- ◆ A budget calendar will be developed on an annual basis.
- ◆ The City Manager shall submit a budget for Council review at least 45 days prior to the beginning of each budget year.
- ◆ In December, the City Council shall hold a public hearing and two public readings on the budget as submitted. The budget will be available for public inspection at least ten days before the public hearing.
- ◆ The City Council shall adopt the budget, by majority vote, no later than the last Monday of December. If the City Council does not take final action by this date, the budget will be considered effective as it was submitted.
- ◆ The budget shall be on record in the City Clerk's office and open to public inspection. In addition, a copy of the budget is available for view at the Adair County Public Library and Pickler Memorial Library on the Truman State University campus.
- ◆ The budget document will be submitted to the Government Finance Officers Association (GFOA) within 90 days after adoption by ordinance to be considered for the Distinguished Budget Presentation Award.

IV. REPORTING POLICY

Amounts presented in the budget document shall be compared with actual revenues and expenditures for each month and year-to-date ended during the budget year. The monthly reports will be presented in such a form that will enable the City to maintain control over its financial resources and communicate adherence to the intent of the Council for the budget year. This process will provide

information to monitor the performance of municipal services against the budget goals established by the Council.

V. OPERATING RESERVES

The reasonable reserves, as listed below, will be used for the following reasons:

1. Provide sufficient working capital to meet daily cash needs.
2. Provide reserves to absorb emergency expenditures caused by natural disaster such as fire, flood or earthquake.
3. Cover any unanticipated deficit resulting from a shortfall in actual revenues in a given budget year.

General Fund. The City will maintain a restricted balance at the end of the year of equal to the lesser of \$1,200,000 or 17 percent of budgeted General Fund expenditures, excluding capital and contingencies. The City Council has the option to approve an alternative restricted balance if the restricted balance is higher than the ending fund balance. This will provide a buffer against possible economic decline or unforeseen contingencies. Reserves in excess of the restricted balance will be available for purchase of capital equipment or other one-time General Fund expenditures as approved by the City Council.

Water and Sewer Funds. In order to participate in State Revolving Loan Fund (SRF) financing, both the water and sewer funds are required to maintain a separate operation and maintenance fund and a replacement fund, which are in place as long as the City participates in the SRF program. Operation and maintenance accounts are funded by a transfer from the operations revenue of the respective fund. The replacement fund has a special annual dollar designation that is required to be transferred from operations revenue. The accumulation of the monies transferred in over the actual expenditures in the replacement fund will build up a future reserve designated for capital replacement.

Other Funds. Reserve balances for other funds maintained by the City of Kirksville will vary depending on each activity requirement.

VI. BUDGETARY CONTROL POLICY

During the fiscal year, budgetary control is maintained by frequent review of departmental appropriation balances and through the use of a purchase order system and computerized financial administrative system. Purchase orders which would exceed appropriated balances are not released until further review and approval by the City Manager. An integral part of this control process assures that capital expenditures are for those items specifically approved in the budget, unless proper exceptions have been granted.

VII. AMENDMENTS

Departmental appropriations that have not been expended by the end of the fiscal year lapse and will not be available in the ensuing fiscal year unless re-approved. The City Manager may transfer any unencumbered appropriation balance or any portion thereof, from one account or department, within the same fund, to another. The City Manager will notify the Council of any interdepartmental transfers. Any revisions that alter the total operating expenditures of any fund must be approved by the City Council. Such supplements or amendments shall be filed with the original budget. Expenditures for capital projects may be carried over from year to year when the total dollar amount of the project has previously been approved by Council action.

VIII. CONTINGENT APPROPRIATION POLICY

General Fund. Provision shall be made in the annual budget for contingent appropriations, as the Council deems appropriate and prudent, but not less than one percent of the total General Fund expenditures, excluding capital and contingencies, to be used in the case of unforeseen items or expenditures. Contingent appropriations greater than \$1,000 shall be under the control of the Council Account and distributed after review by the City Council. Items of \$999 or less may be transferred by the City Manager from the contingency account. Expenditures from this appropriation shall be made only in case of established emergencies or other unforeseen instances, and a detailed account of such

expenditures shall be recorded and reported. The proceeds of the contingent appropriations shall be disbursed only by transfer to other departmental appropriations, the spending of which shall be charged to the departments or activities for which the appropriations are made.

Enterprise Funds. Provisions shall be made in the annual budget for contingent appropriations in each of the enterprise funds in varying amounts. Expenditures from this appropriation shall be made only in the case of established emergencies and a detailed account of such expenditures shall be recorded and reported. The Council shall approve any use of the contingency account greater than \$1,000. Items of \$999 or less may be transferred with the City Manager's approval.

IX. BASIS OF ACCOUNTING & BUDGETING

The budgets/accounts of the general government type funds (i.e., general fund, special revenue funds, capital improvement funds) are prepared on a modified accrual basis. This means that expenditures are recognized when liabilities are incurred, and revenues are recognized when received in cash, except for material revenues which are accrued when they become available and measurable.

The proprietary fund type (i.e., enterprise funds and the internal service funds) is budgeted/accounted for with revenues and expenses recognized as earned or incurred, respectively. Expenses are recognized when a commitment is made (e.g., through a purchase order) and revenues are also recognized when they are obligated to the City (for example, water user fees are recognized as revenue when bills are produced).

Fiduciary funds and agency funds are budgeted/accounted for using a modified accrual basis for budgeting.

The City of Kirksville accounts for the financial transactions in each fund and in the preparation of its interim financial reports under "generally accepted accounting principles" (GAAP). Usually this conforms to the way the City prepares its budget. Two exceptions are the treatment of depreciation expense which is not a budgeted line item, although the full purchase price of equipment and capital improvements is included, while just the opposite is true in the preparation of the Comprehensive Annual Financial Report (CAFR). The second exception is compensated absences which are treated differently in the budget than in the CAFR. The following fund types and account groups are used by the City:

A. Governmental Fund Types

Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities (other than those in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position. The following are the City's governmental fund types:

The **General Fund** is the principal fund of the City and accounts for all financial transactions not accounted for in other funds. The general operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are financed through revenues received by the General Fund.

Special Revenue Funds are used to account for revenues derived from specific taxes, governmental grants or other revenue sources which are designated to finance particular functions or activities of the City.

Capital Improvement Funds are established to account for resources designated to acquire capital facilities, except for minor acquisitions financed from regular operating funds.

B. Proprietary Fund Types

Proprietary Funds are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon determination of net income. The following are the City's proprietary fund types:

Enterprise Funds account for operations that provide a service to citizens, financed primarily by a user charge for the provision of that service, and activities where the periodic measurement of net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

C. Fiduciary Fund/Agency Types

Fiduciary Funds are used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments, and/or other funds. The City is the trustee for five such funds.

Agency Funds. The City acts in a custodial role for these Funds, they account for the temporary receipt of funds that are passed through to other entities. All receipts are offset by payments made on behalf of the entity. The City maintains two such Funds.

The following are additional City Council financial policies that are separately stated and adhered to in order to make the budget a good financial document and to provide direction in the administration of the budget document.

- Purchasing Policy – Council Policy #2
- Investment Policy – Council Policy #10
- Revenue Policy – Council Policy #16
- Cash Management Policy – Council Policy #20
- Debt Management Policy – Council Policy #20

X. PERSONNEL POLICY

Control of expenditures in the area of personnel costs is provided through position control. No new regular full-time or regular part-time positions may be created without the approval of the City Council. The City will seek volunteers and federal or state employment assistance programs whenever possible.

XI. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the City conform to generally accepted accounting principles applicable to local governments. The following represents the more significant accounting and reporting policies and practices of the City:

Reporting Entity. In determining the agencies or entities which comprise the City for financial reporting purposes, the criteria of oversight responsibility over such agencies or entities, special financing relationships and scope of public service provided by the agencies or entities are used. Oversight responsibility is determined by the extent of financial interdependency, control over the selection of the governing authority and management, ability to significantly influence operations and accountability for fiscal matters. The City's budget includes E911 Central Dispatch, which is a discretely-presented component unit for financial reporting purposes.

Independent Audit. An independent audit shall be made of all accounts including special and trust funds of the City at least annually. This audit shall be made as soon after the close of the fiscal year as possible. The annual audit will be conducted by certified public accountants, who are selected by the City Council. The City Manager shall make available copies of such audit for public inspection at the office of the City Clerk.

A Comprehensive Annual Financial Report (CAFR), prepared under the provisions of GASB 34, shall be issued within six months of the close of the previous fiscal year. It will be reviewed by City management and the City Council and presented to the City Council at a public meeting.

The City shall attempt to maintain accounting records in such a manner to receive an unqualified audit opinion and to qualify for a Certificate of Achievement for Excellence in Financial Reporting from

City of Kirksville
 User: mmacomber

General Ledger
 Revenue vs. Expenses Summary

Period 1 to 3, 2009

Fund	Description	YTD Balance Before Period	Revenues for Period	Expenses for Period	Year to Date Amount
10	General Fund	0.00	1,921,205.20	1,129,886.48	791,318.72
15	Community Dev Block Grant Fund	0.00	1,339.84	24.00	1,315.84
16	Walk & Cycle Trail Grant Fund	0.00	0.00	0.00	0.00
20	SE Tax Increment Fin Dist Fund	0.00	0.00	0.00	0.00
21	Downtown Tax Incr Fin Dist Fund	0.00	167,787.39	3,186.00	164,601.39
24	Forensic Laboratory Fund	0.00	0.00	0.00	0.00
25	E911 Central Dispatch Fund	0.00	68,867.82	79,488.10	(10,620.28)
26	Public Transit Fund	0.00	15,276.76	0.00	15,276.76
27	GIS Consortium Fund	0.00	16,317.81	9,608.20	6,709.61
28	Community Partnership Fund	0.00	3,000.00	0.00	3,000.00
31	Capital Improv Sales Tax Fund	0.00	160,168.54	580.00	159,588.54
32	Transportation Sales Tax Fund	0.00	198,337.90	550.00	197,787.90
33	Industrial Park Fund	0.00	0.00	0.00	0.00
40	Central Garage Fund	0.00	0.00	84,050.98	(84,050.98)
60	Insurance Fund	0.00	12,631.29	585.42	12,045.87
72	Governmental Assets	0.00	0.00	0.00	0.00
80	Utility Fund	0.00	1,416,139.88	752,592.63	663,547.25
81	Water Op Maint & Replace Fund	0.00	0.00	48,089.10	(48,089.10)
87	Airport Fund	0.00	3,119.04	142,129.51	(139,010.47)
88	Aquatic Center Fund	0.00	11,540.49	30,368.38	(18,827.89)
89	North Park Fund	0.00	12,622.23	830.06	11,792.17
91	Veterans Memorial Fund	0.00	1,000.00	0.00	1,000.00
92	Tri-Centennial Trust Fund	0.00	0.00	0.00	0.00
93	Investment in KV Charitable Fd	0.00	0.00	0.00	0.00
94	Forrest-Llewellyn Trust Fund	0.00	0.00	0.00	0.00
95	Nancy Reed Fugate Trust Fund	0.00	60.67	60.67	0.00
96	Revolving Loan Fund	0.00	923.98	0.00	923.98
98	Highway 63 Sales Tax Fund	0.00	188,421.01	0.00	188,421.01
	Report Totals:	0.00	4,198,759.85	2,282,029.53	1,916,730.32