

Monarch Fire Protection District

2012 Budget



Board of Directors
Kimbery Evans, President
Steven Swyers, Secretary
Robin Harris, Treasurer

Approved 12/29/2011

MONARCH FIRE PROTECTION DISTRICT OFFICIALS 2012



ELECTED OFFICIALS

Ms. Kimberly Evans,	President
Mr. Steven Swyers,	Secretary
Mr. Robin Harris,	Treasurer

STAFF

Fire Chief	Thomas Vineyard
Assistant Fire Chief	John Borgmann
Deputy Chief	Robin Echele
Deputy Chief / EMS	Nicholas Harper
Fire Marshal	Roger Herin
Controller	Michelle DePew

PROFILE OF THE DISTRICT

The District began in 1925 as a volunteer fire department. In 1957, it became a separate tax supported fire protection district and political subdivision of the State of Missouri. Today the District serves over 65,000 individuals in west St. Louis County in an area that covers 55 square miles. The District is empowered to levy a property tax on both real and personal property located within its boundaries.

An elected Board of Directors governs the District. Directors serve six-year terms, with one director elected every two years. The Board of Directors appoints the Fire Chief. The District operates in several areas including fire suppression, fire prevention, emergency medical services, and public education.

The mission of the District is to provide the highest quality of emergency services to the community through fire rescue and emergency medical services, fire prevention, and education. We will maintain the highest standards through experience, education, and planning. Our commitment extends beyond the traditional role of the fire service to improve the safety and quality of life for all.

The District is required to set tax rates by September 1 of each year. St. Louis County assesses the taxes beginning November 1, and majority of the taxes are collected and remitted to the District by March 1 of the following year. The District adopts its final budget at the time the tax rates are set. The budget serves as the foundation for the Districts financial planning and control. The budget is segregated into funds, departments and functions.

The District is home to Maryville University and Logan College of Chiropractic. There is one major hospital located in the District. The District has one airport, which houses many private corporate jets and is the areas FAA Flight Service Center.

The current locations of the engine houses are as follows:

House 1 is at 15700 Baxter Road

House 2 is at 18424 Wild Horse Creek Road

House 3 is at 1201 Fernview Drive

House 4 is at 14898 Olive Boulevard

House 5 & Maintenance Facility is at 155 Long Road

Training Tower is at 911 John Pellet Court

Administration Building 13725 Olive Boulevard

**Board of Directors and Citizens
Monarch Fire Protection District**

Dear Board of Directors and Citizens:

We are pleased to present the budget for 2012 for your consideration. Our on-going efforts are focused on balancing the level of service we provide with the resources available. The budget is intended to serve as a financial plan for the next fiscal year, outlining forecasted expenditure requirements and the proposed means for financing these requirements. It is expected to be a guide to departmental goals and objectives in the use of personnel, equipment and other resources during the 2012 calendar year.

OVERVIEW

The District currently employs 125 full-time personnel and has 3 elected officials. The 2012 budget does not anticipate the hiring of additional staff. Suppression, medical, rescue and prevention services are provided from 5 fire stations placed strategically around the District to provide the most effective response times. Administrative personnel are located in the Headquarters building, out of which the Fire Prevention Bureau and Training Department also operate. The District operates a maintenance and training facility adjacent to House 5 and a training tower at a separate location.

GOALS AND PRIORITIES

The Board of Directors and management must prioritize the needs of the District and employees. An ongoing priority is the quality of service we provide. Meeting the requirements of National Fire Protection Association (NFPA) guidelines is one way of ensuring the quality of our services. It is currently impractical and not cost effective to meet the guidelines 100% of the time. The District has committed to work toward reaching a goal of four personnel on each fire suppression vehicle. This would help the District meet the guidelines for number of personnel on scene within a set time frame.

In 2012, we expect to maintain and improve our services through several primary means.

- The retention of highly qualified personnel
- Training of existing personnel in the latest breakthroughs in fire suppression, emergency medicine, and other related topics
- Fire prevention programs and educational events for the community
- Ongoing updates and replacement of equipment and research of the latest technology related to fire suppression and emergency medicine.

ECONOMIC OUTLOOK

The overall economic conditions of the St. Louis metro area appear reflective of the nation as a whole; consumer spending is down, inflation is potentially a concern, interest rates have dropped over the course of 2011, with uncertainty about what the next twelve months will bring. The market for fuel continues to be unstable, with many price fluctuations.

While there are concerns about the economy, the geographic location in which the District operates has experienced higher levels of development than the overall metro area. The Chesterfield Valley Tax Increment Financing (TIF) District, which is located in the District, began in 1994 and was completed in 2008. Assessed valuations of the real estate and personal property located within the TIF District are included in the 2012 tax revenue.

2012 is likely to be somewhat volatile nationwide. The District has reserves in place for such uncertain times and does not expect the pressure from overall economic trends to have a long-term negative impact.

BUDGET ASSUMPTIONS

EXPENDITURES

The **General Fund** is the primary operating fund of the District. Operational costs are allocated as appropriate to the **Ambulance Fund**, a special revenue fund specifically for emergency medical services. In addition, the District contracts for dispatch services through Central County Emergency 911 (CCE911). The **Dispatch Fund**, a special revenue fund, collects revenue for dispatch services and remits them to CCE911. These three funds comprise the operations of the District.

As a service organization, our largest expenditure is wages and benefits. These costs represent approximately 90% of our operational costs. Personnel are our most valuable asset. Maintaining wages and benefits at competitive levels, while working within our available resources continues to be a challenge. As benefit costs continue to raise, especially health insurance, we are confronted with decisions about priorities. The Board of Directors and management are working with the members of Local 2665 to maintain sustainable levels of wages and benefits over the long term.

The 2012 budget reflects a board decision to not take the proposed maximum tax levy for 2011 and decided to keep the tax rates flat and at the same rate that was charged for 2010. The 2012 Budget does not include any wage increases for staff members.

The second largest area of spending relates to the replacement and maintenance of fire suppression, fire prevention and EMS equipment and vehicles. While the 2004 bond issue pays for some of the equipment and vehicles, ongoing maintenance and purchase of smaller equipment must come from current resources. Each year, departments submit their requests and the Board of Directors and management must make decisions about priorities based on current year resources. The funds available from the 2004 bond issuance will expire by the end of 2012, once the scheduled purchases of vehicles and equipment have occurred.

Our third largest area of operational expenditures is property and facilities costs. Planned maintenance has risen in the last two years as buildings age and larger items such as roofs need replaced. In addition, utility rates are increasing. District costs for MSD increase by over 500% for 2009; in 2010 we anticipated a 5% increase in utilities. The 2012 budget estimated that funding for utilities would be steady and in line with 2010 spending patterns. Therefore no major cost increase was considered for utilities for the 2012 budget.

The **Capital Projects Fund** for 2012 includes the purchase of two replacement staff vehicles from the 2004 bond proceeds at an anticipated cost of \$75,000. These are anticipated to be the final purchases from the 2004 bond proceeds. The District expects equipment purchases using funds transferred from the General Fund and Ambulance Fund costing \$95,000. The \$95,000 reflects the purchase of new financial accounting software, new human resource department scheduling software and No2 mixers and refrigerators.

The **Debt Service Fund** is set aside for payments on outstanding bond issues and their related expenditures. The District currently has one outstanding bond issue, which will be repaid by 2012. The District will not incur any further debt in 2012.

The District uses an **Internal Service Fund** for resources that are set aside for Health, Dental and Vision Self-Insurance plans. This fund is not required to adopt a budget. Revenue for this Internal Service Fund is the premium the District pays to itself on a monthly basis from the General and Ambulance Funds. Expenditures are the claims paid on behalf of participants and costs to maintain the plans. Effective November 1, 2008, the District put into service a fully-insured health plan. The 2011 budget anticipates a zero percent increase; however the district deductible has been raised in order to accommodate a zero percent increase. Internal Service funds were utilized to balance the operating accounts for the 2011 budget.

REVENUE

The District is traditionally dependent upon Real Estate and Personal Property Tax for over 90% of its revenue. St. Louis County collects tax revenue and remits it to the District monthly for a 1% fee. A state law (commonly referred to as the Hancock Amendment) restricts District revenue growth on an annual basis according to a formula. Rates are calculated based upon the formula, with the District reducing rates when needed in order to comply with the state law. All rates are calculated dependent upon assessed valuation. While the assessed valuation in the District has grown 100% over the last ten years the revenue associated with that assessed valuation has only grown 53% as a result of the aforementioned Hancock Amendment. Assessed valuation growth is expected to continue at a slower pace for at least the next 7-10 years. The 2010 assessed valuation has experienced a reduction; this reduction can be attributed to a voluntary reduction by the board and the implementation of SB711. TIF area assessed valuations are excluded from the amounts shown below.

<u>Date Assessed</u>	<u>Valuation</u>	<u>Percent Increase</u>
January 1, 1998	1,184,644,000	4.21%
January 1, 1999	1,288,368,000	8.76%
January 1, 2000	1,392,526,000	8.08%
January 1, 2001	1,567,208,000	12.54%
January 1, 2002	1,606,876,000	2.53%
January 1, 2003	1,672,047,000	4.06%
January 1, 2004	1,700,310,000	1.69%
January 1, 2005	1,904,392,000	12.00%
January 1, 2006	1,970,278,000	3.46%
January 1, 2007	2,199,255,000	11.62%
January 1, 2008	2,381,054,682	8.27%
January 1, 2009	2,352,276,973	-1.21%
January 1, 2010	2,288,977,194	-3.00%

Remaining District revenue primarily comes from investment earnings and fee collections. In 2011 interest rates remained at an all time low. 2012 is expected to have lower interest earnings than in 2010 and 2011. The 2012 interest revenue reflects the lower anticipated rates.

The Fire Prevention Bureau collects fees for building permits. These fees have continued to grow each year, with several large projects in the District keeping the total dollars high. The number of permits year over year has declined from a high of 1,245 in 2003. This is expected to continue over the next few years as the most attractive properties are developed. An additional area of development is expected to open up in the next three to five years, which would result in an increase in number of permits processed. The EMS Department collects fees for transporting patients that are not residents of the District. The District does not pursue aggressive collection practices. Revenue from billing is expected to remain stable.

The District collects personal property and real estate tax revenue at \$.013 for debt service on the bond issue dated July 1, 2004. This debt will mature March 1, 2012.

The Pension Revenue Fund is set aside to fund the Retirement Plan for Employees of the Monarch Fire Protection District and the Monarch Fire Protection District Welfare Benefit Plan. Tax revenue and interest earnings on reserve cash have been included in the budget. Funds collected are put into trust for the benefit of the employees and to pay the trust fees and expenses.

FUTURE BUDGET TRENDS

The District revenue outlook is flat, with minimal growth in the assessed valuations and unvarying levels of permit fees and ambulance billing collections on non-residents. Investment revenue varies with the state of the economy and the level of reserves in a given year.

Expenditures continue to raise, especially in the area of personnel costs. Rising health care costs present a challenge, which has forced the District to make modifications to the plan in the last couple of years, which affect participants. The future of healthcare in the United States is a nationwide issue, and one that the District will continue to follow closely.

The District long-range master plan will provide direction for the future needs of the District for both equipment and manning. Such information can be used to determine the need for setting aside reserves to meet future needs or pursuing a bond issue in the future.

SUMMARY

The annual budget for 2012 was developed as follows:

- Department heads complete budget planning packet for their resource needs and goals.
- Capital purchase requests must be turned in with the planning packet
- All information is compiled and reviewed by management based upon anticipated revenue amounts.
- The draft of the budget is then presented to the Board of Directors for their revision and approval.
- The budget is adopted at an annual budget hearing, which is open to the public.
- Copies of the budget may be obtained from District Headquarters.

The 2012 proposed budget provides a high level of service to the residents of the District, while continuing to pursue our long-term goals. Additions of long needed equipment are included along with necessary building improvements.

Each year, we strive to improve the presentation of the budget to give you valuable and necessary information. This budget reflects participation from many resources throughout the District. It is a product of many individuals' time and effort. We believe it is a workable plan for the 2012 year.

We would like to thank the Board of Directors for their input and valuable suggestions. In addition, the efforts of our department heads are invaluable. Their efforts make the budget a document that can truly be used in managing the District in the coming year. The budget is very much a team effort, and we appreciate all of the input, suggestions and assistance received in the preparation of this document.

Sincerely,

Thomas Vineyard
Chief

Michelle DePew
Controller

Monarch Fire Protection District

2012 Revenue by Fund

Tax Rates	Assessed Value
Real Estate-Residential	1,421,880,955
Real Estate-Agricultural	948,620
Real Estate-Commercial	483,825,830
Real Estate-State & Local	-
Personal Property	273,060,043
Total	2,179,715,448

	General	Ambulance
\$	0.433	\$ 0.272
\$	0.405	\$ 0.252
\$	0.524	\$ 0.315
\$	0.524	\$ 0.315
\$	0.530	\$ 0.330

General Revenue	2012 Requested	2011 Amended
4100 Tax Revenue	10,041,600	10,571,400
4110 RR/Utility/FIT Taxes	145,000	150,000
4120 Delinquent Taxes	80,000	80,000
4130 TIF Pass Thru	-	-
4400 Building Permit Fees	125,000	150,000
4600 Interest	25,000	10,000
4700 Miscellaneous Revenue	50,000	97,000
4710 Funds from Training Classes	500	500
4729 Contributions-Special Donations	-	200
4750 Proceeds from Sale of Assets	20,000	10,000
5800 Grant Proceeds	-	-
Total	10,487,100	11,069,100

2010 Actual	2010 Original	2009 Final Budget
10,511,157	10,322,000	10,511,000
143,553	150,000	150,000
101,915	80,000	80,000
510	-	10,233
234,564	150,000	180,000
14,304	175,000	55,000
117,972	20,000	20,000
1,150	500	500
-	200	-
18,200	20,000	20,000
-	-	-
11,143,325	10,917,700	11,026,733

Ambulance Revenue	2012 Requested	2011 Amended
4100 Tax Revenue	6,232,100	6,558,650
4110 RR/Utility/FIT Taxes	85,000	90,000
4120 Delinquent Taxes	35,000	50,000
4130 TIF Pass Thru	-	-
4200 Ambulance Billing Collections	125,000	150,000
4600 Interest	8,000	8,000
4700 Miscellaneous Revenue	500	500
4701 Fed Reimb SB 307	11,000	11,000
4750 Proceeds from Sale of Assets	10,000	5,000
TOTAL	6,506,600	6,873,150

2010 Actual	2010 Original	2009 Final Budget
6,100,553	6,289,200	6,417,600
83,931	90,000	90,000
30,131	50,000	50,000
-	-	6,241
72,989	150,000	150,000
5,336	121,000	22,000
418	500	500
-	11,000	-
7,000	10,000	10,000
6,300,358	6,721,700	6,746,341

Monarch Fire Protection District

2012 Revenue by Fund

Tax Rates	Assessed Value
Real Estate-Residential	1,421,880,955
Real Estate-Agricultural	948,620
Real Estate-Commercial	483,825,830
Real Estate-State & Local	-
Personal Property	273,060,043
Total	2,179,715,448

	Dispatch	Debt	Pension
\$	0.043	\$ 0.013	\$ 0.081
\$	0.037	\$ 0.013	\$ 0.076
\$	0.048	\$ 0.013	\$ 0.096
\$	0.048	\$ 0.013	\$ 0.096
\$	0.048	\$ 0.013	\$ 0.100

Dispatch Revenue	2012 Requested	2011 Requested
4100 Tax Revenue	965,300	1,015,000
4110 RR/Utility/FIT Taxes	15,000	15,000
4120 Delinquent Taxes	7,000	7,000
4130 TIF Pass Thru	-	-
4600 Interest	1,000	1,000
TOTAL	988,300	1,038,000

2010 Actual	2010 Original	2009 Final Budget
992,906	1,002,300	1,002,100
13,268	15,000	15,000
9,740	7,000	7,000
-	-	-
294	1,000	1,000
1,016,208	1,025,300	1,025,100
		-

Debt Service Revenue	2012 Requested	2011 Requested
4100 Tax Revenue	280,500	815,800
4110 RR/Utility/FIT Taxes	10,000	10,000
4120 Delinquent Taxes	7,000	7,000
4130 TIF Pass Thru	-	-
4600 Interest	5,000	14,000
TOTAL	302,500	846,800

2010 Actual	2010 Original	2009 Final Budget
776,970	838,400	707,200
9,257	10,000	10,000
7,042	7,000	7,000
-	-	-
599	14,000	14,000
793,868	869,400	738,200

Pension Revenue	2012 Requested	2011 Requested
4100 Tax Revenue	1,852,200	1,949,800
4110 RR/Utility/FIT Taxes	25,000	25,000
4120 Delinquent Taxes	15,000	15,000
4130 TIF Pass Thru	-	-
4600 Interest	10,800	10,800
5000 Contributed to Pension Trust	(1,903,000)	(2,000,600)
TOTAL	-	-

2010 Actual	2010 Original	2009 Final Budget
1,845,842	1,949,600	1,919,200
25,303	25,000	25,000
8,417	15,000	15,000
-	-	10,800
1,336	10,800	-
(1,880,898)	(2,000,400)	(1,970,000)
-	-	-

Capital Projects & Bond Proceeds	2012 Requested	2011 Requested
4600 Interest	0.00	13,000
4802 Bond Proceeds	0.00	-
4800 Transfer In	0.00	-
TOTAL	0.00	-

2010 Actual	2010 Original	2009 Final Budget
625	29,000	29,000
-	-	-
202,000	202,000	605,000
202,625	231,000	634,000

Monarch Fire Protection District

2012 General Fund by Department

Statement of Budgeted Revenues and Expenditures - General Fund	2012 Requested	2011 Projected	2011 Amended	2010 Final Spending	2009 Final Budget
BUDGETARY FUND BALANCE, JANUARY 1	6,092,478	6,092,478	5,813,048	2009 Unreserve 6,202,082	6,206,065
REVENUES					
Real Estate and Property Tax Revenue	10,121,600	10,193,186	10,651,400	10,613,072	10,511,000
RR/Utility/FIT Taxes	145,000	125,200	150,000	143,553	150,000
TIF Pass Thru			-	510	10,233
Building Permit Fees	125,000	160,000	150,000	234,564	350,000
Interest	25,000	11,800	10,000	14,304	302,000
Other Revenues	70,500	108,150	107,700	137,322	33,700
TOTAL REVENUES	10,487,100	10,598,336	11,069,100	11,143,325	11,356,933
TOTAL AVAILABLE FUNDS	16,579,578	16,690,814	16,882,148	17,345,407	17,562,998
EXPENDITURES					
Administration	1,451,128	1,619,316	1,736,525	1,662,978	1,707,664
Operations	7,720,511	7,333,877	7,497,568	7,655,245	7,234,996
Maintenance	502,580	414,498	424,550	375,646	439,680
Fire Prevention Bureau	742,400	778,087	769,500	722,165	754,185
Training	171,402	184,758	200,025	165,888	187,045
Other Expenditures	110,575	99,000	126,502	608,436	293,400
Capital Projects	(69,000)				
Retirement Incentive Package	(149,520.00)				
TOTAL EXPENDITURES	10,480,076	10,429,535	10,754,670	11,190,359	10,616,970
2012 Revenue Less Expenditures	7,024	168,801	279,430	(47,034)	417,963
TRANSFERS (TO)/ OTHER FUNDS - Capital			(35,000)	(342,000)	(322,000)
Other funding Sources - Self Insurance	53,000.00				
Other fund sources - Capital projects	202,724.59				
Other funding sources - Health Insurance	198,000.00				
Other funding sources - Capital Projects	(69,000.00)				
Other funding sources - Retirement Incentive Package	(149,520.00)				
BUDGETARY FUND BALANCE - DECEMBER 31	6,403,707	6,261,279	6,092,478	5,813,048	6,624,028

Monarch Fire Protection District

2012 General Fund by Department

General Fund Expenditures Summary

GENERAL FUND	2012 Request	2011 Projected	2011 Original	2010 Final Spending	2009 Final Budget
Wages-All Departments	7,386,721	7,314,453	7,429,353	7,729,867	7,259,671
Retirement Incentive	(149,520)				
Benefits - All Departments	2,328,300	1,986,040	2,131,050	1,926,602	1,830,193
Administration	308,400	412,098	438,450	411,352	626,605
Operations	314,000	340,745	381,215	310,550	346,971
Maintenance	191,000	212,400	192,500	168,564	220,630
Fire Prevention Bureau	38,600	47,963	33,600	10,581	18,200
Training	21,000	16,837	22,000	24,406	21,300
Other Expenditures	110,575	99,000	126,502	608,436	293,400
Other Expenditures - Capital Items	(69,000)		100,000	342,000	322,000
TOTAL	10,480,076	10,429,535	10,854,670	11,532,359	10,938,970

Department	Administration	2012 Requested	2011 Projected	2011 Amended	2010 Final Spending	2009 Final Budget
5111	Taxes & Licenses	4,500	4,300	4,500	4,333	4,500
5114	Election Expense	1,500	19,293	30,000	-	27,500
5115	Public Relations + Explorers	19,900	55,017	59,900	14,564	7,525
5116	Petty Cash	-	-	50	-	50
5117	Advertising	2,000	1,083	2,000	1,840	1,700
5118	Special Events	10,000	29,974	30,000	3,624	17,600
5121	Office Supplies	20,000	20,100	20,000	17,836	25,596
5122	Miscellaneous Office Expense	11,000	14,000	11,000	11,262	11,000
5123	Office Machines/Lease & Maint.	10,000	9,600	10,000	6,839	13,600
5125	Postage	14,000	12,000	14,000	13,064	11,500
5126	Bank Fees	8,000	10,100	8,000	16,877	12,800
	TOTAL OFFICE	100,900	175,467	189,450	90,239	133,371
5133	Risk Liability Insurance	93,500	126,000	93,500	136,279	93,261
5133	Director's Bond	6,500	7,500	6,500	6,500	6,500
	TOTAL INSURANCE	100,000	133,500	100,000	142,779	99,761
514X	Professional Services					
	Legal	68,000	63,950	98,000	124,861	341,500
	Board Report	12,000	15,300	12,000	10,573	12,923
	Consulting	7,500	3,700	19,000	19,680	17,500
	All Others	20,000	20,180	20,000	23,220	21,550
	TOTAL PROFESSIONAL SVCS	107,500	103,130	149,000	178,334	393,473
	TOTAL	308,400	412,098	438,450	411,352	626,605

Monarch Fire Protection District

2012 General Fund by Department

Department		2012		2011		2011		2010 Final		2009	
Operations		Requested	Projected	Amended	Spending	Spending	Spending	Spending	Spending	Final Budget	Final Budget
5270	Fire Equipment-Purchase/Replace	12,000	22,500	31,000	11,232					42,601	
5371	Equipment Maintenance & Repair	12,000	9,840	12,000	13,111					9,500	
5376	Vehicle Fuel & Fluids	65,000	69,200	60,000	61,081					50,000	
5277	MSA parts	8,000	12,200	8,000	8,600					15,000	
5278	Hose Replacement	8,000	13,705	34,000	17,910					6,500	
5287	House Supplies	45,000	41,700	46,500	40,731					41,000	
5395	Utilities-All Locations	130,000	136,000	131,670	126,351					113,870	
5395	Telephone-All Locations	30,500	27,000	30,495	29,216					28,500	
5395	Communications *Skyterra	3,500	8,600	27,550	2,318					40,000	
TOTAL		314,000	340,745	381,215	310,550					346,971	

Department		2012		2011		2011		2010 Final		2009	
Maintenance		Requested	Projected	Amended	Spending	Spending	Spending	Spending	Spending	Final Budget	Final Budget
5372	Maintenance tools/supplies	6,500	6,600	6,000	6,155					4,930	
5374	Vehicle Parts	75,000	104,000	82,000	69,875					79,000	
5375	Vehicle Repair & Maintenance	35,000	29,800	30,000	33,128					67,200	
5380	Building Maintenance & Repair	67,000	62,600	65,000	51,416					64,000	
5383	Grounds Maintenance	7,500	9,400	9,500	7,990					5,500	
TOTAL		191,000	212,400	192,500	168,564					220,630	

Monarch Fire Protection District

2012 General Fund by Departm

Department						
Fire Prevention		2012 Requested	2011 Projected	2011 Amended	2010 Final Spending	2009 Final Budget
5415	Public Education	19,000	26,163	11,000	2,778	8,500
5421	Office Supplies -*lease payment plotter/scanner	13,600	12,800	13,600	3,666	5,300
5422	Printing/Forms/Etc. -	5,000	8,000	8,000	4,137	3,000
5427	Document Retention	1,000	1,000	1,000	-	1,400
TOTAL		38,600	47,963	33,600	10,581	18,200

Department						
Training		2012 Requested	2011 Projected	2011 Amended	2010 Final Spending	2009 Final Budget
5518	Training Books & Manuals	2,000	2,400	2,000	3,915	2,000
5521	Training Supplies	19,000	14,437	20,000	20,491	19,300
TOTAL		21,000	16,837	22,000	24,406	21,300

Monarch Fire Protection District

2012 General Fund by Departm

Department						
Other Expenditures		2012 Requested	2011 Projected	2011 Amended	2010 Final Spending	2009 Final Budget
5600	Capital Disbursements	69,000	26,000	26,904	597,539	124,000
5680	Capital Building Fund	40,575	70,000	81,250	10,897	102,300
5900	Emergency & Contingency	-	-	-	-	35,100
5901	Shelter Management	500	3,000	9,174	-	10,000
5901	Disaster Preparedness & Mitigation	500	-	9,174	-	22,000
	TOTAL	110,575	99,000	126,502	608,436	293,400

Monarch Fire Protection District

2012 General Fund by Departm

Department						
Administration - Personnel		2012 Requested	2011 Projected	2011 Amended	2010 Final Spending	2009 Final Budget
5151	Salaries	546,528	694,000	694,000	579,999	639,157
	Retirement incentive 2010	149,520	55,000	55,000	233,141	-
5151	Chaplin	500	-	5,000	-	-
5151	Directors Fees	12,000	17,000	19,200	17,015	18,200
5152	Overtime	30,100	49,000	31,750	43,525	23,000
5153	Longevity	27,570	43,400	43,400	40,690	43,058
5155	Employer's FICA	46,410	55,000	69,000	53,649	52,500
5158	Halftime	4,500	2,500	4,500	434	1,400
5159	Holiday	10,400	7,300	7,300	6,512	7,000
	Payroll	827,528	923,200	929,150	974,965	784,315
5161	Employee Physicals	-	3,625	3,625	209	3,625
5162	Dues & Subscriptions	7,500	6,194	9,500	5,231	5,500
5163	Clothing Allowance	4,700	5,500	5,500	3,870	3,700
5164	Conferences & Seminars	7,000	7,699	11,900	2,817	7,500
5165	Employee Benefits-Other	1,000	1,000	1,000	412	1,000
	Benefits	20,200	24,018	31,525	12,539	21,325
	TOTAL	847,728	947,218	960,675	987,504	805,640

Department						
Operations - Personnel		2012 Requested	2011 Projected	2011 Amended	2010 Final Spending	2009 Final Budget
5251	Salaries	4,632,311	4,464,393	4,679,088	4,721,149	4,680,470
	Constant Manning Program	162,500				
5252	Overtime	235,500	371,000	233,000	271,690	203,600
5253	Longevity	237,200	243,000	243,700	255,909	250,200
5254	Extra Hours	700	-	1,000	372,524	1,236
5255	Employer's FICA	305,000	395,000	404,765	227,332	394,900
5257	Differential	17,800	28,620	17,800	17,305	34,500
5258	Halftime	37,000	36,728	44,400	43,773	44,500
5259	Holiday	19,000	18,720	19,000	17,266	18,150
	Payroll	5,647,011	5,557,461	5,642,753	5,926,948	5,627,556
5261	Employee Physicals	-	14,067	15,100	15,100	32,700
5263	Clothing Allowance	26,000	26,000	26,000	24,806	26,349
5265	Employee Benefits-Other	2,000	2,000	2,000	-	2,000
5266	Education & Training	500	-	500	-	-
5268	Protective Clothing *Normal Replacement (qty 15)	37,500	45,000	50,000	29,000	24,120
	Benefits	66,000	87,067	93,600	68,906	85,169
	TOTAL	5,713,011	5,644,528	5,736,353	5,995,854	5,712,725

Monarch Fire Protection District

2012 General Fund by Departm

Department						
Maintenance - Personnel		2012 Requested	2011 Projected	2011 Amended	2010 Final Spending	2009 Final Budget
5351	Salaries	223,980	125,000	145,800	136,270	143,000
5352	Overtime	4,000	8,700	2,800	2,691	2,800
5353	Longevity	11,000	7,200	7,200	6,650	6,200
5355	Employer's FICA	18,000	10,700	12,100	12,685	12,000
5357	Differential	-	-	650	-	700
	Payroll	256,980	151,600	168,550	158,296	164,700
5361	Employee Physicals	2,500	1,500	2,200	809	2,200
5362	Dues & Subscriptions	300	198	500	-	250
5363	Clothing Allowance	1,800	1,800	1,800	(2,044)	1,900
5366	Education & Training	2,500	-	2,500	-	1,000
	Benefits	7,100	3,498	7,000	(1,235)	5,350
	TOTAL	264,080	155,098	175,550	157,061	170,050

Monarch Fire Protection District

2012 General Fund by Department

Department		2012 Requested	2011 Projected	2011 Amended	2010 Final Spending	2009 Final Budget
Fire Prevention - Personnel						
5451	Salaries	490,600	518,220	527,000	507,778	521,000
5452	Overtime	1,500	1,895	1,000	(133)	1,200
5453	Longevity	32,300	29,500	29,500	33,121	31,000
5455	Employer's FICA	40,300	42,000	43,000	41,816	42,500
5457	Differential	2,500	8,181	5,000	7,198	5,070
	Payroll	567,200	599,796	605,500	589,780	600,770
5461	Employee Physicals	-	2,700	3,500	420	5,000
5462	Dues & Subscriptions	2,200	2,298	2,200	1,741	2,150
5463	Clothing Allowance	3,900	4,200	4,200	3,201	4,365
5464	Conferences & Seminars	3,000	2,600	5,000	4,501	4,700
5466	Education & Training	3,000	130	3,000	270	1,800
5468	Protective Clothing	2,000	900	1,000	-	2,200
	Benefits	14,100	12,828	18,900	10,133	20,215
	TOTAL	581,300	612,624	624,400	599,913	620,985

Department		2012 Requested	2011 Projected	2011 Amended	2010 Final Spending	2009 Final Budget
Training - Personnel						
5551	Salaries	75,000	70,150	70,900	66,726	70,000
5553	Longevity	6,750	6,380	6,400	6,380	6,330
5555	Employer's FICA	6,252	5,866	6,100	6,772	6,000
	Payroll	88,002	82,396	83,400	79,878	82,330
5561	Employee Physicals	-	450	725		845
5562	Dues & Subscriptions	5,000	4,933	5,700	3,651	2,370
5563	Clothing Allowance	700	695	700	205	700
5564	Conferences & Seminars	2,000	3,947	2,000	503	2,000
5566	Education & Training	42,000	60,000	68,500	45,897	62,000
	Benefits	49,700	70,025	77,625	50,256	67,915
	TOTAL	137,702	152,421	161,025	130,134	150,245

Department		2012 Requested	2011 Projected	2011 Amended	2010 Final Spending	2009 Final Budget
All Departments - Benefits Personnel						
5135	Workers' Compensation	772,000	529,604	529,000	515,536	374,300
5160	Health Wellness Program	30,000				
5160 00	Group Insurance-Admin	221,500	214,000	214,000	196,359.00	187,500
5160	Group Insurance-Directors	-	10,000	18,900	21,773.00	27,919
5160	Group Insurance-Retirees	43,500	36,000	104,500	45,989.44	60,000
5160	Group Insurance-OPS	921,500	819,000	851,000	833,305.00	801,000
5160	Group Insurance-Maint	47,500	47,000	56,500	50,021.00	49,000
5160	Group Insurance-FPB	122,500	117,500	111,500	111,671.00	115,000
5160	Group Insurance-Training	12,700	15,500	17,000	11,348.10	15,500
	Subtotal-Group Medical/Dental/Vision/Standard	1,399,200	1,259,000	1,373,400	1,270,466.54	1,255,919
	TOTAL	2,171,200	1,788,604	1,902,400	1,786,003	1,630,219

Statement of Budgeted Revenues and Expenditures - Ambulance Fund	2012 Request	2011 Projected	2011 Amended	2010 Actual	2009 Final
BUDGETARY FUND BALANCE, JANUARY 1	1,630,867	1,630,867	1,815,103	1,725,806	1,924,634
REVENUES					
Real Estate and Property Tax Revenue	6,267,100	6,246,659	6,608,650	6,608,650	6,467,600
RR/Utility/FIT Taxes	85,000	85,000	90,000	90,000	90,000
TIF Pass Thru	-	-	-	-	6,241
Charges for Services	125,000	198,650	150,000	150,000	150,000
Interest	8,000	7,800	8,000	8,000	22,000
Other Revenues	21,500	5,900	16,500	5,500	500
TOTAL REVENUES	6,506,600	6,544,009	6,873,150	6,862,150	6,736,341
TOTAL AVAILABLE FUNDS	8,137,467	8,174,876	8,688,253	8,587,956	8,660,975
EXPENDITURES					
Administration	1,110,601	1,152,542	1,184,850	1,144,907	1,067,900
Operations	5,351,622	5,474,256	5,802,800	5,506,137	5,203,500
Maintenance	17,000	17,820	17,000	22,344	18,000
Other Expenditures	73,050	16,160	32,736	99,464	8,000
Capital Expenditures	(46,000.00)				
TOTAL EXPENDITURES	6,506,273	6,660,777	7,037,386	6,772,853	6,297,400
2012 Revenue Less Expenditures	327	(116,768)	(184,236)	89,297	197,941
TRANSFERS (TO)/FROM OTHER FUNDS	-	-	(20,000)	-	(241,000)
Other funding sources - Capital Projects	(46,000)	-	-	-	-
BUDGETARY FUND BALANCE - DECEMBER 31	1,585,195	1,514,099	1,630,867	1,815,103	2,122,575

Ambulance Fund Expenditures Summary

AMBULANCE FUND	2012 Requested	2011 Projected	2011 Amended	2010 Actual	2009 Final
Wages-All Departments	4,492,506	4,784,826	5,093,350	4,798,035	4,701,640
Benefits - All Departments	1,686,617	1,538,582	1,567,200	1,533,620	1,566,303
Administration	146,100	153,370	183,100	195,972	332,660
Operations	137,000	150,020	144,000	123,418	145,000
Maintenance	17,000	17,820	17,000	22,344	34,000
Other Expenditures	73,050	16,160	32,736	99,464	170,341
Other Expenditures	(46,000)		20,000	60,000	60,000
TOTAL	6,506,273	6,660,777	7,057,386	6,832,853	7,009,944

Department		2012 Requested	2011 Projected	2011 Amended	2010 Actual	2009 Final
Administration						
511X	Federal -Emergency Receipts (SB307)	11,000	11,000	14,000	-	-
5115	Public Education	2,500	870	5,000	1,063	4,500
5121	Office Supplies	2,500	3,007	5,000	2,123	4,000
5123	Office Machines/Lease & Maint.	1,100	1,020	1,100	539	1,050
5128	Books & Manuals	500	-	1,500	364	750
	Office Expenditures	17,600	15,897	26,600	4,089	10,300
5133	Risk Liability Insurance	65,000	65,000	73,000	71,324	73,800
5144	Professional Services-Court Reporter	8,000	10,500	8,000	7,422	8,600
5145	Professional Services-Legal	30,000	37,520	42,000	78,208	206,000
5146	Professional Services-Consulting	2,500	1,600	10,000	9,420	8,000
5147	Professional Services-EMS Billing	12,000	12,500	12,500	12,749	14,310
514X	All Other Professional Services	11,000	10,353	11,000	12,760	11,650
	Professional Services	63,500	72,473	83,500	120,559	248,560
	TOTAL ADMINISTRATIVE COSTS	146,100	153,370	183,100	195,972	332,660

**Monarch Fire
Protection District**

2012 Ambulance Fund by I

Department		2012	2011	2011	2010 Actual	2009	Final
Operations		Requested	Projected	Amended			
5270	Equipment	3,500	3,689	5,000	670	5,000	
5271	Equipment Maint. & Repair	3,500	3,209	5,000	1,374	5,000	
5376	Vehicle Fuel & Fluids	32,000	43,700	32,000	40,262	31,800	
5377	Bio-Med Maintenance	3,000	4,900	5,000	2,132	5,000	
5378	Medical & Oxygen Supplies	95,000	94,022	95,000	78,882	96,700	
5379	Bike Team Equipment Exp.	-	-	500	98	-	
5395	Communications	-	500	1,500	-	1,500	
TOTAL		137,000	150,020	144,000	123,418	145,000	

Department		2012	2011	2011	2010 Actual	2009	Final
Maintenance		Requested	Projected	Amended			
5374	Vehicle Parts	14,000	15,365	14,000	18,130	14,210	
5375	Vehicle Repair & Maintenance	3,000	2,455	3,000	4,214	19,790	
TOTAL		17,000	17,820	17,000	22,344	34,000	

Department		2012	2011	2011	2010 Actual	2009	Final
Other Expenditures		Request	Projected	Amended			
5600	Capital Disbursements	46,000	15,000	26,736	99,464	119,200	
5600	Capital/Building Fund	27,050	-	-	-	-	
5900	Emergency & Contingency	-	-	3,000	-	29,141	
5901	Disaster Preparedness & Mit.	-	1,160	3,000	-	22,000	
TOTAL		73,050	16,160	32,736	99,464	170,341	

Department		2012	2011	2011	2010 Actual	2009	Final
Administration - Personnel		Requested	Projected	Amended			
5150	Salaries-Allocated	438,351	533,863	535,200	501,328	515,000	
5151	Directors Fees	9,000	8,140	12,800	9,171	12,800	
5152	OT-Allocated	17,000	26,429	18,400	23,275	(39,500)	
5153	Longevity-Allocated	30,000	36,200	36,200	33,723	36,600	
5155	FICA-Allocated	37,000	37,000	40,300	32,100	42,300	
5157	Differential-Allocated	-	-	300	-	300	
5158	Halftime-Allocated	2,000	1,987	2,000	2,351	2,000	
5159	Holidays-Allocated	3,150	3,150	3,150	3,298	3,000	
5135	Workers' Compensation	428,000	352,403	353,400	343,689	313,203	
TOTAL		964,501	999,172	1,001,750	948,935	885,703	

Department		2012	2011	2011	2010 Actual	2009	Final
Operations - Personnel		Requested	Projected	Amended			
5251	Salaries	3,149,605	3,482,930	3,800,100	3,522,407	3,502,145	
	Constant Manning Program	162,500	-	-	-	-	
5252	Overtime (Incl. Assoc. Trainer)	192,000	206,201	192,000	197,681	172,000	
5253	Longevity	102,000	93,000	93,000	89,700	92,000	
5254	Extra Hours	1,200	-	1,200	-	1,295	
5255	Employer's FICA	290,000	298,000	300,000	323,250	292,000	
5257	Differential	15,200	16,111	15,200	17,451	22,000	
5258	Halftime	30,000	28,315	30,000	27,020	33,000	
5259	Holidays	13,500	13,500	13,500	15,280	14,700	
Payroll		3,956,005	4,138,057	4,445,000	4,192,789	4,129,140	
5261	Employee Physicals	2,500	15,086	16,000	2,318	38,000	
5262	Dues & Subscriptions	1,000	1,500	1,500	318	2,000	
5263	Clothing Allowance	37,000	37,000	37,000	36,167	37,000	
5264	Conferences & Seminars	2,500	3,193	4,000	2,447	4,000	
5265	Employee Benefits-Other	2,000	2,000	2,000	40	3,000	
5266	Education & Training	1,000	775	1,500	-	1,500	
5267	Inside & Outside CEU's	5,000	5,813	10,000	7,775	11,600	
5268	Protective Clothing	15,000	12,000	15,000	19,176	35,000	
Benefits		66,000	77,367	87,000	68,241	132,100	
5260	Group Insurance (Medical/Dental/Vision/ S	1,192,617	1,108,812	1,126,800	1,121,689	1,121,000	
	Insurance	1,192,617	1,108,812	1,126,800	1,121,689	1,121,000	
TOTAL		5,214,622	5,324,236	5,658,800	5,382,719	5,382,240	

Monarch Fire Protection District

2012 Dispatch Fund Budget

Statement of Budgeted Revenues and Expenditures - Dispatch Fund	2012 Request	2011 Requested	2010 Actual	2010 Original	2009 Final
BUDGETARY FUND BALANCE, JANUARY 1	23,098	290,977	25,698	22,598	25,698
REVENUES					
Real Estate and Property Tax Revenue	972,300	1,022,000	1,002,646	1,009,300	1,009,100
RR/Utility/FIT Taxes	15,000	15,000	13,268	15,000	15,000
TIF Pass Thru	-	-	-	-	-
Interest	1,000	1,000	294	1,000	1,000
TOTAL REVENUES	988,300	1,038,000	1,016,208	1,025,300	1,025,100
TOTAL AVAILABLE FUNDS	1,011,398	1,328,977	1,041,906	1,047,898	1,050,798
EXPENDITURES					
Administration	500	500	500.00	500	500
Operations	987,800	1,305,379	750,429	1,024,300	1,024,600
Communications Equipment	-	-	-	-	-
TOTAL EXPENDITURES	988,300	1,305,879	750,929	1,024,800	1,025,100
TRANSFERS (TO)/FROM OTHER FUNDS	-	-	-	-	-
2012 Revenue Less Expenditures	-	(267,879)	265,279	500	-
BUDGETARY FUND BALANCE - DECEMBER 31	23,098	23,098	290,977	23,098	25,698

Dispatch Fund	2012 Request	2011 Requested	2010 Actual	2010 Original	2008 Final
Dispatching Fees Pass-Thru	987,800	1,305,379	749,929.00	1,024,600	963,000
Accounting & Audit Fees	500	500	500.00	500	500
Communications Equipment		-		-	1,500
	988,300	1,305,879	750,429.00	1,025,100	965,000

Department		2012 Request	2011 Requested	2010 Actual	2010 Original	2008 Final
	All					
	Dispatching Fees Pass-Thru	987,800	1,305,379	749,929	1,024,600	963,000
	Accounting & Audit Fees	500	500	500	500	500
	Communications Equipment	-	-		-	1,500
	TOTAL EXPENDITURES	988,300	1,305,879	750,429	1,025,100	965,000

Detail of Capital Assets to be Purchased-Capital Projects Fund		2012 Request	2012 Requested	2012 Requested
Department	Description	Fund Balance	Yearly Maint	Amount
General Fund				
	Admin:			
*	District Security	\$ 20,000.00		160,000
	Replace 35 SCBA Composit Cylinders	\$ 40,000.00		40,000
*	AC unit	\$ 10,000.00		10,000
*	Helmets for HRTF Members (qty 75)	\$ 3,000.00		15,000
*	GIS Software	\$ 5,000.00		5,000
*	AED's (qty 10)	\$ 12,000.00		12,000
	Concret / Aspalt	\$ 25,000.00	-	25,000
Y	Painting		7,500	7,500
Y	Chief Furniture		5,000	-
Y	Garage Door Openers		-	-
	Computer Replacements (qty 4)		10,000	10,000
Y	Bedroom desk (qty 5)		-	-
Y	Recliner (qty 4) / Sofa		-	-
Y	AntiVirus Software / Back up / Upgrades		26,125	26,125
Y	Sharepoint / HIPPA		-	-
Y	Firehouse Software Training		2,000	2,000
Y	Computer Technical Support & Consulting		12,000	12,000
Y	Yearly Maintenance for existing equipment		2,500	2,500
Y	Misc. repairs for existing equipment		2,500	2,500
	General Fund	\$ 69,000.00	\$ 40,575.00	
	Ambulance Fund	\$ 46,000.00	\$ 27,050.00	
		\$ 230,000.00	\$ 67,625.00	

GLOSSARY OF COMMON TERMS

Amortization: 1) A reduction of debt by means of periodic payments sufficient to meet current interest and liquidate the debt at maturity. 2) Provision for the extinguishment of a debt by means of a debt service fund. 3) Accounting for expenses or charges as they apply rather than as they are paid.

Arbitrage: Arbitrage is the difference (profit) earned from investing low-yielding tax-exempt bond proceeds in higher yielding taxable securities.

Assessments: Assessments are charges in the nature of taxes upon property owners to pay the costs of facilities or improvements that benefit the property owned. Payment of the amount assessed (together with interest if not paid upon assessment) is secured by a direct fixed lien on the property. The assessed payments are either used directly to pay the costs of the facilities or improvements or, if paid over time, are used to repay bonds issued to finance such costs. "Special assessment" financing proceeds are used for improvements relating to the property, such as sidewalks, streets, gutters, sewers and water systems.

Assessed Valuation or [AV]: The valuation placed on real estate or other property by a government for the purpose of levying taxes.

Auditing: Pre-Audit: Posting year-end closing entries, preparing preliminary financial statements and

assembling supporting documents for review by outside auditors.

Auditing: Post-Audit: Posting audit adjustments and preparing the annual financial report.

Audit Report: The report prepared by an auditor covering the audit or investigation of an entity's financial position for a given period of time. As a general rule, the report should include a) a statement of the scope of the audit; b) explanatory comments concerning exceptions from generally accepted auditing standards; c) opinions; d) explanatory comments concerning verification procedures; e) financial statements and schedules; and f) statistical tables, supplementary comments and recommendations. The auditor's signature follows item c) or d).

Balanced Budget: A budget plan whereby anticipated revenues/income is in an amount equal to the anticipated expenditures/losses.

Bond Counsel: Bond Counsel refers to a legal firm hired to advise the Issuer and is responsible for producing the legal documents required for the sale. Bond Counsel also provides assurance to the bond purchaser that the bonds were legally issued and renders an opinion regarding the taxability of the bonds.

Bond Election or Bond Referendum: A process whereby the qualified voters of a governmental unit are given the opportunity to approve or disap-

prove a proposed issue of municipal securities. An election is most commonly required in connection with general obligation bonds. Requirements for voter approval may be imposed by constitution, statute, or local ordinance.

Bond Fiscal Year: The 12-month accounting period, established under some bond contracts, used in connection with and issue of municipal securities. Principal and interest payments are scheduled in accordance with the bond fiscal year. The bond fiscal year may not necessarily coincide with the issuing agency's own fiscal year, and may be established in order to take full advantage of the scheduled cash flow or projected pledged revenues. (See also Fiscal Year).

Bond Proceeds: The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. The monies are used to finance the project or purposed for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.

Budget (Operation): A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term "budget" is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating body for adoption and sometimes the plan finally approved by that body. It is

usually necessary to specify whether the budget under consideration is preliminary and tentative or whether it has been approved by the appropriating body.

Callable Bond: A bond which the issuer is permitted or required to redeem before the stated maturity date at a specified price, usually at or above par, by giving notice of redemption in a manner specified in the bond contract.

Call Date: The date on which a bond may be redeemed before maturity at the option of the Issuer.

Call Feature (Redemption Feature): Enables the Issuer to pay off "redeem" a bond prior to its maturity date. The "call date" is the earliest date the bond may be redeemed "called". Usually a premium is paid for the earliest call dates.

Capital Assets: Assets of significant value and having a useful life of several years. Capital Assets are also called Fixed Assets.

Capital Improvement Program [CIP]: A plan of proposed capital expenditures and the means of financing them. The capital budget is usually adopted as part of the complete annual budget which includes both operations and capital outlays. The capital budgets should be based on a capital improvement program [CIP].

Capital Outlays: Expenditures for the acquisition of capital assets.

Capital Projects: Projects which purchase or construct capital assets. Typically a capital project encompasses a purchase of land and/or the construction of a building or facility.

Capital Projects Fund: tracks capital purchases made by the city for its operations, such as police cars, snow plows, and computer purchases, in addition to the cost of concrete street and sidewalk maintenance, and the construction and repair of city owned buildings

Cash Basis: The method of accounting under which revenues are recorded when received and expenditures are recorded when paid.

Cash-Flow Budget (Cash Budget): A projection of the cash receipts and disbursements anticipated during given period. Typically, this projection covers a year and is broken down into separate projections for each month, week and/or day during the year.

Cash-Flow Financing: A financing in which the proceeds of the issue are used to pay current expenses of the issuer's current income is temporarily insufficient for that purpose. Also, sometimes called TRANS, TANS, or RANS (tax and revenue anticipation notes). The issue is customarily scheduled to be repaid when current income exceeds current expenses. The issue typically has a term of one year or less.

Cash Management: Tracking and forecasting cash flow, and working with investment personnel to develop an investment plan. Maintaining cash

accounts and controlling their disposition. Coordinating and controlling bank accounts.

Certificate of Deposit or CD: A negotiable or non-negotiable receipt for moneys deposited in a bank or other financial institution for a specified period at a specified rate of interest.

Certificate of Participation [COP]: A certificate showing participation through ownership of a "share" of lease payments or lease-purchase agreement. Usually made between a municipality and an equipment vendor. While these certificates are similar to bonds, they are secured solely by the lease or rental revenues accruing to the municipality/agency issuing the certificates have maturities and are paid in a manner parallel to the process involved in the execution and administration of bonds.

Competitive Bid or Competitive Bidding: A method of submitting proposals to purchase a new issue of bonds by which the bonds are awarded to the underwriting syndicate presenting the best bid according to stipulated criteria set forth in the notice of sale.

Cost Accounting: Accounting which assembles and records all costs incurred to carry out a particular activity or to deliver a particular service.

Cost of Issuance: The expenses associated with the sale of new issue of municipal securities, including such items as underwriter's spread, printing, legal fees and rating costs.

Covenant or Bond Covenant: The issuer's enforceable promise to do or refrain from doing some act. With respect to municipal bonds, covenants are generally stated in the bond contract.

Debt: An obligation resulting from the borrowing of money or from the purchase of goods and services. Debt of governmental units includes bonds, time warrants, notes and floating debt.

Debt Limit: The maximum amount of debt which an issuer of municipal securities is permitted to incur under constitutional, statutory or charter provisions. The limitation is usually a percentage of assessed valuation and may be fixed upon either gross or net debt.

Debt Ratios: Comparative statistics showing the relationship between the issuer's outstanding debt and such factors as its tax base, income or population. Such ratios are often used in the process of determining credit quality of an issue, especially in the case of general obligation bonds.

Debt Service: The amount of money necessary to pay interest on an outstanding debt, the serial maturities or principal for serial bonds and the required contributions to an amortization of sinking fund for term bonds.

Debt Service Fund: A fund established to account for the payment of interest and principal on all general obligation debt.

Debt Service Schedule: A table listing the annual payments necessary to meet debt service requirements over the period of time the bonds are to be outstanding.

Defeasance: Termination of the rights and interests of the bondholders and of their lien on the pledged revenues in accordance with the terms of the bond contract for the prior issue of bonds. Defeasance usually occurs in connection with the refunding of an outstanding issue before the final payment, or provision for future payment, of principal and interest on a prior issue.

Delinquent Taxes: Taxes remaining unpaid on and after the date on which a penalty for non-payment is attached.

Depreciation: 1) Expiration of the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence. 2) That portion of the cost of a capital asset which is charged as an expense during a particular period.

Direct Debt: The debt for which the issuing unit has sole responsibility.

Disbursements: Recording accounts payable, reviewing invoices and supporting documents, and making payments to vendors.

Encumbrances: Obligations in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved.

Expenditures: Where accounts are kept on the accrual or modified accrual basis of accounting, the cost of goods received or services rendered whether cash payments have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments for the above purposed are made.

Expense: Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

Feasibility Study: A report of the financial practicality for a proposed project and financing thereof, which may include estimated revenues that will be generated and a revenue of the physical operating, economic or engineering aspects of the proposed project.

Federal National Mortgage Association (FNMA) or Fannie Mae: One of the two presently existing corporations which formerly comprised the FNMA. As it currently exists, FNMA is a government-sponsored private corporation authorized to purchase and sell mortgages and to otherwise facilitate the orderly operation of a secondary market for home mortgages.

Financial Advisor or Consultant: With respect to a new issue of municipal bonds, a consultant who advises the issuer on matters pertinent to the issue, such as structure, timing, marketing, fairness or pricing, terms and bond ratings. Can provide cash management services and can serve

as an agent for the issuer during the pricing of bonds during a negotiated sale.

Fiscal Agent: An agent (usually an incorporated bond or trust company) designated by a government to act for it in any of several capacities in the sale, administration and payment of bonds and coupons.

Fiscal Policy: a government's policy relating to budgeting of expenditures and revenues.

Fiscal Year: A 12-month period of time to which the annual budget applies and at the end of which a governmental unit determines its financial position and the results of its operations.

Fixed Asset Management: Tagging and preparing asset ledgers for plant, facilities, and equipment; recording changes in asset status; and conducting periodic inventories of assets.

Full Accrual: The basis of accounting where transactions and events are recognized as revenues/gains or expenses/losses when they occur, regardless of the timing of related cash flows.

Full Disclosure: Providing accurate and complete information material to a bond issue, which a potential investor would be likely to consider important in deciding whether to invest. Material facts that enable the investor to evaluate the credit quality of an issue.

Full Faith and Credit: A pledge of the general taxing power for the payment of debt obligation bonds or full faith and credit bonds.

Full Time Equivalent [FTE]: Equal to one person based on a 2080 hours a year.

Fund: An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

Fund Balance: The excess of the assets of a fund over its liabilities, reserves, and carryover.

General Fund: supports the day-to-day activities of the city, such as police protection, street and park maintenance, trash hauling and general administration. All operational revenues and expenditures are accounted for in the General Fund.

General Long-term debt: Long-term debt legally payable from the general revenues and backed by the full faith and credit of a governmental unit.

General Obligation Bonds [GO BONDS]: Bonds which are secured by the full faith and credit of the issuer. General Obligation bond issued by local units of government are secured by a pledge of the issuer's *ad valorem* taxing power.

General Property Tax: The tax usually levied on real and personal property. this tax is typically levied locally.

Generally Accepted Accounting Principles [GAAP]: GAAP is a way of reporting. GAAP reporting will enable your government through the use of proper funds, to present more informative and therefore more useful financial statements.

Goal: A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless.

Governmental Accounting Standards Board [GASB]: A standard-setting body, associated with the Financial Accounting Foundation and comparable to the Financial Accounting Standards Board, which prescribes standard accounting practices for governmental units in maintaining their financial records and releasing financial data to the public.

Governmental National Mortgage Association [GNMA or Ginnie Mae]: One of two corporations formerly comprising the FNMA. GMNA is an agency of the Federal Department of Housing and Urban Development empowered to provide special assistance in financing home mortgages and is responsible for management and liquidation of federally owned mortgage portfolios. Its liquidation functions involve the issuance of participation certificates representing beneficial interest in future payments on a pool of mortgages.

Grant: A contribution of assets (usually cash) by a governmental unit or oth-

er organization to another. Typically, their contributions are made to local governments from state and federal governments and made for specified purposes.

Grants Management: Recording grants-related transactions in keeping with grant regulations, and preparing financial reports for grantor agencies.

Gross Bonded Debt: The sum of all General Obligation Debt. Also known as Direct Debt.

Homecoming Fund: This fund accounts for operation revenue and expenditure activity related to the city's annual Manchester Homecoming Festival.

Internal Audit: Reviewing financial transactions in both the finance department and in operating departments for compliance with local policy and generally accepted accounting principles.

Internal Control: A plan of organization for purchasing, accounting, and other financial activities which, among other things, provides for separation of duties, proper authorization from responsible officials in processing of a transaction and the arrangement of records and procedures to facilitate effective control.

Investment management: Determining amounts and types of investments to be made, securing quotes from financial markets, and apportioning interest earned to the proper funds.

Investment Proceeds: The investment of proceeds and other moneys relating to an issue is typically governed by state law and by the Indenture or Bond Resolution.

Inventory: Maintaining custody and records of supplies held in stock for future consumption.

Level Debt Service: An arrangement of serial maturities in which the amount of principal maturing increases at approximately the same rate as the amount of interest declines, resulting in substantially equal annual debt service payments over the life of the bonds.

Levy: (verb) To impose taxes, special assessments, or service charges for the support of government activities. (noun) The total amount of taxes, special assessments or service charges imposed by a governmental unit.

Liability: Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed or refunded at some future date. Note: This term does not include encumbrances.

Liquidity: The ability to convert an investment to cash promptly with minimum risk to principal or accrued interest.

Long-Term Debt: Debt with a maturity of more than one year after date of issuance.

Modified Accrual Basis: The basis of accounting under which expenditures other than accrued interest on

general long-term debt are recorded at the time liabilities are incurred and revenues are recorded when received in cash and/or available revenues which should be accrued to reflect properly the taxes levied and revenue earned.

Moody's Investors Service: An independent service *subsidiary of Dun & Bradstreet Corp.*, based in New York City, which provides ratings for municipal bonds and other financial information to investors.

Municipal Securities Rule Making Board: An independent, self-regulatory organization established by Congress in 1975 having general rule making authority over municipal securities market participants (generally, brokers and dealers).

Negotiated Sale: The sale of a new issue of municipal securities by an issuer through an exclusive agreement with an underwriter or underwriting syndicate selected by the issuer.

Net Direct Debt: With respect to any given Issuer the amount of all outstanding debt of such Issuer (Direct Debt), less the sum of any amounts accumulated in sinking funds for such debt and the amount of such debt that is self-supporting.

New Issue: An issue of securities which is purchased from the issuer and offered to investors, usually on a "when issued" basis, for the first times.

Non-Callable Bond: A bond that cannot be redeemed at the issuer's option before its stated maturity date.

Object of Expenditure: Expenditure classifications based upon the types or categories of goods and services purchased.

Objective: Something to be accomplished in a specific, well-defined, and measurable terms, and that is achievable within a specific time frame.

Outstanding: In general as used with respect to the principal of an issue, remaining unpaid.

Parks and Storm Water Projects Fund: A special revenue fund created to track financial activity related to the one half of one percent sales tax revenue. This tax was voter approved in 2000 to support city parks and storm water projects

Pay-As-You-Go Basis: A term used to describe the financial policy of a governmental unit which finances all of its capital outlay from current revenues rather than by borrowing.

Paying Agent: The entity responsible for transmitting payments of interest and principal from an issuer of municipal securities to the security holders. The paying agent is usually a bank and generally provides reconciliation of the securities and coupons paid and similar services.

Payment Date: The date on which interest, or principal and interest is payable.

Payroll: Generating employee paychecks, deducting and transmitting taxes and other payments, administering insurance and other benefits, and generating required reports.

Pension Administration: Managing contributions to pension accounts, maintaining records of individual employee's account balance, making investments on behalf of pension funds, and disbursing retirement income.

Per Capita Debt: The amount of an issuing municipality's debt outstanding divided by the population residing in the municipality.

Pledged Revenues: The monies obligated for the payment of debt service and other deposits required by bond contract.

Policy Analysis and Research: Evaluation of policy options and recommending policies on revenue generation, financial administration, and financial aspects of operating policies and activities.

Premium Call: A redemption provision which permits the issuer to call securities at a price above par.

Principal (in relation to bond issuance): The face amount or par value of a security payable on the maturity date.

Proceeds/Original Gross Proceeds: The amount paid to the issuer by the first purchaser of a new issue. Gross Proceeds refers to all of the

monies relating to an issue which are subject to Arbitrage limitations and Rebate under the Internal Revenue Code.

Public Offering: The sale of bonds to the general public.

Purchasing: Determining source and price of goods and services requisitioned by operating departments; authorizing and monitoring purchases.

Rating Agencies: The organizations which provide publicly available ratings of the credit quality of securities issuers.

Rebate: To pay the United States government amounts earned from the investment of gross proceeds at a yield in excess of the yield on the issue.

Redemption: A transaction in which the issuer returns the principal amount represented by an outstanding security.

Refunding: A procedure whereby an issuer refinances an outstanding bond issue by issuing new bonds.

Refunding Bond: A bond issued to retire a bond already outstanding.

Registered Bond: A bond whose owner is designated on records maintained for this purpose by registrar, the ownership of which cannot be transferred without the registrar recording the transfer on these records.

Restricted Fund Balance: The portion of a fund balance that has legal and/or contractual limits upon it,

which make it unavailable for alternative uses.

Revenue Collections: Billing, collecting, and posting revenues from user fees, licenses, fines, etc. Receiving and posting revenue from tax bills; collecting overdue bills. Providing technical support and control to operating departments which collect such revenue.

Revenue Estimate: A formal estimate of how much revenue will be earned from a specific revenue source for some future period, usually a future fiscal year.

Revenue Fund: A fund established by the bond contract of a revenue bond issue into which all gross revenues from the financed project are initially placed and from which the monies for all funds are drawn.

Risk Management: Making determination of issuance coverage, administering payments to insurance companies and administrative services providers; determining and financing liability for self-insured risks.

Sanitary Sewer Repair Fund: accounts for financial activities related to the city's Sanitary Sewer Repair program. Each year homeowners are assessed a \$28 fee on their real estate tax bill to support this program.

Serial Bonds: Bonds of an issue which are payable as to principal in amounts due at successive regular intervals, generally annual or semi-annual and generally in the early years of the term of the issue.

Special Assessment: Charges imposed against property in a particular locality because that property receives a special benefit by virtue of some public improvement, separate and apart from the general benefit accruing to the public at large. Special Assessments must be apportioned according to the value of the benefit received, rather than the cost of the improvement, and may not exceed the value of such benefit or the cost of the improvement, whichever is less.

Tax or Taxes: Compulsory charges levied by a governmental unit for the purpose of raising revenue. Tax revenues are used to pay for services or improvements provided for the general public benefit.

Tax Anticipation Notes [TANS]: Notes issued in anticipation of collection of taxes usually retirable only from tax collections, and frequently only from the proceeds of the tax levy whose collection is anticipated at the time of issuance. A form of short-term financing.

Tax Base: The total property and resources available to a governmental entity for taxation.

Tax Billing: Determining amounts to be billed to individual taxpayers and distribution of bills to each taxpayer.

Tax-Exempt Bond: Another term for a municipal bond. Interest on many municipal bonds is exempt from federal income taxation.

Tax Increment Financing (TIF): A tool used by cities and other development authorities to finance certain types of development costs. The public purpose of TIF are the redevelopment of blighted areas, construction of low and moderate income housing, provision of employment opportunities and improvement of the tax base. With TIF, the city captures the additional property and sales taxes generated by the development that would have gone to other taxing jurisdictions and uses “tax Increments” to finance the development costs.

Tax Increment Financing (TIF) District: A contiguous geographic area within a redevelopment area defined by resolution or ordinance of the governing body of the municipality.

Tax Increment Financing (TIF) Fund: A fund into which are paid all tax increments and into which are deposited all revenue from the sale of tax increment finance bonds or notes, revenues from the sale of any property acquired as part of the project plan or revenue to be used in the district, and from which money is distributed to pay project costs for the district or to satisfy claims of holders of tax increment bonds or notes issued for the district.

Tax Rate: The amount of tax stated in terms of a unit of the tax base.

Tax Rate Limit: The maximum rate or millage of tax which a local government may levy.

Trustee: A financial institution with trust powers which acts in a fiduciary ca-

capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

Underwriters: A dealer which purchases a new issue of securities for resale. Traders with contracts with large bond buyers and ability to price the bonds for sale.

Unrestricted Fund Balance: The portion of a fund balance that has no legal or contractual limits upon it, making it available to for any city purposes.

Upgrade: The rising of a rating by a rating service due to the improved credit quality of the issue or issuer.