

**City of Sparks General Fund
FY '11 Final Results & FY '12 Unaudited Results
Comparing FY '12 Effect of Maintenance Cost Allocation Adjustment**

	FY '11 Actuals	FY '12 Actuals (Original, Unaudited)	FY '12 After Maintenance Adjustment **
<u>Sources (excluding beginning fund balance)</u>			
Total Revenues	\$55,639	\$53,125	\$53,125
Total Transfers-In	\$6	\$312	\$312
Total Sources	\$55,645	\$53,437	\$53,437
		-4.5%	-4.5%
<i>% Change in Total Revenues (excl. transfers) =</i>			
<u>Uses</u>			
Total Expenditures (Increased by \$302,480 from Original for Maintenance Adjustment)	\$49,958	\$49,975	\$50,278
Total Transfers-Out	\$3,696	\$2,536	\$2,536
Contingency (Assume No Usage; Budget Would Match Trans-In from Vehicle Fund)	\$0	\$0	\$0
Total Uses	\$53,654	\$52,511	\$52,813
		0.0%	0.6%
<i>% Change in Total Expenditures (excl. transfers & contingency) =</i>			
Net Sources/(Uses)	\$1,991	\$926	\$624
<u>Fund Balance</u>			
Beginning Fund Balance -- Unadjusted	\$4,853	\$6,845	\$6,845
Less: Prior Period Adjustment for Maintenance Cost Allocation Error	\$0	\$0	(\$1,054)
Beginning Fund Balance -- Adjusted	\$4,853	\$6,845	\$5,791
Ending Fund Balance	\$6,845	\$7,771	\$6,414
Ending Fund Balance as a % of Uses (Less Contingency) -- Min. Goal: 8.3%	12.8%	14.8%	12.1%
Ending Fund Balance Amount Over/(Short) of 8.3% Goal	\$2,200	\$3,150	\$1,900

**** Note:** The FY '12 adjustments highlighted above result from correcting General Fund services that were provided by employees whose home cost centers exist in other Funds maintained by the City -- primarily from within the City's Sewer Utility Enterprise Funds. The total General Fund impact includes charges totalling \$302,480 in FY '12 and an additional \$1,053,947 from services provided within FY '08 through FY '11 (recorded as a prior period adjustment to the FY '12 beginning fund balance), resulting in a total adjustment of \$1,356,427 in FY '12. The values were obtained based upon hours worked as recorded in the Maintenance Management System as recorded and maintained by Community Services Department personnel.

This issue also existed during the first four months of FY '13, the calculated impact of which on the General Fund being \$85,008. Journal entries will be used to correct the first four months of FY '13, and staff will be asking for Council approval to spend up to an additional \$200k in FY '13 to utilize temporary staff to maintain the City's infrastructure needs without utilizing personnel within other Funds. Going forward, it is expected that budget authority of an estimated \$400k will be needed annually to fund the necessary temporary staffing needs to eliminate the problem of using employees with home cost centers in other Funds to meet the City's infrastructure needs.