

**12. CITY MANAGER**

a. Informational Items

xiii. Statement of General Fund Reserves and Expenditures (2<sup>nd</sup> Quarter)

May 3, 2011

MEMORANDUM

TO: Sylvia A. Edwards, Finance Director

FROM: Frances J. Slane, Fiscal Analyst 

RE: Statement of General Fund Revenues and Expenditures – Budget-to-Actual  
October 1, 2010 through March 31, 2011

As Council has requested attached is the budget-to-actual report for the general fund through March 31, 2011. The report is in the format presented in the Comprehensive Annual Financial Report (CAFR), with an added column presenting percent of actual expenditures to the amended budget. The letters to the right of the percent column identify anomalies within plus or minus 5% of the percent of fiscal year completed (50%) and are explained below:

- A) The majority of ad valorem taxes are normally collected early in the year as taxpayers take advantage of discounts for early payments. Year-to-date collections are in line with budget expectations.
- B) Business tax receipts are collected prior to the beginning of the year and are shown as revenue in the first month of the new fiscal year.
- C) The casualty insurance premium tax payment will be received in a lump sum in August 2011.
- D) Communications services taxes are paid in arrears; five months of payments were received through March 31, not six.
- E) Electrical franchise fees, budgeted at \$585,000 were paid in a lump sum in January.
- F) Charges for services revenue is higher than budget. Collections of \$142,940 in development permit fees and conditional use permit fees are 65% of the \$220,000 FY11 annual budget for these items.
- G) Fines and forfeitures are collected as violations occur. Collections through March 31 are higher than budget.
- H) Interest income of \$201,564 or 115% of the \$175,000 FY11 annual interest budget was earned through March 31. The sale of used equipment has generated \$29,615 in revenue and the City received a \$24,996 refund from the Florida Municipal Insurance Trust for a payment made in prior years.
- I) Legislative Department – The \$25,000 budgeted for a council election was not required.
- J) Legal Department – The legal services line is less than budget but it is expected that expense through the year will conform to the budget.

- K) Planning Department – The professional services line is less than budget but it is expected that expense through the year will conform to the budget.
- L) Insurance Department - Prior to the end of each quarter the following quarter's insurance premium is made so that the payment reaches the insurer by the beginning of the quarter to be covered. As of March 31 three quarterly payments for property, liability and auto coverage had been made. The annual payment for windstorm insurance was made in December.
- M) Police Department – Full-time salary expense is less than budget with a vacant sworn officer position. Part-time as needed and overtime expenses have been kept to a minimum and are under budget. Other contractual services are lower than budget with the cessation of the iguana trapping program; operating supplies are also less than budget.
- N) SEMP Department - Expenditures will be made later in the fiscal year during hurricane season.
- O) Natural Resources Department - The department is delaying maintenance and wildlife habitat projects to conserve funds.
- P) Performing arts facility – Flood insurance coverage was increased this year, resulting in an increased premium. The annual windstorm premium was paid in the first quarter; its premium also increased over last year's.
- Q) Expenditures are never made directly from the reserves, but are re-appropriated by Council-approved budget amendment to the department responsible for supervising the expenditure. Through March 31 Council has approved the budget amendments below:

Budget Amendment No.	Amount from Reserves	Purpose
Beginning Reserves	\$6,390,000	
BA2011-002	\$ -1,000	Alligator coloring book
BA2011-015	\$ -64,076	Add two part-time planner positions
BA2011-021	\$ -25,000	Fertilizer legislation
Ending Reserves	\$6,299,924	

- R) Reserve for Undercollection of Revenue – As mentioned above in A) taxpayers have the option of receiving a discount by paying their ad valorem taxes early, that is in the months from November through February. Therefore, the City never collects 100% of its property tax levy and sets aside a percentage of its ad valorem tax levy as a reduction of revenue. In FY11 Council approved a 5% reserve for undercollection.
- S) Fund Balance – In the column labeled "Actual" the audited FY11 beginning fund balance on October 1, 2010 is \$16,392,222. This and the net change in fund balance of \$4,706,549, found directly above it, are added together to calculate the unaudited fund balance on March 31, 2011 of \$21,098,771.

The difference between the audited beginning fund balance of \$16,392,222 and the adopted beginning fund balance of \$10,058,580 is due to FY10 operating expenditures and reserve expenditures being less than budgeted and revenues being more than budgeted.

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Attachment: Statement of Revenues, Expenditures and changes in Fund Balances – Budget and Actual – General Fund

CITY OF SANIBEL, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL (UNAUDITED)  
GENERAL FUND

For the Six Months Ended March 31, 2011

Percent of Fiscal Year Completed 50.00%

	Budgets		Actual	Variance with Amended Budget Positive (Negative)	Percent of Actual to Amended Budget	
	Original	Amended				
<b>Revenues</b>						
<b>Taxes</b>						
Property taxes	\$ 9,074,577	\$ 9,074,577	8,001,449	\$ (1,073,128)	88.17%	A
Business tax receipts	288,738	288,738	283,880	(4,858)	98.32%	B
Casualty insurance premium tax	58,725	58,725	-	(58,725)	0.00%	C
Communications services tax	557,948	557,948	224,563	(333,385)	40.25%	D
Licenses and permits	982,800	982,800	822,869	(159,931)	83.73%	E
Intergovernmental revenues	686,793	763,644	360,046	(403,598)	47.15%	
Charges for services	1,376,160	1,499,184	844,751	(654,433)	56.35%	F
Fines and forfeitures	33,000	33,000	22,939	(10,061)	69.51%	G
Miscellaneous*	249,765	250,765	264,559	13,794	105.50%	H
Total revenues	<u>13,308,506</u>	<u>13,509,381</u>	<u>10,825,056</u>	<u>(2,684,325)</u>	80.13%	
<b>Expenditures</b>						
<b>Current</b>						
<b>General government</b>						
Legislative	231,162	257,162	103,292	153,870	40.17%	I
Administrative	754,259	754,259	349,530	404,729	46.34%	
Management information systems	669,469	669,469	310,071	359,398	46.32%	
Finance	809,135	809,135	383,583	425,552	47.41%	
Legal	559,157	559,157	227,819	331,338	40.74%	J
Planning	600,292	664,368	262,984	401,384	39.58%	K
Insurance/Gen'l Gov't	577,929	577,929	335,726	242,203	58.09%	L
General government	<u>4,201,403</u>	<u>4,291,479</u>	<u>1,973,005</u>	<u>2,318,474</u>	45.97%	
<b>Public safety</b>						
Police	3,762,417	3,763,515	1,672,031	2,091,484	44.43%	M
SEMP	24,030	24,030	6,054	17,976	25.19%	N
Public safety	<u>3,786,447</u>	<u>3,787,545</u>	<u>1,678,085</u>	<u>2,109,460</u>	44.31%	
<b>Physical Environment</b>						
Garbage recycling	48,400	48,400	24,302	24,098	50.21%	
Natural resources management	418,230	423,745	182,382	241,363	43.04%	O
Physical Environment	<u>466,630</u>	<u>472,145</u>	<u>206,684</u>	<u>265,461</u>	43.78%	
Transportation-Public works	672,502	673,502	320,977	352,525	47.66%	
<b>Culture/Recreation</b>						
<b>Parks &amp; Recreation</b>						
Below Market Rate Housing	262,044	262,044	128,971	133,073	49.22%	
Historical Village & Museum	138,875	159,113	85,874	73,239	53.97%	
Public facilities	520,728	562,583	254,483	308,100	45.23%	
Performing arts facility	9,400	9,400	11,380	(1,980)	121.06%	P
Culture/Recreation	<u>931,047</u>	<u>993,140</u>	<u>480,708</u>	<u>512,432</u>	48.40%	
Total expenditures	<u>10,058,029</u>	<u>10,217,811</u>	<u>4,659,459</u>	<u>5,558,352</u>	45.60%	
Excess revenues over expenditures	<u>3,250,476</u>	<u>3,291,570</u>	<u>6,165,597</u>	<u>2,874,027</u>	187.31%	
<b>Other financing sources (uses)</b>						
Operating transfers in	-	-	-	-		
Reserve for contingencies	(6,390,000)	(6,299,924)	-	6,299,924	0.00%	Q
Operating transfers out	(2,918,097)	(2,918,097)	(1,459,049)	(1,459,049)	50.00%	
Reserve for undercollection of revenue	(453,729)	(453,729)	-	453,729	0.00%	R
Total other financing sources (uses)	<u>(9,761,826)</u>	<u>(9,671,750)</u>	<u>(1,459,049)</u>	<u>5,294,605</u>	15.09%	
Net change in fund balances	(6,511,350)	(6,380,180)	4,706,549	11,086,729	-73.77%	
Fund balances, October 1, 2010 (Audited)	10,058,580	16,392,222	16,392,222	-	100.00%	S
Fund balances, March 31, 2011 (Unaudited)	<u>\$ 3,547,230</u>	<u>\$ 10,012,042</u>	<u>\$ 21,098,771</u>	<u>\$ 11,086,729</u>		

\*Does not include unrealized gains (losses)