

May 7, 2013

MEMORANDUM

TO: Judie Zimomra, City Manager
FROM: Sylvia Edwards, Finance Director
RE: Budget Amendment # 2013-027, Resolution 13-029

This Budget Amendment amends the estimated FY2013 beginning fund balance in each fund to the actual FY2012 ending fund balance of that fund, subsequent to the completion of the prior year's audit.

This budget amendment increases the FY2013 budget and beginning and ending fund balances by \$4,988,724.

This is an annual Budget Amendment, which is done after the completion of the previous year's audit. Unless otherwise directed by Council, adjustments are re-appropriated to ending fund balance which will then become available for the subsequent year's (FY 2014) beginning fund balance.

The primary factors in the budget amendment are summarized below.

General Fund

The general fund's roll forward of \$1,070,424 is attributable to favorable actual experience compared to estimated actual in the fiscal year 2013 budget document. The general fund's variances are summarized below:

Category	Budget	Audit Actual	Variance	Percent
	Estimated Actual		Favorable (Unfavorable)	
Revenue	\$ 13,044,181	\$ 13,193,260	\$ 149,079	1.14%
Transfers In	407,525	509,067	101,542	24.92%
Expenditures				
Departments	14,522,438	14,031,993	490,445	3.38%
Reserves	329,358	-	329,358	100.00%
Total Roll Forward			<u>\$ 1,070,424</u>	

Special Revenue Funds

The special revenue funds roll forward is \$963,954. Roll forwards in the transportation fund (\$524,957), building department fund (\$162,347) and the recreation fund (\$200,528) were the major contributors to the special revenue funds amended fund balances. The aggregate roll forward for the remaining nine special revenue funds was \$76,122.

- **The transportation fund's** roll forward of \$524,957 is largely attributable to actual expenditures for repairs and maintenance coming in under estimated budget by \$480,505. BA2013-002 appropriated \$196,627 of the FY2012 unspent repair and maintenance budget into FY2013. The transportation variances are summarized below:

Category	Budget		Variance	
	Estimated	Audit	Favorable	Percent
	Actual	Actual	(Unfavorable)	
Revenue	\$ 1,482,184	\$ 1,492,124	\$ 9,940	0.67%
Transfers In	655,552	588,052	(67,500)	-10.30%
Expenditures				
Repairs & maintenance	1,977,589	1,497,084	480,505	24.30%
Other contracted services	243,200	186,609	56,591	23.27%
Other expenditures	1,076,430	1,031,009	<u>45,421</u>	4.22%
Total Roll Forward			<u>\$ 524,957</u>	

- **The building department's** roll forward of \$162,347 is comprised of \$158,566 actual revenues over estimated budgeted revenues and \$3,781 actual expenditures under estimated budgeted expenditures. The building department variances are summarized below:

Category	Budget		Variance	
	Estimated	Audit	Favorable	Percent
	Actual	Actual	(Unfavorable)	
Revenue	\$ 628,875	\$ 787,441	\$ 158,566	25.21%
Expenditures	889,687	885,906	<u>3,781</u>	0.42%
Total Roll Forward			<u>\$ 162,347</u>	

- **The recreation fund's** roll forward of \$200,528 is comprised of \$71,913 actual revenues over estimated budgeted revenues and \$128,615 actual expenditures under estimated budgeted expenditures. The recreation fund's variances are summarized below:

Category	Budget		Variance	
	Estimated	Audit	Favorable	Percent
	Actual	Actual	(Unfavorable)	
Revenue	\$ 598,357	\$ 670,270	\$ 71,913	12.02%
Transfers In	1,526,531	1,526,531	-	0.00%
Expenditures	2,086,001	1,957,386	<u>128,615</u>	6.17%
Total Roll Forward			<u>\$ 200,528</u>	

Debt Service Funds

The *debt services*' fund balances were increased by \$49,949. The debt service variances are summarized below:

Category	Budget		Variance	
	Estimated	Audit	Favorable	Percent
	Actual	Actual	(Unfavorable)	
Ad valorem taxes	\$ 743,593	\$ 748,558	\$ 4,965	0.67%
Investment earnings	5,054	35,509	30,455	
Debt proceeds	2,970,000	2,970,000	-	0.00%
Expenditures				
Principal	3,255,000	3,255,000	-	0.00%
Interest paid	473,336	478,107	(4,771)	-1.01%
Bond issuance costs	55,800	36,500	19,300	34.59%
Total Roll Forward			<u>\$ 49,949</u>	

Capital Project Funds

The *capital project funds* roll forward is \$792,202. The major contributors to the roll forward are the capital acquisition fund (\$234,376) and the transportation capital project fund (\$552,876). BA2013-001 appropriated \$45,663 of the FY2012 unspent capital acquisition fund budget and \$530,000 of the FY2012 unspent transportation capital project fund budget into FY2013.

The *capital acquisition fund variances* are summarized below:

Category	Budget		Variance	
	Estimated	Audit	Favorable	Percent
	Actual	Actual	(Unfavorable)	
Intergovernmental Revenue	\$ 2,266	\$ 2,266	\$ -	0.00%
Investment earnings	4,439	14,224	9,785	
Transfers In	513,989	513,989	-	0.00%
Expenditures	824,651	600,060	224,591	27.23%
Total Roll Forward			<u>\$ 234,376</u>	

The following projects were rolled forward into FY2013 for the *transportation capital project fund*:

- \$280,000 – Dixie Beach Blvd. and Bailey Rd. shared use path project
- \$200,000 – Dinkins Bayou dredging project
- \$30,000 – Clam Bayou box culvert
- \$20,000 – Dunlop/Wooster shared use path

The *transportation capital project fund's* variances are summarized below:

Category	Budget		Variance		Percent
	Estimated	Audit	Favorable	(Unfavorable)	
Revenue	\$ 2,053	\$ 8,170	\$ 6,117		
Transfers In	568,470	568,470	-		0.00%
Expenditures	960,950	414,191	546,759		56.90%
Total Roll Forward			<u>\$ 552,876</u>		

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Enterprise Funds

In addition to variances between actual revenues and expenses and estimated budgeted revenues and expenses the amendment to the enterprise funds unrestricted net assets includes adjustments for the difference between full accrual basis accounting for financial reporting and modified accrual basis accounting used for budgeting.

The sewer fund unrestricted net assets increase of \$1,616,501 is mainly attributable to the following variance/adjustments:

- Favorable variance of actual versus estimated budgeted revenues, ad valorem taxes and capital contributions in the amount of \$415,741
- Favorable variance of actual versus estimated budgeted expenses in the amount of \$360,301 (primary line items under budget were repairs & maintenance \$117,829; operating supplies \$66,306; professional services \$99,175)
- Favorable adjustment \$315,293 in assessment payments received over estimated collection (assessment receivables are reported as restricted net assets, when payments are collected restricted net assets are decreased and unrestricted net assets are increased).
- Favorable variance of actual capital outlay expenditures under estimated budgeted capital outlay expenditures in the amount of \$131,373 (although capital assets are not expensed under full accrual accounting, the amount invested in capital assets decreases the unrestricted net assets and increases net assets invested in capital assets, net of related debt).

The sewer fund's variances are summarized below:

Category	Budget		Variance		
	Estimated Actual	Audit Actual	Favorable (Unfavorable)	Percent	
Ad valorem taxes	\$ 942,417	\$ 949,140	\$ 6,723	0.71%	
Revenues	6,261,000	6,492,088	231,088	3.69%	
Assessments collections	929,179	1,244,472	315,293	33.93%	
Capital contributions	-	177,930	177,930		
Expenditures					
Operating expenditures	4,577,932	4,217,631	360,301	7.87%	
Capital outlay	426,968	295,595	131,373	30.77%	
Variance between budget and full accrual basis					
Reserves	100,000	-	100,000		
*Loan principal & interest	3,477,296	981,644	2,495,652		
Depreciation	-	2,460,521	(2,460,521)		
Amortization bond issuance costs		30,945	(30,945)		
Full accrual adjustments		(289,607)	289,607		
Total Roll Forward			<u>\$ 1,616,501</u>		

*Note: Principal is included in budget; interest only for full accrual financial reporting.

The beach parking fund unrestricted net assets increase of \$495,694 is mainly attributable to the following variances/adjustments:

- Favorable variance of actual operating and interest revenues over estimated budgeted operating and interest revenues in the amount of \$50,761
- Unfavorable variance of actual intergovernmental revenues under estimated budgeted intergovernmental revenues in the amount of \$350,669
- Favorable variance of actual operating expenses under estimated budgeted operating expenses in the amount of \$76,301
- Favorable variance of actual capital outlay expenditures under estimated budgeted capital outlay expenditures in the amount of \$707,230 (although capital assets are not expensed under full accrual accounting, the amount invested in capital assets decreases the unrestricted net assets and increases net assets invested in capital assets, net of related debt).

Two projects were rolled forward from FY2012 to FY2013 in the beach parking fund. BA2013-021 rolled forward \$387,920 in grant funding revenue and appropriations for the construction of a family restroom at Lighthouse Beach. BA2013-001 rolled forward \$300,000 for the lighthouse rehabilitation project.

The beach parking fund's variances are summarized below:

Category	Budget		Variance		Percent
	Estimated Actual	Audit Actual	Favorable (Unfavorable)		
Revenue	\$ 1,524,629	\$ 1,575,390	\$ 50,761	3.33%	
Intergovernmental	1,705,821	1,355,152	(350,669)	-20.56%	
Expenditures					
Operating expenditures	2,433,298	2,356,997	76,301	3.14%	
Capital outlay	1,028,171	320,941	707,230	68.79%	
Variance between budget and full accrual basis					
Depreciation		183,996	(183,996)		
Full accrual adjustments		(196,067)	196,067		
Total Roll Forward			<u>\$ 495,694</u>		

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ATTACHMENT:

Budget Amendment 2013-027

RESOLUTION 13-029

APPROVING BUDGET AMENDMENT/TRANSFER NO. 2013-027 AND PROVIDING AN EFFECTIVE DATE

NOW, THEREFORE, BE IT RESOLVED by City Council of the City of Sanibel, Florida:

SECTION 1. The revised Various Funds for fiscal year 2012-2013, Budget Amendment/Transfer BA 2013-027 true copy of which is attached hereto as Exhibit A and incorporated herein by this reference, is hereby approved and accepted.

SECTION 2. Effective date.

This resolution shall take effect immediately upon adoption.

DULY PASSED AND ENACTED by the Council of the City of Sanibel, Florida this 7th day of May 2013.

AUTHENTICATION:

Kevin Ruane, Mayor

Pamela Smith, City Clerk

APPROVED AS TO FORM:

Kenneth B. Cuyler

Kenneth B. Cuyler, City Attorney

4/29/13

Date

Vote of Councilmembers:

Ruane _____
Congress _____
Denham _____
Harrity _____
Jennings _____

Date filed with City Clerk: _____

**CITY OF SANIBEL
BUDGET AMENDMENT/TRANSFER**

FUND: VARIOUS
DEPT: Various

FUND	ORG	OBJECT	DESCRIPTION	Project Number	Amount Prior To Change	Incr/(Decr) REVENUE	Incr/(Decr) EXPENSE	Amount After Change
			GENERAL FUND					
001	001	389010	Beginning fund balance		(12,866,131)	(1,070,424)		(13,936,555)
001	001	389020	Ending fund balance		1,925,000	1,070,424		2,995,424
			TRANSPORTATION FUND					
101	101	389010	Beginning fund balance		(198,821)	(524,957)		(723,778)
101	101	389020	Ending fund balance		(210,639)	524,957		314,318
			HISTORICAL COMMITTEE					
109	109	389010	Beginning fund balance		(139,119)	(1,489)		(140,608)
109	109	389020	Ending fund balance		139,619	1,489		141,108
			ROAD IMPACT FEES FUND					
120	120	389010	Beginning fund balance		(2,311)	(50,131)		(52,442)
120	120	389020	Ending fund balance		78,811	50,131		128,942
			COMMUNITY PARK IMPACT FEES FUND					
121	121	389010	Beginning fund balance		(56,613)	(6,087)		(62,700)
121	121	389020	Ending fund balance		5,813	6,087		11,900
			FEDERAL FORFEITURE FUND					
124	124	389010	Beginning fund balance		-	(7,298)		(7,298)
124	124	389020	Ending fund balance		(7,298)	7,298		-
			FATHER MADDEN ESTATE FUND					
125	125	389010	Beginning fund balance		(26,067)	(302)		(26,369)
125	125	389020	Ending fund balance		25,267	302		25,569
			SHELL HARBOR CANAL DREDGING					
129	129	389010	Beginning fund balance		(23,623)	421		(23,202)
129	129	389020	Ending fund balance		13,512	(421)		13,091
			SANIBEL ESTATES CANAL TRIMMING					
141	141	389010	Beginning fund balance		(16,056)	323		(15,733)
141	141	389020	Ending fund balance		15,776	(323)		15,453
			SANIBEL ISLES CANAL DREDGING					
142	142	389010	Beginning fund balance		(33,281)	(15,295)		(48,576)
142	142	389020	Ending fund balance		47,977	15,295		63,272
			BUILDING DEPARTMENT FUND					
169	169	389010	Beginning fund balance		(605,972)	(162,347)		(768,319)
169	169	389020	Ending fund balance		443,605	162,347		605,952
			RECREATION CENTER OPERATIONS FUND					
170	170	389010	Beginning fund balance		(1,275,287)	(200,528)		(1,475,815)
170	1700	389020	Ending fund balance		228,570	200,528		429,098
			ELEMENTARY BALLPARK MAINTENANCE					
173	173	389010	Beginning fund balance		(13,786)	3,736		(10,050)
173	173	389020	Ending fund balance		-	(3,736)		(3,736)
			2002 POND APPLE PARK GO FUND					
204	204	389010	Beginning fund balance		(225,043)	(38,310)		(263,353)
204	204	389020	Ending fund balance		232,532	38,310		270,842
			2006 \$8.35M GENERAL OBLIGATION FUND					
270	270	389010	Beginning fund balance		(37,851)	(11,639)		(49,490)
270	270	389020	Ending fund balance		343,940	11,639		355,579
			CAPITAL ASSET ACQUISITION FUND					
300	300	389010	Beginning fund balance		(535,092)	(234,376)		(769,468)
300	300	389020	Ending fund balance		(49,988)	234,376		184,388
TOTAL:					-	-	-	-

PURPOSE:

To roll-forward actual FY 2012 ending fund balance (pursuant to audited financial statements) to FY13 beginning fund balance for all funds. These amounts, which are more or (less) than the FY13 budget are being appropriated to FY13 ending fund balance to provide increases or (decreases) in fund balances available to be carried forward to FY14. This amendment increases the FY13 budget by \$4,988,724 although no new or additional funds are appropriated by this amendment. The changes in fund balance are: 1) General Fund, increase by \$1,070,424; 2) special revenue funds, increase by \$963,954; 3) debt service funds, increase by \$49,949; 4) capital project funds, increase by \$792,202; 5) sewer system, increase by \$1,616,501 and; 6) beach parking fund, increase by \$495,694.

Prepared by: F. Slane Date: 5/7/2013 Approved by: _____ Date: _____ Input by: _____ GROUP #: _____ Date: _____

