



MEMORANDUM

DATE: February 4, 2014

TO: Honorable Mayor and City Council Members

VIA: Judie Zimomra, City Manager

FROM: Sylvia Edwards, Finance Director
Steven Chaipel, Accounting Operations Manager

SUBJECT: Statement of General Fund Revenues and Expenditures – Budget to actual
October 1, 2013 through December 31, 2013 (Unaudited)
Fiscal Year 2013-2014

As Council has requested, attached is the budget-to-actual report for the General Fund for the period from October 1, 2013 through December 31, 2013.

The report is in the format presented in the City's annual Comprehensive Annual Financial Report (CAFR), with an added column showing the percentage of the relative item to its annual budget.

The letters to the right of the percentage column identify variances +/- 5% from the percentage of the 2013-2014 fiscal year completed through December 31, 2013 (25%) at the revenue grouping and functional expense levels.

Explanations are included for these variances, as well as charts for analytical purposes.

CITY OF SANIBEL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND BUDGET AND ACTUAL (UNAUDITED)
FOR THE THREE MONTHS ENDED DECEMBER 31, 2013

Percent of Fiscal Year Completed 25.00%

	Budget		Actual	Variance with Amended Budget	Percent of Actual to Amended Budget
	Original	Amended		Positive (Negative)	
Revenues					
Taxes					
Property taxes	\$ 8,580,499	\$ 8,580,499	\$ 5,585,616	\$ (2,994,883)	65.10%
Business tax receipts	289,332	289,332	270,899	(18,433)	93.63%
Casualty insurance premium tax	63,574	63,574	-	(63,574)	0.00%
Communications services tax	575,000	575,000	131,069	(443,931)	22.79%
Licenses and permits	914,500	914,500	41,713	(872,787)	4.56%
Intergovernmental revenues	646,500	676,500	100,276	(576,224)	14.82%
Charges for services	1,616,500	1,616,500	360,172	(1,256,328)	22.28%
Fines and forfeitures	36,500	36,500	13,319	(23,181)	36.49%
Miscellaneous*	288,500	289,500	73,880	(215,620)	25.52%
Total revenues	<u>13,010,905</u>	<u>13,041,905</u>	<u>6,576,944</u>	<u>(6,464,961)</u>	50.43% A
Expenditures					
Current					
General government					
Legislative	260,689	279,072	99,620	179,452	35.70%
Administrative	855,189	899,839	337,348	562,491	37.49%
Information Technology	964,736	964,736	447,961	516,775	46.43%
Finance	937,085	937,085	370,783	566,302	39.57%
Legal	571,872	571,872	171,952	399,920	30.07%
Planning	950,432	950,432	314,685	635,747	33.11%
Insurance/Gen'l Gov't	686,142	692,142	279,654	412,488	40.40%
Total General government	<u>5,226,145</u>	<u>5,295,178</u>	<u>2,022,003</u>	<u>3,273,175</u>	38.19% B
Public safety					
Police	4,080,604	4,080,604	1,756,091	2,324,513	43.04%
SEMP	54,030	54,030	26,449	27,581	48.95%
Total Public Safety	<u>4,134,634</u>	<u>4,134,634</u>	<u>1,782,540</u>	<u>2,352,094</u>	43.11% C
Physical Environment					
Garbage/Recycling	58,940	58,940	10,885	48,055	18.47%
Natural Resources Management	604,243	689,956	221,834	468,122	32.15%
Total Physical Environment	<u>663,183</u>	<u>748,896</u>	<u>232,719</u>	<u>516,177</u>	31.07%
Transportation-Public Works	793,726	793,726	314,452	479,274	39.62%
Economic Environment					
Below Market Rate Housing	285,544	285,544	70,761	214,783	24.78%
Culture/Recreation					
Parks & Recreation					
Historical Village & Museum	138,551	138,551	64,858	73,693	46.81%
Public Facilities	585,934	585,934	140,572	445,362	23.99%
Performing Arts Facility	12,080	12,080	8,140	3,940	67.38%
Total Culture/Recreation	<u>736,565</u>	<u>736,565</u>	<u>213,570</u>	<u>522,995</u>	29.00%
Total Expenditures	<u>11,839,797</u>	<u>11,994,543</u>	<u>4,636,045</u>	<u>7,358,498</u>	38.65%
Excess revenues over expenditures	<u>1,171,108</u>	<u>1,047,362</u>	<u>1,940,899</u>	<u>893,537</u>	185.31%
Other Financing Sources (Uses)					
Operating Transfers In	15,815	15,815	3,954	(11,861)	25.00%
Reserves for Contingencies	(6,390,000)	(6,335,000)	-	6,335,000	0.00%
Operating Transfers Out	(2,757,805)	(2,812,805)	(703,201)	(2,109,604)	25.00%
Reserve for Undercollection of Revenue	(343,220)	(343,220)	-	343,220	0.00%
Total Other Financing Sources (Uses)	<u>(9,475,210)</u>	<u>(9,475,210)</u>	<u>(699,247)</u>	<u>4,556,755</u>	7.38% D
Net change in fund balances	<u>(8,304,102)</u>	<u>(8,427,848)</u>	<u>1,241,652</u>	<u>9,669,500</u>	-14.73%
Fund balance, October 1, 2013 (Unaudited)	11,928,328	12,370,773	12,370,773		
Fund balance, December 31, 2013 (Unaudited)	<u>\$ 3,624,226</u>	<u>\$ 3,942,925</u>	<u>\$ 13,612,425</u>		

* Unrealized gains (losses) not included

General Fund Variances

Revenues

A – The majority of ad valorem tax receipts are typically collected early in the year as taxpayers take advantage of early payment discounts offered by the Lee County Tax Collector. Year to date collections are consistent with budget expectations.

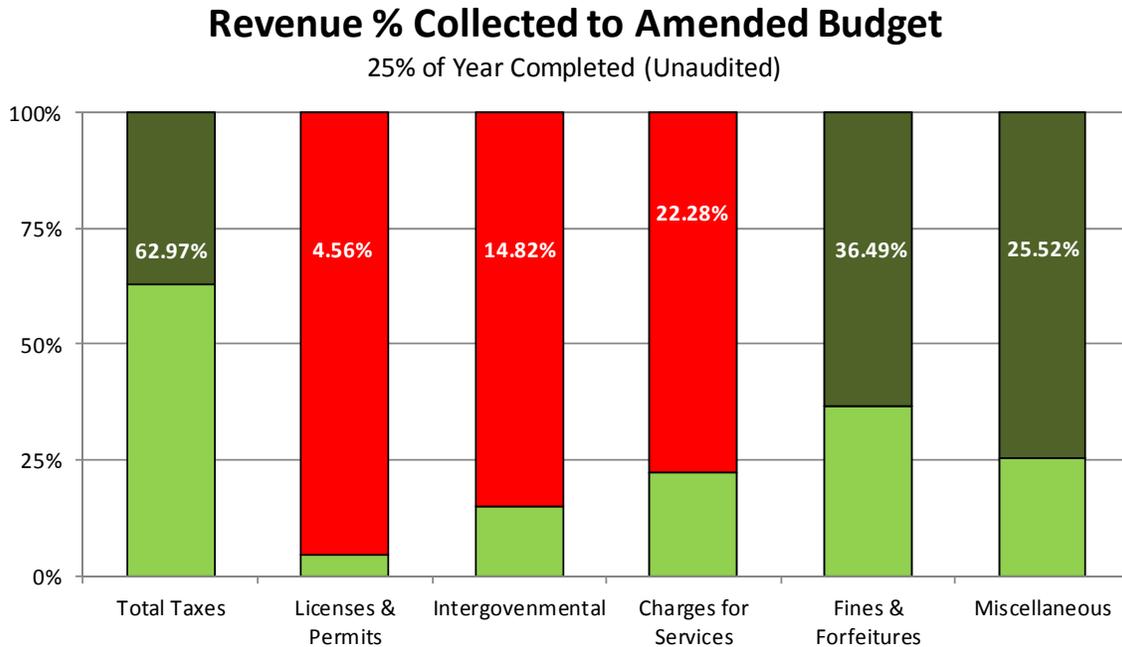
Business tax receipts are collected prior to the fiscal year in which they are applicable and are recognized in the first month of the new fiscal year. As such, revenue collected is in line with total budget expectations.

Fine and Forfeitures are trending higher than budget; however they are collected as they occur and it is not considered unusual for the amounts to vary from period to period.

Licenses and permits include electrical franchise fees, which are budgeted at \$540,000. These fees are expected to be received in a lump sum in January 2014, consistent with the prior year.

Intergovernmental revenues are lower than budget due to the fact that state shared revenues are typically paid one month in arrears and grants are paid on a reimbursement basis. These amounts vary based on projects in progress.

The chart below provides detail on the major revenue groupings budget to actual performance as of December 31, 2013:



Expenditures

In December of each fiscal year, the City makes a lump sum payment to both of its pension plans (General Employees and Police). Consequently, approximately \$1 million was paid into the General Employees' Pension Plan and \$838,941 (General Fund portion of the Police Pension) was paid into the Police Pension Plan. Due to the fact that these annual budget amounts are paid at the start of the fiscal year, actual expenses compared to budget are typically higher in the first quarter.

Following is a schedule by department of the payments that were made that are included in actual expenditures:

Legislative	\$ 22,778
Administration	147,595
IT	48,153
Finance	144,663
Legal	85,479
Planning	146,972
Police	1,007,566
Natural Resources	51,413
Public Works	156,201
Public Facilities	28,383
Total General Fund	\$ 1,839,2013

Negating the effect of the pension payments above, the following departments have variances of greater than 5% and comprise the majority of the General Government variance:

B – General Government

- Information Technology: Actual expenditures include encumbrances of approximately \$260,000 for the City's annual contract for repair and maintenance of various technology systems. Remaining expenditures are in line with budget.
- Planning: Actual expenditures are approximately 8% below budget as of December 31, 2013.
- General Government/Insurance: Actual expenditures include encumbrances of \$69,550 for the City's annual contract with its investment advisor and annual various rentals for equipment at City Hall. Remaining expenditures are in line with budget.

C – Public Safety

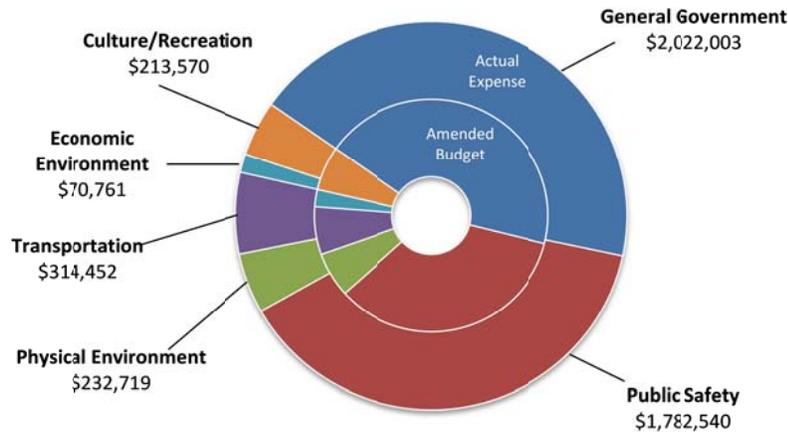
- Police: Actual expenditures are approximately 7% below budget as of December 31, 2013.
- S.E.M.P.: Actual expenditures include encumbrances of \$26,000 for budgeted equipment purchases. Remaining expenditures are in line with budget.

Other Financing Sources/Uses

D – Reserves for Contingencies: See chart below for changes to reserves from the beginning of the fiscal year.

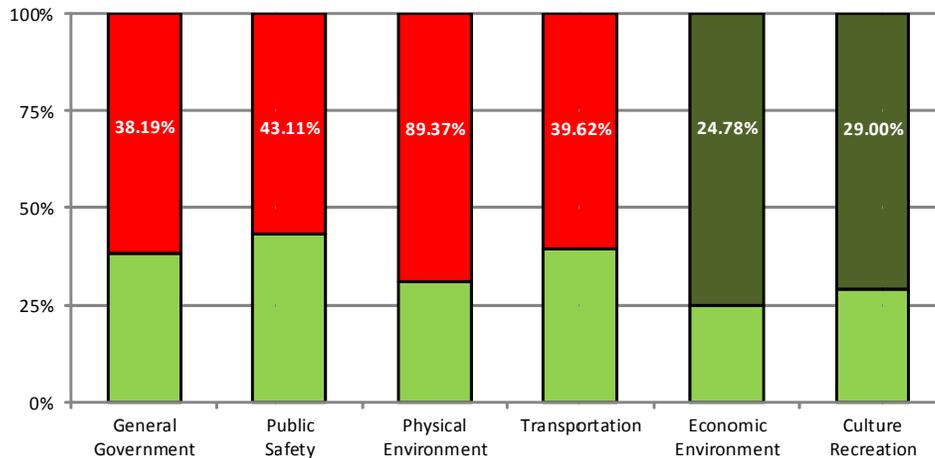
Number	Amount	Purpose
	\$6,390,000	Beginning Reserves
BA 2014-001	(\$55,000)	To appropriate funds for water quality consultant
	\$6,335,000	Ending Reserves

Functional Expense Actual Expenditure to Amended Budget Comparison



Functional Expense % to Amended Budget

25% of Year Expended (Unaudited)



Description of expenditure functions:

General Government: These are expenditures that are related to departments that are required to perform the City's basic functions.

Public Safety: These are expenditures related to protecting the safety of the City's citizens and visitors. The Police department is the main department classified in public safety.

Physical Environment: These are expenditures that are used to protect the City's natural environment and promote non-intrusive interaction with native species on the island.

Transportation: These are expenditures that are used to build and maintain the City's transportation infrastructure, such as street paving.

Economic Environment: These are expenditures that are used to support citizens who are in need within the City limits.

Culture/Recreation: These are expenditures that are used to promote the health and welfare of the City's citizens. The main department in this classification is the Sanibel Recreation Center.