



# MEMORANDUM

DATE: May 6, 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 March 31, 2014 (Unaudited)  
Fiscal Year 2013-2014

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As Council has requested, attached is the budget-to-actual report for the General Fund for the period from October 1, 2013 through March 31, 2014.

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 March 31, 2014 (50%) 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 ORIGINAL BUDGET, AMENDED BUDGET AND ACTUAL (UNAUDITED)  
 FOR THE SIX MONTHS ENDED MARCH 31, 2014

	Percent of Fiscal Year Completed			50.00%	
	Budget		Actual	Variance with Amended Budget Positive (Negative)	Percent of Actual to Amended Budget
	Original	Amended			
<b>Revenues</b>					
<b>Taxes</b>					
Property taxes	\$ 8,580,499	\$ 8,580,499	\$ 7,766,315	\$ (814,184)	90.51%
Business tax receipts	289,332	289,332	279,058	(10,274)	96.45%
Casualty insurance premium tax	63,574	63,574	-	(63,574)	0.00%
Communications services tax	575,000	575,000	233,327	(341,673)	40.58%
Licenses and permits	914,500	914,500	643,377	(271,123)	70.35%
Intergovernmental revenues	646,500	676,500	342,033	(334,467)	50.56%
Charges for services	1,616,500	1,616,500	817,077	(799,423)	50.55%
Fines and forfeitures	36,500	36,500	24,677	(11,823)	67.61%
Miscellaneous*	288,500	288,500	194,681	(93,819)	67.48%
Total revenues	13,010,905	13,040,905	10,300,545	(2,740,360)	<b>78.99% A</b>
<b>Expenditures</b>					
<b>Current</b>					
<b>General government</b>					
Legislative	260,689	279,072	156,761	122,311	56.17%
Administrative	855,189	899,839	494,730	405,109	54.98%
Information Technology	964,736	972,927	612,490	360,437	62.95%
Finance	937,085	937,085	534,864	402,221	57.08%
Legal	571,872	571,872	274,447	297,425	47.99%
Planning	950,432	950,432	477,063	473,369	50.19%
Insurance/Gen'l Govt	686,142	686,142	413,504	272,638	60.27%
Total General government	5,226,145	5,297,369	2,963,859	2,333,510	<b>55.95% B</b>
<b>Public safety</b>					
Police	4,080,604	4,080,604	2,488,456	1,592,148	60.98%
SEMP	54,030	54,030	33,292	20,738	61.62%
Total Public Safety	4,134,634	4,134,634	2,521,748	1,612,886	<b>60.99% C</b>
<b>Physical Environment</b>					
Garbage/Recycling	58,940	58,940	29,818	29,122	50.59%
Natural Resources Management	604,243	652,956	325,216	327,740	49.81%
Total Physical Environment	663,183	711,896	355,034	356,862	<b>49.87%</b>
<b>Transportation-Public Works</b>	793,726	793,726	475,870	317,856	<b>59.95%</b>
<b>Economic Environment</b>					
Below Market Rate Housing	285,544	285,544	141,963	143,581	<b>49.72%</b>
<b>Culture/Recreation</b>					
<b>Parks &amp; Recreation</b>					
Historical Village & Museum	138,551	138,551	124,703	13,848	90.01%
Public Facilities	585,934	585,934	258,937	326,997	44.19%
Performing Arts Facility	12,080	12,080	8,140	3,940	67.38%
Total Culture/Recreation	736,565	736,565	391,780	344,785	<b>53.19%</b>
Total Expenditures	11,839,797	11,959,734	6,850,254	5,109,480	57.28%
Excess revenues over expenditures	1,171,108	1,081,171	3,450,291	2,369,120	<b>319.13%</b>
<b>Other Financing Sources (Uses)</b>					
Operating Transfers In	15,815	15,815	7,908	(7,907)	50.00%
Reserves for Contingencies	(6,390,000)	(6,135,289)	-	6,135,289	0.00%
Operating Transfers Out	(2,757,805)	2,879,325	1,389,687	1,489,638	48.26%
Reserve for Undercollection of Revenue	(343,220)	(343,220)	-	343,220	0.00%
Total Other Financing Sources (Uses)	(9,475,210)	(3,583,369)	1,397,595	7,960,240	<b>-39.00% D</b>
Net change in fund balances	(8,304,102)	(2,502,198)	4,847,886	7,350,084	-193.75%
Fund balance, October 1, 2013 (Audited)	11,928,328	12,370,773	12,370,773		
Fund balance, March 31, 2014 (Unaudited)	\$ 3,624,226	\$ 9,868,575	\$ 17,218,659		

\* 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.

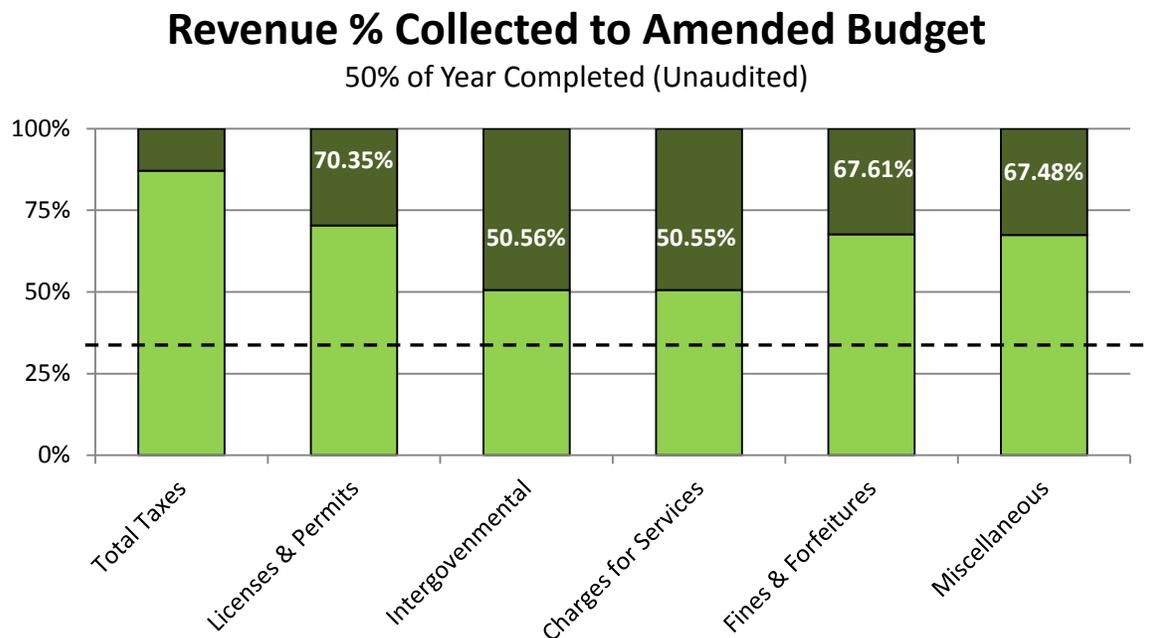
Communications services taxes are paid and received in arrears; therefore only five months of receipts are reflected in the report. Monthly collections to date are in line with projections.

Licenses and permits include electrical franchise fees, which are budgeted at \$540,000. These fees were substantially received by March 31, 2014 (99.5% of annual budgeted amount), which caused the category to be significantly higher than the 50% analytical expectation.

Fines 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.

Miscellaneous revenues are higher than expectations primarily due to 1) increased interest earnings (63% of budget earned through March 31, 2014), and 2) higher than expected sales of surplus property (79% of total budget sold through March 31, 2014).

The chart below provides detail on the major revenue groupings budget to actual performance as of March 31, 2014:



## 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. Since these annual budget amounts are paid at the start of the fiscal year, actual expenses compared to budget are typically skewed during the rest of the fiscal year.

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
<b>Total General Fund</b>	<b>\$ 1,839,203</b>

For analytical purposes, negating 50% of the effects of the pension payments above, the departments noted below have variances of greater than 5%. A department or category not noted is within the 5% expectation.

### **B** – General Government

- Information Technology (60.5% expended): Actual expenditures include encumbrances of approximately \$195,255 for the City's annual contract for repair and maintenance of various technology systems. Remaining expenditures are in line with budget.
- Legal (40.5% expended): Actual expenditures are approximately 9.5% below budget as of March 31, 2014.
- Planning (42.5% expended): Actual expenditures are approximately 7.5% below budget as of March 31, 2014.
- General Government/Insurance (60.3% expended): Actual expenditures include encumbrances of \$50,272 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 (48.6% expended): Actual expenditures are approximately 2.4% below budget as of March 31, 2014.
- S.E.M.P.: Budgeted annual capital expenditures were fully expended by March 31, 2014, as planned. Remaining operating expenditures are in line with budget.

Other Financing Sources/Uses

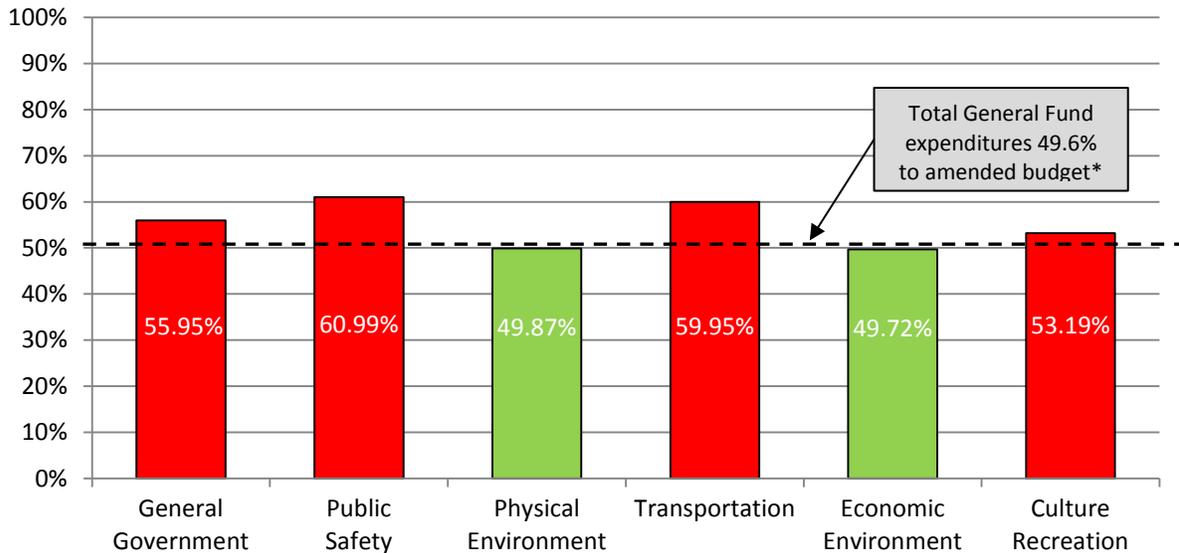
**D** – Reserves for Environmental Initiatives/Contingencies: See chart below for changes to reserves from the beginning of the fiscal year.

Number		Amount	Purpose
		<b>\$6,390,000</b>	<b>Beginning Reserves</b>
Environmental	BA 2014-001	(55,000)	To appropriate funds for water quality consultant
	BA 2014-011	(45,000)	Emergency dredging in the Shell Harbor canal
	BA 2014-016	(80,000)	To appropriate funds for water quality consultant
	BA 2014-021	(8,000)	To appropriate funds for change orders for ADA boardwalk at Pond Apple Park.
Contingency	BA 2014-017	(8,191)	To appropriate funds for a pay equity increase in IT
	BA 2014-022	(18,725)	To appropriate funds for peak season traffic counts
	BA 2014-023	(39,795)	To appropriate funds for traffic study consultant
		<b>\$6,135,289</b>	<b>Ending Reserves</b>

\* \* \*

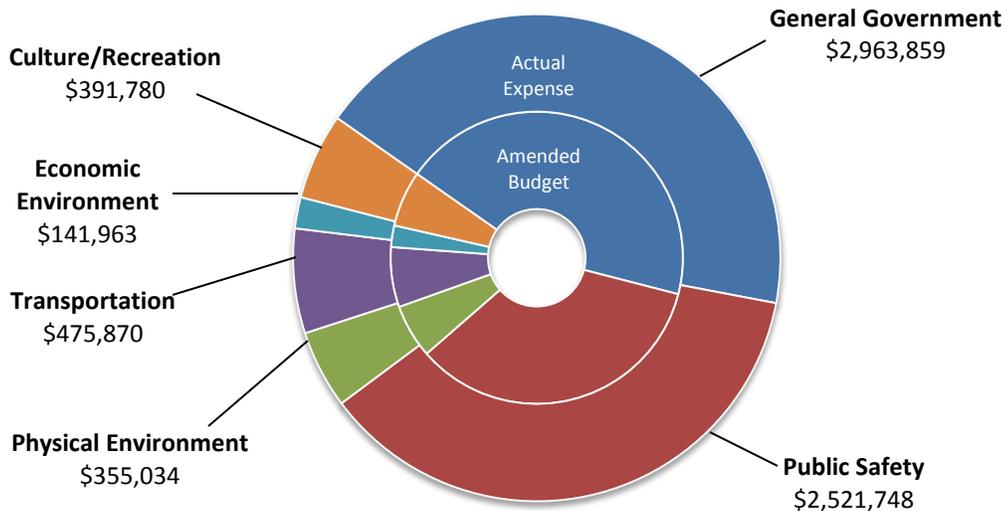
### Functional Expense % to Amended Budget

50% of Year Expended (Unaudited)



*\*negating 50% of the pension payment noted above*

## Functional Expense Actual Expenditure to Amended Budget Comparison



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.