

Regular Workshop – December 10, 2012
Agenda Item 12

Agenda Item: Proposed Resolution 2013-03, Budget Transfer for Tennis Center in the Amount of \$67,470 for Fiscal Year 2011-2012 Year End Reconciliation

Presenter: Town Manager

Summary: The Town Charter requires that sufficient budget is available in each general ledger account to cover the expenditures charged to the account. The Town Manager is able to transfer up to \$10,000 within a department, program or agency, but only the Town Commission is authorized, by resolution, to make transfers exceeding \$10,000 or transfers across departments. Proposed Resolution 2013-03 makes the necessary transfers for the **Tennis Center** to be in compliance with the Charter. Attachment A of Resolution 2013-03 lists the individual accounts we are recommending transfer from and the reason for the surplus and the accounts that are being transferred to as well as an explanation for the shortfall.

Attachments: 12-05-12 Memo, Budget Analyst to Manager;
Proposed Resolution 2013-03

Recommended

Action: Pending discussion, provide direction to Manager.

MEMORANDUM

DATE: December 05, 2012

TO: Dave Bullock, Town Manager
THROUGH: Tom Kelley, Finance Director
FROM: Sandi Henley, Budget Analyst
SUBJECT: Proposed Resolution 2013-03, Budget Transfer for Tennis Center in the Amount of \$67,470 for Fiscal Year 2011-2012 Year End Reconciliation

During the fiscal year individual line items in a department may go over budget due to a multitude of reasons. Most of the time budget transfers are done to cover the shortfall in a particular line item. There are line items where we know there is a shortfall but we don't know how much it will be until the year end and there are other cases where all of the postings are not done until the year-end adjusting entries are made.

The Town Charter requires that all accounts in the General Ledger have sufficient budgets to cover the expenditures in each account. The Town Manager may transfer up to \$10,000 of funds within a department or agency. If the transfer required to balance the account exceeds \$10,000, or there are insufficient funds available for transfer within a department, the Town Commission may authorize these transfers.

I am presenting proposed Resolution 2013-03, a fiscal year 2011-2012 budget transfer for the Tennis Center, in the amount of \$67,470 that includes transfers that exceed the authority of the Town Manager. Attachment A of proposed Resolution 2013-03 shows the accounts that the funds will be transferred from and an explanation for the availability of such funds. The attachment also lists the accounts to which a transfer of funds is required and an explanation for the shortfall.

Part of the budget shortfall can be covered with Tennis revenues of \$42,709 that exceeded the budgeted amount. I am recommending that the rest of the shortfall, \$24,761, be covered by a transfer from general services property insurance and other insurance. This transfer does not affect the fund balance in the General Fund.

This transfer is budgetary only and does not reflect the profit/loss of the Tennis Center for fiscal year 2011-12. For reference, I am including a breakdown of the revenues and expenditure for the Tennis Center for fiscal year 2011-12 along with the original and proposed amended budget.

If you have any questions, please feel free to contact me.

Fiscal Year 2011-2012 Tennis Center

	Original Budget	Proposed Amended Budget	Estimated Actual
Revenues:			
Memberships (All Types)	170,000	163,370	165,567
Walk-On Play/Passes	43,000	43,271	43,106
Lessons	140,000	132,838	132,838
Tournaments/Spec Events	6,000	6,000	15,904
Tennis Ctr Merch Sales	80,000	110,611	110,611
Miscellaneous Revenues	<u>3,200</u>	<u>3,200</u>	<u>5,260</u>
Revenues	<u>442,200</u>	<u>459,290</u>	<u>473,286</u>
Expenditures			
Wages	138,440	190,288	190,287
Fringe Benefits	13,621	19,307	19,300
Overheads (FICA/ Work Comp)	<u>20,528</u>	<u>25,469</u>	<u>25,468</u>
Subtotal (Lessons Shown Below)	172,589	235,064	235,055
Utilities (Water/Electric/Gas)	14,150	14,767	14,765
Merchandise Costs	46,305	61,266	60,329
Maintenance (Grounds/Buildings)	23,500	18,191	18,190
Visa/Mastercard Fees	3,600	8,611	8,610
Cost of Lessons (Employees)	93,000	96,514	96,513
Cost of Lessons (Contractor)	5,000	328	328
Advertising/Special Events/Promotion	7,500	5,977	5,978
Other Operating Costs	<u>4,765</u>	<u>5,505</u>	<u>6,436</u>
Operating Costs	197,820	211,159	211,149
Total Expenses	<u>370,409</u>	<u>446,223</u>	<u>446,204</u>
Profit/(Loss) before pension expense			<u>27,082</u>
Pension (not budgeted in Tennis Center until FY 12-13)			47,934
Profit/(Loss)			<u>(20,852)</u>

RESOLUTION 2013-03

A RESOLUTION OF THE TOWN OF LONGBOAT KEY, FLORIDA, AMENDING THE FISCAL YEAR 2011-2012 BUDGET BY TRANSFERRING A TOTAL OF \$67,470 IN AVAILABLE UNENCUMBERED FUNDS IN VARIOUS GENERAL FUND REVENUE AND EXPENDITURE LINE ITEM ACCOUNTS TO TENNIS CENTER GENERAL FUND LINE ITEM ACCOUNTS WHERE EXPENDITURES EXCEEDED THE ADOPTED BUDGET, AS DETAILED; PROVIDING AN EFFECTIVE DATE.

WHEREAS, throughout the fiscal year individual expenditure accounts may go over budget requiring a budget transfer to be made; and,

WHEREAS, there are some revenue and expenditure accounts in General Fund revenues and Tennis Center expenditures where a difference between budget and actual is expected but the transfer amount needed is unknown until the year end postings have occurred; and,

WHEREAS, pursuant to Town Charter, Article V, Section 9(d), the Town Manager has the authority to approve transfers of unencumbered funds up to \$10,000 within a department, office, or agency; and,

WHEREAS, the budget transfers for some of the individual expenditure accounts exceed the authority of the Town Manager, requiring Town Commission approval; and,

WHEREAS, some of the requested transfers are based not only on expenditures, but revenues that were either over or under the budgeted amount; and,

WHEREAS, the requested transfers will simplify budgetary reporting requirements based on new pronouncements from the Governmental Accounting Standards Boards and result in greater budgetary transparency.

NOW, THEREFORE, be it resolved by the Town Commission of the Town of Longboat Key, Florida, that:

SECTION 1. The above Whereas clauses are true and correct and are hereby ratified and confirmed.

SECTION 2. The Town Commission hereby transfers in the fiscal year 2011-2012 budget a total of Sixty Seven Thousand Four Hundred Seventy and 00/100 dollars (\$67,470), as detailed on Attachment A.

SECTION 3. This Resolution shall become effective immediately upon adoption.

Passed by the Town Commission of the Town of Longboat Key on the _____ day
of _____, 2013.

James L. Brown, Mayor

ATTEST:

Trish Granger, Town Clerk

Exhibit: Attachment A

ATTACHMENT A

TRANSFER FROM:

<u>DEPARTMENT</u>	<u>ACCOUNT NUMBER</u>	<u>ACCOUNT DESCRIPTION</u>	<u>AMOUNT</u>	<u>EXPLANATION OF SURPLUS</u>
General Fund Revenues	001.0900.369.9102	Misc Rev / Tennis Ctr Merch Sales	\$30,611	It was unknown how merchandise sales would perform when the new building was open for a full year. The sales outperformed our expectations and have been increased to reflect this in the FY2012-13 budget.
General Fund Revenues	001.0900.347.2108	Tennis Ctr / Tournament/Spec Events	\$9,903	Special Event revenue exceeded expectations and has been increased in the FY 12-13 budget
General Fund Revenues	001.0900.347.2101	Tennis Ctr / Yearly-Family/Res	\$2,195	Family memberships were up slightly from what was expected.
General Services	001.3000.519.4503	Insurance / Other	\$12,761	Original allocation of all insurance lines were changed by Public Risk Management mid year. This resulted in a decrease to the property and other insurance and an increase to the workers comp (WC) lines. Most WC increases were able to be absorbed by the departments leaving a surplus in property and other.
	001.3000.519.4502	Insurance / Property	\$12,000	
Total			\$67,470	

TRANSFER TO:

<u>DEPARTMENT</u>	<u>ACCOUNT NUMBER</u>	<u>ACCOUNT DESCRIPTION</u>	<u>AMOUNT</u>	<u>EXPLANATION OF SHORTFALL</u>
Tennis Center	001.2700.572.4921	Costs / Merchandise	\$14,425	Since merchandise sales did so well, the cost to purchase merchandise also increased. See above
Tennis Center	001.2700.572.1201	Wages / Regular	\$42,925	The original budget included a contract pro with only the manager being a full-time position. The contract pro was changed to a full-time position to help maintain consistency for the members and to assist the manager. There was also an increase to the amount of hours for part-time staff at a much busier pro shop.
	001.2700.572.2101	Fica Taxes	\$3,000	
	001.2700.572.2301	Insurance / Medical	\$7,120	
Total			\$67,470	



End of Agenda Item