

Town of LONGBOAT KEY  
Quarterly Financial Report  
September 30, 2016

**FY 2016 PERFORMANCE AT A GLANCE**

*GENERAL FUND REVENUES* 

General Fund revenues exceeded budget estimates for FY2016 in total by \$38,562. The Town had positive results in almost all categories of revenue, the largest being Property Tax collections, Franchise Fees, Intergovernmental Revenue and Investment Income. Additional explanatory variance information is provided in the *Revenue Section* of this report.

*GENERAL FUND EXPENDITURES* 

Total expenditures came in \$1,087,934 less than budgeted. Almost half of the surplus came from General Services and Public Safety. The Fire Department experienced delays in union negotiations and a ratified contract was not produced until June of 2016, three quarters into the fiscal year. In addition, Fire Department employees took reductions in pay in order for the Town to fund 100% of FRS contributions. Both the Fire and Police budgets had excess health insurance premium savings due to new hire benefit elections. A year-end transfer of TDT Beach maintenance reimbursement provided the Parks Department a surplus. After analyzing the retainer legal costs, we reallocated charges from the General Fund to the Beach and Undergrounding projects causing a \$54,000 surplus. Additional explanatory variance detail is provided in the *Expenditure Section* of this report.

*GENERAL FUND FUND BALANCE* 

Total Revenues of \$15,657,359 less total expenditures and encumbrances of \$15,378,103 provide a net increase to fund balance of \$279,256 for the fiscal year. This will increase fund balance to \$5,659,879 (131 Operating Days). The operating cost per day is \$43,129 based on the adopted appropriations. The Town Commission holds a designation of fund balance of \$1,310,075 for future pension liabilities. The General Fund is also at risk for any expenses associated with the Neighborhood Undergrounding project until the Final Assessment resolution is passed, therefore we have assigned fund balance in the amount of \$385,331. The projected unassigned fund balance is \$3,960,093, representing 92 operating days.

*BUDGET MODIFICATIONS SINCE ADOPTION*

The Town Commission has approved various Resolutions and Ordinances which have modified the original adopted budgets as follows:

Fund	Reference	Amount	Transfer from	Transfer To	Reason
General Fund	Res 2015-24	\$9,773	N/A - Expensed from	Contingency	60th Anniversary Celebration-BayFront Park
General Fund	Res 2015-28	\$25,000	Contingency	Parks Division	Pea fowl removal and relocate
GMD Undergrounding	Ord 2016-01	\$25,250,000	N/A - Establish budget	GMD Underg Project	Establish new Fund and Budget
General Fund	Ord 2016-02	\$225,000	General Fund Surplus	General Services	Referendum 2 Neighborhoods Undergrounding
General Fund	Res 2015-29	\$42,436	Contingency	Town Manager	Asst Town Manager Fund allocation change
Neighborhood Undergrounding	Ord 2016-16	\$23,850,000	N/A-Establish Budget	Neighborhood Underg	Establish new Fund and Budget
Beach Bond Fund	Ord 2016-28	\$47,085	Tax Levy Collections	Beach Project	Tax levy funded sand placement prior to iss using debt
Beach Capital Fund	Ord 2016-29	\$144,911	Beach Fund Balance	Various Line items	Overages on certain line items - Year end cleanup
Tennis Fund	Res 2016-22	\$11,109	Bldg Improvements	Wages/Lessons	Overages on certain line items - Year end cleanup
General Fund	Res 2016-21	\$85,472	Various Line items	Various Line items	Overages on certain line items - Year end cleanup

*ITEMS OF SIGNIFICANCE*

The Town electorate, on November 3, 2015, approved \$25,250,000 of debt to finance the cost of undergrounding utilities relating to Gulf of Mexico Drive ("GMD Project"). Subsequently the electorate also approved \$23,850,000 of debt to finance the cost of undergrounding utilities on the remaining neighborhoods; however, the Final Assessment Resolution is still pending. The General Fund is at risk for all expenses until its passage.

	<b>POSITIVE</b>	- Favorable outcomes are expected
	<b>NEUTRAL</b>	- Outcomes are on target
	<b>NEGATIVE</b>	- Negative variances are expected

*This report provides an update on the Town of Longboat Key's financial condition as it relates to the General Fund on a budgetary basis. The data and figures presented reflect information as of the month ending September 30, 2016. The FY2016 projection is preliminary as of September 30, 2016, and will continue to be refined until the audit is completed in the Spring of 2017. Questions or comments may be directed to Susan L Smith, Finance Director at 941-316-1999 ext 1410 or [ssmith@longboatkey.org](mailto:ssmith@longboatkey.org)*

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - UNAUDITED FOR THE PERIOD ENDING SEPTEMBER 30, 2016					
	ORIGINAL BUDGET	FINAL BUDGET	YTD ACTUAL	PROJECTED ACTUAL	VARIANCE WITH FINAL BUDGET
<b>REVENUES:</b>					
Property taxes.....	\$ 10,680,620	\$ 10,680,620	\$ 10,747,586	\$ 10,747,586	\$ 66,966
Other taxes.....	152,000	152,000	156,420	156,420	4,420
Franchise Fees.....	938,500	938,500	958,713	958,713	20,213
Licenses and Permits.....	31,200	31,200	36,601	36,601	5,401
Intergovernmental.....	1,221,900	1,221,900	1,270,351	1,270,351	48,451
Charges for Services.....	332,780	332,780	345,436	345,436	12,656
Fines and Miscellaneous.....	302,197	302,197	307,948	307,948	5,751
Grants.....	78,600	78,600	72,721	72,721	(5,879)
Investment Income.....	25,500	25,500	69,126	69,126	43,626
Transfers In.....	1,855,500	1,855,500	1,692,457	1,692,457	(163,043)
<b>TOTAL REVENUES.....</b>	<b>15,618,797</b>	<b>15,618,797</b>	<b>15,657,359</b>	<b>15,657,359</b>	<b>38,562</b>
<b>EXPENDITURES:</b>					
General government.....	2,776,563	2,824,050	2,679,492	2,679,492	144,558
Public safety.....	10,279,037	10,273,986	9,947,149	9,947,149	326,837
Public works.....	1,397,358	1,422,358	1,296,102	1,296,102	126,256
Recreation and Tennis.....	26,334	26,334	14,911	14,911	11,423
Planning & Zoning.....	698,975	698,975	685,725	685,725	13,250
General Services.....	812,770	1,037,770	744,985	744,985	292,785
Contingency.....	250,000	182,564	9,739	9,739	172,825
<b>TOTAL EXPENDITURES.....</b>	<b>16,241,037</b>	<b>16,466,037</b>	<b>15,378,103</b>	<b>15,378,103</b>	<b>1,087,934</b>
<b>EXCESS ( DEFICIENCY ) OF REVENUES OVER EXPENDITURES.....</b>					
	<b>(622,240)</b>	<b>(847,240)</b>	<b>279,256</b>	<b>279,256</b>	<b>1,126,496</b>
<b>FUND BALANCE - OCTOBER 1, 2015 (GAAP)</b>			<b>5,380,623</b>	<b>5,380,623</b>	
<b>PROJECTED FUND BALANCE - SEPTEMBER 30, 2016.....</b>			<b>\$ 5,659,879</b>	<b>\$ 5,659,879</b>	<b>131 DAYS</b>
					<b>36.0%</b>
<b>NONSPENDABLE INVENTORY.....</b>			<b>(4,380)</b>	<b>(4,380)</b>	
<b>ASSIGNED TO OFFSET FY17 BUDGET.....</b>			<b>-</b>	<b>-</b>	
<b>ASSIGNED TO INTERFUND LOANS.....</b>			<b>(385,331)</b>	<b>(385,331)</b>	
<b>ASSIGNED TO PENSION.....</b>			<b>(1,310,075)</b>	<b>(1,310,075)</b>	
<b>PROJECTED UNASSIGNED FUND BALANCE...SEPT. 30, 2016.....</b>			<b>\$ 3,960,093</b>	<b>\$ 3,960,093</b>	<b>92 DAYS</b>
					<b>25.2%</b>

The above financial statement provides the *original budget*, the budget after modifications made during the year (*Final Budget*), year-to-date expenses as of September 30, 2016 (*YTD Actual*) and a projection of where we anticipate the Town will end its fiscal year. (*Projected Actual*). Based on the preliminary unaudited results, the Town will end the fiscal year with a surplus of \$279,256 which will increase the Town's fund balance to \$5,659,879 (131) operating days or 36% of Total Budgeted Expenditures excluding capital outlay.

## General Fund Revenue

<b>Total General Fund Revenue</b>	<b>Final Budget \$15,618,797</b>	<b>Actual \$15,657,359</b>	<b>Surplus \$38,562</b>
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**Property Tax Revenue** The surplus of \$66,966 is due to excess collections associated with prior year delinquencies. The Town uses a discount rate of 3.5% to account for early payers. November payments are discounted 4% and decreased 1% for every month thereafter.

**Franchise Fees** has been unpredictable. We saw a steady decline from 2009 through 2013 and then the large increase in 2014 and 2015. For FY2016, even though we increased the budget, we saw another surplus of \$20,213.

**Intergovernmental Revenue** This classification is mostly State Revenue sharing in sales tax and the local ½ cent sales tax. We realized \$48,451 more than budgeted, mostly due to increase in consumer spending and tourism.

**Investment Earnings** The Town pools all of its cash and makes investments in collaboration with the Town's Investment Advisor. The allocation of the earnings is based on equity of each fund's cash balance in the pool. Earnings have increased based on larger cash balances and slightly increasing rates. \$43,626 favorable variance.

**Transfers-In** Upon the passage of the GMD and Neighborhood referendums, we have booked the anticipated reimbursement (the amount due) from the two capital projects to the General Fund. The General Fund originally appropriated the pre-referendum costs until the voters approved the projects. The amount(s) of reimbursement for the GMD and Neighborhoods is \$213,669 and \$223,288 respectively.

In addition, we normally budget a transfer-in from the Road & Bridge Fund to cover the operating costs of the Streets Department. Due to the positive results on spending in the General Fund, no use of Road & Bridge money was required. This also helps reverse the declining balances we anticipated in the Road & Bridge Fund.

## General Fund Expenditures

<b>Total General Fund Expenditures</b>	<b>Final Budget \$16,466,037</b>	<b>Actual \$15,378,103</b>	<b>Surplus \$1,087,934</b>
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**Legal** – Due to the increased procurement and legal costs associated with the Undergrounding projects, certain contractual costs for Persson & Cohen have been allocated to the two Undergrounding projects as well as the Beach Capital Project.

**Fire Dept** - \$208,334 Surplus -The Fire Department's contract negotiation did not settle until June of 2016, three-quarters into the fiscal year. The Town built in a Contingency within the General Services and Fire Department budgets, which were not required. Fire Department employees took reductions in pay in order for the Town to fund 100% of FRS contributions. The Fire Budget also experienced excess health insurance premium savings due to new hire elections (Single vs. Family). DROP employees left earlier and new hires started later saving \$126,200.

**Police Dept** – the Police Department savings were predominantly in personnel costs (health insurance and other fringe costs) due to the call taker vacancies totaling \$118,208.

**Parks Dept** - A year-end reimbursement from Sarasota County for TDT Beach maintenance contributed toward the \$80,537 surplus for this department.

**General Services - Neighborhood undergrounding** – During the year, the Town Commission appropriated \$225,000 from Fund Balance toward the pre referendum costs on the Neighborhood project. Subsequently with the passage of the referendum, \$223,288 became reimbursable from the Neighborhood project. This is being treated as a loan. The General Fund will remain at risk for any costs expended under the Neighborhood Project until a Final Assessment Resolution is passed and a Bond Validation takes place. Any amounts owed are classified as an assignment of fund balance.

**GMD undergrounding** – The pre-referendum costs in the amount of \$213,669 will be fully reimbursable from the GMD Undergrounding project as a result of the passing of the project.

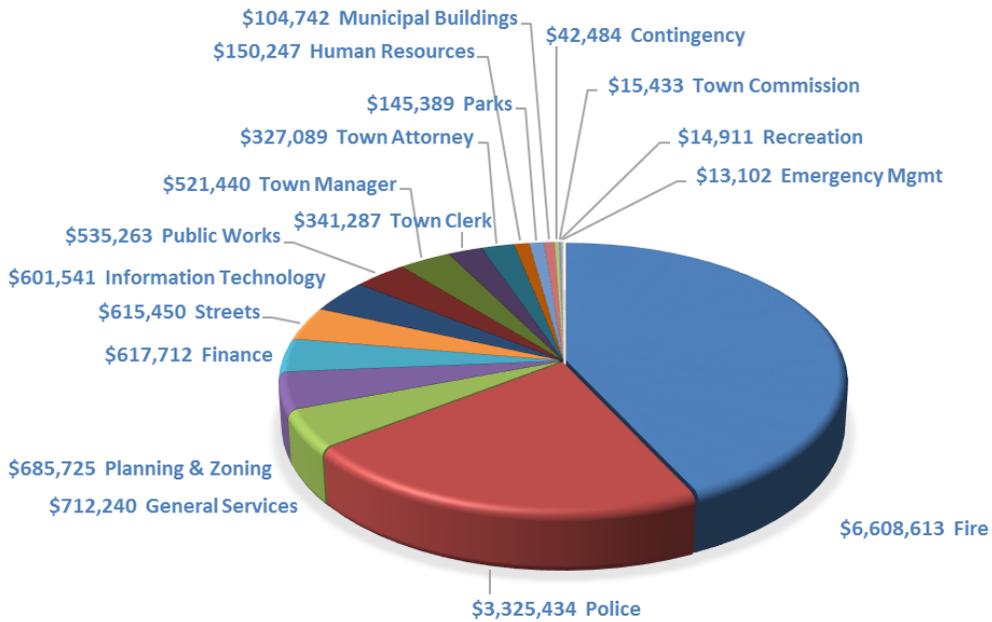
**Contingency** – We used the contingency budget to pay for the 60<sup>th</sup> Anniversary Celebration at Bayfront Park, \$9,739; Peafowl removal, \$25,000; and for the Assistant Town Manager position, \$42,436; which is no longer shared with the Utility Department. No other transfers were required leaving \$172,825 remaining in the account.

**Red Tide Contingency**– We annually budget \$50,000 for Red Tide cleanup and this year's cost was \$32,745 leaving a surplus of \$17,255.

**FY 2016 General Fund Expenditures Year-To-Date 09/30/2016 (100% Budget Elapsed)**

FY September 2016 YTD				
GENERAL FUND BUDGET	Budget	Actual	Percent	
Fire	\$ 6,816,947	\$ 6,608,613	96.94%	43.0%
Police	\$ 3,443,642	\$ 3,325,434	96.57%	21.6%
General Services	\$ 987,770	\$ 712,240	72.11%	4.6%
Planning & Zoning	\$ 698,975	\$ 685,725	98.10%	4.5%
Finance	\$ 627,866	\$ 617,712	98.38%	4.0%
Streets	\$ 646,155	\$ 615,450	95.25%	4.0%
Information Technology	\$ 630,053	\$ 601,541	95.47%	3.9%
Public Works	\$ 550,457	\$ 535,263	97.24%	3.5%
Town Manager	\$ 525,714	\$ 521,440	99.19%	3.4%
Town Clerk	\$ 367,215	\$ 341,287	92.94%	2.2%
Town Attorney	\$ 381,000	\$ 327,089	85.85%	2.1%
Human Resources	\$ 152,055	\$ 150,247	98.81%	1.0%
Parks	\$ 225,746	\$ 145,389	64.40%	0.9%
Municipal Buildings	\$ 109,102	\$ 104,742	96.00%	0.7%
Contingency	\$ 232,564	\$ 42,484	18.27%	0.3%
Town Commission	\$ 31,045	\$ 15,433	49.71%	0.1%
Recreation	\$ 26,334	\$ 14,911	56.62%	0.1%
Emergency Mgmt	\$ 13,397	\$ 13,102	97.80%	0.1%
	\$ 16,466,037	\$ 15,378,103	93.39%	

**FY2016 GENERAL FUND ACTUAL EXPENDITURES  
YEAR TO DATE 09/30/2016**





**TOWN OF LONGBOAT KEY  
GENERAL FUND REVENUE  
Sept 30, 2016**

		2015-16	2015-16	Actual YTD	Positive (Neg)	YTD	
	Revenue Category	Original Budget	Final Budget	Revenue	Variance	Percent	Comment
						Variance	
	<b>PROPERTY TAXES</b>						
311.1001	AD VALOREM TAX-SARASOTA	\$ 7,654,380.00	\$ 7,654,380.00	\$ 7,721,639.01	\$ 67,259.01	101%	Collection of delinquent accounts from prior year
311.1002	AD VALOREM TAX-MANATEE	3,026,240	3,026,240	3,025,947	(293)	100%	
		<b>10,680,620</b>	<b>10,680,620</b>	<b>10,747,586</b>	66,966	101%	
	<b>OTHER TAXES</b>						
321.0001	LOCAL BUSINESS TAX	152,000	152,000	156,420	4,420	103%	
		<b>152,000</b>	<b>152,000</b>	<b>156,420</b>	<b>4,420</b>	103%	
	<b>FRANCHISE FEES</b>						
313.1000	ELECTRICITY	880,000	880,000	904,202	24,202	103%	Slightly on the rise again
313.4000	GAS	39,000	39,000	39,345	345	101%	
313.7000	SOLID WASTE	19,500	19,500	15,166	(4,334)	78%	
		<b>938,500</b>	<b>938,500</b>	<b>958,713</b>	20,213	102%	
	<b>LICENSES AND PERMITS</b>						
322.0005	SIGN PERMITS	7,000	7,000	6,675	(325)	95%	
322.0006	FIRE PERMITS/INSPECTION	8,000	8,000	9,626	1,626	120%	
329.0001	MISC PERMITS	2,000	2,000	1,735	(265)	87%	
335.1400	MOBILE HOME LICENSE	600	600	292	(308)	49%	
335.1500	ALCOHOL BEV LICENSE	10,000	10,000	14,574	4,574	146%	
338.9001	BOAT REGISTRATION	3,600	3,600	3,698	98	103%	
		<b>31,200</b>	<b>31,200</b>	<b>36,601</b>	5,401	117%	
	<b>INTERGOVERNMENTAL REVENUES</b>						
331.5001	FEDERAL FEMA	-	-	-	-	N/A	
331.5003	FEDERAL/HOMELAND SECURITY	-	-	-	-	N/A	
335.1201	FL REVENUE SHARING/SALES TAX	134,900	134,900	140,128	5,228	104%	
335.1205	FL REVENUE SHARING/COMMUN TAX	552,000	552,000	550,938	(1,062)	100%	
335.1810	LOCAL 1/2 CENT SALES TAX	535,000	535,000	579,285	44,285	108%	Due to strong consumer spending /tourism
338.9002	MARINE PATROL	-	-	-	-	N/A	
		<b>1,221,900</b>	<b>1,221,900</b>	<b>1,270,351</b>	48,451	104%	
	<b>CHARGES FOR SERVICES</b>						
335.2301	FIREFIGHTER SUPPL COMP	17,980	17,980	19,825	1,845	110%	
341.2000	ZONING FEES	30,000	30,000	7,430	(22,570)	25%	Fees are known for unpredictability
341.2002	BUILDING REVIEW FEES	-	-	-	-	N/A	
341.2003	STAFF REVIEW FEES	-	-	-	-	N/A	



**TOWN OF LONGBOAT KEY  
GENERAL FUND REVENUE  
Sept 30, 2016**

					Positive (Neg)	YTD	
		2015-16	2015-16	Actual YTD	Variance	Percent	Comment
Revenue Category	Original Budget	Final Budget	Revenue			Variance	
341.9001 LIEN SEARCH FEES	9,000	9,000	15,475	6,475	172%		
342.5000 FIRE INSPECTION FEES	28,000	28,000	23,325	(4,675)	83%		
342.5002 REINSPECTIONS	-	-	-	-	N/A		
642.6001 EMS FEES	230,000	230,000	260,653	30,653	113%		3rd party billing administrator
347.2001 REC CTR/REGISTRATION FEES	14,300	14,300	15,844	1,544	111%		
347.2002 REC CTR/MEMBERSHIPS	3,200	3,200	2,583	(617)	81%		
349.0001 UNION ADMIN FEE	300	300	300	-	100%		
362.0001 RENT/ 4410 GMD	-	-	-	-	N/A		
	<b>332,780</b>	<b>332,780</b>	<b>345,436</b>	12,656	104%		
<b>GRANTS</b>							
337.2001 EMS GRANT	-	-	-	-	N/A		
337.2002 WCIND - POLICE PATROL	65,000	65,000	65,000	-	100%		
337.2003 WCIND- FIRE EQUIPMENT	13,600	13,600	7,721	(5,879)	57%		Grant will rollover to next fiscal year
	<b>78,600</b>	<b>78,600</b>	<b>72,721</b>	(5,879)	93%		
<b>FINES &amp; MISCELLANEOUS</b>							
341.3000 COPIES/MAPS/ORDINANCES ETC	1,000	1,000	409	(591)	41%		
351.1001 COURT FINES/SARASOTA	2,500	2,500	814	(1,686)	33%		
351.1002 COURT FINES/MANATEE	1,800	1,800	1,147	(653)	64%		
354.0001 VIOLATIONS/FIRE ALARMS	500	500	4,100	3,600	820%		
354.0002 VIOLATION/HANDICAP	100	100	280	180	280%		
354.0003 VIOLATIONS/LOCAL ORDINANCES	5,000	5,000	1,046	(3,955)	21%		
359.0001 OTHER FINES/POLICE PARKING	2,000	2,000	11,715	9,715	586%		Parking tickets
359.0002 OTHER FINES/CANDIDATE LATE FILING	50	50	-	(50)	0%		
359.0003 OTHER FINES/TAG SEIZURE	150	150	-	(150)	0%		
364.4100 SALE OF FIXED ASSETS	7,500	7,500	11,926	4,426	159%		
364.4200 INSURANCE REIMBURSEMENTS	-	-	-	-	N/A		
365.0001 SALE OF SURPLUS EQUIPMENT	-	-	6,493	6,493	N/A		
366.9001 CONTRIBUTION-PRIVATE ORGANIZATION	249,697	249,697	170,990	(78,707)	68%		Firefighters no longer contribute after 6.15.16
366.9003 CONTRIBUTION-PRIVATE-REC CTR	1,500	1,500	1,500	-	100%		
369.3000 REFUND OF PRIOR YR EXPENSE	-	-	-	-	N/A		
369.3002 SETTLEMENT BP OIL	-	-	-	-	N/A		
369.9001 WORKERS COMP REIMBURSEMENT	-	-	9,640	9,640	N/A		Workers Comp claims reimbursed for TPD
369.9002 MISC POLICE	400	400	579	179	145%		
369.9003 MISC OTHER	4,500	4,500	66,186	61,686	1471%		\$58,289 Forfeited 401k funds various departments
369.9006 MISC VENDING MACHINE	500	500	246	(254)	49%		



**TOWN OF LONGBOAT KEY  
GENERAL FUND REVENUE  
Sept 30, 2016**

	2015-16	2015-16	Actual YTD	Positive (Neg)	YTD	
Revenue Category	Original Budget	Final Budget	Revenue	Variance	Percent	Comment
					Variance	
369.9008 MISC TREE REPLACEMENT	-	-	-	-	N/A	
369.9014 REC CTR RENTAL	2,000	2,000	625	(1,375)	31%	
369.9016 P CARD REBATE	15,000	15,000	15,929	929	106%	
369.9017 RECYCLING REBATE	8,000	8,000	4,326	(3,674)	54%	
	<b>302,197</b>	<b>302,197</b>	<b>307,948</b>	5,751	102%	
<b>INCOME ON INVESTMENTS</b>						
361.1000 INTEREST	25,000	25,000	63,969	38,969	256%	Larger cash balances
361.1001 GAIN (LOSS) SALE OF INVESTMENT	-	-	4,146	4,146	N/A	
361.3201 INTEREST/SARASOTA TAX COLL	500	500	1,010	510	202%	
361.3202 INTEREST/MANATEE TAX COLL	-	-	-	-	N/A	
	<b>25,500</b>	<b>25,500</b>	<b>69,126</b>	43,626	271%	
<b>OTHER FINANCE SOURCES</b>						
381.0101 TRANSFERS IN -ROAD & BRIDGE	600,000	600,000	-	(600,000)	0%	No use of Road & Bridge money required
381.0102 TRANSFERS IN-INFRASTRUCTURE TAX	-	-	-	-	N/A	
381.0205 TRANSFERS IN-GO SEWER BOND	-	-	-	-	N/A	
382.0401 TRANSFERS IN-UTILITY FUND	872,500	872,500	872,500	-	100%	
382.0402 TRANSFERS IN-BUILDING FUND	383,000	383,000	383,000	-	100%	
381.0304 TRANSFERS IN-GMD UNDG	-	-	213,669	213,669		Reimbursement for preferendum costs
381.0307 TRANSFERS IN-NEIGHBOR UNDG	-	-	223,288	223,288		Reimbursement for preferendum costs
393.0001 PRIOR YEAR SURPLUS	622,240	847,240	-	(847,240)	0%	No use of surplus required
	<b>2,477,740</b>	<b>2,702,740</b>	<b>1,692,457</b>	(1,010,283)	63%	
<b>GRAND TOTALS</b>	<b>\$ 16,241,037</b>	<b>\$ 16,466,037</b>	<b>\$ 15,657,359</b>	<b>\$ (808,678)</b>	95%	

