

Budget-at-a-Glance

Town of Sunset Beach, NC

March 3, 2014

General Fund Budget - 2013/2014 Ending January 31, 2014

Revenues	Amended	
	Budget	Year to Date
Ad Valorem	1,896,000	1,860,673
Other Tax and Licenses	2,069,274	1,094,615
Accommodation Tax	925,000	501,112
Permits and Fees	207,000	99,939
Restricted	400	740
Sales and Service	10,000	6,960
Public Safety	33,000	15,439
Investment	1,000	1,105
ABC	29,000	51,514
Misc.	484,072	108,244
Total Revenues	5,654,746	3,740,341

Expenditures	Amended	
	Budget	Year-to-Date
Govern Body	22,866	12,619
Administration	474,719	360,438
Finance	157,764	106,002
Tax	18,600	15,125
Legal	25,000	14,980
Elections	6,000	2,260
Public Buildings	434,696	392,070
Police	1,407,119	783,860
Fire	1,426,436	860,261
Inspections	403,510	261,854
Streets	713,820	560,723
Sanitation	133,600	84,137
Environmental	41,000	37,144
Planning	50,903	9,187
Economic Development	240,613	84,351
Cultural Resources	15,000	0
Beach	0	4,866
Human Services	6,000	6,000
Mosquito	8,100	7,258
Reserves	49,000	0
Total Expenditures	5,654,746	3,603,135

(Fiscal Year = July 1, 2013-June 30, 2014)

A Message from the Town Administrator

Governmental accounting and budgeting procedures include both Federal and State reporting requirements that differ from the private sector business and personal financial practices. This monthly **Budget-at-a-Glance** represents a “snap shot” of the financial status for the Town of Sunset Beach. Every month the values will adjust as revenues and expenditures occur.

- Expenses and revenues do not occur evenly throughout the year. For example, our mosquito control line item has \$842 remaining and reflects the timing when the majority of expenses occur July thru September.

- This **Budget-at-a-Glance** includes both the amended revenues and expenditures. An amended budget reflects the difference between adopted budget, current expenditures and the corresponding revenue adjustments. As of January 31, 2014 the difference equaled \$392,374.

- The Projected Ending Fund Balance available assumes the same “cash-on-hand” level in General Fund Cash as of June 30, 2013 and zero increases for the other cash funds. It also assumes no additional amendments. Using the LGC calculator our Projected Ending Fund Balance Available as a Percentage of Expenditures equals **80.60 percent**.

- The Capital Improvement Plan (CIP) includes capital projects and debt payments. The unbudgeted \$250,000 funding match for the round-a-bout was included in the amended expenditures.

- The projected adjustment in General Fund Balance includes subtracting the amended budget adjustment of \$392,374 and adding the \$400,000 PARTF grant to the General Fund balance.

- The restricted and unrestricted cash and investments reflect the “cash-on-hand” or unrestricted available cash as of January 31, 2014.

- It is my hope to briefly present a **Budget-at-a-Glance** overview at the March 3rd Council meeting.

Thank you for your patience as we work toward improving this financial newsletter.

*Respectfully,
Susan Parker*

The **North Carolina Local Government Commission** (LGC) provides financial oversight of governmental entities. The LGC minimum *Available Fund Balance* recommendation of 75% for coastal communities relates to the available “cash on hand”. To determine the recommended *Available Fund Balance* value for coastal communities, apply 75% to the adopted expenditures. (5,262,372 x .75)

75% of FY13/14 Adopted Expenditures 3,946,779

Restricted and Unrestricted Cash and Investments as of January 31, 2014.

Fund 10: General Fund Cash	4,595,219
Fund 22: Beach Erosion	235,678
Fund 23: Future Development	572,162
Fund 26: Future Street Paving	943,925
Fund 28: Bike Path	191,698
Powell Bill Cash (Restricted)	<u>276,512</u>
Total	6,815,194
Less: Powell Bill Cash	<u>276,512</u>
Available Cash as of January 31, 2014	6,538,682

Projecting the Ending Fund Balance for FY13/14

The **Local Government Commission** calculates the *Available Fund Balance* using the fund balances as of June 30th of the preceding budget year and that value remains the same for the entire year. In an attempt to project the *Available Fund Balance* for June 30th of this year, we applied the same formula with the following assumptions, 1) Revenue and liabilities would track similar to the previous year, 2) Cash Funds 22, 23, 26 and 28 would not increase as a result of interest revenue, and 3) no increases in expenditures above the amended value as of January 31, 2014.

Available Fund Balance Formula Break-Down

Step 1.

Cash and Investments	5,130,991
Minus Powell Bill Cash	276,512
Minus Liabilities	296,471
Minus Encumbrances	0
Minus Deferred Revenues arising from Cash Receipts	0
Equals Fund Balance Available for Appropriation	4,558,008

Step 2.

Expenditures	5,654,746
Plus Operating Transfers Out	0
Equals Expenditures	5,654,746
Available Fund Balance	4,558,008
Divided by Expenditures plus Transfers Out	80.60%

We applied these numbers using the **Cash on Hand Calculation Worksheet** located on the LGC webpage at (www.ncstatetreasurer.com) to confirm our calculation and the projected *Ending Fund Balance Available as a Percentage of Expenditures* equaled **80.60%**.

Capital Improvement Plan – 2013/2014 as of January 31, 2014

	<u>Projected Costs</u>
Town Hall /Fire Department Mortgages	332,196 (Actual)
Park Development	796,000 (Projected – Phased over 2 years)
Roundabout	250,000 (Actual) (Unbudgeted)
Streetscape	729,000 (Projected)
Jinks Creek Dredging	<u>17,500</u> (Projected)
Projected CIP Total	2,124,696

The **Street Resurfacing Program** FY13/14 Budget of \$500,000 is not expensed in the General Fund. Those Street projects are funded by the Street Paving Fund 26 and the Powell Bill Fund 11.

Projected Adjustment in General Fund Balance – 2013/2014

Beginning General Fund Balance (Source: FY12/13 Audit)	5,399,209
Amended Budgeted Revenues	5,654,746
Amended Budgeted Expenditures	<u>(5,654,746)</u>
Balance	5,399,209
Less: Adjustment from Adopted Budget and Amended Budget	(392,374)
Balance	5,006,835
Plus: PARTF Grant for Park Development (awarded not received)	<u>+ 400,000</u>
Projected adjustment in General Fund Balance	5,406,835