

MEMORANDUM

To: Mayor and City Council

From: Christopher Pike, Finance Director

Date: February 10, 2014

Subject: **Presentation of the Unaudited Financial Report for 2013**

December closed out with revenues topping our budget by \$1.1 million; totally attributed with strong tax revenues. Fines were under budget by \$115,000 because of the late deployment of the CRT. Forfeitures though more than offset that amount; though recorded in a separate fund starting in 2013. The only line item in the General Fund that was significantly under budget was the sale of land budgeted in 2013, but not scheduled to close until 2014. The budget shortages in fines and sales of land were mostly offset by Permit revenues. Despite doubling our budgeted figure to \$1 million earlier in 2013, we still exceeded the revised Permits budget by more than \$265,000. Alcohol license applications and renewals were also very strong in December and topped the budget by over 20%. Property taxes showed the first signs of growth since incorporating and rose slightly over 2012 by \$107,000. Hotel taxes, HOST, Franchise Fees, and Insurance Premiums Taxes were also over budget; indicating growth over last year.

Expenses are as expected with a few variances. Though showing over \$400 budget variance in Public Works, they did spend 96% of their budget. Transfers from the General Fund to E911 were significantly under budget due to revenues exceeding our estimates. With the strong revenue numbers and expenses as planned, I was able to follow Council's direction and pay off the remaining balance of our capital leases issued to fund our initial startup capital needs. A budget amendment to capture this last payment and some minor adjustments will come in February. In the meantime, some departments are showing an overall deficit due solely to the additional debt payment to retire our GMA leases early. Today, only the 16 acre debt remains.

As Finance Director, I have reviewed this report. I am not aware of any material untrue statements or material omission; nor do I consider anything misleading. The financial statements and related information fairly present the financial condition and the results in all material respects. Management is responsible for internal controls and periodically evaluates these internal controls. No deficiencies in internal controls were discovered.