

SEQUIM CITY COUNCIL AGENDA COVER SHEET

MEETING DATE: February 28, 2014

FROM: Sue Hagener, Accounting Manager

SH
Initials

SUBJECT/ISSUE: 2013 Year-End Financial Statement Report (Pre-Audit)

Discussion dates	4/22/13	7/22/13	10/28/13	2/28/14
CATEGORY	<input type="checkbox"/> City Manager Report	<input type="checkbox"/> Information Only	Time Needed for Presentation 10	
	<input type="checkbox"/> Public Hearing	<input type="checkbox"/> Consent Agenda		
	<input type="checkbox"/> Unfinished Business	<input checked="" type="checkbox"/> New Business		
Reviewed by			Initials	Date
	Steve Burkett, City Manager			
	Craig Ritchie, City Attorney		CAR	2-19-2014
	Elray Konkel, Administrative Services Director		EHK	

PROBLEM/ISSUE STATEMENT:

The 2013 Year-End Report provides the Pre-Audit financial results of the City with an explanation of significant variances from budget. The reports are provided for accountability and transparency.

LIST OF ATTACHMENTS:

1. [What to Look For on the City's Financial Statement](#)
2. [Summary by Fund All Activity \(includes TBD\)](#)
3. [Summary by Fund Condensed](#)
4. [Summary by Fund, Fund Balance Only](#)
5. [Narrative Summary of Funds](#)
6. [Supporting Data Graphs](#)

DISCUSSION/ANALYSIS:

The attached information is presented to give the City Council and Community a pre-audit look at results of operations for 2013 and a view of financial position at the start of 2014. The Budget is adopted at the fund level and thus is presented accordingly.

General Fund Overall, the City's financial performance in the General Fund for 2013 was very well balanced. The Final Amended 2013 Budget projected a decrease in fund balance of \$217k. General Fund revenues were \$221k more than budgeted and General Fund expenditures were \$123k less than budgeted so our General Fund balance actually increased by \$127k. Year-end fund balance is \$1.882 million (2.68 months of 2014 expenditures). Rebounding Sales Tax (\$126k over budget) and overall expenditure constraints allowed for a strong 2013 finish.

Street Operations (Unrestricted) Actual beginning Fund Balance for 2013 was \$24k over forecast. Actual Revenues for the year were \$42k less than budgeted and actual expenditures were \$85k less than budgeted. The result of operations was a decrease in Fund Balance of \$42k. However, this is \$42K higher than forecasted. Ending fund balance of \$172k represents 2.55 months of budgeted 2014 Budgeted Expenditures.

Water Operations (Unrestricted) Actual beginning Fund Balance for 2013 was \$187k over budget at \$1.2ml. Actual Revenues for the year were \$79k more than projected and actual expenditures were \$146k less than budgeted. Controlled expenditures within this fund increased Fund Balance by \$104k. Ending fund balance of \$1.3ml represents 6.29 months of budgeted 2014 Budgeted Expenditures.

Sewer Operations (Unrestricted) Actual beginning Fund Balance for 2013 was \$224k over budget at \$1.6ml. Actual Revenues for the year were \$69k more than budgeted and actual expenditures were \$181k less than projected. Controlled expenditures within this fund allowed the result of operations to reduce the projected decline in Fund Balance to only \$144k instead of \$394k. Ending fund balance of \$1.4ml represents 4.27 months of budgeted 2014 Budgeted Expenditures.

All **Other Funds** were either on track or above general budget projections or did not present any significant concerns

FINANCIAL IMPLICATIONS: The 2014 Budget period begins with overall better than expected beginning fund balances by \$6.1ml.

RECOMMENDATION: Presented as a new business update to the City Council and Community.