



2017 OPERATING BUDGET

TOWN OF SORRENTO, LOUISIANA

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June 30, 2017

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June 7, 2016

BUDGET MESSAGE

To the Citizens of the Town of Sorrento,

Enclosed is the 2017 operating budget for the Town of Sorrento. The purpose of the budget message is to identify objectives for the coming year, as well as the underlying assumptions made in the projection of the revenues and related expenditures of the operations of the Town.

The budget is prepared using the modified accrual basis of accounting and is presented on a “line item” basis with each item of revenue and expenditure being identified for your review. The budget has been prepared to maintain all funds with positive balances as of June 30, 2016, the definition of a balanced budget.

The summary on pages 4 and 5 shows that expenditures and financing uses for all funds of \$1,056,800 will be funded with budgeted revenues and other financing sources of \$1,145,300. A deficit of \$88,500, which includes depreciation expense recognized on the Town’s sewer system of \$85,000, is projected for the upcoming year which will be funded using available fund balance.

Overview and Capital Project Highlights

Revenues

Local revenues from sales and use taxes represent about 57.5% of the total projected 2016 revenues. Projected for sales tax revenues are budgeted to remain consistent when compared to with 2015 sales tax revenues in order to maintain a conservative budget. Interfund transfers in 2017 include \$20,000 from the General Fund to the Restricted Fund to assist with volunteer fire protection services provided by Sorrento Volunteer Fire Department.

Expenditures

The increase in general governmental expenditures is due to increases in personnel related expenditures budgeted in the 2017 fiscal year. The public safety budget was decreased by \$20,050 compared to the 2016 amended departmental budget due a decrease capital outlay appropriations budgeted to the Town's volunteer fire department. Additionally, the highway and streets department expenditures were budgeted to decrease by \$170,200 as the Town enhanced the equipment fleet in 2016, and no further capital outlay has been budgeted in this department.

The 2016 operating budget includes one capital project which represents expenditures that the Town will incur making improvements to the Council meeting room and once equipment purchase for a new telephone system in Town Hall.

Conclusion

Council members Patti Poche, Wanda Bourgeois, Marvin Martin, Donald Schexnaydre, and Randy Anny join me in the goal of improving the quality of life for Sorrento's residents while preserving the heritage that makes our Town unique. All of us, along with the Town's employees, are here to serve you. We value your input and ideas to make Sorrento a better place both now and in the future for our children and grandchildren.

Sincerely,

Mike Lambert

Mike Lambert
Mayor

TOWN OF SORRENTO, LOUISIANA
ANNUAL REPORT ON THE BUDGET
(R.S. 39:1316)
June 30, 2017

2017
BUDGET YEAR

	<u>GENERAL FUND</u>	<u>RESTRICTED FUND</u>	<u>UTILITY FUND</u>	<u>TOTAL BUDGET</u>
<u>Estimated revenues:</u>				
Taxes:				
Sales and use	\$ 515,000	\$ 92,250	\$ -	\$ 607,250
Franchise	95,000	-	-	95,000
Ad valorem	62,000	-	-	62,000
Other	2,500	-	-	2,500
Licenses & permits and franchise fees:				
Beer & Liquor	10,000	-	-	10,000
Occupational	95,000	-	-	95,000
Permits	500	-	-	500
Fines and fees	1,000	-	-	1,000
Charges for services	11,000	-	171,500	182,500
Other	-	1,050	-	1,050
	<u>-\$ 792,000</u>	<u>\$ 93,300</u>	<u>\$ 171,500</u>	<u>\$ 1,056,800</u>
Total estimated revenues	<u>\$ 792,000</u>	<u>\$ 93,300</u>	<u>\$ 171,500</u>	<u>\$ 1,056,800</u>

TOWN OF SORRENTO, LOUISIANA
ANNUAL REPORT ON THE BUDGET
(R.S. 39:1316)
June 30, 2017

	2017 BUDGET YEAR			
	GENERAL FUND	RESTRICTED FUND	UTILITY FUND	TOTAL BUDGET
<u>Estimated expenditures:</u>				
General government	\$ 221,250	\$ -	\$ -	\$ 221,250
Public safety:				
Police	363,100	-	-	363,100
Fire	-	56,000	-	56,000
Highway and streets	207,900	-	-	207,900
Recreation	-	29,000	-	29,000
Senior citizens	-	25,000	-	25,000
Utility	-	-	243,050	243,050
	<u>792,250</u>	<u>110,000</u>	<u>243,050</u>	<u>1,145,300</u>
Total estimated expenditures				
Operating surplus (deficit) before other financing sources (uses)	(250)	(16,700)	(71,550)	(88,500)
<u>Estimated other financing sources (uses):</u>				
Transfer to General Fund - Debt service	12,000	(6,000)	(6,000)	-
Transfer from General Fund - Vol. Fire Dept. appropriation	(20,000)	20,000	-	-
	<u>(8,250)</u>	<u>(2,700)</u>	<u>(77,550)</u>	<u>(88,500)</u>
Operating deficit				
Estimated beginning fund balance	<u>565,095</u>	<u>265,062</u>	<u>1,325,099</u>	<u>2,155,256</u>
Estimated ending fund balance	<u>\$ 556,845</u>	<u>\$ 262,362</u>	<u>\$ 1,247,549</u>	<u>\$ 2,066,756</u>

TOWN OF SORRENTO, LOUISIANA
GENERAL FUND SUMMARY
June 30, 2017

	2016							2017	
	ORIGINAL	ACTUAL	ESTIMATED	TOTAL	MAY	PROPOSED	% CHANGE	% CHANGE	
	ADOPTED	JAN 2015	REMAINING	ESTIMATED	AMENDMENT	BUDGET	ORIGINAL VS. PROPOSED	PROJECTED	2013 PROPOSED VS. 2014 PROJECTED
REVENUES									
Taxes									
Sales and use	\$ 500,000	\$ 316,879	\$ 208,121	\$ 525,000	\$ 15,000	\$ 515,000	3%	\$ 515,000	0%
Franchise	85,000	66,106	18,894	85,000	10,000	95,000	12%	95,000	0%
Ad valorem	62,000	58,265	3,735	62,000	-	62,000	0%	62,000	0%
Beer	2,500	1,138	1,362	2,500	-	2,500	0%	2,500	0%
Fines	-	733	317	1,050	1,000	1,000	-100%	1,000	0%
Licenses and permits	75,500	30,575	44,725	75,300	21,100	96,600	28%	105,500	9%
Intergovernmental	-	24,153	-	24,153	24,200	24,200	100%	-	-100%
Charges for services	10,800	5,520	5,416	10,936	-	10,800	0%	11,000	2%
Investment income	-	16	11	27	-	-	0%	-	0%
Miscellaneous	-	-	-	-	-	-	100%	-	0%
Total revenues	735,800	503,385	282,581	785,966	71,300	807,100	10%	792,000	-2%
EXPENDITURES									
Current function:									
General government	185,900	135,931	49,969	185,900	27,150	213,050	15%	221,250	4%
Public safety	358,200	212,148	146,052	358,200	4,950	363,150	1%	363,100	0%
Highway and streets	173,100	92,032	81,068	173,100	205,000	378,100	118%	207,900	-45%
Total expenditures	717,200	440,111	277,089	717,200	237,100	954,300	33%	792,250	-17%
Excess of expenditures over revenue	18,600	63,274	5,492	68,766	(165,800)	(147,200)	-891%	(250)	-100%
OTHER FINANCING SOURCES									
Proceeds from sale of capital assets	-	11,885	-	11,885	11,885	11,885	100%	-	-100%
Proceeds from sale of right of way	-	-	126,250	126,250	126,250	126,250	100%	-	-100%
Proceeds from capital lease	-	-	-	-	190,000	190,000	100%	-	0%
Transfer from Restricted Fund - Debt service	-	-	1,500	1,500	1,500	1,500	100%	6,000	300%
Transfer from Utility Fund - Debt service	-	-	1,500	1,500	1,500	1,500	100%	6,000	300%
Transfer from Restricted Fund - Law Enfment	27,000	-	-	-	(27,000)	-	-100%	-	0%
Transfer to Restricted Fund - Fire Dept.	(20,000)	(10,000)	(10,000)	(20,000)	-	(20,000)	0%	(20,000)	0%
Total other financing sources	7,000	1,885	119,250	121,135	304,135	311,135	4345%	(8,000)	-103%
Excess (deficit) of revenues and other financing sources over expenditures	25,600	65,159	124,742	189,901	138,335	163,935	540%	(8,250)	-105%
FUND BALANCE									
Beginning of year	401,160					401,160		565,095	
End of year	\$ 426,760					\$ 565,095		\$ 556,845	

TOWN OF SORRENTO, LOUISIANA
GENERAL FUND REVENUES
June 30, 2017

	2016						% CHANGE ORIGINAL VS. PROPOSED	2017	
	ORIGINAL ADOPTED	ACTUAL JAN. 2016	ESTIMATED REMAINING	TOTAL ESTIMATED	MAY AMENDMENT	PROPOSED BUDGET		PROJECTED	% CHANGE 2016 PROPOSED VS. 2017 PROJECTED
REVENUES									
Taxes									
Sales and use	\$ 500,000	\$ 316,879	\$ 208,121	\$ 525,000	\$ 15,000	\$ 515,000	3%	\$ 515,000	0%
Franchise	85,000	66,106	18,894	85,000	10,000	95,000	12%	95,000	0%
Ad valorem	62,000	58,265	3,735	62,000	-	62,000	0%	62,000	0%
Beer	2,500	1,138	1,362	2,500	-	2,500	0%	2,500	0%
Fines									
Court costs	-	33	17	50	-	-	100%	-	0%
Fines	-	700	300	1,000	1,000	1,000	100%	1,000	0%
Licenses and permits									
Beer & liquor	-	-	-	-	1,100	1,100	100%	10,000	809%
Occupational	75,000	30,400	44,600	75,000	20,000	95,000	27%	95,000	0%
Permits	500	175	125	300	-	500	0%	500	0%
Intergovernmental									
Capital grants	-	10,000	-	10,000	10,000	10,000	100%	-	-100%
Operating grants	-	14,153	-	14,153	14,200	14,200	100%	-	-100%
Charges for services									
Grass cutting	10,300	5,155	5,155	10,310	-	10,300	0%	10,300	0%
Planning & zoning fees	500	365	261	626	-	500	0%	700	40%
Interest income	-	16	11	27	-	-	100%	-	0%
Proceeds from capital leases	-	-	-	-	190,000	190,000	100%	-	-100%
Proceeds from sale of assets	-	11,885	-	11,885	11,885	11,885	100%	-	-100%
Proceeds from sale of right of way	-	-	126,250	126,250	126,250	126,250	100%	-	-100%
Miscellaneous	-	-	-	-	-	-	100%	-	0%
Total revenues	\$ 735,800	\$ 515,270	\$ 408,831	\$ 924,101	\$ 399,435	\$ 1,135,235	54%	\$ 792,000	-30%

TOWN OF SORRENTO, LOUISIANA
GENERAL FUND EXPENDITURES
June 30, 2017

	2016						% CHANGE ORIGINAL VS. PROPOSED	2017	
	ORIGINAL ADOPTED	ACTUAL Jan 2016	ESTIMATED REMAINING	TOTAL ESTIMATED	MAY AMENDMENT	PROPOSED BUDGET		PROJECTED	% CHANGE 2016 PROPOSED VS. 2017 PROJECTED
EXPENDITURES									
General government									
Payroll									
Administrative	\$ 82,000	\$ 50,383	\$ 35,988	\$ 86,371	\$ 4,500	\$ 86,500	5%	\$ 86,900	0%
Social Security	5,100	3,096	2,211	5,307	200	5,300	4%	5,400	2%
Medicare	1,200	724	517	1,241	-	1,200	0%	1,300	8%
Retirement (22.75%)	-	-	-	-	-	-	0%	10,500	100%
Insurance									
Liability	9,750	4,659	5,091	9,750	-	9,750	0%	9,750	0%
Property & bonds	2,300	2,082	218	2,300	-	2,300	0%	2,300	0%
Workers comp	1,100	736	364	1,100	-	1,100	0%	1,100	0%
Office									
Repair & maintenance	2,500	2,721	1,944	4,665	2,000	4,500	80%	2,500	-44%
Utilities	4,800	2,730	1,950	4,680	-	4,800	0%	4,800	0%
Supplies	5,000	3,502	2,501	6,003	-	5,000	0%	5,000	0%
Telephone & communications	3,000	1,212	866	2,078	-	3,000	0%	3,000	0%
Planning & zoning	100	140	100	240	150	250	0%	100	-60%
Fuel	400	-	-	-	-	400	0%	400	0%
Dues	-	783	-	783	800	800	0%	800	0%
Other	2,500	4,502	3,216	7,718	-	2,500	0%	2,500	0%
Professional services									
Attorney fees	10,000	6,053	4,324	10,377	-	10,000	0%	10,000	0%
Engineering fees	7,500	-	-	-	(7,500)	-	-100%	-	0%
Accounting fees	45,000	29,575	21,125	50,700	-	45,000	0%	45,000	0%
Building inspector	-	-	-	-	-	-	0%	10,000	100%
Other - Ordinance Codification	750	-	-	-	-	750	0%	-	-100%
Tourism & promotion	-	1,111	794	1,905	6,000	6,000	100%	5,000	-17%
Conventions & training	2,500	1,023	731	1,754	-	2,500	100%	2,500	0%
Capital outlay - equipment	-	20,899	-	20,899	21,000	21,000	100%	4,000	-81%
Capital outlay - buildings	-	-	-	-	-	-	0%	8,000	100%
Miscellaneous	400	-	-	-	-	400	0%	400	0%
Total general government	\$ 185,900	\$ 135,931	\$ 49,969	\$ 185,900	\$ 27,150	\$ 213,050	15%	221,250	4%

TOWN OF SORRENTO, LOUISIANA
GENERAL FUND EXPENDITURES
June 30, 2017

	2016							2017	
	ORIGINAL ADOPTED	ACTUAL Jan 2016	ESTIMATED REMAINING	TOTAL ESTIMATED	MAY AMENDMENT	PROPOSED BUDGET	% CHANGE ORIGINAL VS. PROPOSED	PROJECTED	% CHANGE 2016 PROPOSED VS. 2017 PROJECTED
Public safety									
Payroll									
Judge's supplemental pay	\$ 3,000	\$ 1,699	\$ 1,214	\$ 2,913	\$ -	\$ 3,000	0%	\$ 2,950	-2%
Social security	200	-	-	-	(200)	-	-100%	-	0%
Medicare	50	-	-	-	(50)	-	-100%	-	0%
Unemployment wages	-	247	176	423	-	-	100%	-	0%
Judge's retirement	950	667	476	1,143	200	1,150	21%	1,150	0%
Operating									
Contract expense	354,000	206,600	147,571	354,171	-	354,000	100%	354,000	0%
Telephone	-	2,045	1,461	3,506	3,500	3,500	100%	3,500	0%
Utilities	-	890	636	1,526	1,500	1,500	100%	1,500	0%
Total public safety	\$ 358,200	\$ 212,148	\$ 146,052	\$ 358,200	\$ 4,950	\$ 363,150	1%	\$ 363,100	0%

TOWN OF SORRENTO, LOUISIANA
GENERAL FUND EXPENDITURES
June 30, 2017

	2016							2017	
	ORIGINAL ADOPTED	ACTUAL Jan 2016	ESTIMATED REMAINING	TOTAL ESTIMATED	MAY AMENDMENT	PROPOSED BUDGET	% CHANGE ORIGINAL VS. PROPOSED	PROJECTED	% CHANGE 2016 PROPOSED VS. 2017 PROJECTED
Highways and streets									
Payroll									
Maintenance	\$ 85,000	\$ 38,497	\$ 27,498	\$ 65,995	\$ -	\$ 85,000	0%	\$ 89,500	5%
Social security	5,300	2,035	1,454	3,489	-	5,300	0%	5,500	4%
Medicare	1,200	910	650	1,560	-	1,200	0%	1,300	8%
Insurance									
Auto	1,000	1,502	-	1,502	500	1,500	50%	1,500	0%
Liability	5,000	3,565	1,435	5,000	-	5,000	0%	5,000	0%
Workers comp	3,000	2,247	753	3,000	-	3,000	0%	3,000	0%
Maintenance									
Fuel	10,000	4,388	3,134	7,522	(2,000)	8,000	-20%	8,000	0%
Equip maint & repairs	5,000	8,587	6,134	14,721	10,000	15,000	200%	3,000	-80%
Supplies	4,000	4,013	2,866	6,879	3,000	7,000	75%	4,000	-43%
Telephone	600	341	244	585	-	600	0%	600	0%
Utilities	2,500	1,336	954	2,290	-	2,500	0%	2,500	0%
Street lights	38,000	13,936	9,954	23,890	(13,000)	25,000	-34%	25,000	0%
Engineering fees	-	-	-	-	1,500	1,500	0%	6,000	300%
Animal control	7,500	5,175	3,696	8,871	1,000	8,500	13%	8,000	-6%
Road maint & repairs	5,000	1,500	1,071	2,571	-	5,000	100%	5,000	0%
Drainage maint & repairs	-	4,000	-	4,000	4,000	4,000	100%	-	-100%
Debt service - lease payments	-	-	-	-	10,000	10,000	0%	40,000	300%
Capital outlay - equipment	-	-	-	-	190,000	190,000	100%	-	-100%
Total highway and streets	\$ 173,100	\$ 92,032	\$ 81,068	\$ 173,100	\$ 205,000	\$ 378,100	118%	\$ 207,900	-45%
Total general fund expenses	\$ 717,200	\$ 440,111	\$ 277,089	\$ 717,200	\$ 237,100	\$ 954,300	33%	\$ 792,250	-17%

TOWN OF SORRENTO, LOUISIANA
Restricted Fund
June 30, 2017

	2016							2017	
	ORIGINAL ADOPTED	ACTUAL JAN 16	ESTIMATED REMAINING	TOTAL ESTIMATED	MAY AMENDMENT	PROPOSED BUDGET	% CHANGE ORIGINAL VS. PROPOSED	PROJECTED	% CHANGE 2013 PROPOSED VS. 2014 PROJECTED
REVENUES									
Sales Tax									
Fire Department	\$ 30,000	\$ 18,640	\$ 13,314	\$ 31,954	\$ 750	\$ 30,750	3%	\$ 30,750	0%
Recreation	30,000	18,640	13,314	31,954	750	30,750	3%	30,750	0%
Senior Citizens	30,000	18,640	13,314	31,954	750	30,750	3%	30,750	0%
Interest	300	205	146	351	-	300	0%	300	0%
Other	-	741	-	741	-	-	0%	750	100%
Total revenues	90,300	56,866	40,089	96,955	2,250	92,550	2%	93,300	1%
EXPENSES									
Restricted									
Recreation									
Capital outlay - Comm. Center	18,000	53,250	-	53,250	35,500	53,500	197%	17,000	-68%
Operating expenses	12,000	13,991	9,994	23,985	13,000	25,000	108%	12,000	-52%
Senior citizens	25,000	14,103	10,074	24,177	-	25,000	0%	25,000	0%
Fire department									
Operating expenses	45,000	48,183	21,817	70,000	25,000	70,000	56%	50,000	-29%
Hydrant maintenance	6,000	1,042	4,958	6,000	-	6,000	0%	6,000	0%
Total expenses	106,000	130,569	46,842	177,411	73,500	179,500	69%	110,000	-39%
TRANSFER IN - GENERAL FUND	20,000	10,000	10,000	20,000	-	20,000	0%	20,000	0%
TRANSFER OUT - GF - DEBT SERVICE	-	-	(1,500)	(1,500)	(1,500)	(1,500)	100%	(6,000)	300%
TRANSFER OUT - GF - LAW ENF.	(27,000)	-	-	-	27,000	-	-100%	-	0%
Excess (deficit) of revenues and other financing sources over expenditures	(22,700)	(63,703)	1,747	(61,956)	(45,750)	(68,450)	202%	(2,700)	
FUND BALANCE									
Beginning of year	333,512					333,512		265,062	
End of year	<u>\$ 310,812</u>					<u>\$ 265,062</u>		<u>\$ 262,362</u>	

PROPRIETARY FUND - UTILITY FUND
PROPRIETARY FUND - UTILITY FUND
June 30, 2017

	2016						% CHANGE ORIGINAL VS. PROPOSED	2017	
	ORIGINAL ADOPTED	ACTUAL JAN 2016	ESTIMATED REMAINING	TOTAL ESTIMATED	MAY AMENDMENT	PROPOSED BUDGET		PROJECTED	% CHANGE 2015 PROPOSED VS. 2016 PROJECTED
REVENUES									
Charges for services									
Garbage	\$ 110,000	\$ 64,660	\$ 46,186	\$ 110,846	\$ 500	\$ 110,500	0%	\$ 112,000	1%
Garbage - return fee	500	985	704	1,689	1,000	1,500	0%	500	-67%
Sewer	54,000	33,090	23,636	56,726	2,000	56,000	0%	56,000	0%
Water franchise fees	3,000	1,438	1,027	2,465	(500)	2,500	0%	2,500	0%
Bad debts recoveries	-	1,895	1,354	3,249	-	-	0%	-	0%
Penalties	500	2,251	1,608	3,859	-	500	0%	500	0%
Total Revenues	168,000	104,319	74,514	178,833	3,000	171,000	0%	171,500	0%
EXPENSES									
General & administrative									
Billing supplies	3,500	2,043	1,459	3,502	-	3,500	0%	3,500	0%
Postage	1,500	1,014	724	1,738	250	1,750	0%	1,500	-14%
Dues and memberships	-	300	-	300	300	300	100%	300	0%
Sewer									
System repairs	15,000	3,226	2,304	5,530	(7,500)	7,500	0%	-	-100%
System maintenance	20,000	15,723	11,231	26,954	7,500	27,500	0%	30,000	100%
Utilities - electricity	10,000	5,834	4,167	10,001	-	10,000	0%	10,000	0%
Engineering	5,000	-	-	-	(3,500)	1,500	0%	6,000	300%
Grant consultant	3,000	-	-	-	(3,000)	-	0%	3,000	100%
Other	500	25	18	43	(450)	50	0%	-	-100%
Garbage									
Garbage service	100,000	59,114	42,224	101,338	1,000	101,000	0%	102,500	1%
Other	1,000	-	-	-	-	1,000	0%	1,000	0%
Depreciation	85,000	49,583	35,416	84,999	-	85,000	0%	85,000	0%
Total expenses	244,500	136,862	97,544	234,406	(5,400)	239,100	0%	242,800	2%
Net income (loss)	(76,500)	(32,543)	(23,031)	(55,574)	8,400	(68,100)	0%	(71,300)	5%
Other income (expenses)									
Interest income	-	8	6	14	-	-	0%	-	0%
Bank service charges	(1,000)	25	18	43	900	(100)	0%	(250)	150%
Total non-operating income	(1,000)	33	24	57	900	(100)	100%	(250)	150%
Excess revenue over (under) expenditures	(77,500)	(32,510)	(23,007)	(55,517)	9,300	(68,200)		(71,550)	
OTHER FINANCING SOURCES									
TRANSFER OUT - GF - DEBT SERVICE	-	-	(1,500)	(1,500)	(1,500)	(1,500)	100%	(6,000)	300%
Net income (loss) transferred to retained earnings	(77,500)	(32,510)	(24,507)	(57,017)	7,800	(69,700)		(77,550)	
FUND BALANCE									
Beginning of year	1,394,799					1,394,799		1,325,099	
End of year	\$ 1,317,299					\$ 1,325,099		\$ 1,253,549	

**Town of Sorrento
Capital outlay budget - 2016/2017**

	Mayor's Proposed Budget	Grant Funding
	<hr/>	<hr/>
General fund:		
Admin:		
Town hall improvements	\$ 8,000	\$ -
Upgrade phone system & computer technology	4,000	-
	<hr/>	<hr/>
	12,000	-
	<hr/> <hr/>	<hr/> <hr/>
Recreation:		
Community Center - security equipment	5,000	-
Community Center - lawn mower	12,000	-
	<hr/>	<hr/>
	17,000	-
	<hr/> <hr/>	<hr/> <hr/>
Total capital outlay expenses	<hr/> <hr/> 29,000	<hr/> <hr/> -
Net paid by the Town		<hr/> <hr/> 29,000