



## Memorandum

**TO:** EDC Finance Committee and the EDC Board

**DATE:** July 18, 2018

**FROM:** James Rossio (reviewed previously by Mark Huey)

**SUBJECT:** June 2018 Financials

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### *Overview*

At June month-end, the EDC year-to-date Net Revenues/ (Loss) from Operations is \$24,567. This tracked approximately \$33,521 better than budget of \$(8,954). The year-end net revenue position is expected to be breakeven, as major expenses are incurred for the website and other economic development expenses.

### *Balance Sheet*

At June month-end, our net assets totaled \$398,786, compared to beginning of year net assets of \$374,219. Deferred revenues associated with investor membership revenues have now surpassed the prior year by approximately \$37,000 as the pace of billing and collecting revenue since the beginning of the year has increased. Total investor dues cash collections are \$292,583 through June, compared to \$250,750 the prior year.

### *Revenue*

Total year-to-date Private Revenues (per GAAP, not cash) of \$428,702 are approximately \$91,770 below June year-to-date budget of \$520,472. Two factors attribute to the private revenue variance, unrealized Investor Initiative goals and In-Kind activity (pace) slower than expected. By year end, total Private revenue is estimated to be lower than budgeted by approximately \$110,000. Total year-to-date public revenues of \$778,479 are better than budget by \$7,679 compared to the year-to-date budget of \$770,800. Public revenue year end projection is expected to be in line with the budget.

Key highlights:

- Private Investor Revenue year-to-date of \$240,708 is trailing \$99,259 behind the year-to-date budget of \$339,967. Per discussion at the December Board Meeting, the ambitious Private Investor goals of attaining \$150,000 of new and upgraded investor revenue, established for the budget last summer will not be achieved for reasons outside of the EDC's control.
- Private Events Revenue of \$115,542 exceeds the budget of \$47,505 by \$68,037, due to the Annual Meeting rescheduling from last year and the unbudgeted Arts Mean Business event.
- In-Kind Revenue of \$44,794 are below budget by \$43,206, with a year-to-date budget of \$88,000. Year-end In-Kind revenues are projected to be in-line with the budget.

***Expenses***

Total year-to-date operating expenses of \$1,173,543 are tracking \$103,433 below year-to-date budget of \$1,276,976, as detailed in the key highlights below. Overall, discretionary program spending is being managed to accommodate revenue variances.

Key highlights:

- Full staffing was attained on October 23, 2017. Additional staffing expenses have been incurred to facilitate the onboarding of new economic development staff by our now retired V.P. of Business Development.
- Community Investor Relations event expenses are tracking higher than budgeted due to the Annual Meeting and Arts Mean Business events, noted above.
- Business Attraction expenditures are lagging budget as our new Economic Development team focuses first on serving local businesses and refreshing key marketing tools, including complete redevelopment of the EDC website, now in its beginning stages.

Schedule 2  
 ECONOMIC DEVELOPMENT CORPORATION OF SARASOTA COUNTY  
 Supplemental Schedule of Activities Compared to Budget  
 For the Current Month and Nine Months Ending June 30, 2018

	Total Annual Budget	Current Month Actual	Current Month Budget	Year to Date Actual	Year to Date Budget
<b>REVENUE</b>					
<b>Private Revenues</b>					
Investors	469,140	30,028	41,909	240,708	339,967
Events/Sponsors	100,290	1,500	0	115,542	47,505
Film-Entertainment/Other	15,000	2,500	1,250	12,658	11,250
Grants	35,000	0	2,083	0	18,750
Fee for Service	20,000	1,667	1,667	15,000	15,000
In Kind Revenue	153,000	19,569	0	44,794	88,000
<b>Total Private Revenues</b>	<b>792,430</b>	<b>55,263</b>	<b>46,909</b>	<b>428,702</b>	<b>520,472</b>
<b>Public Revenue</b>	<b>1,040,300</b>	<b>79,255</b>	<b>81,400</b>	<b>778,479</b>	<b>770,800</b>
<b>Total Revenues</b>	<b>1,832,730</b>	<b>134,518</b>	<b>128,309</b>	<b>1,207,181</b>	<b>1,291,272</b>
<b>EXPENSES</b>					
Business Retention & Expansion	333,140	27,720	22,255	207,130	240,936
Entrepreneur Support	104,103	6,124	7,958	60,218	73,726
Business Attraction	302,385	16,523	20,725	151,118	219,719
Business Climate Initiatives	196,458	20,158	14,073	141,507	140,196
Film Office	313,938	17,143	22,191	209,927	206,042
Strategic Plan Initiatives	79,037	4,998	6,179	54,464	58,055
Public Education/Leadership	105,428	8,531	8,193	72,912	77,293
<b>Total ED Programs</b>	<b>1,434,489</b>	<b>101,198</b>	<b>101,574</b>	<b>897,277</b>	<b>1,015,968</b>
Community Investor Relations	256,057	13,517	13,039	186,790	175,704
Administration	116,184	8,308	9,070	89,476	85,304
<b>Total Other Expenses</b>	<b>372,241</b>	<b>21,825</b>	<b>22,109</b>	<b>276,266</b>	<b>261,008</b>
<b>Total Operating Expenses</b>	<b>1,806,730</b>	<b>123,023</b>	<b>123,683</b>	<b>1,173,543</b>	<b>1,276,976</b>
Investor Initiative	15,000	0	0	0	15,000
Extraordinary	0	0	0	646	0
Depreciation	11,000	936	917	8,425	8,250
<b>Net Revenue/Loss Operations</b>	<b>0</b>	<b>10,559</b>	<b>3,709</b>	<b>24,567</b>	<b>-8,954</b>

ECONOMIC DEVELOPMENT CORPORATION OF SARASOTA COUNTY  
Statement of Activities Compared to Budget  
For the Current Month and Nine Months Ending June 30, 2018

	Current Month	Year to Date	Year to Date Budget	Total Annual Budget
<b>REVENUE</b>				
<b>Private Revenues</b>				
Investors	30,028	240,708	339,967	469,140
Events/Sponsors	1,500	115,542	47,505	100,290
Film-Entertainment/Other	2,500	12,658	11,250	15,000
Grants	0	0	18,750	35,000
Fee for Service	1,667	15,000	15,000	20,000
In Kind Revenue	19,569	44,794	88,000	153,000
<b>Total Private Revenues</b>	<b>55,263</b>	<b>428,702</b>	<b>520,472</b>	<b>792,430</b>
<b>Public Revenues</b>				
Public Revenue	79,255	778,479	770,800	1,040,300
<b>Total Revenues</b>	<b>134,518</b>	<b>1,207,181</b>	<b>1,291,272</b>	<b>1,832,730</b>
<b>EXPENSES</b>				
<b>Business Retention &amp; Expansion</b>				
Staff	14,815	137,892	145,116	198,579
Occupancy	1,515	13,420	13,973	18,631
Marketing	923	17,028	22,096	38,261
Business Intelligence	1,269	2,214	4,500	6,000
Initiatives	0	1,400	3,000	4,000
Regional Initiatives	470	3,285	5,625	7,500
IT / Other Administration	899	12,068	12,021	16,028
Organizational Development	0	1,235	1,606	2,141
Bus Retention In Kind	7,828	18,586	33,000	42,000
<b>Total Business Retention</b>	<b>27,720</b>	<b>207,130</b>	<b>240,936</b>	<b>333,140</b>
<b>Entrepreneur / Growth Company Support</b>				
Staff	4,572	37,319	39,926	54,636
Occupancy	448	4,209	4,268	5,690
Communications/Marketing	580	10,448	13,163	21,950
Programs	250	4,098	12,188	16,250
IT / Other Administration	275	3,800	3,671	4,895
Organizational Development	0	344	511	681
<b>Total Entrepreneur Growth</b>	<b>6,124</b>	<b>60,218</b>	<b>73,726</b>	<b>104,103</b>

Economic Development Corporation of Sarasota County  
**FY 2019 Budget Overview & Economic Development Trust Fund Reimbursement**

**Preliminary  
 Budget  
 FYE 2019**

<b>Private Revenues</b>	
Investors	390,548
Events/ Sponsors	108,500
Fee for Services	20,000
Film/ Other	17,722
In kind	153,000
Grants	-
EDC Foundation	10,000
<b>Total Private Revenues</b>	<b>699,770</b>
<b>Public Revenues</b>	
Local Business Tax	492,000
Per Capita	407,260
Tourist Development/ Film	125,000
Other - Interest/Fund Balance	20,740
<b>Total Public Revenues</b>	<b>1,045,000</b>
<b>Total Revenues</b>	<b>1,744,770</b>

Economic Development Management Services	1,022,232		1,224,506
Occupancy	110,275		85%
Administration	92,000		
Economic Dev & Other Expenditures	316,981		1,045,000 reimbursement
In Kind	153,000		
Investor Initiative	-		
Retained for Reserves	50,282		
<b>Total Expense</b>	<b>1,744,770</b>		