



MEMORANDUM

DATE: December 3, 2013
TO: Honorable Mayor and City Council Members
VIA: Judie Zimomra, City Manager
FROM: Sylvia Edwards, Finance Director
Steven Chaipel, Accounting Operations Manager
SUBJECT: Statement of Sewer Fund Revenues and Expenses – Budget to actual
October 1, 2012 through September 30, 2013 (Unaudited)

As Council has requested, attached is the budget-to-actual report for the Sewer Fund for the period from October 1, 2012 through September 30, 2013.

The report is in the format presented in the City's annual Comprehensive Annual Financial Report (CAFR), with an added column showing the percentage of the relative item to its annual budget. Both reports are prepared on a budgetary basis, which may not conform to generally accepted accounting practices (GAAP) as the CAFR does. The budgetary basis is used to assist in clearly identifying categories not meeting budget expectations.

The letters to the right of the percentage column identify variances +/- 5% from the percentage of the fiscal year completed through September 30, 2013 (100%) at the revenue grouping and functional expense levels. Explanations are included for these variances following each report, as well as charts for analytical purposes.

CITY OF SANIBEL, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
SEWER FUND BUDGET AND ACTUAL (UNAUDITED)
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2013

Percent of Fiscal Year Completed 100.00%

	Non-GAAP Basis			Principal Collections (Payments)	Variance with Amended Budget Positive (Negative)	Percent of Actual to Amended Budget
	Budget		Actual			
	Original	Amended				
Revenues						
Ad Valorem Taxes	\$ 982,524	\$ 949,018	\$ 949,124	\$ -	\$ 106	100.01%
Sewer User Fees	5,891,068	5,747,037	5,754,837	-	7,800	100.14%
Sale of Treated Effluent	260,000	264,542	251,927	-	(12,615)	95.23%
Fines and forfeitures	20,000	20,000	20,883	-	883	104.42%
Miscellaneous*	156,999	190,719	207,827	-	17,108	108.97%
Special Assessments	838,166	838,166	281,042	836,571	279,447	133.34%
Total revenues	<u>8,148,757</u>	<u>8,009,482</u>	<u>7,465,640</u>	<u>836,571</u>	<u>292,729</u>	103.65% A
Expenses						
Physical Environment						
Personnel Services	1,691,553	1,575,526	1,531,092	-	44,434	97.18%
Operating Expenses	2,749,245	2,699,837	2,221,211	-	478,626	82.27%
Capital Outlay	280,000	336,880	113,719	-	223,161	33.76%
Total General government	<u>4,720,798</u>	<u>4,612,243</u>	<u>3,866,022</u>	<u>-</u>	<u>746,221</u>	83.82% B
Non-Operating Revenues (Expenses)						
Capital Contributions	-	-	139,047	-	(139,047)	N/A
Reserve for Undercollection of Revenue	(39,301)	-	-	-	-	0.00%
Debt Service	(3,473,296)	(4,023,296)	(927,295)	(3,096,001)	-	100.00%
Reserve for Disasters	(100,000)	(100,000)	-	-	(100,000)	0.00%
Total Non-Operating	<u>(3,612,597)</u>	<u>(4,123,296)</u>	<u>(788,248)</u>	<u>(3,096,001)</u>	<u>(239,047)</u>	94.20% C
Change in Net Assets	(184,638)	(726,057)	2,811,370	(2,259,430)	(692,539)	-76.02%
Principal Collections (Payments)	-	-	(2,259,430)			
Total Unrestricted Net Assets						
October 1, 2012 (Audited)	<u>323,650</u>	<u>1,940,151</u>	<u>1,940,151</u>			
September 30, 2013 (Unaudited)	<u>\$ 139,012</u>	<u>\$ 1,214,094</u>	<u>\$ 2,492,091</u>			

* Unrealized gains (losses) not included

Sewer Fund Variances

Revenues

A – The majority of ad valorem tax revenues have been collected for the fiscal year. Year to date receipts are consistent with expectations.

Other revenue totals are within budget expectations for the year, including sewer user fees, sales of treated effluent water, fines & forfeitures, and miscellaneous revenues.

Special assessments are received early in the year, as they are billed and collected by the Lee County Tax Collector. Interest collections are shown in the “Actual” column and principal collections are shown in the “Principal Collections (Payments)” column. The budget includes both principal and interest expected collections. Principal collections are shown here for budgetary comparison. Year to date, there has been significant prepayments of assessments that have increased collections over budget.

Total revenues exceeded budgeted expectations for the year ending September 30, 2013.

Revenue % Collected to Amended Budget

100% of Year Completed (Unaudited)



Expenses

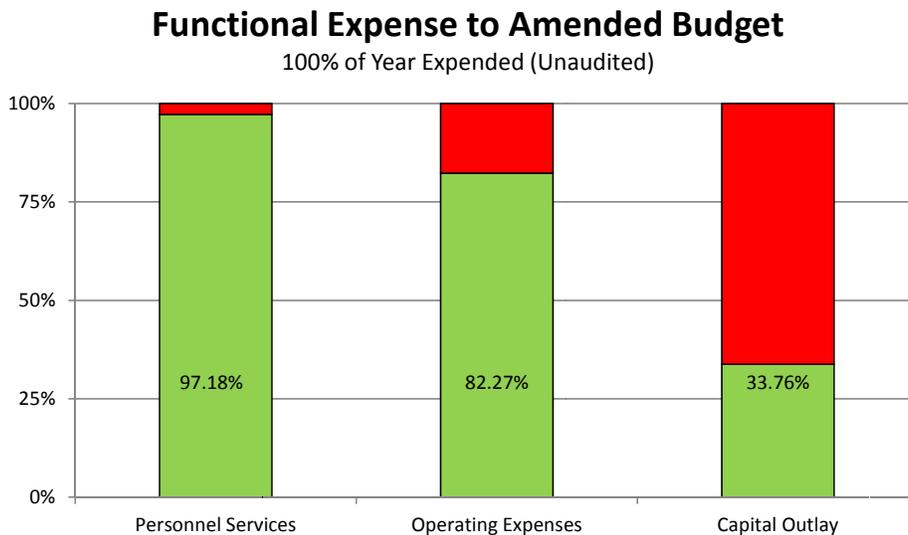
B – Operating expenses were 82.3% of budget. The most significant savings were due to 1) reductions in expected repair and maintenance expenses, which were \$158,872 under budget as of September 30, 2013 and expected to fluctuate period to period; 2) \$78,135 in funds rolled forward into FY 2013 for a sewer ground monitoring plan that was not completed in FY 2013; 3) \$75,000 in engineering services for various projects not completed in FY 2013; and 4) approximately \$65,000 savings in laboratory and other contractual services not needed in the current year. The remaining decrease to budget was comprised of other various operating accounts.

Capital outlay expenditures were under budget primarily due to certain projects not completed in FY 2013 that were rolled forward into FY 2014 (\$126,255 – see FY 2014 Adopted Budget-5 Year Capital Improvement Plan for detailed information on projects).

Non-Operating Revenues (Expenses)

C – Capital Contributions such as easements and connections/transmission fees are not budgeted due to limited buildable parcels.

The funds budgeted for disaster reserves were not needed in the period.



Functional Expense Actual \$ to Budget Comparison

