SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors **AGENDA NO. V-B**

FROM: Ed Fortner, General Manager

Meeting Date: November 7, 2019

SUBJECT: ACTUAL VS. BUDGETED (OPERATIONS AND CAPITAL) REPORT THRU SEPTEMBER 30, 2019 (25%)

RECOMMENDED ACTION:
(Discussion item only.)

FISCAL IMPACT:
(None.)

DISCUSSION:

This report presents the 1st quarter actual revenues and expenses. This comprises 25% of the year by time and so we compare the revenues and expenses to that standard.

Operating Budget:

1Q Revenue is slightly greater than 25% of budgeted amount.

Water Sales, the largest revenue line item, came in at just 0.3% ahead of the 25% schedule. Seasonal fluctuations typically render first quarter water sales higher than other quarters due to higher sales for outside watering and greater visitor activity during the warmer weather, so it will be interesting to see if Water Sales can meet budgeted amounts this year. In terms of the units of water sold this year's sales are 3.7% lower than last year.

Overall revenues are slightly above budgeted amounts, largely due to unexpected income from a customer-requested meter relocation.

1Q Expenditures are higher than 25% of budgeted amount.

1Q expenditures are 2.3% higher than budgeted. This is partially expected as certain District bills -- such as insurance -- are paid in full at the beginning of the fiscal year. This District also pays the PERS

mandatory unfunded liability (UL) payment totalling $55,451 in full at the beginning of the fiscal year rather than in monthly installments.

For more detail on all the budget line items, please refer to the attached Actual vs. Budgeted breakdown provided with your packet.

Capital Budget:

The 1Q Capital Budget (Table 2) is typical for the 1st Quarter - most revenues won't come in until later in the year and remaining 2019 CIP expenses are paid when billed and not on any regular schedule.

Revenue from the annual assessment, Capital Debt Reduction Charge (CDRC) and transfers to in-house construction won't be happening until later in the fiscal year.

Major 1st Quarter expenses are for initial payments for GO Bonds, the Capital One Bank Bond, the USDA GO bond, State Loans, and the Private Placement Loan.

The 2019 CIP construction costs were budgeted and appropriated in FY19 but some of its construction expenses occur in this fiscal year.

FUNDS AT THE COUNTY

Attached is the County Fund Balances for the 1st Quarter. At the last Board meeting staff presented a revised County Fund Balance format for FY 2019-20. To summarize what was discussed last meeting, this year staff has moved all policy reserves to a single fund, with the exception of contributions to PARS, CERBT and the balance of the Building Fund. Policy reserve accounts are colored orange. Further, staff has added a column for our GO Bond account at WestAmerica bank so that all of our debt accounts are included on this worksheet for FY 2019-20

Funds at the County show typical activity for the 1st quarter of the year.

Sweetwater Springs Water District
FY 2019-20 Operating Budget Variances as of September 30, 2019 (25%)

Note: Document is cumulative. Changes to text made from previous reports are *'d in the "Changed" column and underlined.

	FY 2019-20 Actual	2019-20 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Changed
Ordinary Income/Expense						
Income						
OPERATING REVENUE						
4031 · Water Sales						
4031.10· Base Rate	398,577	1,644,824	-1,246,247	24.23%		
4031.11· Current Charges	180,946	633,846	-452,900	28.55%		
4031.12· Capital Debt Reduction Charge	73,209	296,383	-223,174	24.7%		
4031.1 · Other Water Sales Revenue	0	0	0	0.0%		
Total 4031 · Water Sales	652,732	2,575,053	-1,922,321	25.35%	This is a cash water sales figure.	*
Total OPERATING REVENUE	652,732	2,575,053	-1,922,321	25.35%		
NON-OPERATING REVENUE						
1700 · Interest	4,558	8,000	-3,442	56.97%	-	
3600 · Construction New Services	1,362	7,000	-5,638	19.46%		
3601 · Construction - Service Upgrades	4,406	3,000	1,406	146.88%		
4032 · Rent	30,510	105,000	-74,490	29.06%		
4227 · SCWA reimbursement	2,995	0	2,995	100.0%		
4040 · Miscellaneous Income	5,183	1,500	3,683	345.55%	In the 1Q, the District received $4,202 for a meter relocation at a customer's request.	*
Total NON-OPERATING REVENUE	49,014	124,500	-75,486	39.37%		
Total Income	701,746	2,699,553	-1,997,807	26.0%		
Expense						
OPERATING EXPENSES						
SALARY & BENEFITS						
Salary						
5910 · Wages	205,668	903,046	-697,378	22.78%	-	
5912 · Overtime	5,684	34,307	-28,623	16.57%		
5916 · On-Call Pay	8,415	34,950	-26,535	24.08%		
5918 · Extra help - Contract	9,386	34,100	-24,714	27.52%		
Total Salary	229,153	1,006,403	-777,250	22.77%		
Benefits						
5500 · Flex Spending (Flex spending monies p	113	0	113	100.0%		
5920 · Retirement net employee share	17,946	95,927	-77,981	18.71%	This item was likely overbudgeted this year.	*
5920.4 · Retirement - UL Mandatory	55,451	55,451	0	100.0%	In the 1Q, the mandatory UL payment was paid for the year.	
5920.5 · Retirement - UL Extra payment	0	64,549	-64,549	0.0%	-	
5922 · Payroll Taxes - Employer Paid	3,082	16,761	-13,679	18.39%		
5930 · Health/Dental/Vision/AFLAC Ins.	54,546	237,000	-182,454	23.02%		
5931 · Retiree Health	4,224	7,680	-3,456	55.0%	In the 1Q, annual contribution to CERBT ($3,000) made.	*
5941 · Life insurance - GM	1,000	0	1,000	100.0%	-	
5940 · Workers Comp Insurance	31,969	37,000	-5,031	86.4%	In the 1Q, workers' compensation insurance was paid for the year.	*
Total Benefits	168,331	514,368	-346,037	32.73%		
Total SALARY & BENEFITS	397,483	1,520,771	-1,123,288	26.14%		
SERVICES & SUPPLIES						
Communications						
6040-I · Internet service	658	2,350	-1,692	27.98%		
6040-C · Cell Phones	1,025	4,900	-3,875	20.92%		
6040-P · Pagers & Radios	1,777	680	1,097	261.27%	In the 1Q, the District had unbudgeted maintenance work done on the radios ($1,588)	*
6040-T · Telephones	6,857	22,900	-16,043	29.95%	-	
Total Communications	10,316	30,830	-20,514	33.46%		

Sweetwater Springs Water District
FY 2019-20 Operating Budget Variances as of September 30, 2019 (25%)

Note: Document is cumulative. Changes to text made from previous reports are *'d in the "Changed" column and underlined.

	FY 2019-20 Actual	2019-20 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Changed
Insurances						
6101 · Gen. Liability	45,214	44,000	1,214	102.76%	(In the 1Q, paid for the year. Underbudgeted this year.)	*
Total Insurances	45,214	44,000	1,214	102.76%		
Maint/Rep - Office & Vehicles						
6140 · Vehicle Maintenance	1,898	21,000	-19,102	9.04%	-	
6151 · Office Maintenance	1,195	6,000	-4,805	19.91%		
Total Maint/Rep - Office & Vehicles	3,093	27,000	-23,907	11.46%		
Maint/Repair - Facilities						
6085 · Janitorial Services	1,465	8,800	-7,335	16.65%		
6100 · SCADA system	1,248	5,000	-3,752	24.96%		
6180 · Distribution System Repairs	13,986	50,000	-36,014	27.97%	-	
6235 · Treatment Sys/Well Repairs	4,009	50,000	-45,991	8.02%	-	
6143 · Generator Maintenance	5	1,000	-995	0.51%		
Total Maint/Repair - Facilities	20,713	114,800	-94,087	18.04%		
Miscellaneous Expenses						
6280 · Memberships	805	12,020	-11,215	6.7%		
6303 · Claims	0	1,500	-1,500	0.0%		
6593 · Governmental Fees	7,338	15,000	-7,662	48.92%	-	
Total Miscellaneous Expenses	8,143	28,520	-20,377	28.55%		
Office Expense						
6410 · Postage	6,230	17,000	-10,770	36.65%		
6430 · Printing Expense	2,285	7,500	-5,215	30.47%	-	
6461 · Office Supplies	627	6,000	-5,373	10.45%	-	
6800 · Subscriptions/Legal Notices	830	1,100	-270	75.49%		
6890 · Computers/Software	405	2,500	-2,095	16.2%		
Total Office Expense	10,378	34,100	-23,722	30.43%		
Operating Supplies						
6300 · Chemicals	9,256	20,000	-10,744	46.28%	-	
6880 · Tools and Equipment	1,543	7,000	-5,457	22.04%		
6881 · Safety Equipment	80	1,200	-1,120	6.63%		
Total Operating Supplies	10,878	28,200	-17,322	38.58%		
Professional Services						
6514 · Lab/Testing Fees	4,618	12,500	-7,882	36.95%		
6570 · Consultant Fees	12,500	58,000	-45,500	21.55%	-	
6610 · Legal	3,672	20,000	-16,328	18.36%	-	
6630 · Audit/Accounting	5,140	42,000	-36,860	12.24%	In the 1Q, the District changed credit card processing banks at a considerable cost savings., which will leave this line item overbudgeted this year.	*
Total Professional Services	25,930	132,500	-106,570	19.57%		
Rents & Leases						
6820 · Equipment	303	3,300	-2,997	9.18%		
6840 · Building & Warehouse	9,930	29,790	-19,860	33.33%	1Q Bldg. rent paid thru October.	*
Total Rents & Leases	10,233	33,090	-22,857	30.92%		
Transportation & Travel						
7120 · Seminars & related travel	458	3,650	-3,192	12.54%		
7201 · Vehicle Gas	6,067	20,000	-13,933	30.33%		
7300 · Travel Reimbursements	2,775	7,400	-4,625	37.5%		
Total Transportation & Travel	9,299	31,050	-21,751	29.95%		

Sweetwater Springs Water District
FY 2019-20 Operating Budget Variances as of September 30, 2019 (25%)

Note: Document is cumulative. Changes to text made from previous reports are *'d in the "Changed" column and underlined.

	FY 2019-20 Actual	2019-20 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Ch ged
Uniforms						
6021.1 · Boots	685	1,500	-815	45.67%		
6021.3 · T-shirts	1,432	1,800	-368	79.58%	In the 1Q, t-shirts were purchased for the year.	*
6021.4 · Jackets	0	240	-240	0.0%		
Total Uniforms	2,117	3,540	-1,423	59.82%		
Utilities						
7320 · Electricity	35,271	110,000	-74,729	32.07%	-	
7321 · Propane	745	3,000	-2,255	24.83%		
Total Utilities	36,016	113,000	-76,984	31.87%		
Total SERVICES & SUPPLIES	192,332	620,630	-428,298	30.99%		
Total OPERATING EXPENSES	589,815	2,141,401	-1,551,586	27.54%		
FIXED ASSET EXPENDITURES						
8511.1 · Tank/Facilities Sites	1,390	24,000	-22,610	5.79%		
8511.2 - Leasehold Improvements	0	0	0	0.0%		
8517 · Field/office equipment	0	0	0	0.0%	-	
8573 · Vehicles	0	0	0	0.0%	-	
Total FIXED ASSET EXPENDITURES	1,390	24,000	-22,610	5.79%		
Total Expense	591,205	2,165,401	-1,574,196	27.3%		
Net Ordinary Income	110,541	534,152	-423,611	20.7%		
Other Income/Expense						
Other Expense						
TRANSFERS TO OTHER FUNDS						
8620.7 · Tfers to CIRF for CDR Revenue	0	296,383	-296,383	0.0%		
8620.3 · Tfers to CIRF	0	190,000	-190,000	0.0%		
8620.10 · Tfers to CIRF PY Surplus Income	0	0	0	0.0%		
8620.5 · Tfers to Building Fund	0	15,000	-15,000	0.0%		
8620.2 · Tfers to In-House Constr	0	25,000	-25,000	0.0%		
Total TRANSFERS TO OTHER FUNDS	0	526,383	-526,383	0.0%	-	

Sweetwater Springs Water District
Budget vs. Actual: Capital Revenues and Expenses
July 2019 through September 2019

	Jul - Sep 19	Budget	$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
NON-OPERATING REVENUE				
1002 · Construction flat charges	6,845.60	27,000.00	-20,154.40	25.4%
1001 · CY Direct Charges	0.00	710,000.00	-710,000.00	0.0%
1061 · PY Direct Charges	-198.00	40,000.00	-40,198.00	-0.5%
1700 · Interest	8,853.78	25,000.00	-16,146.22	35.4%
Total NON-OPERATING REVENUE	15,501.38	802,000.00	-786,498.62	1.9%
Total Income	15,501.38	802,000.00	-786,498.62	1.9%
Gross Profit	15,501.38	802,000.00	-786,498.62	1.9%
Expense				
NON-OPERATING EXPENSES				
7910 · Principal - State Loans	67,116.71	146,619.00	-79,502.29	45.8%
7900 · Principal Pymt -USDA Bonds	27,622.00	98,821.00	-71,199.00	28.0%
7911 · Principal - Priv. Placemnt Loan	80,660.10	216,062.00	-135,401.90	37.3%
7912 · Principal-2013 Cap One Rev Bond	359,000.00	566,558.00	-207,558.00	63.4%
7920 · Interest expense	177,242.04			
Total NON-OPERATING EXPENSES	711,640.85	1,028,060.00	-316,419.15	69.2%
FIXED ASSET EXPENDITURES				
System Upgrades (Cap. Imp.)				
8511.25 · CIP 2019 (MRTP Filter replacement to ATEC system)	18,297.77			
Total System Upgrades (Cap. Imp.)	18,297.77			
Total FIXED ASSET EXPENDITURES	18,297.77			
Total Expense	729,938.62	1,028,060.00	-298,121.38	71.0%
Net Ordinary Income	-714,437.24	-226,060.00	-488,377.24	316.0%
Other Income/Expense				
Other Income				
TRANSFERS FROM OTHER FUNDS				
4620.2 · Tfers from Operations	0.00	486,383.00	-486,383.00	0.0%
Total TRANSFERS FROM OTHER FUNDS	0.00	486,383.00	-486,383.00	0.0%
Total Other Income	0.00	486,383.00	-486,383.00	0.0%
Net Other Income	0.00	486,383.00	-486,383.00	0.0%
Net Income	**-714,437.24**	**260,323.00**	**-974,760.24**	**-274.4%**

County Balances FY 2019-20 and Reserves Above Policy

Beginning balances:
(Note: Warrants requested in FP 12 for last fiscal year are not subtracted from Cash until FP 1 of the next year. They are instead recorded as "Vendors Payable")

											TOTAL at COUNTY ↓	GRAND TOTAL: COUNTY + USDA + PARS/CERBT	FY 2019-20 Policy Reserves: $1,379,359 Reserves Above Policy
	$42,621.30	$214,170.83	$245,519.11	$25,850.00	$753,494.00	$29,235.71	$789,646.59	$146,945.40	$786,011.28	$105,662.08	$2,776,702.09	$3,139,156.30	**1,759,797.30**
NAME	**CERBT** (Contributions are part of Reserves)	**PARS** (Contributions are part of Reserves)	**Operations**	**Bldg Fund** (part of Policy Reserves)	**FY 2019-20 POLICY RESERVES: $1,379,359**	**In-house Construction**	**Capital Improvements**	**State Loan 58340**	**Cap One Bonds and Citizens Bank Loan Debt**	**USDA Bond Debt** (at WestAmerica)			
	CONTRIBUTIONS: $36,518	**CONTRIBUTIONS: $200,000**			**($1,116,991)**								
Fund			**76751**	**76752**	**76753**	**76755**	**76756**	**76759**	**76762**				
Dep't			7106 **0100**	7106 **0200**	7106 **0300**	7106 **0500**	7106 **0600**	7106 **0900**	7106 **1200**				
FP1-Jul	$42,621.30	$215,332.01	$295,519.11	$25,850.00	$753,494.00	$29,000.81	$724,549.83	$146,945.40	$786,011.28	$124,164.15	$2,761,370.43	$3,143,487.89	**1,764,128.89**
FP2-Aug	$42,621.30	$214,435.22	$10,519.11	$25,850.00	$1,122,991.00	$29,000.81	$629,178.16	$146,945.40	$211,963.07	$124,166.19	$2,176,447.55	$2,557,670.26	**1,178,311.26**
FP3-Sept	$43,151.66	$216,665.90	$70,519.11	$25,850.00	$1,122,991.00	$29,000.81	$628,600.66	$73,636.39	$211,963.07	$59,883.68	$2,162,561.04	$2,482,262.28	**1,102,903.28**
FP4-Oct													
FP5-Nov													
FP6-Dec													
FP7-Jan													
FP8-Feb													
FP9-Mar													
FP10-Apr													
FP11-May													
FP12-Jun													
FP 13 (FINAL)													

**** Available Funds: 76758 and 76759 (State Loan reserve funds); 76754 (Fed Loan); 76757 (Guernewood Park); 76761 (Cap and Debt policy reserve) (These columns are hidden)**
***** Starting FY 2017-18, Bldg Fund and PARS considered part of Reserves; Starting FY 2019-20, CERBT is also part of reserves, but only the contributions (not earnings) to PARS and CERBT are included**