SWEETWATER SPRINGS WATER DISTRICT

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

FROM: Steve Mack, General Manager

Meeting Date: May 5, 2016

SUBJECT: ACTUAL VS. BUDGETED (OPERATIONS AND CAPITAL) REPORT THRU March 30, 2016 (75%)

RECOMMENDED ACTION:
(Discussion item only.)

FISCAL IMPACT:
(None.)

DISCUSSION:

This report presents the 3rd quarter actual revenues and expenses. This comprises 75% of the year by time and so we compare the revenues and expenses to that standard.

Operating Budget:

3Q YTD Revenue is right at the 75% budgeted amount.

Water Sales, the largest revenue line item, is slightly behind the 75% mark at 74.7%. In terms of units of water sold, water sales are beginning to pick up but the total for the year through April is still 7.4% (15,086 units or 11,284,328 gallons) less than last year through April.

Overall revenue is at 75.43% of budgeted amounts, thanks to several thousand dollars of unanticipated revenue that came in earlier in the year.

3Q YTD Expenditures are less than 75% of budgeted amount.

3Q YTD expenditures are at 73.07% of budgeted amounts. Expenditures are remarkably on track. The lopsided effect of bills paid in full at the beginning of the year diminishes as the year goes on.

Of note, during the 3Q the District spent an unbudgeted $33,159 on an emergency Well 4 rehab (6235). The budget for this line item did include funds for one non-emergency well rehab -- Well 5, not Well 4. It is not

yet known whether the Well 5 rehab will be postponed to next year or happen this year. Also of note, the District sold two older trucks for $5,400. Proceeds were offset against the purchase price of the truck purchased earlier in the year (8573).

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 3rd Quarter Capital Budget (Table 2) is typical for this time of year - some revenues are still to come and 2016 CIP expenses were paid when billed and not on any regular schedule - all of the expenses of this project have been paid.

Full revenue from the annual assessment and the Capital Debt Reduction Charge (CDRC) will come later in the year and will offset some of the reserves shown for balancing the Surplus/Deficit line.

FUNDS AT THE COUNTY

Table 3. Fund and Loan Balances show a comparison of the budgeted and 3rd Quarter balances. The major difference is that loan payments have been made and there's still Assessment revenue due. Also attached is the County Fund Balances for the 3rd Quarter. Table 3 includes all the funds listed in the County Fund Balances.

Sweetwater Springs Water District
FY 2015-16 Operating Budget Variances as of March 31, 2016 (75%)

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

	FY 2015-16 Actual	2015-16 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Ch ged
Ordinary Income/Expense						
Income						
OPERATING REVENUE						
4031 · Water Sales						
4031.10· Base Rate	1,070,503	1,434,921	-364,418	74.6%		
4031.11· Current Charges	396,949	587,100	-190,151	67.61%		
4031.12· Capital Debt Reduction Charge	194,610	261,565	-66,955	74.4%		
4031.1 · Other Water Sales Revenue	43,673	0	43,673	100.0%		
Total 4031 · Water Sales	1,705,734	2,283,586	-577,852	74.7%	This is a cash water sales figure.	*
Total OPERATING REVENUE	1,705,734	2,283,586	-577,852	74.7%		
NON-OPERATING REVENUE						
1700 · Interest	6,447	7,500	-1,053	85.96%	-	
3600 · Construction New Services	6,712	7,000	-288	95.89%		
3601 · Construction - Service Upgrades	100	2,000	-1,900	5.0%		
4032 · Rent	79,127	90,482	-11,355	87.45%	In the 1Q, Crystal Communications made extra payments of $12,210 on prior year arrears.	
4227 · SCWA reimbursement	0	2,500	-2,500	0.0%		
4040 · Miscellaneous Income	7,974	1,500	6,474	531.6%	In the 1Q, a District customer paid off a large ($5,406) water account that had been sent to Collections.	
Total NON-OPERATING REVENUE	100,360	110,982	-10,622	90.43%		
Total Income	1,806,094	2,394,568	-588,474	75.43%		
Expense						
OPERATING EXPENSES						
SALARY & BENEFITS						
Salary						
5910 · Wages	580,403	734,732	-154,329	79.0%	-	
5912 · Overtime	23,253	31,479	-8,226	73.87%		
5916 · On-Call Pay	25,328	34,083	-8,755	74.31%		
5918 · Extra help - Contract	27,827	36,919	-9,092	75.37%		
Total Salary	656,812	837,213	-180,401	78.45%		
Benefits						
5500 · Flex Spending (Flex spending monies p	-649		-649	100.0%		
5920 · Retirement net employee share	63,680	124,311	-60,631	51.23%		
5922 · Payroll Taxes - Employer Paid	12,511	14,438	-1,927	86.65%		
5930 · Health/Dental/Vision/AFLAC Ins.	107,052	145,668	-38,616	73.49%		
5931 · Retiree Health	3,321	7,000	-3,679	47.44%	-	
5940 · Workers Comp Insurance	31,838	36,000	-4,162	88.44%	In the 1Q, workers' compensation insurance was paid for the year.	
Total Benefits	217,753	327,417	-109,664	66.51%		
Total SALARY & BENEFITS	874,565	1,164,630	-290,065	75.09%		
SERVICES & SUPPLIES						
Communications						
6040-I · Internet service	1,223	1,800	-577	67.93%		
6040-C · Cell Phones	3,456	4,300	-844	80.37%		
6040-P · Pagers & Radios	419	600	-181	69.82%		
6040-T · Telephones	11,361	19,950	-8,589	56.95%		
Total Communications	16,459	26,650	-10,191	61.76%		
Insurances						
6101 · Gen. Liability	32,253	27,000	5,253	119.46%	(In the 1Q, paid for the year)	

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	FY 2015-16 Actual	2015-16 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Ch ged
6102 · Auto/Equipment	0	5,200	-5,200	0.0%		
Total Insurances	32,253	32,200	53	100.17%		
Maint/Rep - Office & Vehicles						
6140 · Vehicle Maintenance	13,892	16,000	-2,108	86.83%	-	
6151 · Office Maintenance	5,249	5,700	-451	92.08%		
Total Maint/Rep - Office & Vehicles	19,141	21,700	-2,559	88.21%		
Maint/Repair - Facilities						
6085 · Janitorial Services	5,984	8,140	-2,157	73.51%		
6100 · SCADA system	5,396	5,000	396	107.91%		
6180 · Distribution System Repairs	8,865	35,000	-26,135	25.33%	Similar to In-House Construction which is over budget	*
6235 · Treatment Sys/Well Repairs	39,814	60,000	-20,186	66.36%	In the 3Q, $33,159 Well 4 rehab done. One rehab was budgeted for this year, but it was Well 5.	*
6143 · Generator Maintenance	1,805	3,500	-1,695	51.56%		
Total Maint/Repair - Facilities	61,862	111,640	-49,778	55.41%		
Miscellaneous Expenses						
6280 · Memberships	10,076	9,700	376	103.87%		
6303 · Claims	0	1,500	-1,500	0.0%		
6593 · Governmental Fees	11,905	20,500	-8,595	58.08%	-	
Total Miscellaneous Expenses	21,981	31,700	-9,719	69.34%		
Office Expense						
6410 · Postage	11,403	16,000	-4,597	71.27%		
6430 · Printing Expense	3,789	7,500	-3,711	50.53%	-	
6461 · Office Supplies	3,948	4,000	-52	98.7%	-	
6800 · Subscriptions/Legal Notices	759	1,100	-341	68.99%		
6890 · Computers/Software	598	3,000	-2,402	19.92%	-	
6579 · Furniture	487	500	-13	97.42%		
Total Office Expense	20,984	32,100	-11,116	65.37%		
Operating Supplies						
6300 · Chemicals	8,701	18,000	-9,299	48.34%	-	
6880 · Tools and Equipment	3,150	5,500	-2,350	57.28%		
6881 · Safety Equipment	90	1,000	-910	8.98%		
Total Operating Supplies	11,941	24,500	-12,559	48.74%		
Professional Services						
6083 · Laundry Service	1,680	3,400	-1,720	49.42%		
6514 · Lab/Testing Fees	9,783	15,000	-5,217	65.22%		
6570 · Consultant Fees	16,900	13,000	3,900	130.0%	-	
6610 · Legal	9,435	20,000	-10,565	47.17%	-	
6630 · Audit/Accounting	22,769	34,500	-11,731	66.0%	-	
Total Professional Services	60,567	85,900	-25,333	70.51%		
Rents & Leases						
6820 · Equipment	640	2,000	-1,360	31.98%		
6840 · Building & Warehouse	23,363	28,100	-4,737	83.14%	1Q Bldg. rent paid thru October.	
Total Rents & Leases	24,003	30,100	-6,097	79.74%		
Transportation & Travel						
7120 · Seminars & related travel	577	2,650	-2,073	21.79%		
7201 · Vehicle Gas	13,993	25,000	-11,007	55.97%		
7300 · Travel Reimbursements	4,276	6,400	-2,124	66.82%		
Total Transportation & Travel	18,846	34,050	-15,204	55.35%		

Sweetwater Springs Water District
FY 2015-16 Operating Budget Variances as of March 31, 2016 (75%)

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

	FY 2015-16 Actual	2015-16 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Ch ged
Uniforms						
6021.1 · Boots	574	1,500	-926	38.28%		
6021.3 · T-shirts	352	1,500	-1,148	23.45%	-	
6021.4 · Jackets	0	240	-240	0.0%		
Total Uniforms	926	3,240	-2,314	28.58%		
Utilities						
7320 · Electricity	65,268	100,000	-34,732	65.27%	-	
7321 · Propane	2,275	2,000	275	113.76%		
Total Utilities	67,543	102,000	-34,457	66.22%		
Total SERVICES & SUPPLIES	356,507	535,780	-179,273	66.54%		
Total OPERATING EXPENSES	1,231,072	1,700,410	-469,338	72.4%		
FIXED ASSET EXPENDITURES						
8511.1 · Tank/Facilities Sites	29,899	22,000	7,899	135.9%	1Q expenditures included $6303.75 for the Park Ave. tank foundation (budgeted) and replacement of a staircase on Canyon 6 ($7145.93, unbudgeted).	
8511.2 - Leasehold Improvements	0	0	0	0.0%		
8517 · Field/office equipment	3,327	0	3,327	100.0%		
8573 · Vehicles	30,866	50,000	-19,134	61.73%	This line item was overbudgeted. In the 3Q, the purchase price of the new vehicle was offset by the sale of two old trucks - one at $3,000 and one at $2,400.	*
Total FIXED ASSET EXPENDITURES	64,092	72,000	-7,908	89.02%		
Total Expense	1,295,163	1,772,410	-477,247	73.07%		
Net Ordinary Income	510,931	622,158	-111,227	82.12%		
Other Income/Expense						
Other Expense						
TRANSFERS TO OTHER FUNDS						
8620.7 · Tfers to CIRF for CDR Revenue	0	261,565	-261,565	0.0%		
8620.3 · Tfers to CIRF	320,000	320,000	0	100.0%		
8620.5 · Tfers to Building Fund	15,000	15,000	0	100.0%		
8620.2 · Tfers to In-House Constr	25,000	25,000	0	100.0%		
Total TRANSFERS TO OTHER FUNDS	360,000	621,565	-261,565	57.92%	-	

Table 2. Sweetwater Springs Water District
FY 2015-16 Capital Program Budget Variances as of March 31, 2016 (75%)

	FY 15-16 ACTUAL (3Q)	FY 15-16 BUDGET	$ Over Budget for Year	% of Budget	Comments
REVENUE					
Annual Assessment - New Services	27,949	27,000	949	103.5%	
Annual Assessment (County)	403,671	710,000	-306,329	56.9%	more to come
Prior Year Assessment	11,288	40,000	-28,712	28.2%	
Capital Debt Reduction Charge	0	261,565	-261,565	0.0%	
Interest	5,984	25,000	-19,016	23.9%	
Transfers to CIRF from Operations	343,184	320,000	23,184	107.2%	
Transfers to In-House Constr. from Operations	25,000	25,000	0	100.0%	
Funds from Reserves	1,357,633	630,000	727,633	215.5%	Cost of CIP above revenue transferrred to Capital Budget (CDRC and Transfer to CIRF coming).
TOTAL CAPITAL REVENUE	2,174,709	2,038,565	136,144	106.7%	
EXPENSES					
Gen. Obligation Bonds Payments	64,284	64,284	0		
Cap One Revenue Bond	567,412	566,508	904	NA	
Total Bond Payments	631,696	630,792	904	100.1%	
State Loan Payments	170,172	170,300	-128	99.9%	
Private Placement Loan	234,013	234,014	-1	100.0%	
Total Debt Payments	1,035,881	1,035,106	775	100.1%	Sum of all debt payments, completed for the year
2016 CIP	1,020,450	935,000	85,450	109.1%	Contract awarded in May for $1,024,837
2017 CIP	88,351	895,400	-807,049	9.9%	design costs
In-House Construction Projects	28,641	25,000	3,641	114.6%	
TOTAL CAPITAL EXPENSES	2,173,323	2,890,506	-717,183	75.2%	
TOTAL CAPITAL EXPENSES WO Projected 2016 CIP Construction Exp	**2,173,323**	**2,083,457**	**89,866**		
SURPLUS/DEFICIT	1,385	-851,941	853,326	-0.2%	deficit is obligation for budgeted 2017 CIP, not obligated at this time
Net Capital Funding	-55,255	348,077	-403,332	-15.9%	**=Net Operating Revenues + Assessments + Capital Interest - Total Debt Payments (FY15 only); need assessment payment from County**

Table 3. FUNDS AND LOAN BALANCES (2Q)	FY 15-16 Actual 3Q	15-16 Budget	Difference Actual-FY16	Comments
POLICY RESERVES				
Operating Budget Cash Reserve	255,061	255,061	-	corresponds to Operations (0100)
Operating Reserve (25% of Operating Exp)	425,102	425,102	-	corresponds to Operating Reserve 0300)
Debt Repayment Reserve (25% of Debt pmt)	258,777	258,777	-	Included in Capital and Debt Policy Reserve 1100)
Capital Reserve	250,000	250,000	-	Included in Capital and Debt Policy Reserve (1100)
Total District Policy	1,188,939	1,188,939	-	
TOTAL Reserves	1,870,710	2,594,683	(723,973)	
Reserves Above (below) Policy	681,771	1,415,968	-734,197	Difference between Total and Policy Reserves
DISTRICT FUNDS				
CIRF (7106-0600)	$ 215,995	(85,318)	301,313	
OPERATIONS (0100)	$ 433,993	425,102	8,891	
OPERATING RESERVE (0300)	$ 425,102	255,061	170,041	
CAPITAL AND DEBT POLICY RESERVE (1100)	$ 510,829	508,777	2,053	
IN HOUSE CONSTRUCTION (0500)	$ 100,675	123,106	-22,431	
BUILDING (0200)	$ 180,850	180,850	0	
CAP ONE BOND AND CITIZENS BANK LOAN (1200)	$ 3,000	800,522	-797,522	payments made
FEDERAL LOANS AND BONDS (0400)	$ -	64,284	-64,284	payment made this year
STATE LOANS (0700, 0900)	$ 266	170,172	-169,906	payments made
STATE LOANS RESERVES (0800,1000)	$ 171,370	171,370	0	Restricted to last payment for State Loans; not included in Total Reserves
Total Funds Available	1,870,710	2,442,556	-571,845	

Table 4. County Balances FY 2015-16

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")

NAME	CERBT	Operations + 15% Cash Policy Reserve	Bldg Fund	Operating Policy Reserve (25%)	Federal Loan (GO Bonds)	In-house Construction	Capital Improvements	State Loan #58330	State Loan #58830 Final Pymt	State Loan 58340	State Loan 58340 Final Pymt	Capital and Debt Policy Reserve	Cap One Bonds and Citizens Bank Loan Debt	
	$21,481.71	$303,535.31	$165,850.00	$399,812.00	$0.00	$106,333.28	$529,149.40	$ 23,699.25	$24,750.00	$146,738.88	$146,619.86	$510,829.00	$804,505.30	$3,161,822.28
Fund		**76751**	**76752**	**76753**	**76754**	**76755**	**76756**	**76757**	**76758**	**76759**	**76760**	**76761**	**76762**	
Dep't		7106 **0100**	7106 **0200**	7106 **0300**	7106 **0400**	7106 **0500+A1**	7106 **0600**	7106 **0700**	7106 **0800**	7106 **0900**	7106 **1000**	7106 **1100**	7106 **1200**	
FP1-Jul	$21,481.71	$303,535.31	$165,850.00	$399,812.00	$0.00	$104,315.49	$534,740.80	$23,699.25	$24,750.00	$146,738.88	$146,619.86	$510,829.00	$687,498.70	$3,048,389.29
FP2-Aug	$21,481.71	$303,535.31	$165,850.00	$399,812.00	$0.00	$101,218.45	$378,356.69	$23,699.25	$24,750.00	$146,738.88	$146,619.86	$510,829.00	$244,944.70	$2,446,354.14
FP3-Sept	$20,221.51	$478,535.31	$165,850.00	$399,812.00	$0.00	$94,841.78	$22,963.59	$11,922.28	$24,750.00	$73,429.87	$146,619.86	$510,829.00	$244,944.70	$2,174,498.39
FP4-Oct	$20,221.51	$480,245.51	$165,850.00	$399,812.00	$0.00	$85,120.22	($110,104.78)	$11,922.28	$24,750.00	$73,429.87	$146,619.86	$510,829.00	$244,944.70	$2,033,418.66
FP5-Nov	$20,221.51	$590,245.51	$165,850.00	$399,812.00	$0.00	$83,098.60	($300,270.40)	$11,922.28	$24,750.00	$73,429.87	$146,619.86	$510,829.00	$244,944.70	$1,951,231.42
FP6-Dec	$20,697.24	$641,771.51	$165,850.00	$425,102.00	$0.00	$79,081.55	$20,909.60	$11,922.28	$24,750.00	$73,429.87	$146,619.86	$510,829.00	$244,944.70	$2,345,210.37
FP7-Jan	$20,697.24	$693,892.99	$165,850.00	$425,102.00	$0.00	$78,076.71	($11,574.91)	$11,922.28	$24,750.00	$73,429.87	$146,619.86	$510,829.00	$127,938.30	$2,246,836.10
FP8-Feb	$20,697.24	$433,892.99	$180,850.00	$425,102.00	$0.00	$102,467.54	$233,120.78	$11,922.28	$24,750.00	$73,429.87	$146,619.86	$510,829.00	$3,000.30	$2,145,984.62
FP9-Mar	$21,156.27	$433,992.99	$180,850.00	$425,102.00	$0.00	$100,674.83	$215,994.85	$145.31	$24,750.00	$120.86	$146,619.86	$510,829.00	$3,000.30	$2,042,080.00
FP10-Apr														$0.00
FP11-May														$0.00
FP12-Jun														$0.00
FP 13 (FINAL)														$0.00

* FY 2013-14: $14,500
*FY 2014-15 CERBT Contributions: $3,334.01 + 2900
* FY 2015-16 CERBT Contributions: $3694.40