SWEETWATER SPRINGS WATER DISTRICT

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

FROM: Steve Mack, General Manager

Meeting Date: February 1, 2018

SUBJECT: ACTUAL VS. BUDGETED (OPERATIONS AND CAPITAL) REPORT THRU DECEMBER 31, 2017 (50%)

RECOMMENDED ACTION:
(Discussion item only.)

FISCAL IMPACT:
(None.)

DISCUSSION:

This report presents the 2nd quarter actual revenues and expenses. This is the mid-year report on our fiscal year. It comprises 50% of the year by time and so we compare the revenues and expenses to that standard.

Operating Budget:

2Q Revenue is greater than 50% of budgeted amount.

Water Sales, the largest revenue line item, came in at 3.5% ($82,344) ahead of the 50% schedule and continue to be on track to exceed budgeted amounts even considering seasonal fluctuations. At the end of the 1Q we had sold 6.3% more water than last year. As of the end of the 2Q, we have sold 7.5% more water than last year during the same period.

During the 2Q the District received FEMA proceeds in the sum of $30,804 for flood-related expenses incurred last fiscal year.

Overall revenues are 4.48% more than budgeted.

2Q Expenditures are slightly lower than 50% of budgeted amount.

2Q expenditures are 0.43% lower than budgeted. There were no large expenses of note.

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 2Q Capital Budget (Table 2) is typical for mid year - we have received the first installment of the annual assessment from the county and made the first payments on our debt. The expenses of the 2017 CIP (carryover from the 2017 Budget) have all been paid. Transfers to CIRF and in-house construction have been made as well. We see no major differences from the approved budget.

FUNDS AT THE COUNTY

Table 3. Fund and Loan Balances show a comparison of the budgeted and 2nd Quarter balances. Also attached is the County Fund Balances for the 2nd Quarter. Table 3 includes all the funds listed in the County Fund Balances and also the funds at PARS. Table 3 is typical for the mid year of the fiscal year.

Sweetwater Springs Water District
FY 2017-18 Operating Budget Variances as of December 31, 2017 (50%)

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

	FY 2017-18 Actual	2017-18 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	755,904	1,528,520	-772,616	49.45%		
4031.11· Current Charges	377,798	575,358	-197,560	65.66%		
4031.12· Capital Debt Reduction Charge	139,889	278,615	-138,726	50.21%		
4031.1 · Other Water Sales Revenue	0	0	0	0.0%		
Total 4031 · Water Sales	1,273,591	2,382,493	-1,108,902	53.46%	This is a cash water sales figure.	
Total OPERATING REVENUE	1,273,591	2,382,493	-1,108,902	53.46%		
NON-OPERATING REVENUE						
1700 · Interest	3,681	8,000	-4,319	46.01%	-	
3600 · Construction New Services	5,010	7,000	-1,990	71.58%		
3601 · Construction - Service Upgrades	4,137	2,000	2,137	206.86%		
4032 · Rent	44,965	98,600	-53,635	45.6%		
4227 · SCWA reimbursement	0	2,500	-2,500	0.0%		
4040 · Miscellaneous Income	993	1,500	-507	66.19%		
4445 · Grant (FEMA) Proceeds	30,804	0	30,804	100.0%	In the 2Q the District received FEMA reimbursement for El Bonita vault seals and other flood related expenses incurred last year.	*
Total NON-OPERATING REVENUE	89,590	119,600	-30,010	74.91%		
Total Income	1,363,181	2,502,093	-1,138,912	54.48%		
Expense						
OPERATING EXPENSES						
SALARY & BENEFITS						
Salary						
5910 · Wages	397,415	801,720	-404,305	49.57%	-	
5912 · Overtime	16,937	33,200	-16,263	51.02%		
5916 · On-Call Pay	17,480	33,100	-15,620	52.81%		
5918 · Extra help - Contract	18,466	37,100	-18,634	49.77%		
Total Salary	450,297	905,120	-454,823	49.75%		
Benefits						
5500 · Flex Spending (Flex spending monies p	-2,818	0	-2,818	100.0%		
5920 · Retirement net employee share	28,116	65,100	-36,984	43.19%	-	
5920.4 · Retirement - UL	18,060	90,000	-71,940	20.07%	An extra payment on our UL in the sum of of $54,000 Is budgeted but not yet paid.	*
5922 · Payroll Taxes - Employer Paid	5,962	15,300	-9,338	38.97%		
5930 · Health/Dental/Vision/AFLAC Ins.	94,535	170,100	-75,565	55.58%		
5931 · Retiree Health	5,304	7,680	-2,376	69.06%	In the 1Q, annual contribution to CERBT ($3,000) made.	
5940 · Workers Comp Insurance	47,224	47,000	224	100.48%	In the 1Q, workers' compensation insurance was paid for the year.	
Total Benefits	196,382	395,180	-198,798	49.69%		
Total SALARY & BENEFITS	646,679	1,300,300	-653,621	49.73%		
SERVICES & SUPPLIES						
Communications						
6040-I · Internet service	971	2,350	-1,379	41.34%		
6040-C · Cell Phones	2,097	4,050	-1,953	51.77%		
6040-P · Pagers & Radios	289	620	-331	46.6%		
6040-T · Telephones	8,898	17,000	-8,102	52.34%	-	
Total Communications	12,255	24,020	-11,765	51.02%		
Insurances						

Sweetwater Springs Water District
FY 2017-18 Operating Budget Variances as of December 31, 2017 (50%)

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	FY 2017-18 Actual	2017-18 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Changed
6101 · Gen. Liability	36,181	33,000	3,181	109.64%	(In the 1Q, paid for the year. Underbudgeted this year.)	
Total Insurances	36,181	33,000	3,181	109.64%		
Maint/Rep - Office & Vehicles						
6140 · Vehicle Maintenance	6,864	12,500	-5,636	54.91%	-	
6151 · Office Maintenance	2,484	6,400	-3,916	38.81%		
Total Maint/Rep - Office & Vehicles	9,348	18,900	-9,552	49.46%		
Maint/Repair - Facilities						
6085 · Janitorial Services	3,413	8,800	-5,387	38.78%		
6100 · SCADA system	3,201	5,000	-1,799	64.01%		
6180 · Distribution System Repairs	15,616	50,000	-34,384	31.23%	-	
6235 · Treatment Sys/Well Repairs	12,045	45,000	-32,955	26.77%	-	
6143 · Generator Maintenance	565	3,200	-2,635	17.66%		
Total Maint/Repair - Facilities	34,840	112,000	-77,160	31.11%		
Miscellaneous Expenses						
6280 · Memberships	7,084	10,800	-3,716	65.59%		
6303 · Claims	0	1,500	-1,500	0.0%		
6593 · Governmental Fees	2,903	19,000	-16,097	15.28%	-	
Total Miscellaneous Expenses	9,987	31,300	-21,313	31.91%		
Office Expense						
6410 · Postage	6,369	16,000	-9,631	39.81%		
6430 · Printing Expense	5,481	7,500	-2,019	73.09%	In the 1Q, most printed supplies were purchased for the year.	
6461 · Office Supplies	2,480	4,100	-1,620	60.5%	-	
6800 · Subscriptions/Legal Notices	459	1,100	-641	41.7%		
6890 · Computers/Software	1,683	3,000	-1,317	56.1%	-	
6579 · Furniture	0	500	-500	0.0%		
Total Office Expense	16,472	32,200	-15,728	51.16%		
Operating Supplies						
6300 · Chemicals	11,979	18,500	-6,521	64.75%	-	
6880 · Tools and Equipment	1,652	5,000	-3,348	33.05%		
6881 · Safety Equipment	1,628	1,200	428	135.67%		
Total Operating Supplies	15,260	24,700	-9,440	61.78%		
Professional Services						
6083 · Laundry Service	1,119	3,000	-1,881	37.31%		
6514 · Lab/Testing Fees	5,611	14,000	-8,389	40.08%		
6570 · Consultant Fees	1,170	18,000	-16,830	6.5%	-	
6610 · Legal	6,483	20,000	-13,517	32.42%	-	
6630 · Audit/Accounting	22,644	35,500	-12,856	63.79%	-	
Total Professional Services	37,027	90,500	-53,473	40.91%		
Rents & Leases						
6820 · Equipment	783	3,300	-2,518	23.71%		
6840 · Building & Warehouse	17,259	29,790	-12,531	57.94%	1Q Bldg. rent paid thru October.	
Total Rents & Leases	18,042	33,090	-15,048	54.52%		
Transportation & Travel						
7120 · Seminars & related travel	0	2,650	-2,650	0.0%		
7201 · Vehicle Gas	9,552	23,000	-13,448	41.53%		
7300 · Travel Reimbursements	2,719	6,400	-3,681	42.49%		
Total Transportation & Travel	12,271	32,050	-19,779	38.29%		

Sweetwater Springs Water District
FY 2017-18 Operating Budget Variances as of December 31, 2017 (50%)

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

	FY 2017-18 Actual	2017-18 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Changed
Uniforms						
6021.1 · Boots	660	1,500	-840	44.0%		
6021.3 · T-shirts	1,694	1,500	194	112.91%	In the 1Q, t-shirts were purchased for the year.	
6021.4 · Jackets	0	240	-240	0.0%		
Total Uniforms	2,354	3,240	-886	72.64%		
Utilities						
7320 · Electricity	55,954	95,000	-39,046	58.9%	-	
7321 · Propane	896	3,000	-2,104	29.88%		
Total Utilities	56,850	98,000	-41,150	58.01%		
Total SERVICES & SUPPLIES	260,887	533,000	-272,113	48.95%		
Total OPERATING EXPENSES	907,565	1,833,300	-925,735	49.5%		
FIXED ASSET EXPENDITURES						
8511.1 · Tank/Facilities Sites	11,635	22,000	-10,365	52.89%		
8511.2 - Leasehold Improvements	0	0	0	0.0%		
8517 · Field/office equipment	500	0	500	100.0%	In FY 2018-19, the District will be moving to a cloud-based phone server.	*
8573 · Vehicles	0	0	0	0.0%	-	
Total FIXED ASSET EXPENDITURES	12,135	22,000	-9,865	55.16%		
Total Expense	919,701	1,855,300	-935,599	49.57%		
Net Ordinary Income	443,480	646,793	-203,313	68.57%		
Other Income/Expense						
Other Expense						
TRANSFERS TO OTHER FUNDS						
8620.7 · Tfers to CIRF for CDR Revenue	0	278,615	-278,615	0.0%		
8620.3 · Tfers to CIRF	200,000	320,000	-120,000	62.5%		
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	240,000	638,615	-398,615	37.58%	-	

Water Sales

	Base	Current	CDR
Oct	$120,214.89	$79,799.60	$21,865.58
Nov	$105,494.33	$44,382.70	$19,278.19
Dec	$119,855.42	$51,917.20	$21,799.79
TOTAL	$345,564.64	$176,099.50	$62,943.56
July	$105,543.52	$62,759.60	
August	$119,815.28	$71,367.00	
Sept	$105,351.55	$60,696.35	
	$330,710.35	$194,822.95	
	$676,274.99	$370,922.45	

Table 2. Sweetwater Springs Water District
FY 2017-18 Capital Program Budget Variances as of December 31, 2017 (50%)

	FY 17-18 ACTUAL (2Q)	FY 2017-18	$ Over Budget for Year	% of Budget	Comments
REVENUE					
Annual Assessment - New Services	11,743	27,000	-15,257	43.5%	
Annual Assessment (County)	396,304	710,000	-313,696	55.8%	1st installment
Prior Year Assessment	5,910	40,000	-34,090	14.8%	
Capital Debt Reduction Charge	0	278,615	-278,615	0.0%	
Interest	7,014	8,000	-986	87.7%	
Transfers to CIRF from Operations for prior year surplus	0	0	0	0.0%	
Transfers to CIRF from Operations	200,000	320,000	-120,000	62.5%	
Transfers to In-House Constr. from Operations	25,000	25,000	0	100.0%	
USDA Bond Proceeds	0	1,463,000	-1,463,000	0.0%	
Funds from Reserves	0	0	0	0.0%	
TOTAL CAPITAL REVENUE	645,971	2,871,615	-2,225,644	22.5%	
EXPENSES					
Gen. Obligation Bonds Payments	65,783	64,284	1,499	102.3%	
Cap One Revenue Bond	451,160	566,508	-115,348	79.6%	
Total Bond Payments	516,943	630,792	-113,849	82.0%	
State Loan Payments	73,309	146,438	-73,129	50.1%	
Private Placement Loan	117,007	234,014	-117,007	50.0%	
Total Debt Payments	707,259	1,011,244	-303,985	69.9%	Sum of all debt payments
2017 CIP	764,857		764,857	na	Carryover expenses from FY17 Phase 1 (total $732,000)
2018 CIP	0	1,463,000	-1,463,000	0.0%	Design Expenses
In-House Construction Projects	199	25,000	-24,801	0.8%	
TOTAL CAPITAL EXPENSES	1,472,315	2,499,244	-1,026,929	58.9%	
TOTAL CAPITAL EXPENSES WO Projected 2017 CIP Construction Exp	**1,472,315**	**1,036,244**	**436,071**		
SURPLUS/DEFICIT	-826,344	372,371	-1,198,715	-221.9%	
Net Capital Funding	245,446	348,077	-102,631	70.5%	**=Net Operating Revenues + Assessments + Capital Interest - Total Debt Payments**

Table 3. FUND AND LOAN BALANCES (1Q)	FY 17-18 Actual 2Q	17-18 Budget	Difference Actual-FY18	Comments
DISTRICT RESERVES AND FUND BALANCES (2Q)				
District Policy Reserves				
Operating Budget Cash Reserve	337,003	274,995	62,008.00	corresponds to Operations (0100)
Operating Reserve (25% of Operating Exp)	247,475	458,325	(210,850.00)	corresponds to Operating Reserve 0300), Low
Debt Repayment Reserve (25% of Debt pmt)	52,315	252,811	(200,496.00)	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	1,087,722	1,236,131	(148,409)	Includes PARS below
TOTAL Reserves	1,928,390	2,594,683	(666,293)	
Reserves Above (below) Policy	902,676	1,415,968	-513,292	Difference between Total and Policy Reserves
DISTRICT FUNDS				
CIRF (7106-0600)	$ 461,189	(334,700)	795,889	
OPERATIONS (0100)	$ 337,003	458,325	-121,322	
OPERATING RESERVE (0300)	$ 247,475	274,995	-27,520	
CAPITAL AND DEBT POLICY RESERVE (1100)	$ 302,315	502,811	-200,496	
IN HOUSE CONSTRUCTION (0500)	$ 62,007	104,315	-42,308	
BUILDING (0200)	$ 10,850	213,850	-203,000	
CAP ONE BOND AND CITIZENS BANK LOAN (1200)	$ 233,191	802,112	-568,921	Made first of two payments
FEDERAL LOANS AND BONDS (0400)	$ -	64,284	-64,284	
STATE LOANS (0700, 0900)	$ 73,432	146,438	-73,006	Made first of two payments
STATE LOANS RESERVES (0800,1000)	$ -	146,739	-146,739	Including this in other reserves.
PARS	$ 200,929			Added to Table
Total Funds Available	$ 1,928,390	2,232,430	-304,040	

County Balances FY 2017-18 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")

	$31,495.21	$0.00	$255,161.07	$195,850.00	$86,956.00	$0.00	$72,683.88	$572,035.18	$ 0.00	$146,740.72	$510,829.00	$801,357.29	$2,641,613.14	**$1,405,978.14**
NAME	**CERBT**	**PARS** (part of Oper Res)	**Operations + 15% Cash Policy Reserve**	**Bldg Fund** (part of Oper Res)	**Operating Policy Reserve** (25% less Bldg Fund and PARS)***	**Federal Loan (GO Bonds)**	**In-house Construction**	**Capital Improvements**	**Guernewood Project Escrow Funds**	**State Loan 58340**	**Capital and Debt Policy Reserve ******	**Cap One Bonds and Citizens Bank Loan Debt**	**Policy Reserve:** (calc. FYE 2017)	**$1,235,635**
Fund			**76751**	**76752**	**76753**	**76754**	**76755**	**76756**	**76757**	**76759**	**76761**	**76762**	**TOTAL at COUNTY ↓**	**Reserves Above Policy** (PARS + COUNTY - GUERNEWOOD PK ESCROW)
Dep't			7106 **0100**	7106 **0200**	7106 **0300**	7106 **0400**	7106 **0500**	7106 **0600**	7106 **0700**	7106 **0900**	7106 **1100**	7106 **1200**		
FP1-Jul	$31,495.21	$0.00	$255,161.07	$195,850.00	$86,956.00	$0.00	$72,683.88	$567,080.17	$0.00	$146,740.72	$510,829.00	$684,350.69	$2,519,651.53	**$1,284,016.53**
FP2-Aug	$31,495.21	$0.00	$255,161.07	$195,850.00	$86,956.00	$0.00	$72,485.12	$392,439.15	$0.00	$146,740.72	$502,315.00	$233,190.69	$1,885,137.75	**$649,502.75**
FP3-Sept	$32,680.36	$0.00	$255,161.07	$195,850.00	$86,956.00	$0.00	$72,485.12	$371,767.49	$0.00	$73,431.71	$302,315.00	$233,190.69	$1,591,157.08	**$355,522.08**
FP4-Oct	$32,680.36	$200,000.00	$352,003.38	$850.00	$86,956.00	$0.00	$60,102.21	$172,213.90	$0.00	$73,431.71	$302,315.00	$233,190.69	$1,281,062.89	**$245,427.89**
FP5-Nov	$32,680.36	$200,929.02	$387,003.38	$10,850.00	$86,956.00	$0.00	$83,224.11	$17,841.65	$0.00	$73,431.71	$302,315.00	$233,190.69	$1,194,812.54	**$160,106.56**
FP6-Dec	$37,200.62	$200,929.02	$337,003.38	$10,850.00	$247,475.00	$0.00	$82,006.97	$461,189.05	$0.00	$73,431.71	$302,315.00	$233,190.69	$1,747,461.80	**$712,755.82**
FP7-Jan														
FP8-Feb														
FP9-Mar														
FP10-Apr														
FP11-May														
FP12-Jun														
FP 13 (FINAL)														

**** Available Funds: 76757 (Formerly State Loan #58330); 76758 and 76759 (State Loan reserve funds) (These columns are hidden)**
***** Starting FY 2017-18, Bldg Fund and PARS considered part of Reserves**
****** $200,000 loaned from Cap Policy Reserve (1100) to Capital Improvements (0600) in Sept 2017.**