SWEETWATER SPRINGS WATER DISTRICT

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

FROM: Steve Mack, General Manager

Meeting Date: May 3, 2018

SUBJECT: ACTUAL VS. BUDGETED (OPERATIONS AND CAPITAL) REPORT THRU MARCH 31, 2018 (75%)

RECOMMENDED ACTION:
(Discussion item only.)

FISCAL IMPACT:
(None.)

DISCUSSION:

This report presents the 3rd quarter actual revenues and expenses. This is the mid-year report on our fiscal year. It comprises 75% of the year by time and so we compare the revenues and expenses to that standard.

Operating Budget:

3Q Revenue is greater than 50% of budgeted amount.

Water Sales, the largest revenue line item, came in at 3.5% ($83,159) ahead of the 75% schedule. Sales are slowing, but we are still on track to meet and likely exceed budgeted sales figures this fiscal year. At the end of the 1Q we had sold 6.3% more water than last year; as of 2Q 7.5% more water; and as of 3Q 6.3% more water than last year during the same period.

During the 3Q the District received additional FEMA proceeds in the sum of $5,620 for flood-related expenses incurred last fiscal year, for a total reimbursement of $36,424 this year.

Overall revenues are 5.28% more than budgeted.

3Q Expenditures are lower than 50% of budgeted amount.

3Q expenditures are 4.45% lower than budgeted. This quarter there were some unanticipated generator repairs which will leave this line item (6143 Generator Maintenance) underbudgeted by about $2,500.

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 3Q Capital Budget (Table 2) is typical for the 3rd Quarter - we have received the first installment of the annual assessment from the county but made both payments on all our debt. The second installment of the annual assessment (which was received after the end of the 3rd Quarter and thus not shown in this table) will balance the debt expenses. We see no major differences from the approved budget. Balancing of the funds will occur as we near the end of the fiscal year.

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 3rd Quarter of the fiscal year. Reporting on PARS lags a month - the totals in this table show the February amount reported.

Sweetwater Springs Water District
FY 2017-18 Operating Budget Variances as of March 31, 2018 (75%)

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	1,223,021	1,528,520	-305,499	80.01%		
4031.11· Current Charges	460,550	575,358	-114,808	80.05%		
4031.12· Capital Debt Reduction Charge	186,458	278,615	-92,157	66.92%		
4031.1 · Other Water Sales Revenue	0	0	0	0.0%		
Total 4031 · Water Sales	1,870,029	2,382,493	-512,464	78.49%	This is a cash water sales figure.	
Total OPERATING REVENUE	1,870,029	2,382,493	-512,464	78.49%		
NON-OPERATING REVENUE						
1700 · Interest	6,322	8,000	-1,678	79.02%	-	
3600 · Construction New Services	5,414	7,000	-1,586	77.35%		
3601 · Construction - Service Upgrades	8,602	2,000	6,602	430.12%		
4032 · Rent	80,647	98,600	-17,953	81.79%		
4227 · SCWA reimbursement	0	2,500	-2,500	0.0%		
4040 · Miscellaneous Income	1,108	1,500	-392	73.89%		
4445 · Grant (FEMA) Proceeds	36,424	0	36,424	100.0%	In the 2Q and 3Q the District received FEMA reimbursement for El Bonita vault seals and other flood related expenses incurred last year.	*
Total NON-OPERATING REVENUE	138,518	119,600	18,918	115.82%		
Total Income	2,008,547	2,502,093	-493,546	80.28%		
Expense						
OPERATING EXPENSES						
SALARY & BENEFITS						
Salary						
5910 · Wages	572,750	801,720	-228,970	71.44%	-	
5912 · Overtime	21,129	33,200	-12,071	63.64%		
5916 · On-Call Pay	25,610	33,100	-7,490	77.37%		
5918 · Extra help - Contract	27,851	37,100	-9,249	75.07%		
Total Salary	647,340	905,120	-257,780	71.52%		
Benefits						
5500 · Flex Spending (Flex spending monies p	1,518	0	1,518	100.0%		
5920 · Retirement net employee share	47,292	65,100	-17,808	72.65%	-	
5920.4 · Retirement - UL	27,090	90,000	-62,910	30.1%	An extra payment on our UL in the sum of of $54,000 Is budgeted but not yet paid.	*
5922 · Payroll Taxes - Employer Paid	11,954	15,300	-3,346	78.13%		
5930 · Health/Dental/Vision/AFLAC Ins.	140,656	170,100	-29,444	82.69%		
5931 · Retiree Health	6,501	7,680	-1,179	84.65%	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	282,234	395,180	-112,946	71.42%		
Total SALARY & BENEFITS	929,574	1,300,300	-370,726	71.49%		
SERVICES & SUPPLIES						
Communications						
6040-I · Internet service	1,470	2,350	-880	62.56%		
6040-C · Cell Phones	3,053	4,050	-997	75.39%		
6040-P · Pagers & Radios	399	620	-221	64.31%		
6040-T · Telephones	12,695	17,000	-4,305	74.68%	-	
Total Communications	17,617	24,020	-6,403	73.35%		
Insurances						

Sweetwater Springs Water District
FY 2017-18 Operating Budget Variances as of March 31, 2018 (75%)

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
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	9,151	12,500	-3,349	73.21%	-	
6151 · Office Maintenance	6,283	6,400	-117	98.17%		
Total Maint/Rep - Office & Vehicles	15,434	18,900	-3,466	81.66%		
Maint/Repair - Facilities						
6085 · Janitorial Services	4,960	8,800	-3,840	56.36%		
6100 · SCADA system	3,201	5,000	-1,799	64.01%		
6180 · Distribution System Repairs	13,183	50,000	-36,817	26.37%	-	
6235 · Treatment Sys/Well Repairs	26,094	45,000	-18,906	57.99%	-	
6143 · Generator Maintenance	5,748	3,200	2,548	179.63%	This line item was underbudgeted for the year. In the 3Q unplanned generator maintenance issues cropped up.	*
Total Maint/Repair - Facilities	53,186	112,000	-58,814	47.49%		
Miscellaneous Expenses						
6280 · Memberships	8,287	10,800	-2,513	76.73%		
6303 · Claims	0	1,500	-1,500	0.0%		
6593 · Governmental Fees	4,443	19,000	-14,557	23.38%	-	
Total Miscellaneous Expenses	12,730	31,300	-18,570	40.67%		
Office Expense						
6410 · Postage	12,590	16,000	-3,410	78.69%		
6430 · Printing Expense	6,754	7,500	-746	90.06%	In the 1Q, most printed supplies were purchased for the year.	
6461 · Office Supplies	3,694	4,100	-406	90.1%	-	
6800 · Subscriptions/Legal Notices	459	1,100	-641	41.7%		
6890 · Computers/Software	1,467	3,000	-1,533	48.91%	-	
6579 · Furniture	844	500	344	168.71%	In the 3Q we purchased a new file cabinet for SM ($564) and new shelving for JK ($279)	*
Total Office Expense	25,808	32,200	-6,392	80.15%		
Operating Supplies						
6300 · Chemicals	11,979	18,500	-6,521	64.75%	-	
6880 · Tools and Equipment	2,119	5,000	-2,881	42.39%		
6881 · Safety Equipment	1,173	1,200	-27	97.77%		
Total Operating Supplies	15,272	24,700	-9,428	61.83%		
Professional Services						
6083 · Laundry Service	1,283	3,000	-1,717	42.76%		
6514 · Lab/Testing Fees	8,193	14,000	-5,808	58.52%		
6570 · Consultant Fees	17,000	18,000	-1,000	94.44%	-	
6610 · Legal	8,617	20,000	-11,383	43.09%	-	
6630 · Audit/Accounting	30,476	35,500	-5,024	85.85%	-	
Total Professional Services	65,568	90,500	-24,932	72.45%		
Rents & Leases						
6820 · Equipment	1,096	3,300	-2,204	33.2%		
6840 · Building & Warehouse	24,707	29,790	-5,083	82.94%	1Q Bldg. rent paid thru October.	
Total Rents & Leases	25,802	33,090	-7,288	77.98%		
Transportation & Travel						
7120 · Seminars & related travel	473	2,650	-2,177	17.85%		
7201 · Vehicle Gas	14,205	23,000	-8,795	61.76%		
7300 · Travel Reimbursements	4,124	6,400	-2,276	64.45%		

Sweetwater Springs Water District
FY 2017-18 Operating Budget Variances as of March 31, 2018 (75%)

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
Total Transportation & Travel	18,802	32,050	-13,248	58.67%		
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	72,824	95,000	-22,176	76.66%	-	
7321 · Propane	2,287	3,000	-713	76.23%		
Total Utilities	75,111	98,000	-22,889	76.64%		
Total SERVICES & SUPPLIES	363,865	533,000	-169,135	68.27%		
Total OPERATING EXPENSES	1,293,439	1,833,300	-539,861	70.55%		
FIXED ASSET EXPENDITURES						
8511.1 · Tank/Facilities Sites	41,362	22,000	19,362	188.01%		
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	41,862	22,000	19,862	190.28%		
Total Expense	1,335,301	1,855,300	-519,999	71.97%		
Net Ordinary Income	673,245	646,793	26,452	104.09%		
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 March 31, 2018 (75%)

	FY 17-18 ACTUAL (3Q)	FY 2017-18	$ Over Budget for Year	% of Budget	Comments
REVENUE					
Annual Assessment - New Services	15,764	27,000	-11,236	58.4%	
Annual Assessment (County)	466,693	710,000	-243,307	65.7%	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	10,660	8,000	2,660	133.2%	
Transfers to CIRF from Operations for prior year surplus	0	0	0	0.0%	
Transfers to CIRF from Operations	320,000	320,000	0	100.0%	
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%	
Guernewood Park Modeling Funds	41,800		41,800		
Funds from Reserves	0	0	0	0.0%	
TOTAL CAPITAL REVENUE	885,826	2,871,615	-1,985,789	30.8%	
EXPENSES					
Gen. Obligation Bonds Payments	65,783	64,284	1,499	102.3%	
Cap One Revenue Bond	564,344	566,508	-2,164	99.6%	
Total Bond Payments	630,127	630,792	-665	99.9%	
State Loan Payments	146,618	146,438	180	100.1%	
Private Placement Loan	234,013	234,014	-1	100.0%	
Total Debt Payments	1,010,758	1,011,244	-486	100.0%	Sum of all debt payments
2017 CIP	764,857		764,857	na	Carryover expenses from FY17 Phase 1 (total $732,000)
2018 CIP	12,953	1,463,000	-1,450,047	0.9%	Design Expenses
Guernewood Park Modeling Expense	35,744		35,744		
In-House Construction Projects	20,914	25,000	-4,086	83.7%	
TOTAL CAPITAL EXPENSES	1,845,226	2,499,244	-654,018	73.8%	
SURPLUS/DEFICIT	-959,400	372,371	-1,331,771	-257.6%	
Net Capital Funding	20,002	348,077	-328,075	5.7%	**=Net Operating Revenues + Assessments + Capital Interest - Total Debt Payments**

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	$202,050.96	$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	**$713,877.76**
FP7-Jan	$37,200.62	$205,681.35	$318,822.41	$10,850.00	$246,475.00	$0.00	$76,769.97	$518,617.71	$41,800.00	$220,172.43	$302,315.00	$116,184.09	$1,852,006.61	**$780,252.96**
FP8-Feb	$37,200.62	$199,486.15	$318,822.41	$10,850.00	$246,475.00	$0.00	$76,769.97	$518,617.71	$41,581.25	$220,172.43	$302,315.00	$3,000.09	$1,738,603.86	**$660,873.76**
FP9-Mar	$36,686.95	$199,486.15	$408,822.41	$10,850.00	$246,475.00	$0.00	$76,769.97	$505,664.56	$35,743.75	$146,863.42	$302,315.00	$3,000.09	$1,736,504.20	**$664,611.60**
FP10-Apr													$0.00	
FP11-May														
FP12-Jun														
FP 13 (FINAL)														

**** Available Funds: 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.**

Table 3. FUND AND LOAN BALANCES (1Q)	FY 17-18 Actual 3Q	17-18 Budget	Difference Actual-FY18	Comments
DISTRICT RESERVES AND FUND BALANCES (2Q)				
District Policy Reserves				
Operating Budget Cash Reserve	408,822	274,995	133,827.41	corresponds to Operations (0100)
Operating Reserve (25% of Operating Exp)	246,475	458,325	(211,850.00)	corresponds to Operating Reserve 0300),
Debt Repayment Reserve (25% of Debt pmt)	302,315	252,811	49,504.00	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	1,407,099	1,236,131	170,968	Includes PARS below
TOTAL Reserves	1,900,247	2,594,683	(694,436)	
Reserves Above (below) Policy (Funds)	493,148	1,415,968	-922,820	Difference between Total and Policy Reserves
Reserves Above (below) Policy (Budget)	664,116			
DISTRICT FUNDS				
CIRF (7106-0600)	$ 505,665	(334,700)	840,365	
OPERATIONS (0100)	$ 408,822	458,325	-49,503	
OPERATING RESERVE (0300)	$ 246,475	274,995	-28,520	
CAPITAL AND DEBT POLICY RESERVE (1100)	$ 302,315	502,811	-200,496	
IN HOUSE CONSTRUCTION (0500)	$ 76,770	104,315	-27,545	
BUILDING (0200)	$ 10,850	213,850	-203,000	
CAP ONE BOND AND CITIZENS BANK LOAN (1200)	$ 3,000	802,112	-799,112	Made both payments
FEDERAL LOANS AND BONDS (0400)	$ -	64,284	-64,284	Made both payments
STATE LOANS (0700, 0900)	$ 146,863	146,438	425	Made both payments
STATE LOANS RESERVES (0800,1000)	$ -	146,739	-146,739	Including this in other reserves.
PARS*	$ 199,486			Added to Table
Total Funds Available	$ 1,900,247	2,232,430	-332,183	

* February Amount; March not available