SWEETWATER SPRINGS WATER DISTRICT

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

FROM: Steve Mack, General Manager

Meeting Date: May 7, 2015

SUBJECT: ACTUAL VS. BUDGETED (OPERATIONS AND CAPITAL) REPORT THRU MARCH 31, 2015 (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. **It should be noted that the budgeted amounts reflect the mid-year budget revisions that were approved in March.** There are no line items of note in this 3Q report that were not already discussed and addressed by the mid-year budget revisions.

Operating Budget:

3Q Revenue is greater than 75% of budgeted amount (as revised by the mid-year budget revisions).

In all, the revised budget reduced budgeted revenues by $148,894.

Water Sales, the largest revenue line item, came in at $119,183 more than the 75% schedule as revised. (The mid-year budget revision reduced Water Sales budgeted amount by $155,894.) Water Sales is now on track to meet or exceed revised budgeted amounts at fiscal year end.

Overall revenues are $134,925 more than budgeted. In addition to Water Sales, this is due to the sale of the Woods Avenue parcel in the 1Q ($16,108).

3Q Expenditures are slightly higher than 75% of budgeted amount.

In all, the revised budget increased budgeted expenses by $116,628.

As of the 3Q, operating expenditures are 76% of the (revised) budgeted amount for the entire year.

For more detail on all the budget line items, including line item mid-year budget revisions, 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 - the annual (2015) CIP is completed, some revenues won't come in until later in the year and 2016 CIP design expenses have been paid, the award of contract is scheduled for the May meeting but construction costs won't come in until the next fiscal year.

Revenue from the annual assessment, and Capital Debt Reduction Charge (CDRC) are still coming in; the transfer of the CDRC hasn't happened yet. Interest is below budget.

All debt payments have been made. There will be no General Obligation Bond payment this year because of the settlement agreement with USDA.

Net Capital Funding is well below budget largely because the annual assessment is still coming from the County, also some CDRC will come in.

FUNDS AT THE COUNTY

Table 3. Fund and Loan Balances show a comparison of the budgeted and 3rd Quarter balances. 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 2014-15 Operating Budget Variances as of March 31, 2015 (75%)

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

	FY 2014-15 Actual	2014-15 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	1,039,865	1,393,127	-353,262	74.64%		
4031.11· Current Charges	440,221	570,000	-129,779	77.23%	Mid-year budget revision: $725,894 to $570,000	*
4031.12· Capital Debt Reduction Charge	189,745	253,947	-64,202	74.72%		
4031.1 · Other Water Sales Revenue	112,157	0	112,157	100.0%		
Total 4031 · Water Sales	1,781,988	2,217,074	-435,086	80.38%	This is a cash water sales figure.	
Total OPERATING REVENUE	1,781,988	2,217,074	-435,086	80.38%		
NON-OPERATING REVENUE						
1700 · Interest	4,852	7,500	-2,648	64.7%	Reflects interest earnings thru 3Q	*
3600 · Construction New Services	13,562	13,000	562	104.32%	Mid-year budget revision: $5,000 to $13,000	*
3601 · Construction - Service Upgrades	1,579	1,000	579	157.89%		
4032 · Rent	59,916	88,350	-28,434	67.82%		
4227 · SCWA reimbursement	2,495	2,500	-5	99.79%		
4040 · Miscellaneous Income	18,726	1,500	17,226	1,248.37%	In the 1Q, proceeds from the sale of 14335 Woods Ave. (to Jardine) were placed here ($16,108)	
Total NON-OPERATING REVENUE	101,130	113,850	-12,720	88.83%		
Total Income	1,883,118	2,330,924	-447,806	80.79%		
Expense						
OPERATING EXPENSES						
SALARY & BENEFITS						
Salary						
5910 · Wages	546,083	716,000	-169,917	76.27%	Mid-year budget revision: $697,038 to $716,000	*
5912 · Overtime	18,336	30,562	-12,226	60.0%		
5916 · On-Call Pay	24,480	33,090	-8,610	73.98%		
5918 · Extra help - Contract	27,871	34,100	-6,229	81.73%		
Total Salary	616,770	813,752	-196,982	75.79%		
Benefits						
5500 · Flex Spending (Flex spending monies p	2,199		2,199	100.0%		
5920 · Retirement	91,349	121,115	-29,766	75.42%		
5922 · Payroll Taxes - Employer Paid	11,999	14,067	-2,068	85.3%		
5930 · Health/Dental/Vision/AFLAC Ins.	106,651	143,249	-36,598	74.45%		
5931 · Retiree Health	6,821	7,000	-179	97.44%	In the 1Q $3,334.01 was was paid to CERBT	
5940 · Workers Comp Insurance	16,939	18,000	-1,061	94.11%	In the 1Q, expenses include pymt for the FY 2013-14 audit and FY 2014-15 payments thru the 2Q. As of the 3Q, workers comp has been paid for the year.	*
Total Benefits	235,959	303,431	-67,472	77.76%		
Total SALARY & BENEFITS	852,729	1,117,183	-264,454	76.33%		
SERVICES & SUPPLIES						
Communications						

Sweetwater Springs Water District
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	FY 2014-15 Actual	2014-15 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Ch ged
6040-I · Internet service	1,438	1,800	-362	79.89%		
6040-C · Cell Phones	3,610	4,300	-690	83.95%		
6040-P · Pagers & Radios	547	560	-13	97.76%		
6040-T · Telephones	14,686	19,950	-5,264	73.62%		
Total Communications	20,281	26,610	-6,329	76.22%		
Insurances						
6101 · Gen. Liability	27,632	27,000	632	102.34%	(In the 1Q, paid for the year)	
6102 · Auto/Equipment	4,105	5,200	-1,095	78.94%		
Total Insurances	31,737	32,200	-463	98.56%		
Maint/Rep - Office & Vehicles						
6140 · Vehicle Maintenance	18,053	22,000	-3,947	82.06%	In the 1Q, $3,628 was spent on backhoe repairs. Mid-year budget revision: $14,000 to $22,000 for backhoe and dumptruck repairs	*
6151 · Office Maintenance	5,545	4,050	1,495	136.92%		
Total Maint/Rep - Office & Vehicles	23,598	26,050	-2,452	90.59%		
Maint/Repair - Facilities						
6085 · Janitorial Services	5,808	8,000	-2,192	72.6%		
6100 · SCADA system	15,683	35,000	-19,317	44.81%	Mid-year budget revision: $5,000 to $35,000 for SCADA software upgrades	*
6180 · Distribution System Repairs	16,288	24,000	-7,712	67.87%		
6235 · Treatment Sys/Well Repairs	93,212	103,000	-9,788	90.5%	In the 1Q, unbudgeted expenses totalling over $14,000 were spent on a Well 5 rehab. (Well 4 was budgeted for rehab this year.) In addition, problems have now been identified at Well 6. It is likely that this line item will be overbudget this year. Mid-year budget revision: $42,000 to $103,000	*
6143 · Generator Maintenance	2,810	3,200	-390	87.81%		
Total Maint/Repair - Facilities	133,801	173,200	-39,399	77.25%		
Miscellaneous Expenses						
6280 · Memberships	9,486	9,700	-214	97.8%		
6303 · Claims	1,939	1,500	439	129.24%		
6593 · Governmental Fees	15,303	20,500	-5,197	74.65%	1Q expense includes water system fees, paid twice yearlyr, and annual LAFCO costs.	
Total Miscellaneous Expenses	26,728	31,700	-4,972	84.32%		
Office Expense						
6410 · Postage	13,479	16,000	-2,521	84.24%		
6430 · Printing Expense	4,359	7,500	-3,141	58.13%	-	
6461 · Office Supplies	3,732	4,000	-268	93.3%	-	
6800 · Subscriptions/Legal Notices	893	800	93	111.57%		
6890 · Computers/Software	2,732	700	2,032	390.36%	In the1Q, the computer server and SM's workstation wre replaced as they were both still running on XP Pro, no longer supported by Micrsoft. This was an unbudgeted expense of $2,597.22	

Sweetwater Springs Water District
FY 2014-15 Operating Budget Variances as of March 31, 2015 (75%)

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	FY 2014-15 Actual	2014-15 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Ch ged
6579 · Furniture	0	500	-500	0.0%		
Total Office Expense	25,195	29,500	-4,305	85.41%		
Operating Supplies						
6300 · Chemicals	15,584	17,000	-1,416	91.67%	In the 1Q, some chemicals were purchased for the year.	
6880 · Tools and Equipment	2,570	6,500	-3,930	39.54%		
6881 · Safety Equipment	876	1,000	-124	87.57%		
Total Operating Supplies	19,029	24,500	-5,471	77.67%		
Professional Services						
6083 · Laundry Service	1,719	3,400	-1,681	50.56%		
6514 · Lab/Testing Fees	10,079	15,000	-4,921	67.19%		
6570 · Consultant Fees	15,065	14,966	99	100.66%	1Q expense is the annual fee for labor negotiator. Mid-year budget revision: $3,300 to $14,966 to reflect higher labor negotiator costs.	*
6610 · Legal	11,789	20,000	-8,211	58.95%	-	
6630 · Audit/Accounting	26,096	29,600	-3,504	88.16%	-	
Total Professional Services	64,748	82,966	-18,218	78.04%		
Rents & Leases						
6820 · Equipment	1,010	2,000	-990	50.5%		
6840 · Building & Warehouse	22,905	27,675	-4,770	82.76%	1Q Bldg. rent paid thru October.	
Total Rents & Leases	23,915	29,675	-5,760	80.59%		
Transportation & Travel						
7120 · Seminars & related travel	2,409	2,800	-391	86.02%		
7201 · Vehicle Gas	14,329	25,000	-10,671	57.32%		
7300 · Travel Reimbursements	4,203	6,400	-2,197	65.68%		
Total Transportation & Travel	20,942	34,200	-13,258	61.23%		
Uniforms						
6021.1 · Boots	820	1,500	-680	54.67%		
6021.3 · T-shirts	1,314	1,500	-186	87.57%	1Q expense includes T-shirts, purchased once yearly	
6021.4 · Jackets	0	240	-240	0.0%		
Total Uniforms	2,134	3,240	-1,106	65.85%		
Utilities						
7320 · Electricity	65,331	100,000	-34,669	65.33%	-	
7321 · Propane	1,497	4,000	-2,503	37.44%		
Total Utilities	66,829	104,000	-37,171	64.26%		
Total SERVICES & SUPPLIES	458,936	597,841	-138,905	76.77%		
Total OPERATING EXPENSES	1,311,665	1,715,024	-403,359	76.48%		
FIXED ASSET EXPENDITURES						
8511.1 · Tank/Facilities Sites	4,063	9,000	-4,937	45.15%	Mid-year budget revision: $22,000 to $9,000	*
8511.2 - Leasehold Improvements	0	0	0	0.0%		
8517 · Field/office equipment	0	0	0	0.0%		
8573 · Vehicles	35,656	50,000	-14,344	71.31%		

Sweetwater Springs Water District
FY 2014-15 Operating Budget Variances as of March 31, 2015 (75%)

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	FY 2014-15 Actual	2014-15 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Ch ged
Total FIXED ASSET EXPENDITURES	39,719	59,000	-19,281	67.32%		
Total Expense	1,351,384	1,774,024	-422,641	76.18%		
Net Ordinary Income	531,734	556,900	-25,166	95.48%		
Other Income/Expense						
Other Expense						
TRANSFERS TO OTHER FUNDS						
8620.7 · Tfers to CIRF for CDR Revenue	0	253,947	-253,947	0.0%		
8620.3 · Tfers to CIRF	260,000	260,000	0	100.0%	Mid-year budget revision: $500,000 to $260,000	*
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	300,000	553,947	-253,947	54.16%	-	

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 2014-15 Capital Program Budget Variances as of March 31, 2015 (75%)

	FY 14-15 ACTUAL (3Q)	FY 14-15 BUDGET	$ Over Budget for Year	% of Budget	Comments
REVENUE					
Annual Assessment - New Services	42,154	27,000	15,154	156.1%	
Annual Assessment (County)	401,281	710,000	-308,719	56.5%	More will be coming in
Prior Year Assessment	29,972	40,000	-10,028	74.9%	
Capital Debt Reduction Charge	0	253,947	-253,947	0.0%	Transfer will happen
Interest	9,155	25,000	-15,845	36.6%	
Transfers to CIRF from Operations	260,000	260,000	0	100.0%	
Transfers to In-House Constr. from Operations	25,000	25,000	0	100.0%	
Funds from Reserves		695,000			Cost of CIP above revenue (could be deficit in Surplus/Deficit below).
TOTAL CAPITAL REVENUE	767,562	2,035,947	-1,268,385	37.7%	
EXPENSES					
Gen. Obligation Bonds Payments	0	0	0		No payment this year because of bond reissuance
Cap One Revenue Bond	566,508	566,508	0	NA	both payments made
Total Bond Payments	566,508	566,508	0	100.0%	
State Loan Payments	170,172	170,300	-128	99.9%	both payments made
Private Placement Loan	234,013	234,014	-1	100.0%	both payments made
Total Debt Payments	970,693	970,822	-129	100.0%	Sum of all debt payments
2014 CIP	1,234	0	1,234		
2015 CIP	894,280	1,037,346	-143,066	86.2%	Project is completed
2016 CIP	34,694	975,000	-940,307	3.6%	Award of contract at May meeting
In-House Construction Projects	9,076	25,000	-15,924	36.3%	
Mapping Project	14,811	0	14,811		
TOTAL CAPITAL EXPENSES	1,924,788	3,008,168	-1,083,380	64.0%	
SURPLUS/DEFICIT	1,157,226	-972,221	2,129,447	-119.0%	
Net Capital Funding	43,603	348,077	-304,474	12.5%	**=Net Operating Revenues + Assessments + Capital Interest - Total Debt Payments (FY15 only); need assessment payment from County**

Table 3. FUND AND LOAN BALANCES (3Q)		FY 14-15 Actual3Q	14-15 Budget (Revised)	Difference Actual-FY15	Comments
DISTRICT RESERVES AND FUND BALANCES (3Q)					
District Policy Reserves					
	Operating Budget Cash Reserve	239,887	257,254	(17,367.10)	corresponds to Operations (0100)
	Operating Reserve (25% of Operating Exp)	428,756	428,756	-	corresponds to Operating Reserve 0300)
	Debt Repayment Reserve (25% of Debt pmt)	260,829	242,706	18,123.25	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		1,179,472	1,178,716	756	
TOTAL Reserves		2,931,657	2,594,683	336,974	
Reserves Above (below) Policy		1,752,185	1,415,968	336,217	Difference between Total and Policy Reserves
DISTRICT FUNDS					
	CIRF (7106-0600)	416,403	97,033	319,370	
	OPERATIONS (0100)	498,218	257,254	240,964	
	OPERATING RESERVE (0300)	399,812	428,756	-28,944	
	CAPITAL AND DEBT POLICY RESERVE (1100)	510,829	492,706	18,123	
	IN HOUSE CONSTRUCTION (0500)	132,702	118,106	14,596	
	BUILDING (0200)	165,850	165,850	0	
	CAP ONE BOND AND CITIZENS BANK LOAN (1200)	804,505	800,522	3,983	
	FEDERAL LOANS AND BONDS (0400)	-	64,284	-64,284	
	STATE LOANS (0700, 0900)	3,338	170,172	-166,834	
	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		2,931,657	2,594,683	336,974	

SERVES AND FUND BALANCES (EOY)					
TRICT RESERVES					
Operating Budget Cash Reserve (15% of Operating Expenses		239,887			
Operating Reserve (25% of Operating		399,812			
Debt Repayment Reserve (25% of Debt pmt)		260,829			
Capital Reserve		250,000			
otal District Policy		1,150,528			
OTAL Reserves EOY		**2,888,057**			
eserves Above (below) Policy		**1,737,530**			
ACCRUAL TOTAL Reserves EOY		**3,763,057**			
Accrual Reserves Above (below) Policy		**2,612,530**			
STRICT FUNDS					
CIRF (776401, new 76757)		1,144,195			
OPERATING RESERVE (776039		405,942			
OPERATIONS (776013)		244,790			
IN HOUSE CONSTRUCTION (776211)		118,106			
BUILDING (776021)		165,850			
LOANS AND BONDS (776203)		639,003			
STATE LOANS (776500&776609)		170,172			
STATE LOANS RESERVES (776518&776617)		171,370			

Table 4. County Balances FY 2014-15

		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")												
	$15,296.65	$323,402.68	$150,850.00	$407,983.00	$72,570.00	$116,778.72	$1,132,004.01	$ 24,953.19	$24,750.00	$148,556.90	$146,619.86	$511,305.56	$795,000.00	$3,854,773.92
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**	
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**	7106 **0600**	7106 **0700**	7106 **0800**	7106 **0900**	7106 **1000**	7106 **1100**	7106 **1200**	
FP1-Jul	$15,296.65	$323,402.68	$150,850.00	$407,983.00	$72,570.00	$116,778.72	$1,124,193.31	$24,953.19	$24,750.00	$148,556.90	$146,619.86	$511,305.56	$677,993.40	$3,729,956.62
FP2-Aug	$15,296.65	($112,551.32)	$150,850.00	$407,983.00	$72,570.00	$116,778.72	$1,129,169.31	$24,953.19	$24,750.00	$148,556.90	$146,619.86	$511,305.56	$677,993.40	$3,298,978.62
FP3-Sept	$18,172.41*	$323,402.68	($285,104.00)	$407,983.00	$72,570.00	$115,770.45	$982,701.11	$13,176.22	$24,750.00	$75,247.89	$146,619.86	$511,305.56	$677,993.40	$3,066,416.17
FP4-Oct	$18,349.70	$514,494.81	$150,850.00	$407,983.00	$72,570.00	$112,712.65	$816,902.52	$13,176.22	$24,750.00	$75,247.89	$146,619.86	$512,041.47	$242,039.40	$3,089,387.82
FP5-Nov	$18,349.70	$564,494.81	$150,850.00	$407,983.00	$72,570.00	$111,676.16	$659,247.52	$13,176.22	$24,750.00	$75,247.89	$146,619.86	$512,041.47	$242,039.40	$2,980,696.33
FP6-Dec	$18,342.92	$654,494.81	$150,850.00	$407,983.00	$72,570.00	$110,611.16	$835,553.28	$13,176.22	$24,750.00	$75,247.89	$146,619.86	$512,041.47	$242,039.40	$3,245,937.09
FP7-Jan	$18,342.92	$656,089.67	$150,850.00	$407,983.00	$72,570.00	$108,942.97	$837,565.71	$13,176.22	$24,750.00	$75,247.89	$146,619.86	$512,769.21	$125,032.80	$3,131,597.33
FP8-Feb	$18,342.92	$656,089.67	$150,850.00	$407,983.00	$72,570.00	$108,770.19	$759,956.53	$13,176.22	$24,750.00	$75,247.89	$146,619.86	$512,769.21	($5,521.20)	$2,923,261.37
FP9-Mar	$18,791.07	$498,217.61	$165,850.00	$399,812.00	$0.00	$132,702.31	$416,403.04	$1,399.25	$24,750.00	$1,938.88	$146,619.86	$510,829.00	$804,505.30	$3,103,027.25
FP10-Apr														$0.00
FP11-May														$0.00
FP12-Jun														$0.00
FP 13 (FINAL)														$0.00
	*FY 2014-15 CERBT Contributions: $3,334.01 Cumulative CERBT Contributions: $17,834.01													