SWEETWATER SPRINGS WATER DISTRICT

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

FROM: Steve Mack, General Manager

Meeting Date: August 1, 2013

SUBJECT: ACTUAL VS. BUDGETED (OPERATIONS AND CAPITAL) REPORTS THRU JUNE 30, 2013 (100%)

RECOMMENDED ACTION:
(Discussion item only.)

FISCAL IMPACT:
(None.)

DISCUSSION:

OPERATIONS

FY 2012-13 ended up with the District showing net income of approximately $200,318[1]. The story this year has been robust water sales, which ended the year $130,311 over the budgeted amount. (Total revenues exceeded budgeted amounts by $111,957). However, lower-than-budgeted expenses also contributed to the bottom line, coming in at $81,256 below budgeted amounts.

A summary of items with the biggest budget variances are listed below. Please see the attached spreadsheet for a complete breakdown and explanation of line item variances.

Revenue:

Water Sales	$130,316 more than budgeted
Interest	$18,118 less than budgeted
Rent	$7,442 less than budgeted
SCWA reimbursement	$5,567 less than budgeted

Expenses:

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[1] Income is typically budgeted to be zero because the budget provides for any extra revenue over expenses to be transferred to CIRF.

Salary (Wages, OT, etc.)	$57,856 less than budgeted
Benefits	$11,556 less than budgeted
Chemicals	$7,654 less than budgeted
Electricity:	$7,781 more than budgeted

Transfers to Other Funds:

Tfers for CDR Revenue	$8,368 more than budgeted

(Note: This transfer will be made in July, 2013)

CAPITAL

The 4Q review is dominated by capital expenses – it shows the effects of completing the 2013 CIP during this past fiscal year. The Capital Budget ended the year in good shape – revenues are on track and expenses are close to where they were expected to be. An exception is the 2014 CIP. This was originally budgeted to include both Old Monte Rio Road and Hidden Valley Road in anticipation of possible USDA grant funding. That didn't happen and we scaled back to Hidden Valley Road and Guernewood Lane.

FUNDS AT THE COUNTY

Table 3. Fund and Loan Balances show a comparison of the budgeted and end of year (EOY). Also attached is the County Fund Balances for the fiscal year.

In Table 3 the Debt the Policy Reserves are identical to budgeted amounts. Total Reserves EOY are higher than budgeted. That is largely a reflection of the 2014 CIP being budgeted in FY 13, but none of the construction costs were paid in FY 13 - the obligation to pay for the construction cost is still there even though the carryover funds show in the total reserves.

The District Fund balances are fairly well aligned with the Reserve Policy elements.

Sweetwater Springs Water District
FY 2012-13 Operating Budget Variances as of June 30, 2013 (100%)

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

	FY 2012-13 Actual	2012-13 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						
4031.1. 2· Capital Debt Reduction Charge	238,368	230,000	8,368	103.64%		
4031.1 · Daily Water Sales Deposits	1,926,866	1,796,550	130,316	107.25%		
Total 4031 · Water Sales	2,165,234	2,026,550	138,684	106.84%	After the 2Q, water sales are up by 17,851 units compared to this same period last year. At FYE, the District sold 24,155 more units of water than in FY 2011-12.	*
Total OPERATING REVENUE	2,165,234	2,026,550	138,684	106.84%		
NON-OPERATING REVENUE						
4445 · Grant Proceeds	1,875	0	1,875	100.0%	In the 1Q, rec'd $1875 as final reimbursement for Neeley slide administrative costs	
1001 · CY Direct Charge Proceeds	-1,198	0	-1,198	100.0%	This line item reflects direct charge refunds. Techinically, these should be reimbursed from the CIRF account.	
1700 · Interest	16,882	35,000	-18,118	48.23%	Reflects interest earnings thru 4Q	
3600 · Construction New Services	5,859	4,000	1,859	146.48%		
3601 · Construction - Service Upgrades	5,123	2,000	3,123	256.17%		
4032 · Rent	73,558	81,000	-7,442	90.81%	In the 1Q, the District agreed to waive past rent due from Crystal Communications as well as future rent through 2012 in exchange for providing a new radio system/radios.	
4227 · SCWA reimbursement	2,433	8,000	-5,567	30.41%	Just before the 1Q, the District amended it's Agreement with SCWA. In lieu of reimbursement, SCWA will administer the District's toilet install program for customers not on sewer. Therefore, SCWA reimbursement will be reduced to the cost of dues - app. $2,500 for FY 2012-13.	
4040 · Miscellaneous Income	1,742	3,000	-1,258	58.07%		
Total NON-OPERATING REVENUE	106,274	133,000	-26,726	79.91%		
Total Income	2,271,507	2,159,550	111,957	105.18%		
Expense						
OPERATING EXPENSES						
SALARY & BENEFITS						
Salary						
5910 · Wages	707,592	755,736	-48,144	93.63%	-	
5912 · Overtime	20,922	30,270	-9,348	69.12%		
5916 · On-Call Pay	29,485	33,090	-3,605	89.11%		
5918 · Extra help - Contract	36,842	33,600	3,242	109.65%		
Total Salary	794,840	852,696	-57,856	93.22%		
Benefits						
5500 · Flex Spending (Flex spending monies pc	165		165	100.0%		
5920 · Retirement	117,363	119,521	-2,158	98.19%		
5922 · Payroll Taxes - Employer Paid	14,241	14,420	-179	98.76%		
5930 · Health/Dental/Vision/AFLAC Ins.	127,500	133,702	-6,202	95.36%	-	
5931 · Retiree Health	2,724	2,760	-36	98.7%		
5940 · Workers Comp Insurance	21,904	25,049	-3,145	87.44%	In the 3Q, expenses reflect pymt through the 4Q, plus pymt for FY 2011-12 Audit	

Sweetwater Springs Water District
FY 2012-13 Operating Budget Variances as of June 30, 2013 (100%)

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	FY 2012-13 Actual	2012-13 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Changed
Total Benefits	283,896	295,452	-11,556	96.09%		
Total SALARY & BENEFITS	1,078,736	1,148,148	-69,412	93.95%		
SERVICES & SUPPLIES						
Communications						
6040-I · Internet service	1,688	1,800	-112	93.76%		
6040-C · Cell Phones	3,113	2,720	393	114.45%		
6040-P · Pagers & Radios	469	850	-381	55.18%		
6040-S · SCADA software maint.	0	0	0	0.0%		
6040-T · Telephones	16,691	15,400	1,291	108.39%		
Total Communications	21,961	20,770	1,191	105.73%		
Insurances						
6101 · Gen. Liability	20,711	28,000	-7,289	73.97%	-	
6102 · Auto/Equipment	12,657	8,000	4,657	158.22%		
Total Insurances	33,368	36,000	-2,632	92.69%		
Maint/Rep - Office & Vehicles						
6140 · Vehicle Maintenance	18,473	16,000	2,473	115.46%	In the 4Q, 5 trucks + the dump truck needed repairs.	*
6151 · Office Maintenance	3,990	5,000	-1,010	79.81%		
Total Maint/Rep - Office & Vehicles	22,464	21,000	1,464	106.97%		
Maint/Repair - Facilities						
6085 · Janitorial Services	6,852	5,200	1,652	131.78%	In the 2Q, garbage was paid for the year. However, this line item was underbudgeted.	*
6100 · SCADA system	2,659	2,780	-121	95.63%		
6180 · Distribution System Repairs	38,632	45,000	-6,368	85.85%	Underbudgeted for the year. However, total expenses thru the 2Q include $11,358.97 that will be reimbursed from In-House Construction in the 3Q.	
6235 · Treatment Sys/Well Repairs	41,254	40,000	1,254	103.14%	Underbudgeted due to 2 unexpected 2Q expenses: (1) flow meter repairs ($4,547) and a new chlorine cell ($5,812)	
6143 · Generator Maintenance	3,097	0	3,097	100.0%	In the 1Q this line item is already overbudget because nothing was budgeted for Generator Maintenance in FY 2012-13 (it was later decided to do generator maintenance annually instead of bi-annually.)	
Total Maint/Repair - Facilities	92,494	92,980	-486	99.48%		
Miscellaneous Expenses						
6280 · Memberships	8,180	8,700	-520	94.02%		
6303 · Claims	410	1,500	-1,090	27.33%		
6593 · Governmental Fees	22,874	19,500	3,374	117.3%	1Q expense includes water system fees, paid twice yearly, and annual LAFCO costs.	
Total Miscellaneous Expenses	31,464	29,700	1,764	105.94%		
Office Expense						
6410 · Postage	13,450	16,000	-2,550	84.06%		
6430 · Printing Expense	5,430	6,400	-970	84.85%		

Sweetwater Springs Water District
FY 2012-13 Operating Budget Variances as of June 30, 2013 (100%)

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	FY 2012-13 Actual	2012-13 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Changed
6461 · Office Supplies	4,479	4,000	479	111.98%	In the 1Q, the District spent approx. $600 on new meter book covers, an unbudgeted expenses.	
6800 · Subscriptions/Legal Notices	636	820	-184	77.59%		
6890 · Computers/Software	885	1,600	-715	55.3%	The budget for this line item included purchase of a workstation, which was pushed to FY 13-14.	*
6579 · Furniture	0	500	-500	0.0%		
Total Office Expense	24,881	29,320	-4,439	84.86%		
Operating Supplies						
6300 · Chemicals	9,346	17,000	-7,654	54.98%	This line item ended up overbudgeted because one chemical's annual purchase was pushed to FY 2013-14.	*
6880 · Tools and Equipment	3,439	5,000	-1,561	68.78%		
6881 · Safety Equipment	404	1,500	-1,096	26.93%		
Total Operating Supplies	13,189	23,500	-10,311	56.13%		
Professional Services						
6083 · Laundry Service	3,225	3,400	-175	94.86%		
6514 · Lab/Testing Fees	10,776	13,000	-2,224	82.89%		
6570 · Consultant Fees	1,953	1,300	653	150.26%	This line item was underbudgeted.	
6590 · Engineering	0	4,000	-4,000	0.0%		
6610 · Legal	27,640	20,000	7,640	138.2%	This line item was underbudgeted.	
6630 · Audit/Accounting	29,352	27,500	1,852	106.73%	1Q expenses include a $4,500 payment for annual audit services This line item was underbudgeted.	
Total Professional Services	72,947	69,200	3,747	105.42%		
Rents & Leases						
6820 · Equipment	1,345	3,400	-2,055	39.55%		
6840 · Building & Warehouse	27,000	27,000	0	100.0%	1Q Bldg. rent paid thru October.	
Total Rents & Leases	28,345	30,400	-2,055	93.24%		
Transportation & Travel						
7120 · Seminars & related travel	1,347	4,000	-2,653	33.66%		
7201 · Vehicle Gas	26,801	26,500	301	101.14%		
7300 · Travel Reimbursements	5,846	6,400	-554	91.34%		
Total Transportation & Travel	33,993	36,900	-2,907	92.12%		
Uniforms						
6021.1 · Boots	1,185	1,500	-315	79.01%		
6021.3 · T-shirts	504	1,200	-696	41.97%	T-shirts are purchased once yearly	
6021.4 · Jackets	385	360	25	106.82%		
Total Uniforms	2,073	3,060	-987	67.76%		
Utilities						
7320 · Electricity	97,781	90,000	7,781	108.65%	-	
7321 · Propane	3,288	3,100	188	106.07%		
Total Utilities	101,069	93,100	7,969	108.56%		
Total SERVICES & SUPPLIES	478,248	485,930	-7,682	98.42%		
Total OPERATING EXPENSES	1,556,984	1,634,078	-77,094	95.28%		
FIXED ASSET EXPENDITURES						

Sweetwater Springs Water District
FY 2012-13 Operating Budget Variances as of June 30, 2013 (100%)

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	FY 2012-13 Actual	2012-13 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Ch ged
8511.1 · Tank/Facilities Sites	11,702	15,000	-3,298	78.02%	In the 1Q, $2,275 was paid for unbudgeted tree removal. This line item budget included replacement of the MRTP chlorination system. That was pushed to the FY 13-14 budget. FY 12-13 site maintenance consisted entirely of tree removal.	*
8517 · Field/office equipment	4,136	5,000	-864	82.71%		
8573 · Vehicles	0	0	0	0.0%		
Total FIXED ASSET EXPENDITURES	15,838	20,000	-4,162	79.19%		
Total Expense	1,572,822	1,654,078	-81,256	95.09%		
Net Ordinary Income	698,685	505,472	193,213	138.22%		
Other Income/Expense						
Other Expense						
TRANSFERS TO OTHER FUNDS						
8620.7 · Tfers to CIRF for CDR Revenue	0	230,000	-230,000	0.0%	CDR charges collected in FY 2012-13 totalled $238,368. This amount will be transferred to CIRF in July, 2013.	*
8620.3 · Tfers to CIRF	220,000	220,000	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	260,000	490,000	-230,000	53.06%		

Table 3. FUND AND LOAN BALANCES (3Q)		FY 12-13 Actual 4Q	12-13 Budget	Difference Actual-FY12	Comments
DISTRICT RESERVES AND FUND AND LOAN BALANCES					
District Policy Reserves					
	Operating Balance	200,000	200,000	-	
	Budget Reserve (10% of Operating Exp)	163,708	163,708	-	
	Economic Reserve (15% of Operating Exp)	245,562	245,562	-	
	Debt Repayment Reserve (25% of Debt pmt)	272,829	272,829	-	
	Capital Reserve	250,000	250,000	-	
Total District Policy		1,132,099	1,132,099	-	
TOTAL Reserves EOY/4Q		3,486,428	3,018,140	468,288	
Reserves Above (below) Policy		2,354,329	1,886,041	468,288	Difference between Total and Policy Reserves
DISTRICT FUNDS					
	CIRF	2,212,431	1,463,507	748,923	FY 13 Budget reflects 2014 CIP encumbrance, CD
	OPERATING RESERVE	396,970	409,270	(12,300)	
	OPERATIONS	628,071	200,000	428,071	Will be balanced EOY
	CD	-	696,756	(696,756)	CD ended in early October, funds moved to CIRF
	IN HOUSE CONSTRUCTION	113,106	102,757	10,349	
	BUILDING	135,850	145,850	(10,000)	
Total Funds Available		3,486,428	3,018,140	468,288	Difference is Budgeted FY 2014 CIP

County Balances FY 2012-13

(from "Trial Balance by Project" Report (FAMIS 017))

Beginning balances per FAMIS:

(Note: Warrants requested in FP 12 for last fiscal year are not subtracted from GL101 until FP 1 of the next year. They are instead recorded as "Vendors Payable")

		$246,433.92	$120,850.00	$396,970.00	$3,794.28	$112,980.07	$0.00	$3,143,483.47	$ 1,411.07	$24,750.00	$1,932.94	$146,619.86	$0.00	$4,199,225.61
					(Restricted)	*(Restricted)*	*(Restricted)*	*(Restricted)*	*(Restricted)*	*(Restricted)*	*(Restricted)*	*(Restricted)*	*(Restricted)*	
NAME	**CD at Redwood Cred U**	**Operations**	**Bldg Fund**	**Reserves**	**Federal Loan (GO Bonds)**	**In-house Construction**	**Federal Construction**	**Capital Improvement Revenue**	**State Loan #58330**	**State Loan #58830 Reserve**	**State Loan 58340**	**State Loan 58340 Reserve**	**Private Placement Funding**	
INDEX		**776013**	**776021**	**776039**	**776203**	**776211**	**776302**	**776401**	**776500**	**776518**	**776609**	**776617**	**776708**	
PROJECT		**001**	**002**	**003**	**200**	**210**	**300**	**400**	**500**	**510**	**600**	**610**	**700**	
FP1-Jul	664,620.62	$246,433.92	$120,850.00	$396,970.00	$3,794.28	$112,647.70	$0.00	$3,003,948.42	$1,411.07	$24,750.00	$1,932.94	$146,619.86	$0.00	$4,059,358.19
FP2-Aug	664,620.62	$241,761.12	$120,850.00	$396,970.00	$229,311.60	$111,363.01	$0.00	$2,158,300.66	$24,961.07	$24,750.00	$148,552.94	$146,619.86	$0.00	$3,603,440.26
FP3-Sept	672,925.48	$292,161.12	$120,850.00	$396,970.00	$229,311.60	$109,246.26	$0.00	$2,130,935.38	$13,184.10	$24,750.00	$75,243.93	$146,619.86	$0.00	$3,539,272.25
FP4-Oct	0.00	$363,982.91	$120,850.00	$396,970.00	$229,311.60	$109,246.26	$0.00	$2,755,127.84	$13,184.10	$24,750.00	$75,243.93	$146,619.86	$0.00	$4,235,286.50
FP5-Nov	0.00	$441,982.91	$120,850.00	$396,970.00	$229,311.60	$109,086.26	$0.00	$2,699,304.97	$13,184.10	$24,750.00	$75,243.93	$146,619.86	$0.00	$4,257,303.63
FP6-Dec	0.00	$541,982.91	$120,850.00	$396,970.00	$229,311.60	$106,337.46	$0.00	$3,042,758.07	$13,184.10	$24,750.00	$75,243.93	$146,619.86	$0.00	$4,698,007.93
FP7-Jan	0.00	$568,894.96	$120,850.00	$396,970.00	$229,311.60	$106,337.46	$0.00	$2,895,947.63	$13,184.10	$24,750.00	$75,243.93	$146,619.86	$0.00	$4,578,109.54
FP8-Feb	0.00	$633,894.96	$120,850.00	$396,970.00	$6,916.42	$93,677.34	$0.00	$2,840,602.32	$13,184.10	$24,750.00	$75,243.93	$146,619.86	$0.00	$4,352,708.93
FP9-Mar	0.00	$630,810.96	$120,850.00	$396,970.00	$6,916.42	$91,203.08	$0.00	$2,648,471.14	$1,407.13	$24,750.00	$1,934.92	$146,619.86	$0.00	$4,069,933.51
FP10-Apr	0.00	$473,071.12	$135,850.00	$396,970.00	$6,916.42	$114,535.86	$0.00	$3,126,643.12	$1,407.13	$24,750.00	$1,934.92	$146,619.86	$0.00	$4,428,698.43
FP11-May	0.00	$553,071.12	$135,850.00	$396,970.00	$689,303.42	$114,414.62	$0.00	$2,197,988.49	$24,957.13	$24,750.00	$148,554.92	$146,619.86	$0.00	$4,432,479.56
FP12-Jun	0.00	$628,071.12	$135,850.00	$396,970.00	$689,303.42	$113,106.20	$0.00	$2,212,430.56	$24,957.13	$24,750.00	$148,554.92	$146,619.86	$0.00	$4,520,613.21
FP 13 (FINAL)														$0.00
													Balance does not reflect June construction checks	$0.00