SWEETWATER SPRINGS WATER DISTRICT

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

FROM: Steve Mack, General Manager

Meeting Date: August 2, 2012

SUBJECT: ACTUAL VS. BUDGETED (OPERATIONS AND CAPITAL) REPORTS THRU JUNE 30, 2012 (100%)

RECOMMENDED ACTION:
(Discussion item only.)

FISCAL IMPACT:
(None.)

DISCUSSION:

OPERATIONS

FY 2011-12 ended up with the District showing net income of approximately $104,384[1]. Revenues came in just slightly ahead of budget, which means **most of the income was the result of less-than-budgeted expenses.**

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:

Interest	$5,768 more than budgeted
Rent	$6,589 more than budgeted
SCWA reimbursement	$10,067 less than budgeted

Expenses:

Salary (Wages, OT, etc.):	$37,708 less than budgeted
Benefits	$8,730 less than budgeted
Gen'l Liability Ins.:	$7,646 less than budgeted

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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.

Treatment System/Wells:	$9,108 less than budgeted
Engineering:	$7,342 less than budgeted
Electricity:	$14,910 less than budgeted
Tank Facilities/Sites	$8,272 less than budgeted
Transfers to Other Funds:	
Tfers for CDR Revenue	$20,900 more than budgeted

CAPITAL

The 4Q review is dominated by capital expenses – it shows the effects of completing the 2012 CIP and starting (but not finishing) the 2013 CIP during this past fiscal year. We were a little off on the amount of the 2012 CIP that would be funded by the Redevelopment grant and District reserves made up the difference. The Capital Budget ended the year in good shape – revenues are on track and expenses are close to where they were expected to be. Costs for the remainder of the 2013 CIP will be carried over into this current Fiscal Year.

FUNDS AT THE COUNTY AND AT REDWOOD CREDIT UNION

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 2013 CIP being budgeted in FY 12, but none of the construction costs were paid in FY 12 - 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 2011-12 Operating Budget Variances as of June 30, 2012 (100%) - Reflects REVISED Budget

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

	FY 2011-12 Actual	2011-12 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	236,887	216,000	20,887	109.67%		
4031.1 · Daily Water Sales Deposits	1,793,628	1,814,250	-20,622	98.86%		
Total 4031 · Water Sales	2,030,515	2,030,250	265	100.01%	This is a cash water sales figure.	
Total OPERATING REVENUE	2,030,515	2,030,250	265	100.01%		
NON-OPERATING REVENUE						
4445 · Grant Proceeds			0	0.0%		
1700 · Interest	40,768	35,000	5,768	116.48%	Reflects interest earnings thru 4Q	*
3600 · Construction New Services	5,177	5,000	177	103.54%		
3601 · Construction - Service Upgrades	3,163	2,000	1,163	158.13%		
4032 · Rent	71,589	65,000	6,589	110.14%	Crystal Comm made some extra payments in the 3Q and throughout this fiscal year.	
4227 · SCWA reimbursement	2,433	12,500	-10,067	19.46%	In the 3Q, the RRCSD reimbursement arrangement was modified, with $10,000/year held by SCWA to administer toilet installation program.	
4040 · Miscellaneous Income	2,758	2,200	558	125.36%		
Total NON-OPERATING REVENUE	125,887	121,700	4,187	103.44%		
Total Income	2,156,402	2,151,950	4,452	100.21%		
Expense						
OPERATING EXPENSES						
SALARY & BENEFITS						
Salary						
5910 · Wages	711,464	735,285	-23,821	96.76%	Wages, Overtime and On-Call pay were overbudgeted this year.	*
5912 · Overtime	23,646	29,848	-6,202	79.22%	In the 1Q, a weekend blowout on newly installed pipe on Rio Vista Terrace resulted in app. $1,500 of overtime	
5916 · On-Call Pay	25,885	33,090	-7,205	78.23%		
5918 · Extra help - Contract	36,620	37,100	-480	98.71%		
Total Salary	797,615	835,323	-37,708	95.49%		
Benefits						
5500 · Flex Spending (Flex spending monies pc	-33		-33	100.0%		
5920 · Retirement	112,613	112,000	613	100.55%		
5920.1 · Ret: Prior Svce Side Fund payoff					Budgeted for FY 2011-12, but paid in FY 2010-11 due to PERS' due dates. This will be part of the Budget revision later this year. In the 3Q, Budget revised from $243,000 to $0.	
5922 · Payroll Taxes - Employer Paid	14,467	14,200	267	101.88%		
5930 · Health/Dental/Vision/AFLAC Ins.	118,333	125,900	-7,567	93.99%	Underbudget due to one employee participation in the Share the Savings plan	*
5931 · Retiree Health	2,640	2,800	-160	94.29%		
5940 · Workers Comp Insurance	23,450	25,300	-1,850	92.69%	Includes 1st, 2nd, 3rd and 4th quarter premiums	
Total Benefits	271,470	280,200	-8,730	96.88%		
Total SALARY & BENEFITS	1,069,085	1,115,523	-46,438	95.84%		

Sweetwater Springs Water District

FY 2011-12 Operating Budget Variances as of June 30, 2012 (100%) - Reflects REVISED Budget

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	FY 2011-12 Actual	2011-12 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Ch ged
SERVICES & SUPPLIES						
Communications						
6040-I · Internet service	1,579	1,800	-221	87.71%		
6040-C · Cell Phones	3,055	3,450	-395	88.54%		
6040-P · Pagers & Radios	1,094	850	244	128.73%		
6040-S · SCADA software maint.	725	500	225	144.92%	In the 1Q, SCADA sofware renewed for the year	
6040-T · Telephones	14,932	14,400	532	103.69%		
Total Communications	21,384	21,000	384	101.83%		
Insurances						
6101 · Gen. Liability	25,620	32,500	-6,880	78.83%	Overbudgeted this year.	*
6102 · Auto/Equipment	7,635	8,400	-765	90.89%		
Total Insurances	33,254	40,900	-7,646	81.31%		
Maint/Rep - Office & Vehicles						
6140 · Vehicle Maintenance	14,725	12,000	2,725	122.71%		
6151 · Office Maintenance	4,609	5,000	-391	92.19%	In the 1Q, annual service contract for automated calling service was renewed	
Total Maint/Rep - Office & Vehicles	19,335	17,000	2,335	113.73%		
Maint/Repair - Facilities						
6085 · Janitorial Services	6,581	7,100	-519	92.7%		
6180 · Distribution System Repairs	41,612	48,000	-6,388	86.69%	In the 3Q Budget revised from $42,000 to $48,000 based on field projections	
6235 · Treatment Sys/Well Repairs	24,892	34,000	-9,108	73.21%	This item was overbudgeted this year. Money was budgeted for potential repairs that weren't needed.	*
6143 · Generator Maintenance	3,584	2,500	1,084	143.37%	1Q expense includes bi-annual generator maintenance	
Total Maint/Repair - Facilities	76,670	91,600	-14,930	83.7%		
Miscellaneous Expenses						
6280 · Memberships	7,808	8,000	-192	97.6%		
6303 · Claims	12,119	11,500	619	105.38%	In the 3Q, Budget revised from $1,500 to $11,500 for the estimated cost of the Plastiras claim	
6593 · Governmental Fees	16,106	18,500	-2,394	87.06%	1Q expense includes water system fees, paid twice yearly, and annual LAFCO costs.	
Total Miscellaneous Expenses	36,032	38,000	-1,968	94.82%		
Office Expense						
6410 · Postage	15,490	15,500	-10	99.93%	1Q postage included $3000 of postage paid on 7/2/2011 (last year's postage)	
6430 · Printing Expense	5,706	7,200	-1,494	79.26%	Bills and envelopes are purchased in yearly quantities.	
6461 · Office Supplies	3,791	5,000	-1,209	75.82%		
6800 · Subscriptions/Legal Notices	840	1,000	-160	83.96%		
6890 · Computers/Software	3,069	4,600	-1,531	66.72%	In the 1Q, 3 (budgeted) computers were purchased	
6579 · Furniture	0	500	-500	0.0%		
Total Office Expense	28,896	33,800	-4,904	85.49%		
Operating Supplies						
6300 · Chemicals	16,113	17,000	-887	94.78%	In the 1Q, chemicals were largely purchased in yearly quantities	

Sweetwater Springs Water District
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	FY 2011-12 Actual	2011-12 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Changed
6880 · Tools and Equipment	4,573	5,000	-427	91.47%	In the 3Q, $1,265 was spent to repair the air compressor and $441 to repair the leak listener	
6881 · Safety Equipment	983	1,500	-517	65.54%		
Total Operating Supplies	21,670	23,500	-1,830	92.21%		
Professional Services						
6083 · Laundry Service	3,188	3,000	188	106.27%		
6514 · Lab/Testing Fees	8,786	13,000	-4,214	67.59%		
6570 · Consultant Fees	9,184	7,900	1,284	116.26%	In the 3Q, Budget revised from $4,300 to $7,900 for unanticipated SCADA consultant costs ($3,600)	
6590 · Engineering	659	8,000	-7,342	8.23%	This item was overbudgeted this year.	*
6610 · Legal	22,414	24,000	-1,586	93.39%	In the 3Q, Budget revised from $15,000 to $24,000 for ongoing underbudgeting for this line	
6630 · Audit/Accounting	23,375	24,300	-925	96.19%	1Q expenses include a $4,500 payment for annual audit services	
Total Professional Services	67,605	80,200	-12,595	84.3%		
Rents & Leases						
6820 · Equipment	1,344	2,000	-656	67.18%		
6840 · Building & Warehouse	27,000	27,000	0	100.0%	In 1Q, paid thru October	
Total Rents & Leases	28,344	29,000	-656	97.74%		
Transportation & Travel						
7120 · Seminars & related travel	2,900	4,000	-1,100	72.49%		
7201 · Vehicle Gas	24,064	24,000	64	100.27%		
7300 · Travel Reimbursements	6,224	6,400	-176	97.26%		
Total Transportation & Travel	33,188	34,400	-1,212	96.48%		
Uniforms						
6021.1 · Boots	1,061	1,330	-269	79.75%		
6021.3 · T-shirts	1,021	1,200	-179	85.11%	T-shirts are purchased once yearly	
6021.4 · Jackets	173	360	-187	48.0%	Hats purchased in 1Q	
Total Uniforms	2,255	2,890	-635	78.02%		
Utilities						
7320 · Electricity	88,090	103,000	-14,910	85.52%	This item was overbudgeted this year.	*
7321 · Propane	3,470	3,700	-230	93.8%		
Total Utilities	91,560	106,700	-15,140	85.81%		
Total SERVICES & SUPPLIES	460,192	518,990	-58,798	88.67%		
Total OPERATING EXPENSES	1,529,277	1,634,513	-105,236	93.56%		
FIXED ASSET EXPENDITURES						
8511.1 · Tank/Facilities Sites	228	8,500	-8,272	2.68%	In the 3Q, Budget revised from $3,500 to $8,500 as a placeholder in case a $5,000 SCADA radio needed to be purchased for the Monte Rosa site. Radio was not needed.	*
8517 · Field/office equipment	5,613	0	5,613	100.0%	In the 3Q, an unbudgeted copier was purchased.	
8573 · Vehicles		0	0	0.0%		
Total FIXED ASSET EXPENDITURES	5,841	8,500	-2,659	68.72%		
Total Expense	1,535,118	1,643,013	-107,895	93.43%		
Net Ordinary Income	621,284	508,937	112,347	122.08%		

Sweetwater Springs Water District

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	FY 2011-12 Actual	2011-12 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Ch ged
Other Income/Expense						
Other Expense						
TRANSFERS TO OTHER FUNDS						
8620.7 · Tfers to CIRF for CDR Revenue	236,900	216,000	20,900	109.68%		
8620.3 · Tfers to CIRF	240,000	240,000	0	100.0%	In the 3Q, Budg revised from $40,000 to $240,000 to refect the deletion of the PERS Side Fund payoff line item.	
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	516,900	496,000	20,900	104.21%		

Table 2. Sweetwater Springs Water District
FY 2011-12 Capital Program Budget Variances as of June 30, 2012 (100%)

	FY 11-12 ACTUAL (4Q)	FY 11-12 BUDGET	$ Over Budget for Year	% of Budget	Comments
REVENUE					
Annual Assessment - New Services	4,370	27,000	-22,630	16.2%	
Annual Assessment (County)	707,210	710,000	-2,790	99.6%	
Prior Year Assessment	18,598	40,000	-21,402	46.5%	
Capital Debt Reduction Charge	236,900	216,000	20,900	109.7%	
Interest	26,339	25,000	1,339	105.4%	
CDC Grants, CIP IV-B, Project 1	84,424	0	84,424	#DIV/0!	From earlier budgets
CDC Grants, CIP IV-B, Project 2.	108,513	0	108,513	#DIV/0!	From earlier budgets
CDC Grants, 2012 CIP	417,764	503,250	-85,486	83.0%	
2012 CIP Non-Grant Funded	740,169	700,453	39,716	105.7%	funded from District reserves
CDC Grants 2013 CIP	61,388	60,000	1,388	102.3%	
Transfers to CIRF from Operations	240,000	40,000	200,000	600.0%	
Transfers to In-House Constr. from Operations	25,000	25,000	0	100.0%	
TOTAL REVENUE	2,670,674	2,346,703	323,971	113.8%	
EXPENSES					
Gen. Obligation Bonds Payments	685,570	687,000	-1,430	99.8%	Payments made
State Loan Payments	170,172	170,300	-128	99.9%	Payments made
Private Placement Loan	234,013	234,014	-1	100.0%	Payments made
CIP IV-B, Project 1	739	0	739	#DIV/0!	Project is completed
CIP IV-B, Project 2	56,435	-	56,435	#DIV/0!	Expenses in 4thQ due to Rio Vista Terrace
2012 CIP	1,157,933	1,203,532	-45,599	96.2%	Construction started in June 2011, NOC January 2012
2013 CIP	87,111	1,299,000	-1,211,889	6.7%	Anticipated design costs, construction contract award in June 2012
In-House Construction Projects	20,854	25,000	-4,146	83.4%	
TOTAL EXPENSES	2,412,828	3,618,846	-1,206,018	66.7%	
SURPLUS/DEFICIT	257,846	-1,272,143	1,529,989	-20.3%	Major difference from 2013 CIP obligated in FY 12 Budget but not spent

Table 3. FUND AND LOAN BALANCES (4Q)		FY 11-12 Actual 3Q	11-12 Budget (Revised)	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)	184,891	184,891	-	
	Economic Reserve (15% of Operating Exp)	277,337	277,337	-	
	Debt Repayment Reserve (25% of Debt pmt)	272,829	272,829	-	
	Capital Reserve	250,000	250,000	-	
Total District Policy		1,185,056	1,185,056	-	
TOTAL Reserves EOY		4,660,715	3,566,983	1,093,732	
Reserves Above (below) Policy		3,475,659	2,381,927	1,093,732	Difference between Total and Policy Reserves
DISTRICT FUNDS					
	CIRF	3,118,481	2,007,571	1,110,910	FY 12 Budget reflects 2013 CIP encumbrance
	OPERATING RESERVE	396,970	462,228	(65,258)	
	OPERATIONS	246,813	200,000	46,813	
	CD	664,621	663,577	1,043	
	IN HOUSE CONSTRUCTION	112,980	102,757	10,223	
	BUILDING	120,850	130,850	(10,000)	
Total Funds Available		4,660,715	3,566,983	1,093,732	Difference is FY 2013 CIP

County Balances FY 2011-12

(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")

		$107,381.32	$105,850.00	$396,970.00	$689,364.64	$109,075.53	$0.00	$2,930,298.23	$ 24,965.01	$24,750.00	$148,550.96	$146,619.86	$0.00	$4,683,825.55
					(Restricted)	*(Restricted)*	*(Restricted)*	*(Restricted)*	*(Restricted)*	*(Restricted)*	*(Restricted)*	*(Restricted)*	*(Restricted)*	
NAME	**CD at Redwood Cred U**	**Operations**	**Bldg Fund**	**Reserves**	**Federal Loan**	**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	632,583.98	$152,381.32	$105,850.00	$396,970.00	$689,364.64	$108,502.19	$0.00	$2,669,858.36	$24,965.01	$24,750.00	$148,550.96	$146,619.86	$0.00	$4,467,812.34
FP2-Aug	632,583.98	$222,381.32	$105,850.00	$396,970.00	$689,364.64	$105,399.51	$0.00	$2,384,563.36	$24,965.01	$24,750.00	$148,550.96	$146,619.86	$0.00	$4,249,414.66
FP3-Sept	640,488.52	$222,381.32	$105,850.00	$341,215.22	$231,846.96	$105,399.51	$0.00	$2,578,806.46	$13,188.04	$24,750.00	$75,241.95	$146,619.86	$0.00	$3,845,299.32
FP4-Oct	640,488.52	$284,056.70	$105,850.00	$396,970.00	$231,846.96	$104,773.67	$0.00	$2,330,029.91	$13,188.04	$24,750.00	$75,241.95	$146,619.86	$0.00	$3,713,327.09
FP5-Nov	640,488.52	$344,056.70	$105,850.00	$396,970.00	$231,846.96	$100,976.23	$0.00	$2,238,597.17	$13,188.04	$24,750.00	$75,241.95	$146,619.86	$0.00	$3,678,096.91
FP6-Dec	648,491.83	$424,056.70	$105,850.00	$396,970.00	$231,846.96	$98,900.05	$0.00	$2,634,690.45	$13,188.04	$24,750.00	$75,241.95	$146,619.86	$0.00	$4,152,114.01
FP7-Jan	648,491.83	$516,117.63	$105,850.00	$396,970.00	$231,846.96	$97,879.78	$0.00	$2,336,281.42	$13,188.04	$24,750.00	$75,241.95	$146,619.86	$0.00	$3,944,745.64
FP8-Feb	648,491.83	$516,117.63	$105,850.00	$396,970.00	$231,846.96	$94,321.12	$0.00	$2,297,663.40	$13,188.04	$24,750.00	$75,241.95	$146,619.86	$0.00	$3,902,568.96
FP9-Mar	656,506.69	$576,117.63	$105,850.00	$396,970.00	$3,794.28	$93,871.49	$0.00	$2,329,648.55	$1,411.07	$24,750.00	$1,932.94	$146,619.86	$0.00	$3,680,965.82
FP10-Apr	656,506.69	$348,713.48	$120,850.00	$396,970.00	$3,794.28	$117,765.26	$0.00	$2,885,950.98	$1,411.07	$24,750.00	$1,932.94	$146,619.86	$0.00	$4,048,757.87
FP11-May	656,506.69	$408,713.48	$120,850.00	$396,970.00	$3,794.28	$116,118.41	$0.00	$2,880,504.38	$1,411.07	$24,750.00	$1,932.94	$146,619.86	$0.00	$4,101,664.42
FP12-Jun	664,620.62	$246,813.48	$120,850.00	$396,970.00	$3,794.28	$112,980.07	$0.00	$3,118,480.50	$1,411.07	$24,750.00	$1,932.94	$146,619.86	$0.00	$4,174,602.20
FP 13 (FINAL)														$0.00
													Balance does not reflect June construction checks	$0.00