SWEETWATER SPRINGS WATER DISTRICT

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

FROM: Steve Mack, General Manager

Meeting Date: November 5, 2015

SUBJECT: ACTUAL VS. BUDGETED (OPERATIONS AND CAPITAL) REPORT THRU SEPTEMBER 30, 2015 (25%)

RECOMMENDED ACTION:
(Discussion item only.)

FISCAL IMPACT:
(None.)

DISCUSSION:

This report presents the 1st quarter actual revenues and expenses. This comprises 25% of the year by time and so we compare the revenues and expenses to that standard.

Operating Budget:

1Q Revenue is greater than 25% of budgeted amount.

Water Sales, the largest revenue line item, came in at just 0.16% ahead of the 25% schedule. Even though this is more than budgeted, it is lower than expected as seasonal fluctuations typically render first quarter water sales higher than other quarters due to higher sales for outside watering and greater visitor activity during the warmer weather. In terms of the units of water sold this year's sales are at a record low, lagging behind last year's first quarter water sales by about 18%.

Overall revenues are $16,734 more than budgeted, helped by $12,210 in extra Mt. Jackson rent revenue from Crystal Communications for prior years arrears and miscellaneous income of $5,406 for payment on a water account that had already been sent to Collections.

1Q Expenditures are higher than 25% of budgeted amount.

1Q expenditures are 2.27% higher than budgeted. This is expected, as certain District bills are paid in full at the beginning of the fiscal year, such as insurance. We also purchased a new District truck this quarter.

There was one unbudgeted expense: a leak on one of the District's feedlines called for replacing a section of line that was under a customer's staircase. Rebuilding the staircase cost $7,145.93 (8511.1 - Tanks/Facilities Sites). This unbudgeted expense was more than offset by low Distribution System costs this quarter (-$1,558, less than zero due to reimbursements from In-House construction that were partially for expenses paid last fiscal year) and savings on the new truck purchase (the purchase price was $17,734 less than budgeted).

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 1Q Capital Budget (Table 2) is typical for the 1st Quarter - most revenues won't come in until later in the year and 2015 CIP expenses are paid when billed and not on any regular schedule.

Revenue from the annual assessment, Capital Debt Reduction Charge (CDRC) and transfers to in-house construction won't be happening until later in the fiscal year.

Major 1st Quarter expenses are for initial payments for GO Bonds, the Capital One Bank Bond, the USDA GO bond, State Loans, and the Private Placement Loan, and for the 2016 CIP expenses.

FUNDS AT THE COUNTY

Table 3. Fund and Loan Balances show a comparison of the budgeted and 1st Quarter balances. Also attached is the County Fund Balances for the 1st Quarter. Table 3 includes all the funds listed in the County Fund Balances.

Table 3 is typical for the 1st quarter of the fiscal year - there are many expenses incurred or paid but many revenues not received.

Sweetwater Springs Water District
FY 2015-16 Operating Budget Variances as of September 30, 2014 (25%)

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

	FY 2015-16 Actual	2015-16 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	354,676	1,434,921	-1,080,245	24.72%		
4031.11· Current Charges	151,125 1	587,100	-435,975	25.74%		
4031.12· Capital Debt Reduction Charge	64,145	261,565	-197,420	24.52%		
4031.1 · Other Water Sales Revenue	4,562	0	4,562	100.0%		
Total 4031 · Water Sales	574,508	2,283,586	-1,709,079	25.16%	This is a cash water sales figure.	*
Total OPERATING REVENUE	574,508	2,283,586	-1,709,079	25.16%		
NON-OPERATING REVENUE						
1700 · Interest	1,731	7,500	-5,769	23.09%	-	
3600 · Construction New Services	2,117	7,000	-4,883	30.25%		
3601 · Construction - Service Upgrades	0	2,000	-2,000	0.0%		
4032 · Rent	31,986	90,482	-58,496	35.35%	In the 1Q, Crystal Communications made extra payments of $12,210 on prior year arrears.	*
4227 · SCWA reimbursement	0	2,500	-2,500	0.0%		
4040 · Miscellaneous Income	5,784	1,500	4,284	385.61%	In the 1Q, a District customer paid off a large ($5,406) water account that had been sent to Collections.	*
Total NON-OPERATING REVENUE	41,618	110,982	-69,364	37.5%		
Total Income	616,126	2,394,568	-1,778,442	25.73%		
Expense						
OPERATING EXPENSES						
SALARY & BENEFITS						
Salary						
5910 · Wages	196,631	734,732	-538,101	26.76%	-	
5912 · Overtime	9,408	31,479	-22,071	29.89%		
5916 · On-Call Pay	8,783	34,083	-25,300	25.77%		
5918 · Extra help - Contract	9,362	36,919	-27,557	25.36%		
Total Salary	224,184	837,213	-613,029	26.78%		
Benefits						
5500 · Flex Spending (Flex spending monies p	-526		-526	100.0%		
5920 · Retirement net employee share	22,642	124,311	-101,669	18.21%		
5922 · Payroll Taxes - Employer Paid	3,140	14,438	-11,298	21.75%		
5930 · Health/Dental/Vision/AFLAC Ins.	35,007	145,668	-110,661	24.03%		
5931 · Retiree Health	1,098	7,000	-5,902	15.69%	-	
5940 · Workers Comp Insurance	31,838	36,000	-4,162	88.44%	In the 1Q, workers' compensation insurance was paid for the year.	*
Total Benefits	93,198	327,417	-234,219	28.47%		
Total SALARY & BENEFITS	317,382	1,164,630	-847,248	27.25%		
SERVICES & SUPPLIES						
Communications						
6040-I · Internet service	318	1,800	-1,482	17.65%		
6040-C · Cell Phones	1,201	4,300	-3,099	27.94%		
6040-P · Pagers & Radios	155	600	-445	25.86%		
6040-T · Telephones	5,270	19,950	-14,680	26.42%		
Total Communications	6,944	26,650	-19,706	26.06%		
Insurances						
6101 · Gen. Liability	31,468	27,000	4,468	116.55%	(In the 1Q, paid for the year)	*

Sweetwater Springs Water District
FY 2015-16 Operating Budget Variances as of September 30, 2014 (25%)

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	FY 2015-16 Actual	2015-16 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Ch ged
6102 · Auto/Equipment	0	5,200	-5,200	0.0%		
Total Insurances	31,468	32,200	-732	97.73%		
Maint/Rep - Office & Vehicles						
6140 · Vehicle Maintenance	2,097	16,000	-13,903	13.11%	-	
6151 · Office Maintenance	359	5,700	-5,341	6.29%		
Total Maint/Rep - Office & Vehicles	2,456	21,700	-19,244	11.32%		
Maint/Repair - Facilities						
6085 · Janitorial Services	1,279	8,140	-6,861	15.71%		
6100 · SCADA system	48	5,000	-4,952	0.95%		
6180 · Distribution System Repairs	-1,559	35,000	-36,559	-4.45%	In the 1Q, reimbursements from In-House Construction exceeded expenses	*
6235 · Treatment Sys/Well Repairs	2,417	60,000	-57,583	4.03%	-	
6143 · Generator Maintenance	1,235	3,500	-2,265	35.3%		
Total Maint/Repair - Facilities	3,420	111,640	-108,220	3.06%		
Miscellaneous Expenses						
6280 · Memberships	726	9,700	-8,974	7.48%		
6303 · Claims	0	1,500	-1,500	0.0%		
6593 · Governmental Fees	6,600	20,500	-13,900	32.19%	-	
Total Miscellaneous Expenses	7,325	31,700	-24,375	23.11%		
Office Expense						
6410 · Postage	5,294	16,000	-10,706	33.09%		
6430 · Printing Expense	3,135	7,500	-4,365	41.8%	-	
6461 · Office Supplies	1,041	4,000	-2,959	26.02%	-	
6800 · Subscriptions/Legal Notices	531	1,100	-569	48.24%		
6890 · Computers/Software	130	3,000	-2,870	4.35%	-	
6579 · Furniture	0	500	-500	0.0%		
Total Office Expense	10,130	32,100	-21,970	31.56%		
Operating Supplies						
6300 · Chemicals	1,693	18,000	-16,307	9.41%	-	
6880 · Tools and Equipment	575	5,500	-4,925	10.45%		
6881 · Safety Equipment	21	1,000	-979	2.06%		
Total Operating Supplies	2,288	24,500	-22,212	9.34%		
Professional Services						
6083 · Laundry Service	457	3,400	-2,943	13.44%		
6514 · Lab/Testing Fees	2,314	15,000	-12,686	15.43%		
6570 · Consultant Fees	1,050	13,000	-11,950	8.08%	-	
6610 · Legal	3,300	20,000	-16,700	16.5%	-	
6630 · Audit/Accounting	5,308	34,500	-29,192	15.39%	-	
Total Professional Services	12,429	85,900	-73,471	14.47%		
Rents & Leases						
6820 · Equipment	337	2,000	-1,663	16.83%		
6840 · Building & Warehouse	9,318	28,100	-18,782	33.16%	1Q Bldg. rent paid thru October.	*
Total Rents & Leases	9,654	30,100	-20,446	32.07%		
Transportation & Travel						
7120 · Seminars & related travel	433	2,650	-2,217	16.35%		
7201 · Vehicle Gas	3,814	25,000	-21,186	15.26%		
7300 · Travel Reimbursements	1,308	6,400	-5,092	20.43%		
Total Transportation & Travel	5,555	34,050	-28,495	16.32%		
Uniforms						

Sweetwater Springs Water District
FY 2015-16 Operating Budget Variances as of September 30, 2014 (25%)

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

	FY 2015-16 Actual	2015-16 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Ch ged
6021.1 · Boots	210	1,500	-1,290	14.0%		
6021.3 · T-shirts	352	1,500	-1,148	23.45%	-	
6021.4 · Jackets	0	240	-240	0.0%		
Total Uniforms	562	3,240	-2,678	17.34%		
Utilities						
7320 · Electricity	26,823	100,000	-73,177	26.82%	-	
7321 · Propane	163	2,000	-1,837	8.15%		
Total Utilities	26,986	102,000	-75,014	26.46%		
Total SERVICES & SUPPLIES	119,219	535,780	-416,561	22.25%		
Total OPERATING EXPENSES	436,601	1,700,410	-1,263,809	25.68%		
FIXED ASSET EXPENDITURES						
8511.1 · Tank/Facilities Sites	14,446	22,000	-7,554	65.66%	1Q expenditures included $6303.75 for the Park Ave. tank foundation (budgeted) and replacement of a staircase on Canyon 6 ($7145.93, unbudgeted).	*
8511.2 - Leasehold Improvements	0	0	0	0.0%		
8517 · Field/office equipment	0	0	0	0.0%		
8573 · Vehicles	32,266	50,000	-17,734	64.53%	This line item was overbudgeted.	*
Total FIXED ASSET EXPENDITURES	46,711	72,000	-25,289	64.88%		
Total Expense	483,313	1,772,410	-1,289,097	27.27%		
Net Ordinary Income	132,813	622,158	-489,345	21.35%		
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	0	500,000	-500,000	0.0%		
8620.5 · Tfers to Building Fund	0	15,000	-15,000	0.0%		
8620.2 · Tfers to In-House Constr	0	25,000	-25,000	0.0%		
Total TRANSFERS TO OTHER FUNDS	0	793,947	-793,947	0.0%	-	

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 2015-16 Capital Program Budget Variances as of September 30, 2015 (100%)

	FY 15-16 ACTUAL (1Q)	FY 15-16 BUDGET	$ Over Budget for Year	% of Budget	Comments
REVENUE					
Annual Assessment - New Services	13,559	27,000	-13,441	50.2%	
Annual Assessment (County)	0	710,000	-710,000	0.0%	
Prior Year Assessment	0	40,000	-40,000	0.0%	
Capital Debt Reduction Charge	0	261,565	-261,565	0.0%	
Interest	2,769	25,000	-22,231	11.1%	
Transfers to CIRF from Operations	0	320,000	-320,000	0.0%	
Transfers to In-House Constr. from Operations	0	25,000	-25,000	0.0%	
Funds from Reserves	0	630,000	-630,000	0.0%	Cost of CIP above revenue (could be deficit in Surplus/Deficit below).
TOTAL CAPITAL REVENUE	16,328	2,038,565	-2,022,237	0.8%	
EXPENSES					
Gen. Obligation Bonds Payments	64,284	64,284	0		
Cap One Revenue Bond	442,554	566,508	-123,954	NA	
Total Bond Payments	506,838	630,792	-123,954	80.3%	
State Loan Payments	85,086	170,300	-85,214	50.0%	
Private Placement Loan	117,007	234,014	-117,007	50.0%	
Total Debt Payments	708,931	1,035,106	-326,175	68.5%	Sum of all debt payments
2016 CIP	519,745	935,000	-415,255	55.6%	Contract awarded in May for $1,024,837
2017 CIP	0	895,400	-895,400	0.0%	
In-House Construction Projects	9,474	25,000	-15,526	37.9%	
TOTAL CAPITAL EXPENSES	1,238,149	2,890,506	-1,652,357	42.8%	
TOTAL CAPITAL EXPENSES WO Projected 2016 CIP Construction Exp	**1,238,149**	**1,995,106**	**-756,957**		
SURPLUS/DEFICIT	-1,221,821	-851,941	-369,880	143.4%	
Net Capital Funding	-160,868	348,077	-508,945	-46.2%	**=Net Operating Revenues + Assessments + Capital Interest - Total Debt Payments (FY15 only); need assessment payment from County**

Table 3. FUND AND LOAN BALANCES (1Q)		FY 15-16 Actual 1Q	15-16 Budget	Difference Actual-FY16	Comments
DISTRICT RESERVES AND FUND BALANCES (3Q)					
District Policy Reserves					
	Operating Budget Cash Reserve	255,061	255,061	-	corresponds to Operations (0100)
	Operating Reserve (25% of Operating Exp)	425,102	425,102	-	corresponds to Operating Reserve 0300)
	Debt Repayment Reserve (25% of Debt pmt)	258,777	258,777	-	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		1,188,939	1,188,939	-	
TOTAL Reserves		2,003,129	2,594,683	(591,554)	
Reserves Above (below) Policy		814,189	1,415,968	-601,779	Difference between Total and Policy Reserves
DISTRICT FUNDS					
	CIRF (7106-0600)	22,964	(85,318)	108,281	
	OPERATIONS (0100)	478,535	425,102	53,434	
	OPERATING RESERVE (0300)	399,812	255,061	144,751	
	CAPITAL AND DEBT POLICY RESERVE (1100)	510,829	508,777	2,053	
	IN HOUSE CONSTRUCTION (0500)	94,842	123,106	-28,264	
	BUILDING (0200)	165,850	180,850	-15,000	
	CAP ONE BOND AND CITIZENS BANK LOAN (1200)	244,945	800,522	-555,577	
	FEDERAL LOANS AND BONDS (0400)	-	64,284	-64,284	payment made this year
	STATE LOANS (0700, 0900)	85,352	170,172	-84,820	
	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		2,003,129	2,442,556	-439,427	

County Balances FY 2015-16

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")

	$21,481.71	$303,535.31	$165,850.00	$399,812.00	$0.00	$106,333.28	$529,149.40	$ 23,699.25	$24,750.00	$146,738.88	$146,619.86	$510,829.00	$804,505.30	$3,161,822.28
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	$21,481.71	$303,535.31	$165,850.00	$399,812.00	$0.00	$104,315.49	$534,740.80	$23,699.25	$24,750.00	$146,738.88	$146,619.86	$510,829.00	$687,498.70	$3,048,389.29
FP2-Aug	$21,481.71	$303,535.31	$165,850.00	$399,812.00	$0.00	$101,218.45	$378,356.69	$23,699.25	$24,750.00	$146,738.88	$146,619.86	$510,829.00	$244,944.70	$2,446,354.14
FP3-Sept	$20,221.51	$478,535.31	$165,850.00	$399,812.00	$0.00	$94,841.78	$22,963.59	$11,922.28	$24,750.00	$73,429.87	$146,619.86	$510,829.00	$244,944.70	$2,174,498.39
FP4-Oct														$0.00
FP5-Nov														$0.00
FP6-Dec														$0.00
FP7-Jan														$0.00
FP8-Feb														$0.00
FP9-Mar														$0.00
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 + 2900
Cumulative CERBT Contributions: $20,734.01