SWEETWATER SPRINGS WATER DISTRICT

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

FROM: Steve Mack, General Manager

Meeting Date: November 1, 2012

SUBJECT: ACTUAL VS. BUDGETED (OPERATIONS AND CAPITAL) REPORT THRU SEPTEMBER 30, 2012 (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 3% ahead of the 25% schedule. Some acceleration is 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. However, this fiscal year the amount of water sold is greater than this same period last year by 15%, or about 8,400,788 *more* gallons of water sold.

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

1Q expenditures are 5% higher than budgeted. This is expected, as certain District bills are paid in full at the beginning of the fiscal year, such as insurance, LAFCO fees, and water system fees. Driving up expenses, however, were some fairly large unbudgeted expenses: $3,041 of unbudgeted generator maintenance expenses and $2,275 of unbudgeted emergency tree trimming. Also of note, water system fees paid to the Department of Public Health increased by $6,590 compared to this same period last year.

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 not in balance because some revenues won't come in until later in the year, because of carryover revenue and expenses from the prior year and loan repayment expenses that occurred in the quarter, and because the total cost of the 2014 CIP is included in the FY 2013 Budget but most of the expense won't occur until FY 2014.

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. There is more revenue from the CDC/RRROC grant for 2013 CIP – these revenues always lag the expenses. The non-grant funded part of the 2013 CIP will be funded from reserves.

Major 1st Quarter expenses are for initial payments for GO Bonds, State Loans, and the Private Placement Loan, and for the 2013 CIP expenses for which is assisted by a 75% CDC/RRROC grant.

FUNDS AT THE COUNTY AND AT REDWOOD CREDIT UNION

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. Of note the CD at Redwood Credit Union expired in early October and those funds have been transferred into the CIRF.

It is difficult to make much of the comparisons in Table 3 because this is just the 1st quarter of the fiscal year. There are many expenses not incurred or paid and many revenues not received. The Budgeted CIRF shows the encumbrance for the 2014 CIP but those funds will largely not be expended until FY 2014.

Sweetwater Springs Water District
FY 2012-13 Operating Budget Variances as of September 30, 2012 (25%)

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	58,411	230,000	-171,589	25.4%		
4031.1 · Daily Water Sales Deposits	510,333	1,796,550	-1,286,217	28.41%		
Total 4031 · Water Sales	568,745	2,026,550	-1,457,805	28.07%	This is a cash water sales figure.	
Total OPERATING REVENUE	568,745	2,026,550	-1,457,805	28.07%		
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	
1700 · Interest	10,133	35,000	-24,867	28.95%	Reflects interest earnings thru 1Q	*
3600 · Construction New Services	904	4,000	-3,096	22.6%		
3601 · Construction - Service Upgrades	402	2,000	-1,598	20.1%		
4032 · Rent	17,129	81,000	-63,871	21.15%	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	0	8,000	-8,000	0.0%	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	84	3,000	-2,916	2.79%		
Total NON-OPERATING REVENUE	30,527	133,000	-102,473	22.95%		
Total Income	599,271	2,159,550	-1,560,279	27.75%		
Expense						
OPERATING EXPENSES						
SALARY & BENEFITS						
Salary						
5910 · Wages	195,937	755,736	-559,799	25.93%	-	
5912 · Overtime	6,863	30,270	-23,407	22.67%		
5916 · On-Call Pay	7,735	33,090	-25,355	23.38%		
5918 · Extra help - Contract	9,421	33,600	-24,179	28.04%		
Total Salary	219,955	852,696	-632,741	25.8%		
Benefits						
5500 · Flex Spending (Flex spending monies pc	-897		-897	100.0%		
5920 · Retirement	27,604	119,521	-91,917	23.1%		
5922 · Payroll Taxes - Employer Paid	2,984	14,420	-11,436	20.7%		
5930 · Health/Dental/Vision/AFLAC Ins.	32,634	133,702	-101,068	24.41%	-	
5931 · Retiree Health	672	2,760	-2,088	24.35%		
5940 · Workers Comp Insurance	12,113	25,049	-12,936	48.36%	In the 1Q, expenses reflect pymt through the 2Q, plus pymt for FY 2011-12 Audit	*
Total Benefits	75,109	295,452	-220,343	25.42%		
Total SALARY & BENEFITS	295,065	1,148,148	-853,083	25.7%		
SERVICES & SUPPLIES						

Sweetwater Springs Water District
FY 2012-13 Operating Budget Variances as of September 30, 2012 (25%)

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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
Communications						
6040-I · Internet service	406	1,800	-1,394	22.56%		
6040-C · Cell Phones	759	2,720	-1,961	27.9%		
6040-P · Pagers & Radios	178	850	-673	20.88%		
6040-S · SCADA software maint.	0	0	0	0.0%		
6040-T · Telephones	5,361	15,400	-10,039	34.81%		
Total Communications	6,704	20,770	-14,066	32.28%		
Insurances						
6101 · Gen. Liability	20,711	28,000	-7,289	73.97%		
6102 · Auto/Equipment	13,932	8,000	5,932	174.15%		
Total Insurances	34,643	36,000	-1,357	96.23%		
Maint/Rep - Office & Vehicles						
6140 · Vehicle Maintenance	1,540	16,000	-14,460	9.63%		
6151 · Office Maintenance	1,486	5,000	-3,514	29.73%		
Total Maint/Rep - Office & Vehicles	3,026	21,000	-17,974	14.41%		
Maint/Repair - Facilities						
6085 · Janitorial Services	1,325	5,200	-3,875	25.48%		
6100 · SCADA system	0	2,780	-2,780	0.0%		
6180 · Distribution System Repairs	25,877	45,000	-19,123	57.51%		
6235 · Treatment Sys/Well Repairs	20,781	40,000	-19,219	51.95%		
6143 · Generator Maintenance	3,041	0	3,041	100.0%	In the 1Q this line item is already overbudget because nothing was budgeted for Generator Maintenance in FY 2012-13.	*
Total Maint/Repair - Facilities	51,025	92,980	-41,955	54.88%		
Miscellaneous Expenses						
6280 · Memberships	713	8,700	-7,987	8.2%		
6303 · Claims	360	1,500	-1,140	24.0%		
6593 · Governmental Fees	19,632	19,500	132	100.68%	1Q expense includes water system fees, paid twice yearly, and annual LAFCO costs.	*
Total Miscellaneous Expenses	20,705	29,700	-8,995	69.71%		
Office Expense						
6410 · Postage	3,286	16,000	-12,714	20.54%		
6430 · Printing Expense	1,140	6,400	-5,260	17.81%		
6461 · Office Supplies	1,836	4,000	-2,164	45.89%	In the 1Q, the District spent approx. $600 on new meter book covers, an unbudgeted expenses.	*
6800 · Subscriptions/Legal Notices	424	820	-396	51.74%		
6890 · Computers/Software	0	1,600	-1,600	0.0%		
6579 · Furniture	0	500	-500	0.0%		
Total Office Expense	6,686	29,320	-22,634	22.8%		
Operating Supplies						
6300 · Chemicals	0	17,000	-17,000	0.0%		

Sweetwater Springs Water District
FY 2012-13 Operating Budget Variances as of September 30, 2012 (25%)

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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
6880 · Tools and Equipment	2,144	5,000	-2,856	42.88%		
6881 · Safety Equipment	0	1,500	-1,500	0.0%		
Total Operating Supplies	2,144	23,500	-21,356	9.12%		
Professional Services						
6083 · Laundry Service	799	3,400	-2,601	23.49%		
6514 · Lab/Testing Fees	1,936	13,000	-11,064	14.9%		
6570 · Consultant Fees	1,833	1,300	533	141.03%		
6590 · Engineering	0	4,000	-4,000	0.0%		
6610 · Legal	6,538	20,000	-13,462	32.69%	-	
6630 · Audit/Accounting	9,275	27,500	-18,225	33.73%	1Q expenses include a $4,500 payment for annual audit services	*
Total Professional Services	20,381	69,200	-48,819	29.45%		
Rents & Leases						
6820 · Equipment	336	3,400	-3,064	9.88%		
6840 · Building & Warehouse	9,000	27,000	-18,000	33.33%	1Q Bldg. rent paid thru October.	*
Total Rents & Leases	9,336	30,400	-21,064	30.71%		
Transportation & Travel						
7120 · Seminars & related travel	250	4,000	-3,750	6.25%		
7201 · Vehicle Gas	7,828	26,500	-18,672	29.54%		
7300 · Travel Reimbursements	1,486	6,400	-4,914	23.21%		
Total Transportation & Travel	9,564	36,900	-27,336	25.92%		
Uniforms						
6021.1 · Boots	205	1,500	-1,295	13.67%		
6021.3 · T-shirts	504	1,200	-696	41.97%	T-shirts are purchased once yearly	
6021.4 · Jackets	0	360	-360	0.0%		
Total Uniforms	709	3,060	-2,351	23.16%		
Utilities						
7320 · Electricity	32,400	90,000	-57,600	36.0%	-	
7321 · Propane	10	3,100	-3,090	0.32%		
Total Utilities	32,410	93,100	-60,690	34.81%		
Total SERVICES & SUPPLIES	197,332	485,930	-288,598	40.61%		
Total OPERATING EXPENSES	492,397	1,634,078	-1,141,681	30.13%		
FIXED ASSET EXPENDITURES						
8511.1 · Tank/Facilities Sites	2,275	15,000	-12,725	15.17%	In the 1Q, $2,275 was paid for unbudgeted tree removal.	*
8517 · Field/office equipment	0	5,000	-5,000	0.0%		
8573 · Vehicles	0	0	0	0.0%		
Total FIXED ASSET EXPENDITURES	2,275	20,000	-17,725	11.38%		
Total Expense	494,672	1,654,078	-1,159,406	29.91%		
Net Ordinary Income	104,600	505,472	-400,872	20.69%		

Sweetwater Springs Water District
FY 2012-13 Operating Budget Variances as of September 30, 2012 (25%)

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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
Other Income/Expense						
Other Expense						
TRANSFERS TO OTHER FUNDS						
8620.7 · Tfers to CIRF for CDR Revenue	0	230,000	-230,000	0.0%		
8620.3 · Tfers to CIRF	0	220,000	-220,000	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	490,000	-490,000	0.0%		

Table 2. Sweetwater Springs Water District
FY 2012-13 Capital Program Budget Variances as of September 30, 2012 (25%)

	FY 12-13 ACTUAL (1Q)	FY 12-13 BUDGET	$ Over Budget for Year	% of Budget	Comments
REVENUE					
Annual Assessment - New Services	13,715	27,000	-13,285	50.8%	
Annual Assessment (County)	2,376	710,000	-707,624	0.3%	
Prior Year Assessment	0	40,000	-40,000	0.0%	
Capital Debt Reduction Charge	0	230,000	-230,000	0.0%	
Interest	6,167	25,000	-18,833	24.7%	
CDC Grants, 2012 CIP		0			
CDC Grants, 2013 CIP	99,368	914,250	-814,882	10.9%	
Transfers to CIRF from Operations		220,000			
Transfers to In-House Constr. from Operations		25,000			
TOTAL REVENUE	121,626	2,191,250	-2,069,624	5.6%	
EXPENSES					
Gen. Obligation Bonds Payments	460,053	687,000	-226,947	67.0%	1st Payment made
State Loan Payments	85,086	170,300	-85,214	50.0%	1st Payment made
Private Placement Loan	117,006	234,014	-117,008	50.0%	1st Payment made
CIP IV-B, Project 2	780	-	780	#DIV/0!	Continuing expenses due to Rio Vista Terrace
2013 CIP Carryover	127,280	1,219,000	-1,091,720	10.4%	Construction started in July 2012
2014 CIP	0	1,592,000	-1,592,000	0.0%	Anticipated design costs, construction contract award in June 2013
In-House Construction Projects	3,401	25,000	-21,599	13.6%	
TOTAL EXPENSES	793,606	3,927,314	-3,133,708	20.2%	
SURPLUS/DEFICIT	-671,979	-1,736,064	1,064,085	38.7%	

Table 3. FUND AND LOAN BALANCES (1Q)		FY 12-13 Actual 1Q	12-13 Budget	Difference Actual-FY13
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		3,723,088	3,018,140	704,949
Reserves Above (below) Policy		2,590,989	1,886,041	704,949
DISTRICT FUNDS				
	CIRF	2,130,935	1,463,507	667,428
	OPERATING RESERVE	396,970	409,270	-12,300
	OPERATIONS	292,161	200,000	92,161
	CD	672,925	696,756	-23,830
	IN HOUSE CONSTRUCTION	109,246	102,757	6,489
	BUILDING	120,850	145,850	-25,000
Total Funds Available		3,723,088	3,018,140	

Comments
Difference between Total and Policy Reserves

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**	**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
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
													Balance does not reflect June construction checks	$0.00