



Memorandum

DATE: November 12, 2020

TO: Administrative & Finance Committee
(Directors Thomas, Finnegan, Dick)

FROM: Robert Hunter

SUBJECT: Quarter ending September 2020 Fiscal YTD Financials Actual versus Budget

The following reports are attached:

- Revenues and Expenditures Actual versus Budget for the General Fund
- Revenues and Expenditures Actual versus Budget Detailed Comparative Report for the General Fund
- Revenues and Expenditures Actual versus Budget for Water Funds
- Revenues and Expenditures Actual versus Budget for Other Funds
- Revenues and Expenditures Actual versus Budget for the Water Use Efficiency Projects

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
 Revenues and Expenditures Actual versus Budget Summary Report
 Fiscal Year to Date ending September 2020 (Unaudited)
 (\$000 Omitted)
 General Fund and Reserve Fund

GENERAL FUND

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>% Used</u>
<u>REVENUES</u>			
Water Rate revenues:			
Retail Connection Charge	7,838	7,838	100.00%
Ground Water Customer Charge	595	595	100.00%
Subtotal	8,433	8,433	100.00%
Other Revenues:			
Interest Income	69	458	15.01%
Choice Programs ⁽¹⁾	1,218	1,574	77.38%
Other Income ⁽²⁾	1	3	49.87%
Transfer in from Reserve ⁽³⁾	0	98	0.00%
Subtotal	1,288	2,133	60.40%
TOTAL REVENUES	9,721	10,566	92.01%
<u>EXPENSES</u>			
Personnel Expenses (incl. Dir.)	1,750	6,374	27.45%
Professional Services ⁽⁴⁾	253	1,555	16.30%
Outside Engineering ⁽⁵⁾	53	340	15.72%
Legal Expense	57	211	27.09%
Travel & Conference ⁽⁶⁾	3	133	2.26%
Dues and Memberships	54	180	30.00%
General & Admin Expense	218	968	22.49%
Building Repair & Expense ⁽⁷⁾	39	727	5.30%
Capital Acquisition (not including building repairs) ⁽⁸⁾	43	79	54.89%
TOTAL EXPENSES	2,470	10,566	23.38%
EXCESS OF REVENUES OVER EXPENSES	7,251		

RESERVE FUND

Beginning Balance	6,132
Nov 2019 - excess from FY2018-19 General Fund	635
TOTAL RESERVE FUND	6,767

- (1) Choice Programs are paid in the beginning of the fiscal year
- (2) Other Income - Wellness Grant for employees from ACWA JPIA
- (3) Transfer in from Reserves is moved at year-end
- (4) Professional Services - Projects in process
- (5) Outside Engineering - Projects in process
- (6) Travel is suspended due to COVID-19
- (7) Work is in progress for Building Repair & Expense
- (8) Capital Acquisition is a work in progress

Municipal Water District of Orange County
Revenues and Expenditures Actual vs Budget Line Item Report
Fiscal Year to Date ending September 2020 (Unaudited)
General Fund

	YTD ACTUAL	ANNUAL BUDGET	% Used
REVENUES			
Retail Connection Charge	7,837,792	7,837,792	100.00%
Ground Water Customer Charge	595,323	595,323	100.00%
Water Rate Revenues	8,433,115	8,433,115	100.00%
Choice Programs	1,193,813	1,574,100	75.84%
MWD Revenue - Shared Services	24,178	0	0.00%
Interest Revenue	68,725	458,000	15.01%
Miscellaneous Income	1,496	3,000	49.87%
School Contracts	0	0	0.00%
Gain on Sale of Investment	0	0	0.00%
Transfer in from Reserve	0	97,733	0.00%
Other Revenues	1,288,212	2,132,833	60.40%
TOTAL REVENUES	9,721,327	10,565,948	92.01%

OPERATING EXPENSES			
Salaries & Wages	1,071,833	4,151,602	25.82%
less Recovery's	0	0	0.00%
Directors' Compensation	56,973	258,909	22.01%
MWD Representation	35,362	157,070	22.51%
Employee Benefits	332,941	1,335,116	24.94%
less Recovery's	0	0	0.00%
CALPERS Unfunded Liability Contribution	207,000	207,000	100.00%
Directors Benefits	28,513	101,971	27.96%
Health Insurances for Retirees	15,785	87,449	18.05%
Training Expense	754	64,500	1.17%
Tuition Reimbursement	0	5,000	0.00%
Temporary Help Expense	0	5,000	0.00%
Personnel Expenses	1,749,161	6,373,617	27.44%
Engineering Expense	53,463	340,000	15.72%
Legal Expense	57,028	210,500	27.09%
Audit Expense	19,000	29,725	63.92%
Professional Services	234,425	1,525,503	15.37%
Professional Fees	363,916	2,105,728	17.28%
Conference-Staff	915	26,515	3.45%
Conference-Directors	735	18,695	3.93%
Travel & Accom.-Staff	1,349	62,495	2.16%
Travel & Accom.-Directors	0	24,900	0.00%
Travel & Conference	2,999	132,605	2.26%
Membership/Sponsorship	54,087	127,161	42.53%
CDR Support	0	53,158	0.00%
Dues & Memberships	54,087	180,319	30.00%

Municipal Water District of Orange County
Revenues and Expenditures Actual vs Budget Line Item Report
Fiscal Year to Date ending September 2020 (Unaudited)
General Fund

	YTD ACTUAL	ANNUAL BUDGET	% Used
Business Expense	0	4,500	0.00%
Maintenance Office	25,904	125,420	20.65%
Building Repair & Maintenance	6,177	15,000	41.18%
Storage Rental & Equipment Lease	159	1,750	9.09%
Office Supplies	2,459	39,000	6.31%
Supplies - Water Loss Control	536	10,000	5.36%
Postage/Mail Delivery	2,156	9,300	23.18%
Subscriptions & Books	240	1,000	24.00%
Reproduction Expense	3,371	83,700	4.03%
Maintenance-Computers	473	8,000	5.91%
Software Purchase	19,282	57,000	33.83%
Software Support	24,685	47,640	51.82%
Computers and Equipment	7,673	33,550	22.87%
Maintenance Expense	0	6,000	0.00%
Automotive Expense	0	20,000	0.00%
Vehicle Expense	1,290	6,350	20.31%
Toll Road Charges	0	2,300	0.00%
Insurance Expense	34,402	110,000	31.27%
Utilities - Telephone	9,418	30,850	30.53%
Bank Fees	494	1,200	41.17%
Miscellaneous Expense	5,101	113,800	4.48%
MWDOC's Contribution to WEROC	60,309	241,236	25.00%
Depreciation Expense	13,456	0	0.00%
MWDOC Building Expense	38,556	726,883	5.30%
Capital Acquisition	43,475	79,200	54.89%
Other Expenses	299,616	1,773,679	16.89%
TOTAL EXPENSES	2,469,779	10,565,948	23.37%
EXCESS OF REVENUES OVER EXPENSES	7,251,548	0	

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Statement of Revenues and Expenditures
Fiscal Year to Date ending September 2020 (Unaudited)
Water Funds

	YTD Actual	Annual Budget	Balance
<u>Water Revenues</u>			
Water Sales	40,941,997	208,407,327	(167,465,330)
Readiness to Serve Charge	2,891,703	11,583,326	(8,691,623)
Capacity Charge CCF	973,060	3,892,240	(2,919,180)
SCP/SAC Pipeline Surcharge	102,012	315,000	(212,988)
Interest	2,199	22,000	(19,801)
Total Water Revenues	44,910,971	224,219,893	(179,308,922)
 <u>Water Purchases</u>			
Water Sales	40,941,997	208,407,327	(167,465,330)
Ready to Serve Charge	2,891,703	11,583,326	(8,691,623)
Capacity Charge	973,060	3,892,240	(2,919,180)
SCP/SAC Pipeline Surcharge	102,012	315,000	(212,988)
Total Water Purchases	44,908,772	224,197,893	(179,289,121)
EXCESS OF REVENUES OVER EXPENDITURES	2,199	22,000	(19,801)

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
 Revenues and Expenditures Actual versus Budget
 Fiscal Year to Date ending September 2020 (Unaudited)
 Other Funds

	YTD Actual	Annual Budget	Balance
<u>WEROC</u>			
Revenues	301,545	482,472	(180,927)
Expenditures	113,980	482,472	(368,492)
Excess of Revenues over Expenditures	187,565	0	187,565
<u>WUE Projects (details on next page)</u>			
Revenues	404,837	1,579,934	(1,175,097)
Expenditures	486,315	1,579,934	(1,093,619)
Excess of Revenues over Expenditures	(81,478)	0	(81,478)

Footnote:

- 1) The excess of expense over revenue is waiting for reimbursement.
- 2) USBR (Federal) Grant is billed in October and April with funds being received one month later.
- 3) DWR is billed quarterly to county and takes a few months to a year to receive funds.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
 Revenues and Expenditures Actual versus Budget
 Fiscal Year to Date ending September 2020 (Unaudited)
 Water Use Efficiency Projects

	<u>Actual</u>	<u>Variance %</u>	<u>Fiscal Year Budget</u>	<u>% of Budget</u>	<u>Projected Final FY Budget</u>
<u>Spray to Drip Conversion</u>					
Revenues	16,037		38,900	41.23%	38,900
Expenditures	17,707		38,900	45.52%	38,900
Excess of Revenues over Expenditures	(1,670)	-10%			

Actual Variance: Payment to Program Participants ahead of Grant, Metropolitan (on water bill), and Retail Water Agencies reimbursements. All reporting current.

Budget Variance: Stated budget number is a yearly number, actual number is for the first quarter. It is anticipated that by year's end Actual will be closer to Budget.

Member Agency Administered Pass thru

Revenues	0		175,000	0.00%	175,000
Expenditures	0		175,000	0.00%	175,000
Excess of Revenues over Expenditures	0	0%			

Actual Variance: Retail Water Agencies have not begun reporting their projects.

Budget Variance: Stated budget number is a yearly number, actual number is for the first quarter. It is anticipated that by year's end Actual will be closer to Budget.

ULFT Rebate Program

Revenues	340		2,000	17.00%	2,000
Expenditures	340		2,000	17.00%	2,000
Excess of Revenues over Expenditures	0	0%			

Actual Variance: This tracks MWDOC member agencies activities to provide supplemental funding to increase activity in their service territories.

Budget Variance: Stated budget number is a yearly number, actual number is for the first quarter. It is anticipated that by year's end Actual will be closer to Budget.

HECW Rebate Program

Revenues	9,847		77,000	12.79%	77,000
Expenditures	9,845		77,000	12.79%	77,000
Excess of Revenues over Expenditures	2	0%			

Actual Variance: This tracks MWDOC member agencies activities to provide supplemental funding to increase activity in their service territories.

Budget Variance: Stated budget number is a yearly number, actual number is for the first quarter. It is anticipated that by year's end Actual will be closer to Budget.

CII Rebate Program

Revenues	0		12,500	0.00%	12,500
Expenditures	0		12,500	0.00%	12,500
Excess of Revenues over Expenditures	0	0%			

Actual Variance: This tracks MWDOC member agencies activities to provide supplemental funding to increase activity in their service territory

Budget Variance: Stated budget number is a yearly number, actual number is for the first quarter. It is anticipated that by year's end Actual will be closer to Budget.

Notes:

- 1) Variance from Revenues to Expenses. When greater than 5%, an explanation is provided.
- 2) Fiscal year budget versus Actual
- 3) With each quarterly report the projected fiscal year end budget may be re-adjusted.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
 Revenues and Expenditures Actual versus Budget
 Fiscal Year to Date ending September 2020 (Unaudited)
 Water Use Efficiency Projects

	<u>Actual</u>	<u>Variance %</u>	<u>Fiscal Year Budget</u>	<u>% of Budget</u>	<u>Projected Final FY Budget</u>
<u>Turf Removal Program</u>					
Revenues	267,905		648,000	41.34%	648,000
Expenditures	297,566		648,000	45.92%	648,000
Excess of Revenues over Expenditures	(29,661)	-11%			

Actual Variance: Posted revenues lagging behind expenses. All revenue reporting for reimbursement is up to date.

Budget Variance: Stated budget number is a yearly number, actual number is for the first quarter. It is anticipated that by year's end Actual will be closer to Budget.

<u>Comprehensive Landscape (CLWUE)</u>					
Revenues	57,027		130,784	43.60%	130,784
Expenditures	84,171		130,784	64.36%	130,784
Excess of Revenues over Expenditures	(27,144)	-48%			

Actual Variance: Grant funded program. Granting agencies are slow to provide their funding. All reporting is current.

Budget Variance: Stated budget number is a yearly number, actual number is for the first quarter. It is anticipated that by year's end Actual will be closer to Budget.

<u>Recycled Water Program</u>					
Revenues	0		61,750	0.00%	61,750
Expenditures	0		61,750	0.00%	61,750
Excess of Revenues over Expenditures	0	0%			

Actual Variance: Should begin reimbursing recycled water projects in the second quarter.

Budget Variance: Stated budget number is a yearly number, actual number is for the first quarter. It is anticipated that by year's end Actual will be closer to Budget.

<u>WSIP - Industrial Program</u>					
Revenues	13,471		30,000	44.90%	30,000
Expenditures	13,471		30,000	44.90%	30,000
Excess of Revenues over Expenditures	0	0%			

Actual Variance: N/A

Budget Variance: Stated budget number is a yearly number, actual number is for the first quarter. It is anticipated that by year's end Actual will be closer to Budget.

<u>Land Design Program</u>					
Revenues	40,210		404,000	9.95%	404,000
Expenditures	63,215		404,000	15.65%	404,000
Excess of Revenues over Expenditures	(23,005)	-57%			

Actual Variance: Expenses out ahead of grant reimbursements. All local, State, and Federal reporting current.

Budget Variance: Stated budget number is a yearly number, actual number is for the first quarter. It is anticipated that by year's end Actual will be closer to Budget.

Notes:

- 1) Variance from Revenues to Expenses. When greater than 5%, an explanation is provided.
- 2) Fiscal year budget versus Actual
- 3) With each quarterly report the projected fiscal year end budget may be re-adjusted.