

January 26, 2021

2nd Quarter Financial Statement Memo

Authored by: Jennifer Flores, Administrative Services Manager

Please note: This memo reflects activity through December 31, 2020 and items in the capital outlay charts noted as “unbudgeted” were made part of the approved budget in January 2021.

WATER FUND

REVENUE

Fixed rates are on track with the adopted budget and variable rates are exceeding the budgeted figure by 24%. Other nonoperating revenue includes \$10,638 in earned interest from District’s LAIF account.

EXPENSES

Overall, District expenses are on track with the approved budget. Leases will be over budget as the District had to pay off the old Avaya phone lease that was not expected during the development of the budget.

CAPITAL OUTLAY

1st Quarter

1st quarter capital expense includes \$20,911 fund share expense for the software upgrade to the District’s new server, \$18,000 for the initial deposit for the new Tank 4 generator (this has been reimbursed by the county from their PG&E PSPS relief fund), \$15,346 in engineering fees for the Big Creek/Second Garrotte Clearwell Project, and \$12,279 fund share expense for the Honda utility vehicle purchased to access off road District properties including water and sewer easements for inspections.

2nd Quarter

2nd quarter capital expense includes the fund share of \$97,760 for the purchase of the District’s new crane truck (budgeted originally in the 2019/20 FY and carried to this year due to delays in truck delivery), \$44,335 for the Tank #2 generator/asphalt improvement project, \$57,232 for the purchase of mixers for Tanks 2, 4, and 5 to improve water quality and regulatory compliance, \$50,494 for the remaining balance for the purchase of the new Tank 4 generator, and \$17,910 in engineering fees (contract initiation, notice to proceed, contractor meetings, preparation of the budget package for the state) for the Big Creek/Second Garrotte Clearwell Project.

WATER CAPITAL OUTLAY		
CIP Project	2020/21 Adopted	2020/21 YTD Spent
Downtown Groveland/BOF Planning Study		12,811
General Water Distribution System Improv.	30,000	4,365
Water Pump Replacements	20,000	
Admin Parking Lot Upgrade (5 Yr Plan)	98,000	1,125
Fuel Tank Painting/Electronic Logging	50,400	
Treatment Plant General Improvements/Replacements	20,000	
Crane Body Truck		97,760
Big Creek WTP A/C Upgrade	5,500	4,130
2G WTP A/C Upgrade	5,500	4,130
Tank #2 Generator/Asphalt Improvement	95,000	44,335
Truck #6 Replacement	35,000	
Truck #8 Replacement	23,800	
District Camera System	14,840	
Tank Mixers for T2, 4 and 5	113,000	57,232
Server OS Upgrade	17,360	20,911
Tank 4 Generator	105,000	58,494
Big Creek-2G Clearwell, Butler Way Bypass	3,400,000	33,256
Unbudgeted Items		
2020 Honda UTV		12,279
Tank #2 A/C Heater		3,672
TOTAL WATER CAPITAL OUTLAY	4,033,400	341,689

SEWER FUND

REVENUE

Fixed rates are on track with the approved budget and variable rates are exceeding the budgeted figure by 14% due to higher customer water consumption. Other nonoperating revenue includes \$7,477 in earned interest from District's LAIF account.

EXPENSES

Overall, District expenses are on track with the approved budget. Leases will be over budget as the District had to pay off the old Avaya phone lease that was not expected during the development of the budget. The District has paid its annual PERS unfunded accrued liability (UAL) bill, the remaining \$2,345 is the 3% cost savings the District receives for paying this in one lump sum.

CAPITAL OUTLAY

1st Quarter

1st quarter capital expense includes \$13,082 fund share expense for the software upgrade to the District's new server, \$21,340 for the Skate Park Manhole Repair Project (project completed), \$3,533 for new Sewer Treatment Plant blower, \$3,265 for new flow meter for PML mixing pond (required for calculating mixture of District reclaimed water and lake water for golf course watering), and \$5,778 fund share expense for the Honda utility vehicle purchased to access off road District properties including water and sewer easements for inspections.

2nd Quarter

2nd quarter capital expense includes \$94,064 for the Headworks Replacement Project at the Wastewater Treatment Plant (WWTP), \$47,207 for the purchase of a new Bobcat used at the WWTP, \$26,562 for the purchase of the Smart Manhole Cover System which is in place and operational, \$16,389 in engineering fees for preparation of the final plans and specifications for the Downtown Groveland/Big Oak Flat Collection System Rehab Project, and the fund share of \$46,005 for the purchase of the District's new crane truck.

SEWER CAPITAL OUTLAY		
CIP Project	2020/21 Adopted	2020/21 YTD Spent
Wastewater Pump Replacements	24,000	
Sewer Imp-Headworks, LS2, Irrigation, Sludge Pump, Influent Pump	1,470,000	94,064
Admin Parking Lot Upgrade (5 Yr Plan)	66,500	763
Fuel Tank Painting/Electronic Logging	34,200	
Concrete grading by Screw Press	120,000	
Road Maintenance	100,000	
New Bobcat	45,000	47,207
Truck # 8 Replacement	11,200	
District Camera System	10,070	
Server OS Upgrade	11,780	13,082
Skate Park Manhole Repair/Replacement	25,000	21,340
Smart (manhole) Cover System	26,000	26,562
Annual Contingency for Future Capital Projects	100,000	
Unbudgeted Items		
Downtown Groveland/BOF		19,922
Crane Body Truck		46,005
Gaembsa Blower (2)		7,067
Flow Meter MV 806		3,265
2020 Honda UTV		5,778
Tank #2 A/C Heater		1,728
TOTAL SEWER CAPITAL OUTLAY	2,043,750	286,783

FIRE FUND

REVENUE

The District received a large property tax disbursement check from the county in December. Other nonoperating revenue includes \$3,300 in grants funds from the State of California for new turnouts, and \$3,013 in earned interest from District's LAIF account. Other non-operating revenue includes \$27,641 in grant money for the Jones Hill Fuel Break Project.

EXPENSES

The District has paid \$195,100 to CAL FIRE which only reflects their first quarter billing. Utilities are over budget due to higher water usage. Other operating expense includes \$16,522 in legal fees related to review and response related to the Under Canvas and Terra Vi Lodging projects, \$9,500 to SCI Consulting

for fire tax consulting services, and \$13,785 in apparatus repair work. Non-operating expense includes \$105,000 for the Jones Hill Fuel Break Project.

CAPITAL OUTLAY

1st Quarter

1st quarter capital expense includes \$1,392 fund share expense for the software upgrade to the District’s new server, \$59,228 for the Fire Department Building Upgrade Project (This item was not budgeted for in the current fiscal year as it was projected to be completed by the close of the previous fiscal year where it was budgeted for in the amount of \$59,000).

2nd Quarter

2nd quarter capital expense includes \$100 fund share expense for the Admin Parking Lot Upgrade Project.

FIRE CAPITAL OUTLAY		
CIP Project	2020/21 Adopted	2020/21 YTD Spent
Admin Parking Lot Upgrade (5 Yr Plan)	8,750	100
Fuel Tank Painting/Electronic Logging	4,500	-
Station Restroom Upgrades	5,000	2,091
District Camera System	1,325	-
Server OS Upgrade	1,550	1,392
Unbudgeted Items		
Fire Dept Building Upgrade		59,228
TOTAL FIRE CAPITAL OUTLAY	21,125	62,811

PARKS FUND

REVENUE

The District received a large property tax disbursement check from the county in December. Other operating revenue includes \$25,300 from PG&E for the purchase of two (2) easements for the Pre-Installed Interconnection Hub (PIH), \$26,878 in cell tower rent, \$9,500 from PG&E for the use of Mary Laveroni Park for their community resource center during the last PSPS event, and \$964 in earned interest from District’s LAIF account.

EXPENSES

Utilities are up as a result of higher District water bills.

CAPITAL OUTLAY

1st Quarter

1st quarter capital expense includes \$278 fund share expense for the software upgrade to the District's new server.

2nd Quarter

2nd quarter capital expense includes \$20 fund share expense for the Admin Parking Lot Upgrade Project.

PARK CAPITAL OUTLAY		
Projects	2020/21 Proposed	2020/21 YTD Spent
Admin Parking Lot Upgrade (5 Yr Plan)	1,750	20
Fuel Tank Painting/Electronic Logging	900	-
Park Door Upgrades	10,670	-
District Camera System	265	-
Server OS Upgrade	310	278
TOTAL PARK CAPITAL OUTLAY	13,895	298

Budget to Actual 2nd Quarter Report

Groveland Community Services District

For 2nd Quarter Ended December 31, 2020

Total - District-Wide	2020/21 Annual Budget	Year-to-date Actuals	CY Actual Vs. CY Budget-Remaining \$	CY Actual Vs. CY Budget-Remaining%
Fixed rates	\$ 3,316,016	\$ 1,659,870	\$ (1,656,146)	50%
Variable rates	1,418,170	997,004	\$ (421,166)	30%
Property taxes	1,204,893	697,881	\$ (507,012)	42%
Other operating revenues	137,810	47,486	\$ (90,324)	66%
Other nonoperating revenues	3,703,420	110,305	\$ (3,593,115)	97%
Total Revenues	9,780,309	3,512,546	(6,267,763)	
Salaries and benefits	(2,126,133)	(970,163)	1,155,970	54%
Cost of water	(215,000)	(110,670)	104,330	49%
Utilities	(279,628)	(136,704)	142,924	51%
Cal Fire contract	(1,319,537)	(195,900)	1,123,637	85%
Other operating expenses	(2,048,558)	(857,443)	1,191,115	58%
Leases: prin+interest	(11,628)	(11,121)	507	4%
Sewer Project Imp Loan	(105,838)	(52,919)		
Transfer to Pension	(248,241)	(239,983)	8,258	3%
Non Operating Expenses-Jones Hill	(166,300)	(127,971)		
Total Expenses	(6,520,863)	(2,702,875)	3,726,740	
Capital outlay (fixed assets)	(6,112,170)	(702,186)	5,409,984	89%
Net profit (loss)	\$ (2,852,724)	\$ 107,485	\$ 2,868,961	
Debt Service Collections	934,906	474,845	(460,061)	
Debt Service: Prin/Interest	(986,341)	(366,721)	619,620	
	(51,435)	108,123	\$ 159,558	

Budget to Actual 2nd Quarter Report

Groveland Community Services District

For 2nd Quarter Ended December 31, 2020

Water	2020/21 Annual Budget	Year-to-date Actuals	CY Actual Vs. CY Budget- Remaining \$	CY Actual Vs. CY Budget- Remaining%
Fixed rates	\$ 1,642,114	\$ 822,618	\$ (819,496)	50%
Variable rates	898,880	664,619	(234,261)	26%
Other operating revenues	83,310	39,878	(43,432)	52%
Other nonoperating revenues	3,448,500	5,506	(3,442,994)	100%
Total Revenue	6,072,804	1,532,621	(4,540,183)	
Salaries	(767,427)	(350,663)	416,764	54%
Benefits	(338,207)	(175,803)	162,404	48%
Cost of water	(215,000)	(110,670)	104,330	49%
Utilities	(100,000)	(50,788)	49,212	49%
Other operating expenses	(1,064,418)	(428,997)	635,421	60%
Leases	(8,949)	(8,647)	302	3%
Pension Unfunded Liability	\$ (103,886)	\$ (100,430)	3,456	3%
Total Expenses	(2,597,887)	(1,225,999)	1,371,888	
Capital outlay (Fixed assets)	(4,033,400)	(354,501)	3,678,899	91%
Net profit (loss)	\$ (558,483)	\$ (47,879)	\$ 510,604	
Debt Service Collections	607,042	310,764	(296,278)	
Debt Service Prin/Interest	(688,676)	(219,489)	469,187	
	(81,634)	91,274	172,908	

Budget to Actual 2nd Quarter Report

Groveland Community Services District

For 2nd Quarter Ended December 31, 2020

Sewer	2020/21 Annual Budget	Year-to-date Actuals	CY Actual Vs. CY Budget- Remaining \$	CY Actual Vs. CY Budget- Remaining%
Fixed rates	\$ 1,673,902	\$ 837,252	\$ (836,650)	50%
Variable rates	519,290	332,385	(186,905)	36%
Other operating revenues	32,000	7,125	(24,875)	78%
Other nonoperating revenues	32,620	7,811	(24,809)	76%
Total Revenue	2,257,812	1,184,574	(1,073,238)	
Salaries	(609,327)	(255,361)	353,966	58%
Benefits	(254,690)	(125,935)	128,755	51%
Utilities	(126,000)	(46,777)	79,223	63%
Other operating expenses	(765,818)	(335,484)	430,334	56%
Leases	(2,679)	(2,475)	204	8%
Sewer Improvement Project Loan-P/I	(105,838)	(52,919)	52,919	50%
Pension Unfunded Liability	(70,494)	(68,149)	2,345	3%
Total Expenses	(1,934,846)	(887,100)	1,047,746	
Capital Outlay (fixed assets)	(2,043,750)	(284,576)	1,759,174	86%
Net profit (loss)	\$ (1,720,784)	\$ 12,898	\$ 1,733,682	
Debt Service Collections	327,864	164,081	(163,783)	
Debt Service:Prin/Interest	(297,665)	(147,232)	150,433	
	30,199	16,849	(13,350)	

Budget to Actual 2nd Quarter Report

Groveland Community Services District

For 2nd Quarter Ended December 31, 2020

Total - Governmental Funds	2020/21 Annual Budget	Year-to-date Actuals	CY Actual Vs. CY Budget- Remaining \$	CY Actual Vs. CY Budget- Remaining%
Property taxes	1,204,893	697,881	(507,012)	42%
Other operating revenues	22,500	483	(22,018)	98%
Other nonoperating revenues	222,300	96,987	(125,313)	56%
Total Revenues	1,449,693	795,351	(654,342)	
Salaries and benefits	(156,482)	(62,401)	94,081	60%
Utilities	(53,628)	(39,139)	14,489	27%
Cal Fire/Amador contract	(1,319,537)	(195,900)	1,123,637	85%
Other operating expenses	(218,322)	(92,961)	125,361	57%
Transfer to Pension/Unfunded	(73,861)	(71,404)	2,457	3%
Non-Operating Exp.-Jones Hill	(166,300)	(127,971)	38,329	23%
Total Expenses	(1,988,130)	(589,777)	1,398,353	
Capital outlay (fixed assets)	(35,020)	(63,109)	(28,089)	-80%
Net profit (loss)	\$ (573,457)	\$ 142,465	\$ 715,922	

Budget to Actual 2nd Quarter Report

Groveland Community Services District

For 2nd Quarter Ended December 31, 2020

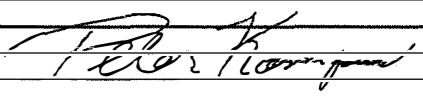
Fire	2020/21 Annual Budget	Year-to-date Actuals	CY Actual Vs. CY Budget- Remaining \$	CY Actual Vs. CY Budget- Remaining%
Property taxes	\$ 1,108,503	\$ 642,051	\$ (466,452)	42%
Other operating revenues	20,500	0	(20,500)	100%
Other nonoperating revenues	176,300	33,955	\$ (142,345)	81%
Total Revenues	1,305,303	676,006	(629,297)	
Salaries and benefits	(117,830)	(51,502)	66,328	56%
Cal Fire Contract	(1,056,071)	(195,900)	860,171	81%
Amador Contract	(263,466)	0	263,466	100%
Utilities	(18,628)	(11,499)	7,129	38%
Other operating expenses	(181,546)	(84,230)	97,316	54%
Tfr. to PERS Unfunded Liability	(72,006)	(69,610)	\$ 2,396	3%
Non Operating Exp - Jones Hill	(166,300)	(127,971)	\$ 38,329	23%
Total Expenses	(1,875,847)	(540,712)	1,335,135	
Capital Outlay (fixed assets)	(21,125)	(62,811)	\$ (41,686)	
Net Profit (Loss)	\$ (591,669)	\$ 72,483	\$ 664,152	

Budget to Actual 2nd Quarter Report

Groveland Community Services District

For 2nd Quarter Ended December 31, 2020

Parks	2020/21 Annual Budget	Year-to-date Actuals	CY Actual Vs. CY Budget-Remaining \$	CY Actual Vs. CY Budget-Remaining%
Property taxes	\$ 96,390	\$ 55,830	\$ (40,560)	42%
Other operating revenues	2,000	483	(1,518)	76%
Other nonoperating revenues	46,000	63,032	17,032	-37%
Total Revenue	144,390	119,345	(25,045)	
Salaries and benefits	(38,652)	(10,899)	27,753	72%
Utilities	(35,000)	(27,640)	7,360	21%
Other operating expenses	(36,776)	(8,731)	28,045	76%
Transfer to Pension	(1,855)	(1,794)	61	3%
Total Expenses	(112,283)	(49,065)	63,218	
Capital outlay (fixed assets)	(13,895)	(298)	13,597	98%
Net Profit (Loss)	\$ 18,212	\$ 69,982	\$ 51,770	

GROVELAND COMMUNITY SERVICES DISTRICT				Enterprise & D/G Funds			Government Funds		
Quarterly Investment/Treasurer's Report									
2nd Quarter Balances @ 12/31/20		Interest	YTD Interest						
Cash Accounts	Acct	Rate	Jan-Dec 2020	Water	Sewer	Grunsky	Fire	Parks	G/L Totals
Mechanics Bank Operating Account	4498	0	0	279,052.23	661,584.18	2,853.10	405,715.77	141,130.81	1,490,336.09
Mechanics Bank Payroll Account	2426	0	0	16,754.84	17,802.58		3,573.57	3,204.53	41,335.52
Mechanics Bank Sewer Impr. Checking	2675	0	0		9,936.81				9,936.81
Water Bond Pymt Reserve	4662	0.06%	1153.15	1,113,940.06	-		-	-	1,113,940.06
Sewer Bond Pymt Reserve	4745	0.06%	1056.08	-	917,948.14		-	-	917,948.14
Cash Drawer				168.00	132.00				300.00
Petty Cash				100.00	100.00				200.00
Cash in Co Treas SAD 77-1				(588.00)					(588.00)
LAIF	5001	0.63%	64,103.92	2,653,070.91	1,900,653.82	12,139.07	765,996.18	245,147.45	5,577,007.43
Total Unrestricted Cash				4,062,498.04	3,508,157.53	14,992.17	1,175,285.52	389,482.79	9,150,416.05
2013 Water Bond Sale - Restricted Reserve	2498	0.06%	406.1	316,679.16					316,679.16
2014 BNY Water Bond Sale - Restricted Reserve	5112	0.03%	2029.75	378,543.39					378,543.39
2014 BNY Sewer Bond Sale-Restricted Reserve	9240		129.38		-				-
Total Restricted Cash				695,222.55	-	-	-	-	695,222.55
Total Cash and Investments				4,757,720.59	3,508,157.53	18,464.26	1,175,285.52	389,482.79	9,845,638.60
2020 YTD Interest Earned		<u>Jan-Dec</u>	<u>\$ 68,878.38</u>						
"I certify that the District investments have been made in accordance with the Investment Policy. I further certify that the District has adequate revenue to cover its operating expense for the next six months, in accordance with California Government Code Sections 53646 (b) (2) and (3) respectively."									
Name				Title	General Manager			Date	January 19, 2021