



STAFF REPORT

Meeting Type: Finance & Administration Committee/Board of Directors
Title: Monthly Financial Update
From: Bret Uppendahl, Finance Director *BU*
Through: Paul Sellier for Ben Horenstein, General Manager *PS*
Meeting Date: October 24, 2024

TYPE OF ACTION: Action X Information Review and Refer

RECOMMENDATION: Review the Monthly Financial Update

SUMMARY: The Monthly Financial Update provides an overview of the fiscal year-to-date financials. As of September 30, 2024, District operating and capital revenue is \$43.9 million, which is 27% of budgeted revenue for the year. Total expenditures including encumbrances are \$46.9 million, or 27% of annual budget. Water sales, excluding fixed charges, are \$31.5 million, which is 31% of the annual budget.

DISCUSSION: Attached is the budget to actual comparison for fiscal year 2024/25 as of September 30, 2024. The budget to actual comparison is prepared by fund and includes revenues and expenditures. For reference, if revenues and expenses tracked linearly, they would be expected to be at 25% of the fiscal year budget at the end of September. Water sales, which have seasonal variability, would be expected to be at 30% of the fiscal year budget.

For the Operating Fund, total revenues as of September 30, 2024 are \$39.7 million, or 29% of budget. Total operating expenditures, not including depreciation and amortization or encumbrances, are \$23.6 million, or 21% of budget. For the Capital Fund, total revenues are \$4.2 million, which is 18% of budget. These revenues are comprised primarily of Capital Maintenance Fee (CMF) revenues of \$3.9 million, which are at 22% of the budget. Total Capital Improvement Program (CIP) expenditures are \$7.5 million, or 12% of budget, as CIP projects typically do not follow linear trends in expenditures. As noted in Attachment 4, an additional \$15.8 million is encumbered, bringing total expenditures with encumbrances to \$23.3 million, or 27% of budget.

The fiscal year to date billed water sales through September 30, 2024 were \$31.5 million, which is 31% of the annual water sales forecast, and 103% of the expected revenue through the first quarter of the year. Billed water consumption through September 30, 2024 was 6,593 AF, which is 6% higher than this time last year.

Year-to-date total water sales and fees (service charges, watershed fees and capital maintenance fees) through September 30, 2024 were \$42.8 million, which is 28% of the total annual rate revenue forecast of \$151.5 million (\$133.5 million operating and \$18.0 million capital). Compared to the same period for the previous fiscal year water sales and fees increased by \$12 million, or 39%. Staff recently completed a preliminary analysis on recent water use trends for single family residences showing that median water use declined more than 25 percent from 2021 to 2023 and that median annual use has remained relatively constant over the past two years.

ENVIRONMENTAL REVIEW: Not Applicable.

FISCAL IMPACT: None.

ATTACHMENT(S):

1. Total Water Sales and Fixed Charges & Fees FY 2023/24 – 2024/25
2. Billed Water Consumption in AF FY 2014/15 to FY 2024/25
3. Budget to Actual Comparison for FY 2024/25
4. CIP Budget to Actual Comparison for FY 2024/25