



STAFF REPORT

Meeting Type: Finance & Administration Committee/Board of Directors
Title: Monthly Financial Update
From: Bret Uppendahl, Finance Director *BU*
Through: Ben Horenstein, General Manager *BH*
Meeting Date: November 21, 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 October 31, 2024, District operating and capital revenue is \$65.6 million, which is 41% of budgeted revenue for the year. Total expenditures including encumbrances are \$61.6 million, or 35% of annual budget. Water sales, excluding fixed charges, are \$56.1 million, which is 42% of the annual budget.

DISCUSSION: Attached is the budget to actual comparison for fiscal year 2024/25 as of October 31, 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 33% of the fiscal year budget at the end of October. Water sales, which have seasonal variability, would be expected to be at 44% of the fiscal year budget.

For the Operating Fund, total revenues as of October 31, 2024 are \$57.7 million, or 42% of budget. Total operating expenditures, not including depreciation and amortization or encumbrances, are \$32.1 million, or 29% of budget. For the Capital Fund, total revenues are \$7.9 million, which is 34% of budget. These revenues are comprised primarily of Capital Maintenance Fee (CMF) revenues of \$5.6 million, which are at 31% of the budget. Total Capital Improvement Program (CIP) expenditures are \$13.1 million, or 20% of budget, as CIP projects typically do not follow linear trends in expenditures. As noted in Attachment 4, an additional \$16.4 million is encumbered, bringing total expenditures with encumbrances to \$29.5 million, or 45% of budget.

The fiscal year to date billed water sales through October 31, 2024 were \$45.4 million, which is 44% of the annual water sales forecast, and 99.7% of the expected revenue through the first quarter of the year. Billed water consumption through October 31, 2024 was 9,372 AF, which is 5% higher than this time last year.

Year-to-date total water sales and fees (service charges, watershed fees and capital maintenance fees) through October 31, 2024 were \$61.7 million, which is 41% 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 \$15 million, or 32%.

FY 2023-24 Year-End Summary

Staff has been working with the District's independent financial auditor to prepare the Annual Comprehensive Financial Report. The report will be complete in December and staff will present the report to the Finance and Administration Committee in January. Initial findings are positive, showing that the District's total net position increased from \$266.9 million in FY 23 to \$307.4 million in FY 24. Net operating income increased from \$5.3 million in FY 23 to \$30.5 million in FY 24, driven by increased operating revenues of \$28.3 million and offset by increased operating expenditures of \$3.0 million. The District's total cash and investments increased from \$66.3 million in FY 23 to \$87.5 million in FY 24.

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