



# STAFF REPORT

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**Meeting Type:** Finance & Administration Committee/Board of Directors  
**Title:** Monthly Financial Update  
**From:** Bret Uppendahl, Finance Director  
**Through:** Ben Horenstein, General Manager  
**Meeting Date:** September 25, 2025

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**TYPE OF ITEM:** Approve      X      Review and Comment

**RECOMMENDATION:** Review and comment on the Monthly Financial Update

**SUMMARY:** The Monthly Financial Update provides an overview for fiscal year 2025/26 water sales revenue and fiscal year-to-date financials. This month's report also provides preliminary results for FY 2024/25.

Fiscal year 2025/26 District operating and capital revenue is \$31.5 million, which is 17% of budgeted revenue for the year. Total expenditures including encumbrances are \$33.8 million, or 17% of annual budget. Water sales, excluding fixed charges, are 7% below the budget for the first two months of the year.

Fiscal year 2024/25 billed water sales before year-end accounting adjustments were \$99.1 million, which is 97% of the annual water sales forecast. Total water sales and fees (service charges, watershed fees and capital maintenance fees) were \$146.7 million, which is 97% of the total annual rate revenue forecast of \$151.5 million. Preliminary total operating expenditures were \$98.2 million, or 87.5% of budget. Preliminary total Capital Fund expenditures were \$38.5 million, or 57.8% of budget. It should be noted that approximately \$15.5 million in unspent capital funds have been carried forward into FY 2025/26 to provide funding for projects in progress.

**DISCUSSION:** Attached is the budget to actual comparison for fiscal year 2025/26 as of August 31, 2025, which is prepared by fund and includes revenues and expenditures. For reference, if revenues and expenses tracked linearly, they would be expected to be at 17% of the fiscal year budget at the end of August.

For the Operating Fund, total revenues as of August 31, 2025 are \$28.6 million, or 19% of budget. Total operating expenditures, not including depreciation and amortization or encumbrances, are \$17.2 million, or 15% of budget. For the Capital Fund, total revenues are \$2.9 million, which is 11% of budget. These revenues are comprised primarily of Capital Maintenance Fee (CMF) revenues, which are at 16%

of the budget. Total Capital Improvement Program (CIP) expenditures are \$2.1 million, or 3% of budget, as CIP projects typically do not follow linear trends in expenditures. As noted in Attachment 4, an additional \$14.4 million is encumbered, bringing total expenditures with encumbrances to \$16.6 million, or 20% of budget.

The fiscal year to date billed water sales through August 31, 2025 were \$22.7 million, which is 20% of the annual water sales forecast, and 93% of the expected revenue. Billed water consumption through August 31, 2025 was 4,389 AF, which is 8% lower than this time last year.

Year-to-date total water sales and fees (service charges, watershed fees and capital maintenance fees) through August 31, 2025 were \$31 million, which is 19% of the total annual rate revenue forecast of \$165.8 million (\$147.9 million operating and \$17.9 million capital). Compared to the same period for the previous fiscal year water sales and fees increased by \$2 million, or 7%.

### **Fiscal Year 2024/25**

Attached is the preliminary budget to actual comparison for fiscal year 2024/25 as of June 30, 2025, which is prepared by fund and includes revenues and expenditures. These preliminary numbers exclude year-end accounting adjustments.

Fiscal year 2024/25 preliminary District operating and capital revenue before year-end accounting adjustments is \$160.6 million, which is 101% of budgeted revenue for the year. Total expenditures are \$136.7 million, or 76% of annual budget. Salary savings attributable to vacancies accounts for \$2.5 million of the expenditure savings. Approximately \$15.5 million in unspent capital funds have been carried forward to FY 2025/26 to support multi-year projects that are currently in progress. For the Operating Fund, total revenues are \$135.3 million, or 99% of budget.

Consistent with Board Policy #46, each of the District's seven reserve funds ended FY 2024/25 with at least the minimum prescribed balance. Pending final accounting adjustments, the Undesignated Operating Reserve fund will end the year with the target balance, and there will be an undesignated surplus of approximately \$13 million. It is anticipated that the independent external audit will be complete in November 2025.

**ENVIRONMENTAL REVIEW:** Not applicable.

**FISCAL IMPACT:** None.

### **ATTACHMENT(S):**

1. Total Water Sales and Fixed Charges & Fees FY 2024/25 – 2025/26
2. Billed Water Consumption in AF FY 2015/16 to FY 2025/26
3. Budget to Actual Comparison for FY 2025/26
4. CIP Budget to Actual Comparison for FY 2025/26
5. Budget to Actual Comparison for FY 2024/25