



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: January 25, 2024 *BH*

TYPE OF ACTION: Action X Information Review and Refer

RECOMMENDATION: Receive monthly financial update and overview of year-to-date financials

SUMMARY: The Monthly Financial Update provides an overview of the fiscal year-to-date financials. As of December 31, 2023, District revenue is \$73.9 million, which is 52.1% of budgeted revenue, and total expenditures including encumbrances are \$66.2 million, or 47.2% of budget. Water sales, excluding fixed charges, are down by approximately 3.4% compared to the original budget.

DISCUSSION: Attached is the budget to actual comparison for fiscal year 2023/24 as of December 31, 2023.

The budget to actual comparison is prepared by fund and includes revenues, expenditures and reserve balances. For reference, if revenues and expenses tracked linearly, they would be expected to be at 50% of the fiscal year budget at the end of December. Water sales, which are relatively higher in the summer months, would be expected to be 54.6% of the fiscal year budget at this time of year.

For the Operating Fund, total revenues as of December 31, 2023 are \$61.2 million, or 52.0% of budget. Total operating expenditures, not including depreciation and amortization or encumbrances, are \$48.6 million, or 46.6% of budget.

For the Capital Fund, total revenues are \$10.2 million, which is 51.3% of budget. These revenues are comprised primarily of Capital Maintenance Fee (CMF) revenues of \$8.3 million, which are at 48.7% of the budget. Total Capital Improvement Project (CIP) expenditures are \$8.2 million, or 26.0% of budget, as CIP projects typically do not follow linear trends in expenditures. As noted in Attachment 4, an additional \$6.7 million is encumbered, bringing total expenditures with encumbrances to \$14.9 million, or 47.4% of budget.

The fiscal year to date billed water sales through December 31, 2023 were \$44.6 million, which is 52.8% of the annual water sales forecast, and 96.6% of the expected revenue through the first six

months of the year. Billed water consumption through December 31, 2023 was 12,070 AF, which is 4.6% higher than this time last year.

Year-to-date total water sales and fixed charges (service charges, watershed fees and capital maintenance fees) through December 31, 2023 were \$67.6 million, which is 51.4% of total annual revenue forecast of \$131.4 million (\$114.3 million operating and \$17.1 million capital). Compared to the same period for the previous fiscal year water sales and fixed charges increased by \$14.9 million, or 28.2%.

ENVIRONMENTAL REVIEW: Not applicable.

FISCAL IMPACT: None.

ATTACHMENT(S):

1. Total Water Sales and Fixed Charges & Fees FY 2022/23 – 2023/24
2. Billed Water Consumption in AF FY 2013/14 to FY 2023/24
3. Budget to Actual Comparison for FY 2023/24
4. CIP Budget to Actual Comparison for FY 2023/24