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Meeting Date: January 24, 2018  
Staff Contact: Stan Allred, Chief Financial Officer

**TITLE: C-18-3 - FY2018 1<sup>st</sup> Quarter Operating Financial Reports**

**ACTION: Receipt be Noted**

**SUMMARY:**

Submitted to the Board for review and informational purposes are the financial reports for the quarter ended September 30, 2017. The reports provide a year to date comparison between the approved FY18 budget and actual expenses through September 30<sup>th</sup>. The reports also include revenue and expense projections to June 30, 2018. The projections are based on actual, trend, and historical information. As with any estimates, this information is subject to change.

Fund 21 General Operating Fund

Revenues:

First quarter rate revenues are \$1.33 million above the actuals for the same period in FY17. This revenue increase includes increased revenue from Water revenue of \$.04 million, and Sewer revenue \$1.29 million. The FY18 rate revenues are up from the FY17 revenues for the same time period due to an increase 5% increase in water and sewer rates effective July 1, 2017. Revenues are projected be at the FY18 projected budgeted amount. This projection is based upon 2 and half months of actual consumption and is subject to change.

First Quarter other revenue which includes miscellaneous revenue is \$0.25 million more the actuals for the same period in FY17. Approved budget revenues amounts were derived with the expectation of very limited growth in the service area for the next several years coupled with a GCPD level of 130.

Expenses:

First Quarter total expenses are \$.035 million less than the actuals for the same period in FY17. The projected total expense at June 30, 2018 is estimated to be \$1.35 million under the FY18 budgeted amount.

Working capital or fund balance is projected to be \$11.5 million, compared to a beginning balance in FY18 of \$13.7 million. The decrease in fund balance is due to the additional increase in the transfer to the Capital funds. The fund balance trend has reversed as planned and will eventually meet the target of 1/12 of operating expenditures.

**FISCAL IMPACT:**

Reductions in consumption is a positive result for conservation goals, however, the costs of maintaining the utility are primarily fixed in nature and the revenue requirements for operating, debt service payments, reserves, and debt service coverage must be met. Consumption levels will continue to be monitored to ensure proper revenue levels are achieved.

The Water Authority will continue to control operating expenditures to offset any reductions in Revenue. The Water Authority also continues to add an additional \$2 million a year to the Rate Reserve. The balance for this reserve is now at \$10 million and \$3 million of the reserve will be transferred to CIP for work at the Water Reclamation Plant to cover the Clarifiers. This will leave a \$7 million balance in this reserve which will be earmarked for fluctuations in revenue which are not anticipated and to protect ratepayers from emergency rate adjustments.

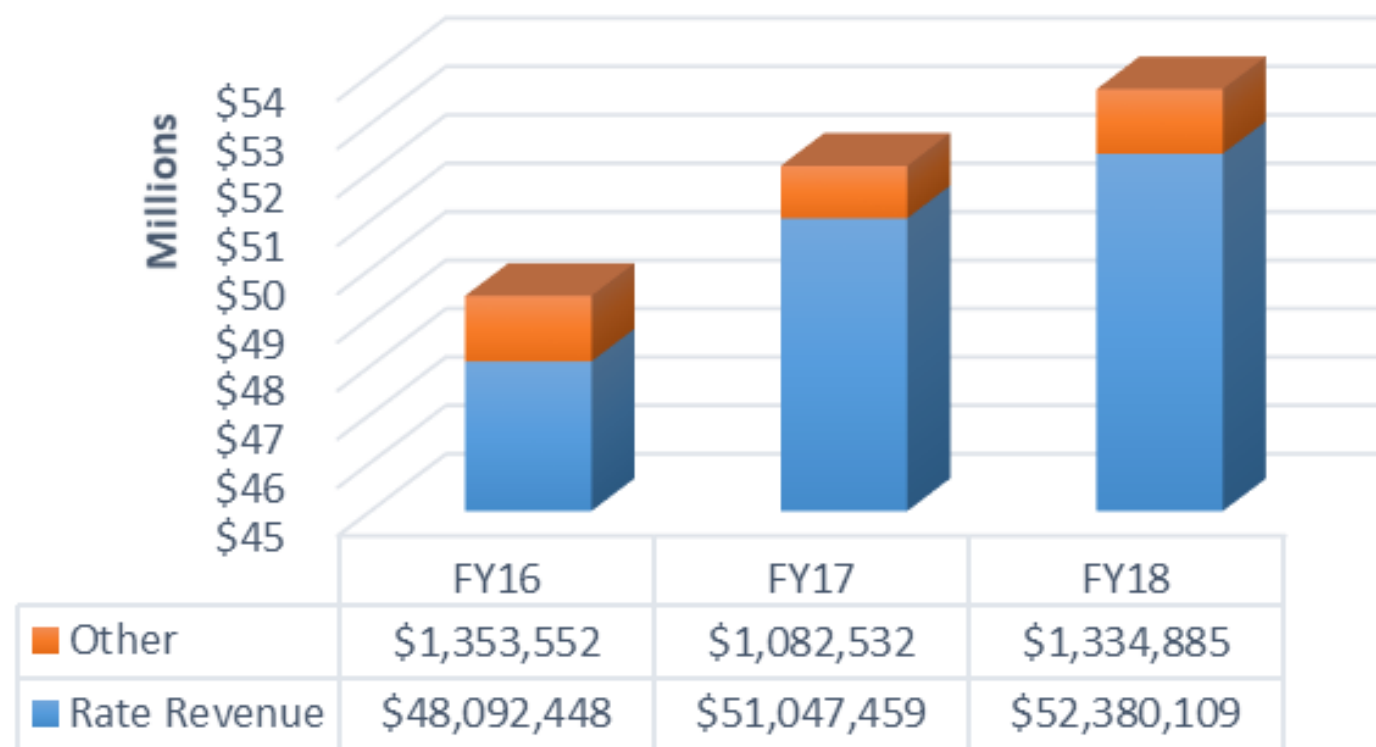
# Fiscal Year 2018

1<sup>st</sup> Quarter Dashboard



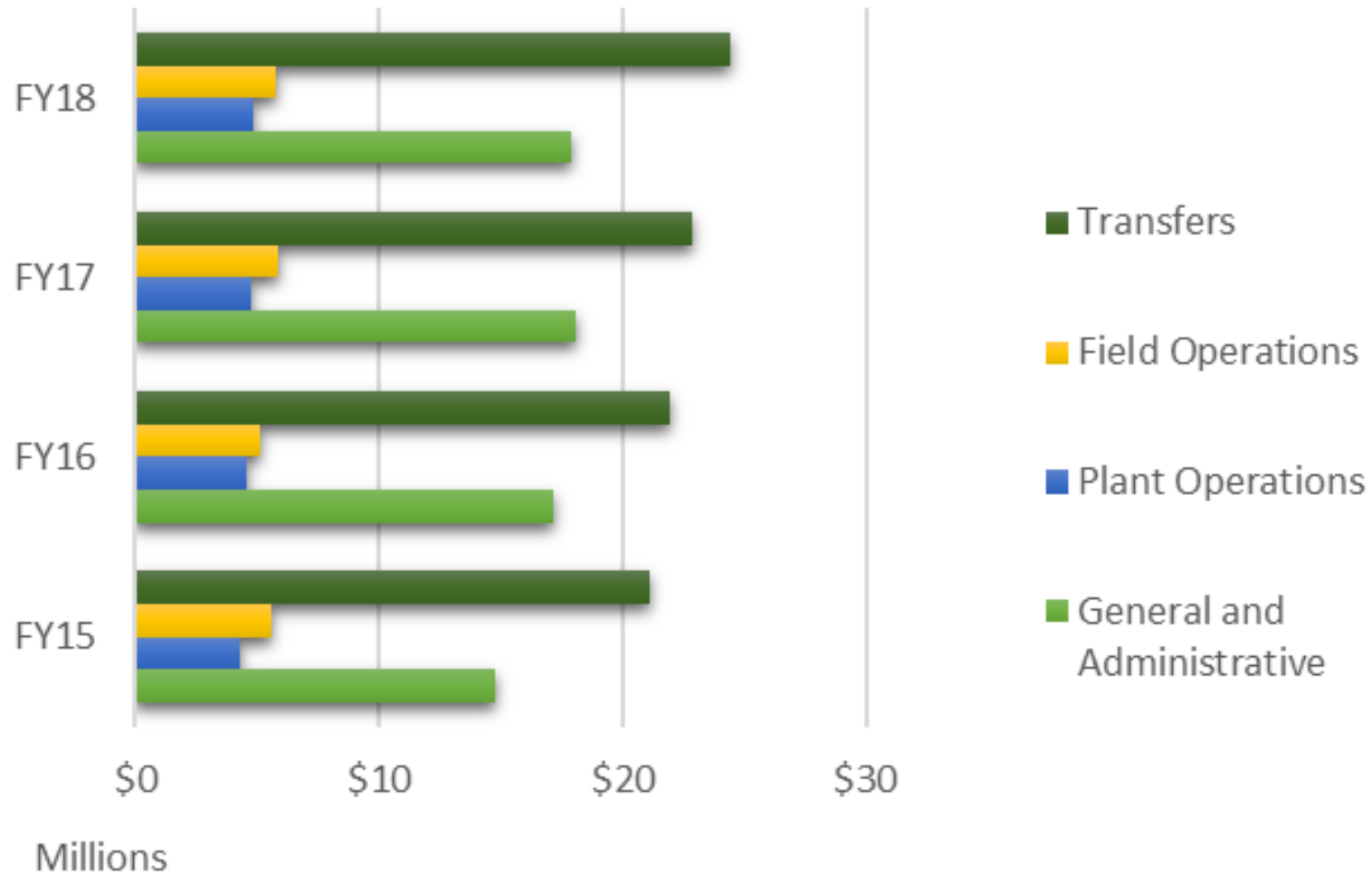
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## Year-To-Date (YTD) Operating Revenue



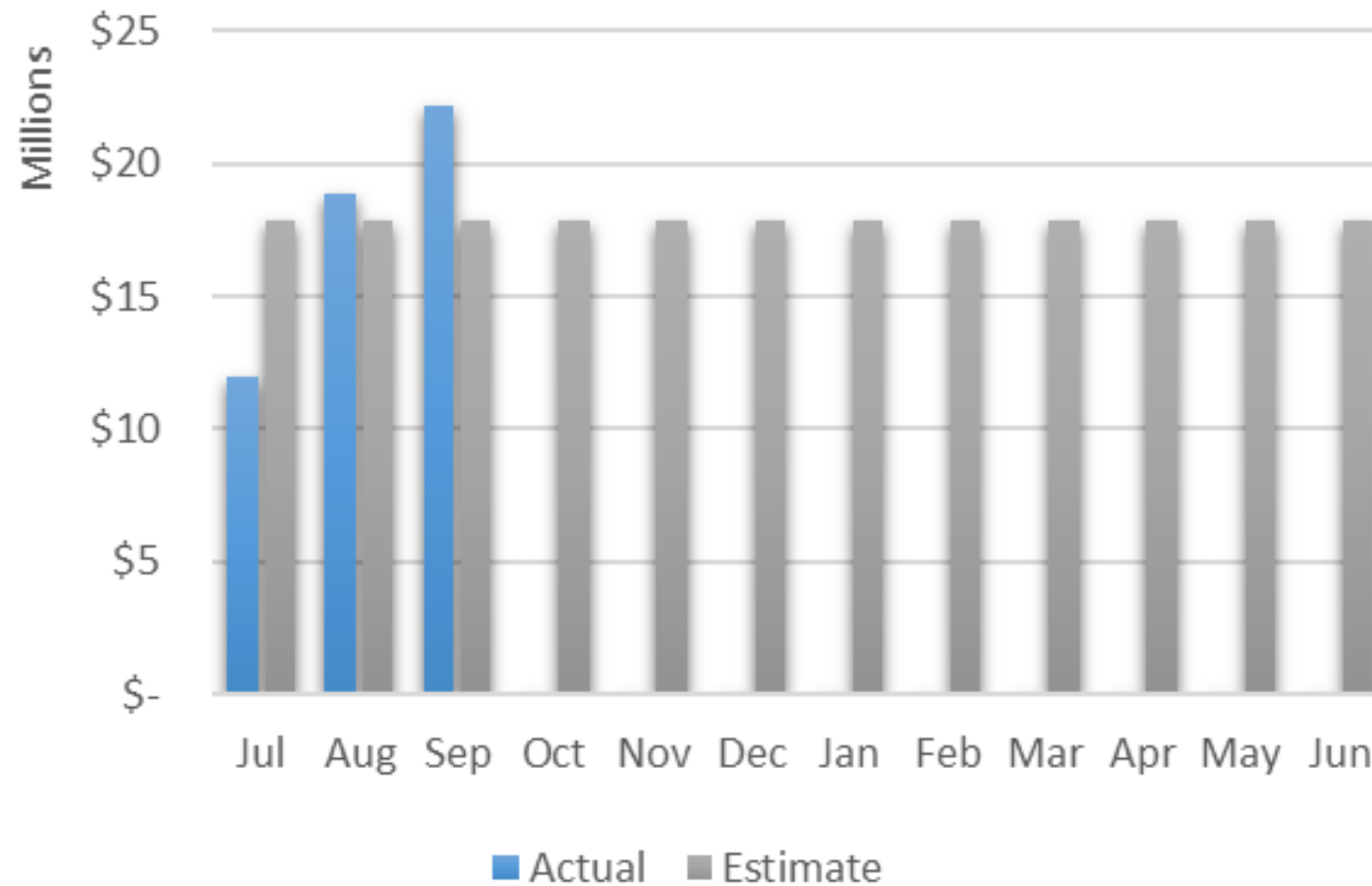
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## Year-To-Date (YTD) Operating Expenses

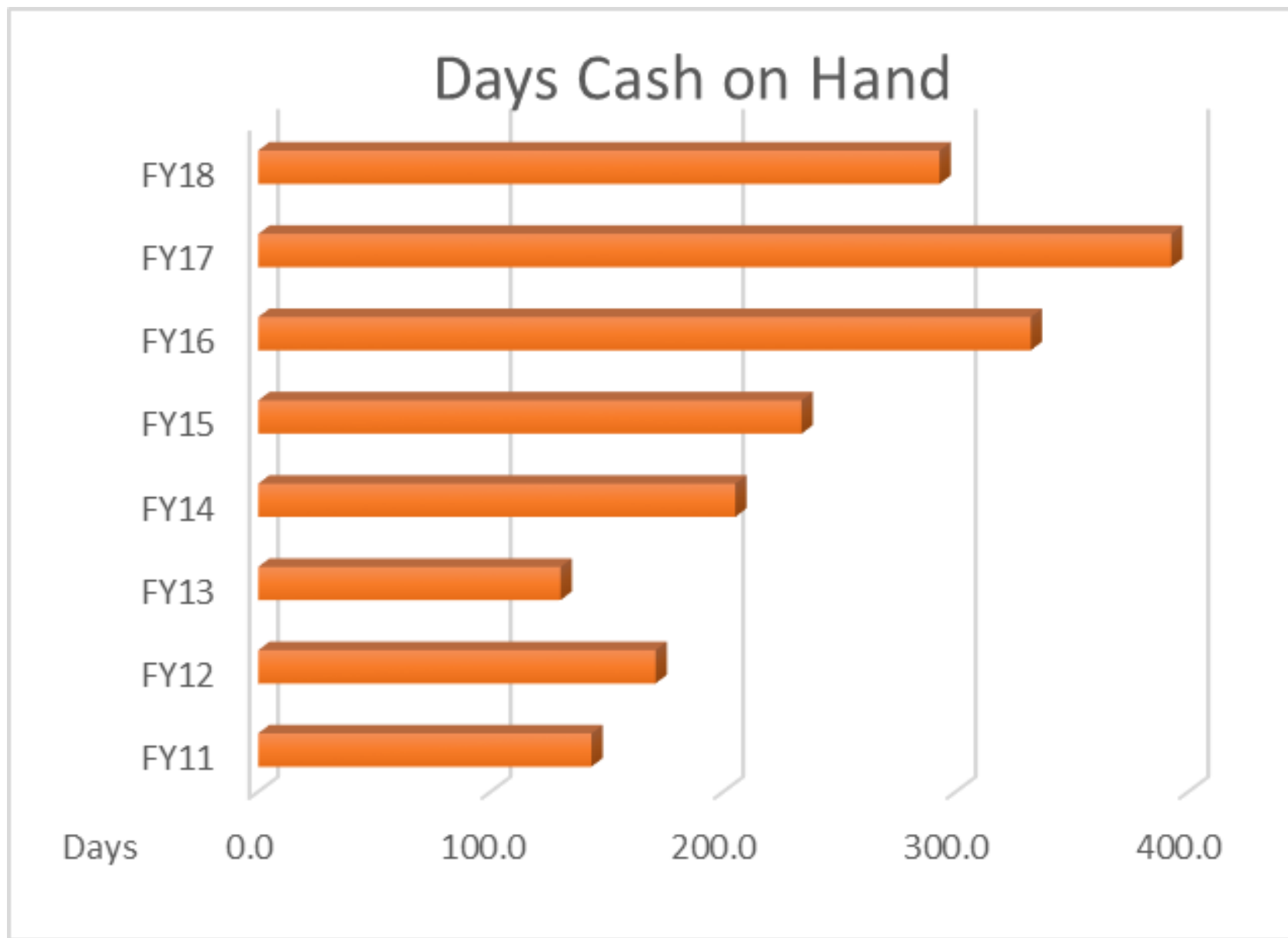


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## FY18 Operating Expenditures by month Compared to Estimate

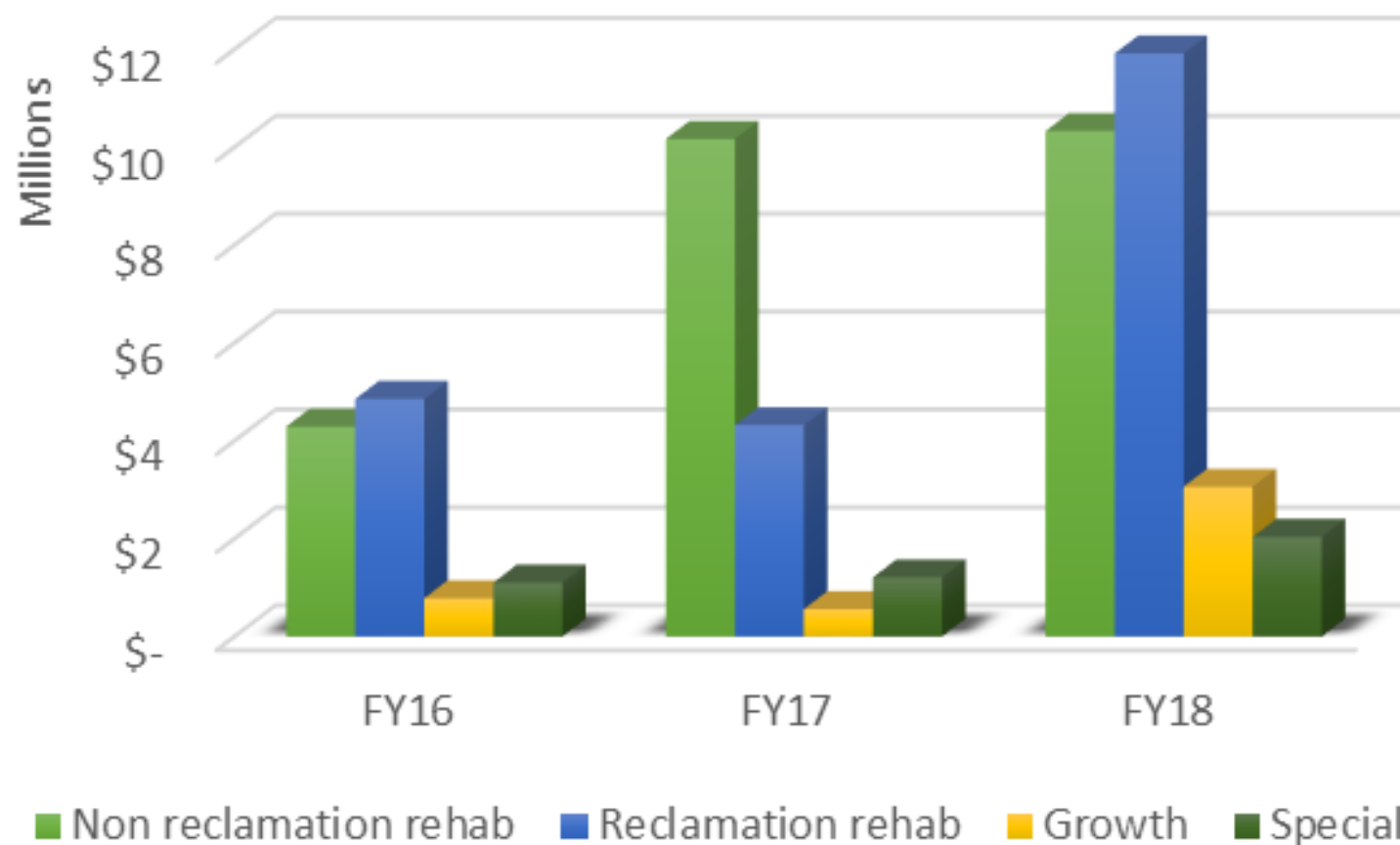


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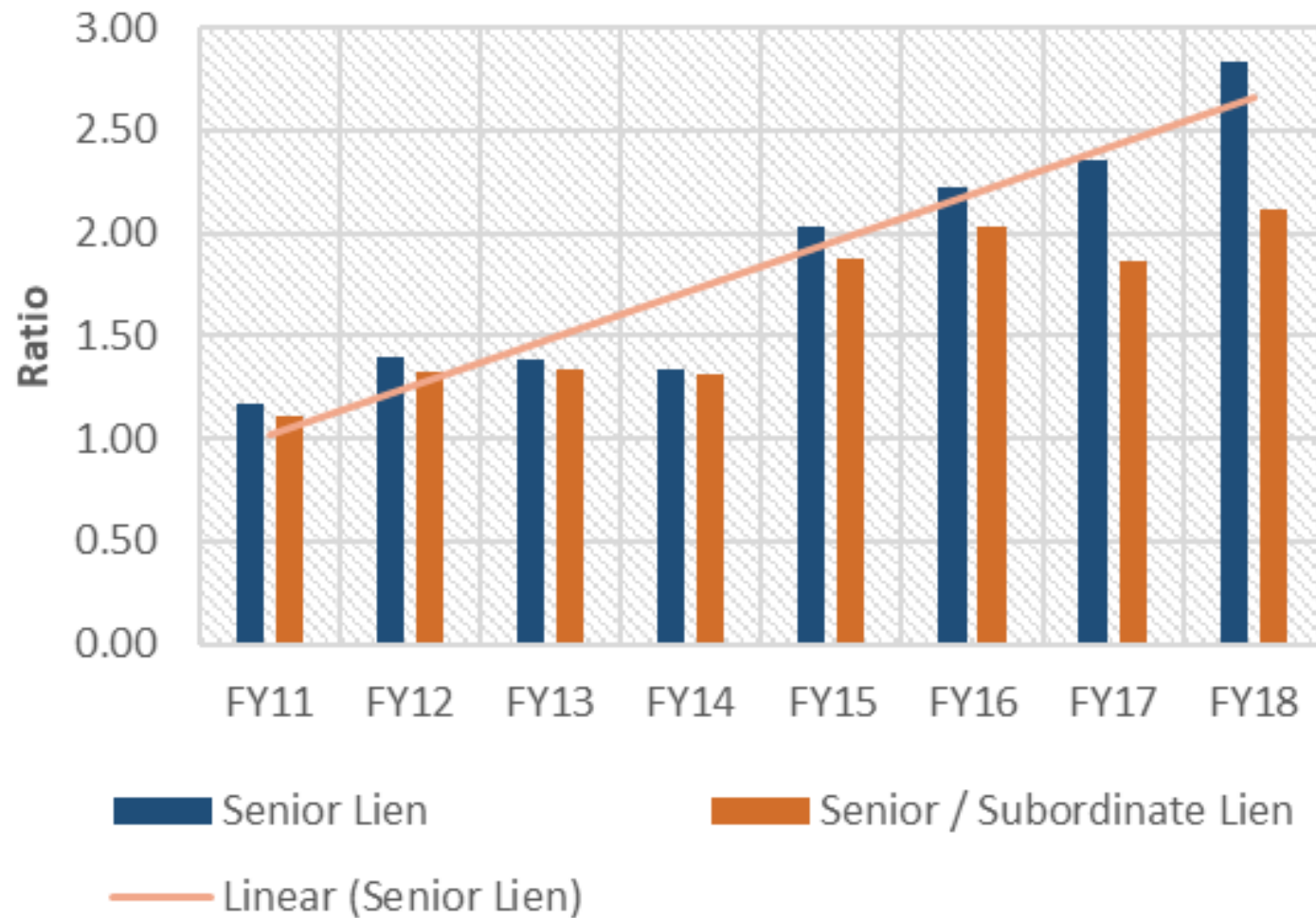
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## YTD Decade Plan Expenditures by Category for 1st Quarter



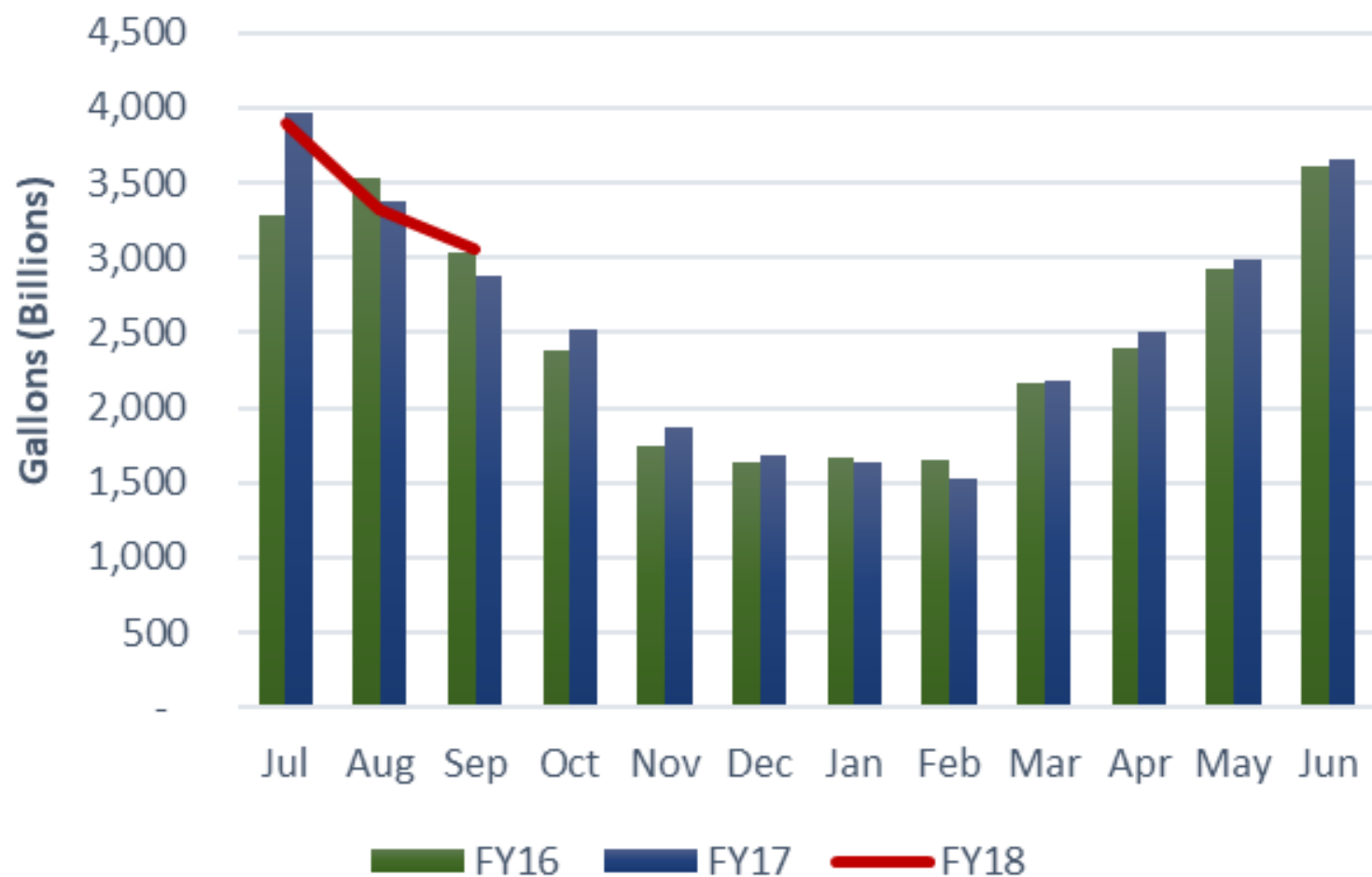


## Debt Coverage Ratio



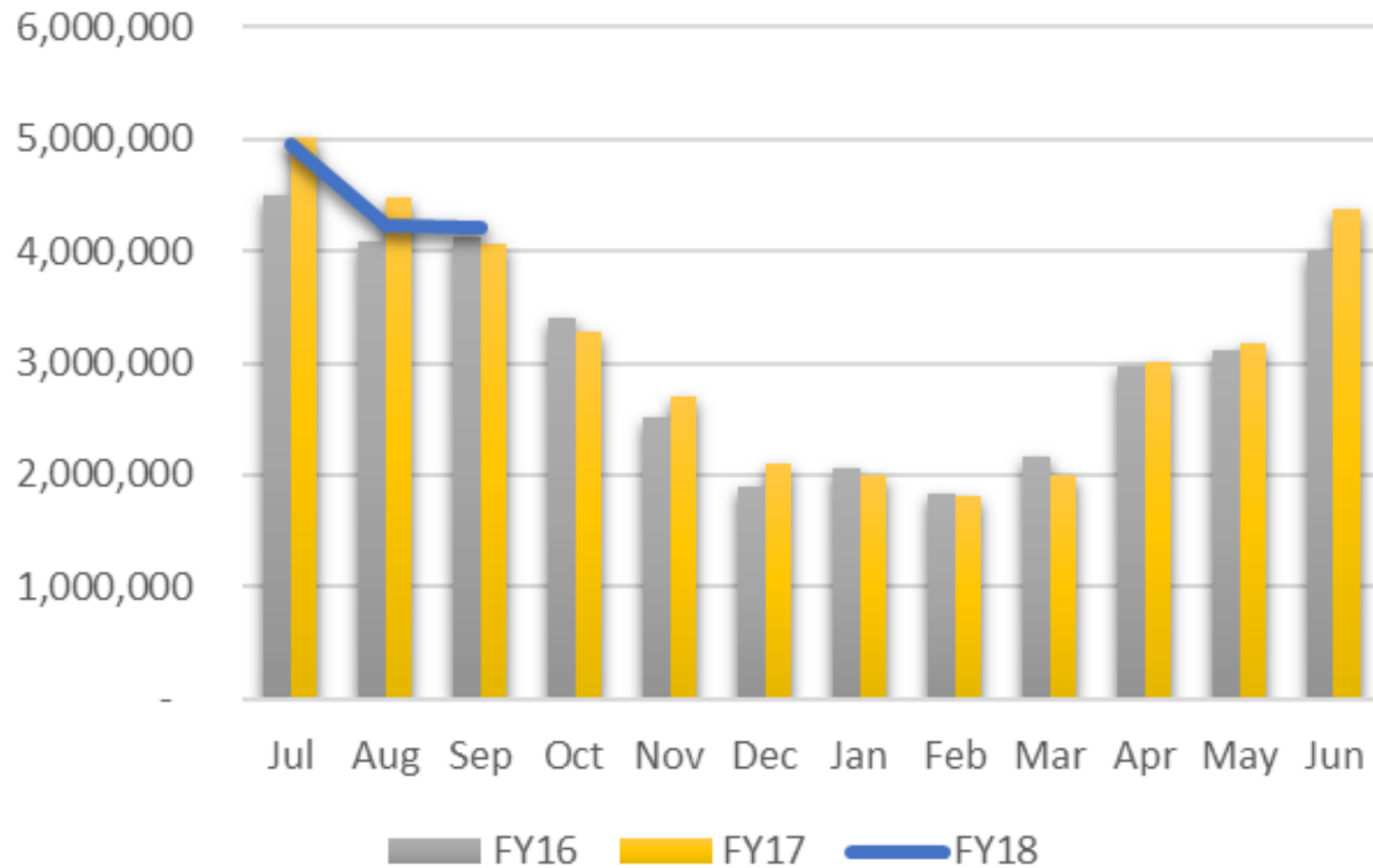
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## Water Use Production



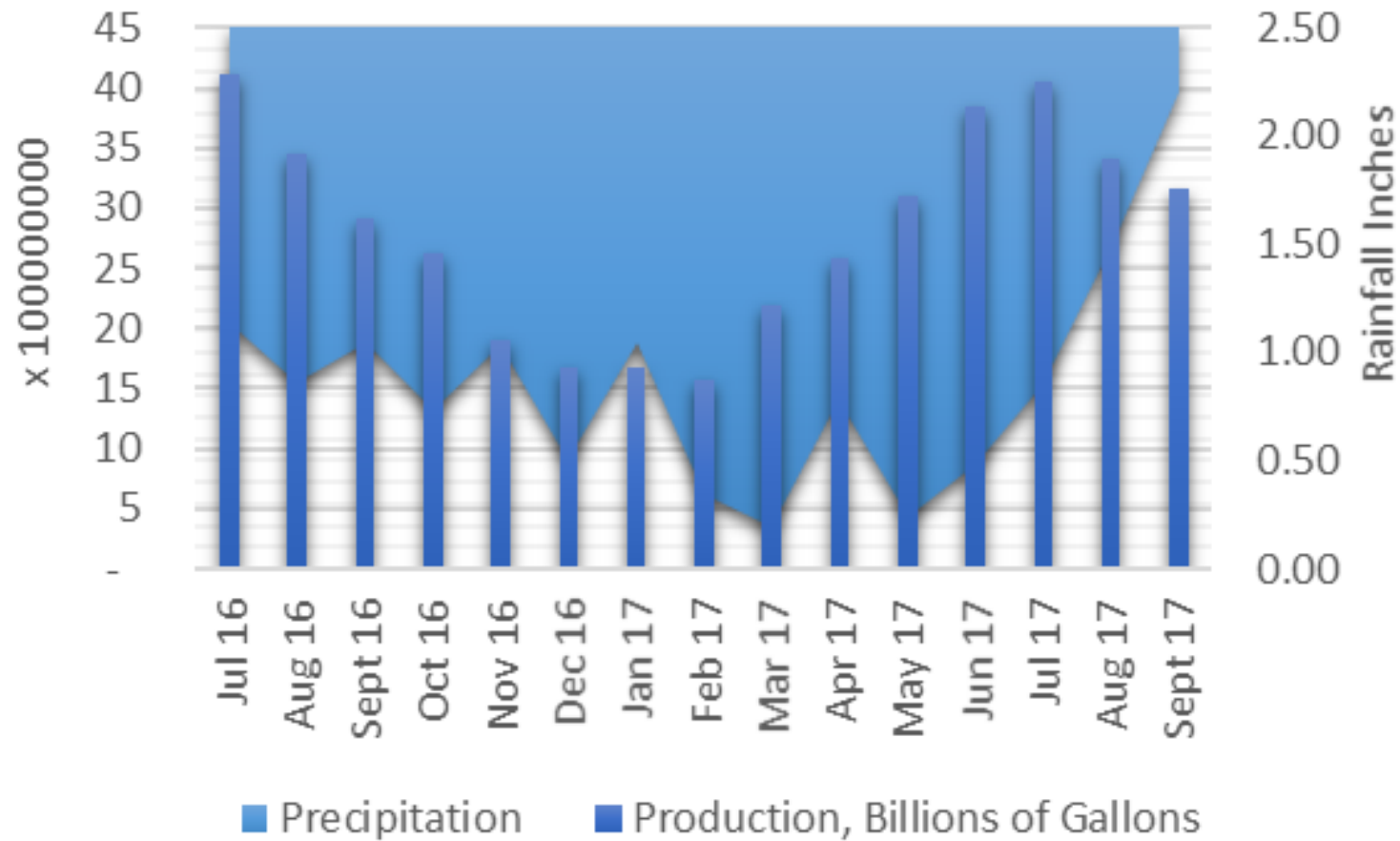
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## Water Consumption



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# Production vs Area Precipitation 2015-2017



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