
Meeting Date: September 21, 2016
Staff Contact: Stan Allred, Chief Financial Officer

TITLE: C-16-21 - Fourth Quarter Operating Financial Reports

ACTION: Receipt be Noted

SUMMARY:

Submitted to the Board for review and information are the financial reports for the quarter ending June 30, 2016. The reports provide a year to date comparison between the approved FY/16 budget and actual expenditures through June 1st. The reports also include unaudited revenue and expenditures thru June 30, 2016. As with any unaudited figures, this information is subject to change.

The financial reports were reviewed in detail by the Internal Auditor and the Internal Audit Committee.

Fund 21 General Operating Fund

Revenues:

Fourth quarter rate unaudited revenues are \$25.1 million above the actuals for the same period in FY/15. This revenue increase includes increased revenue from water sales of \$21.0 million, and Sewer revenue \$4.1 million. The FY/16 rate revenues are up from the FY/15 revenues for the same time period due to the rate increase approved by the Board for FY16. Total unaudited revenues which include rate, other miscellaneous, and franchise revenue are \$8 million above the FY16 projected budgeted amount.

Fourth Quarter unaudited other revenue which includes miscellaneous revenue is \$0.77 million above the actuals for the same period in FY/15. 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 135.

Expenditures:

Fourth Quarter total expenditures are \$11.2 million above the actuals for the same period in FY/15. This increase is mainly due to the increase in franchise fees paid based upon the increase in revenue of \$0.88 million, increase in the transfer for debt service payments and transfer to capital of \$6.7 million and the remaining \$3.62 million is due to increases in most operating divisions offset by a \$.9 million decrease in power and chemicals. The unaudited expenditure at June 30, 2016, is \$0.38 million under the FY/16 budgeted amounts.

Ending FY/16 working capital or fund balance is \$11.3 million, compared to a beginning balance in 2016 of (\$8.7) million. The fund balance trend has reversed as planned and will eventually meet the target of 1/12 of operating expenditures.

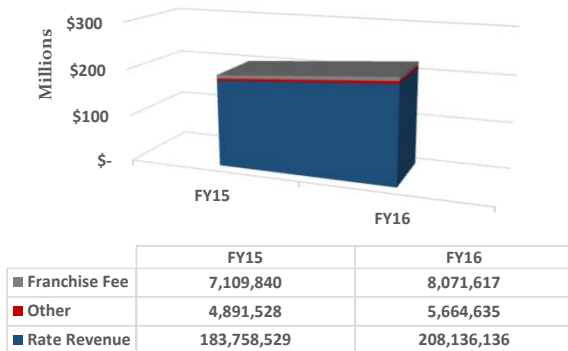
FISCAL IMPACT:

The reduction 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 at the end of FY/16 is now at \$6 million. This extra reserve was established by ordinance to serve as a buffer in the event of an unexpected revenue shortfall due to significant swings in consumption.

FY16 - 4th Quarter Water Authority Financial Dashboard

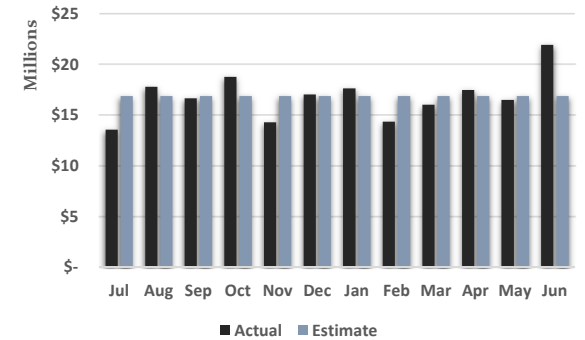
YTD General Fund Revenue by Type



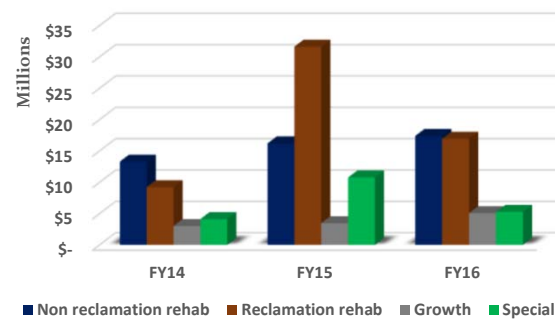
YTD General Fund Expenditures by Type



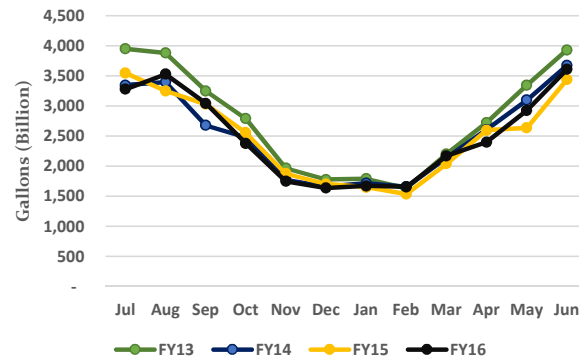
FY16 General Fund Expenditures Compared to Estimate



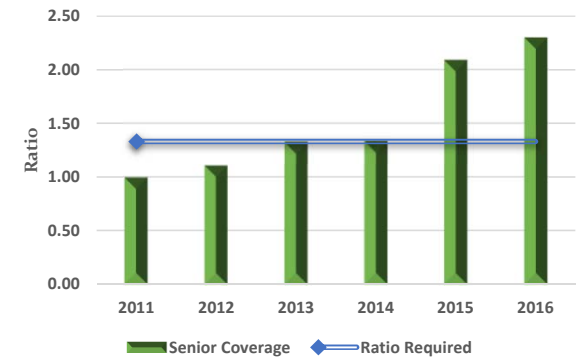
YTD Decade Plan Expenditures by Category



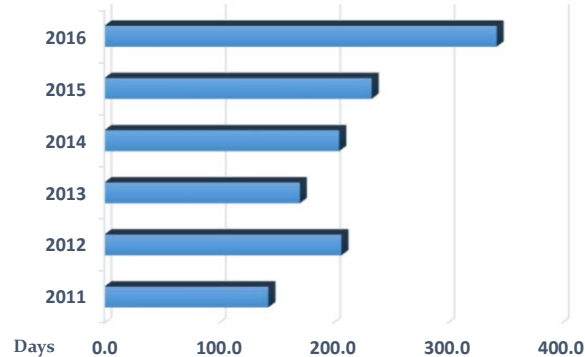
Consumption & Water Use Production



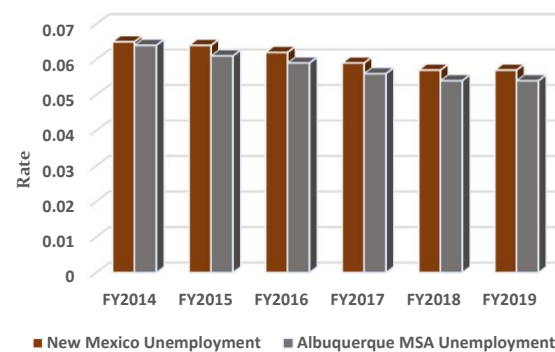
Debt Coverage Ratio



Days Cash on Hand



Unemployment Forecast



Production / Precipitation 2014-2016

