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Meeting Date: February 28, 2018  
Staff Contact: Stan Allred, Chief Financial Officer

**TITLE: C-18-10 - FY2018 2nd 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 December 31, 2017. The reports provide a year to date comparison between the approved FY18 budget and actual expenses through December 31, 2017. 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. These reports have been reviewed by the Internal Auditor and State Department of Finance and Administration Local Government Division.

Fund 21 General Operating Fund

Revenues:

Second Quarter rate revenues are \$4.34 million above the actuals for the same period in FY17. This revenue increase includes increased revenue from Water revenue of \$1.12 million, and Sewer revenue \$3.18 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 5 months of actual consumption and is subject to change.

Second Quarter other revenue, which includes miscellaneous revenue is \$0.21 million more than 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:

Second Quarter total expenses are \$1.048 million higher than the actuals for the same period in FY17. The projected total expense at June 30, 2018 is estimated to be \$0.86 million under the FY18 budgeted amount.

Working capital or fund balance is projected to be \$11.0 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 has met the target of 1/12 of operating expenditures.

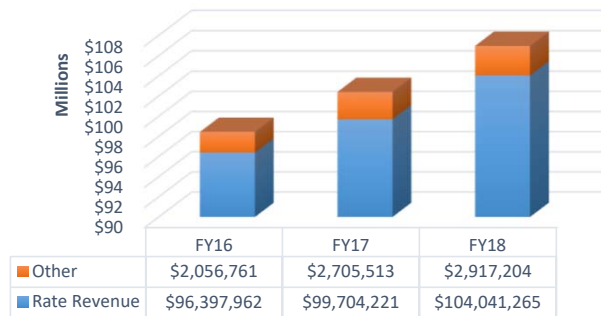
**FISCAL IMPACT:**

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.

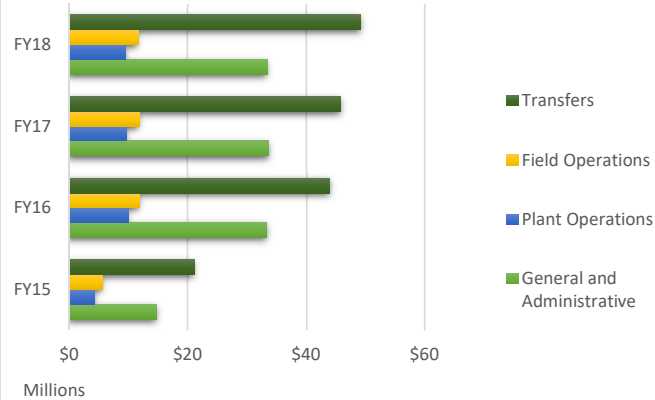
The Water Authority will continue to control operating expenditures to offset any reductions in Revenue. The Water Authority also continues to add an additional \$2 million a year to the Rate Reserve. The balance for this reserve is now at \$7 million after \$3 million of the reserve being transferred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

# FY18 - 2nd Quarter Water Authority Financial Dashboard

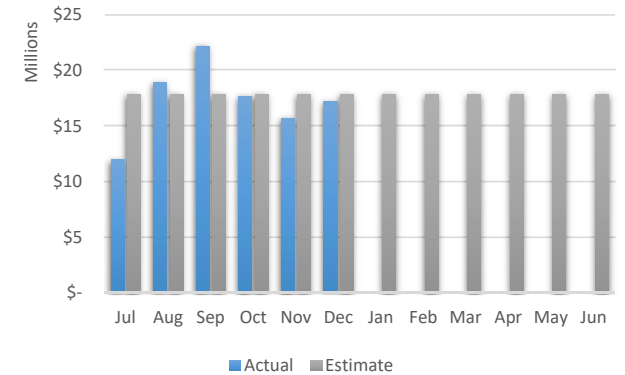
## Year-To-Date (YTD) Operating Revenue



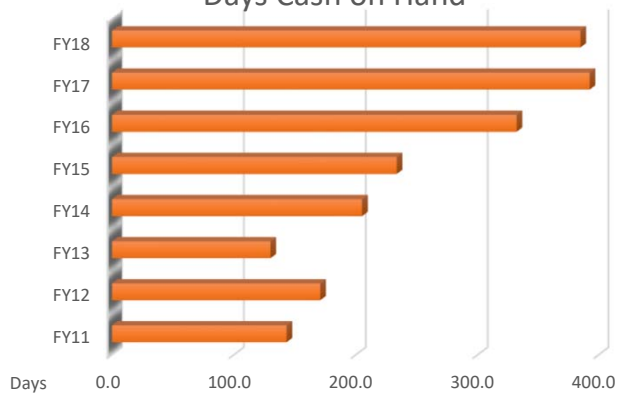
## Year-To-Date (YTD) Operating Expenses



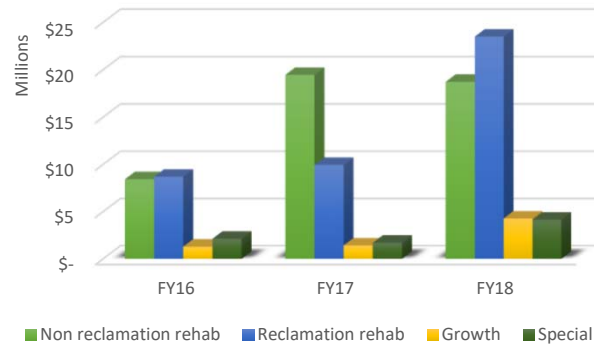
## FY18 Operating Expenditures by month Compared to Estimate



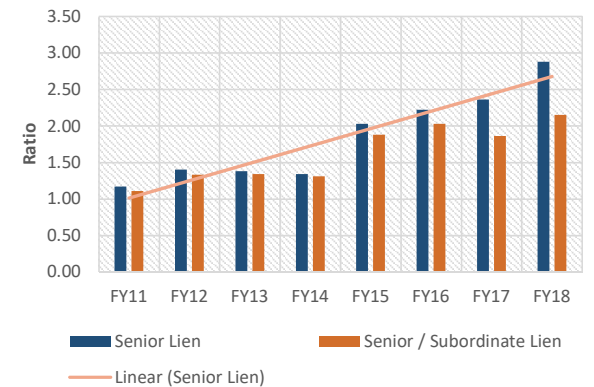
## Days Cash on Hand



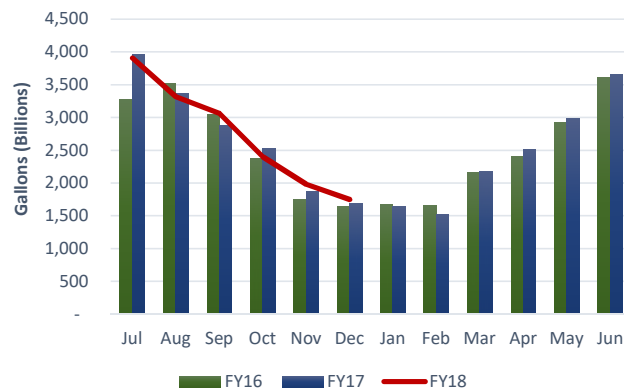
## YTD Decade Plan Expenditures by Category for 2nd Qtr



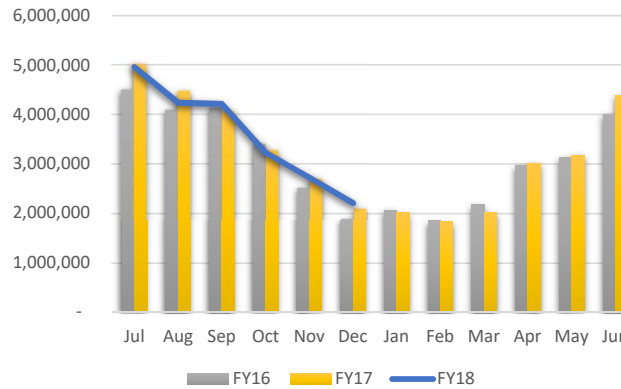
## Debt Coverage Ratio



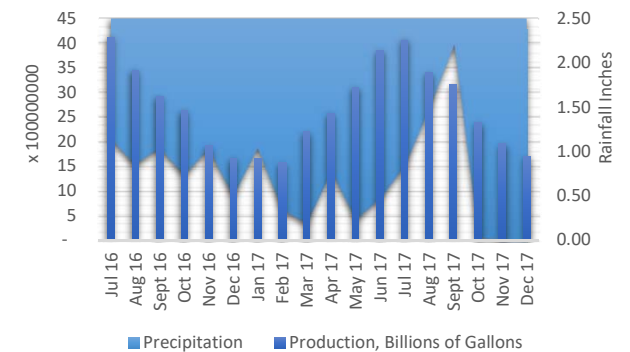
## Water Use Production



## Water Consumption



## Production vs Area Precipitation 2015-2017



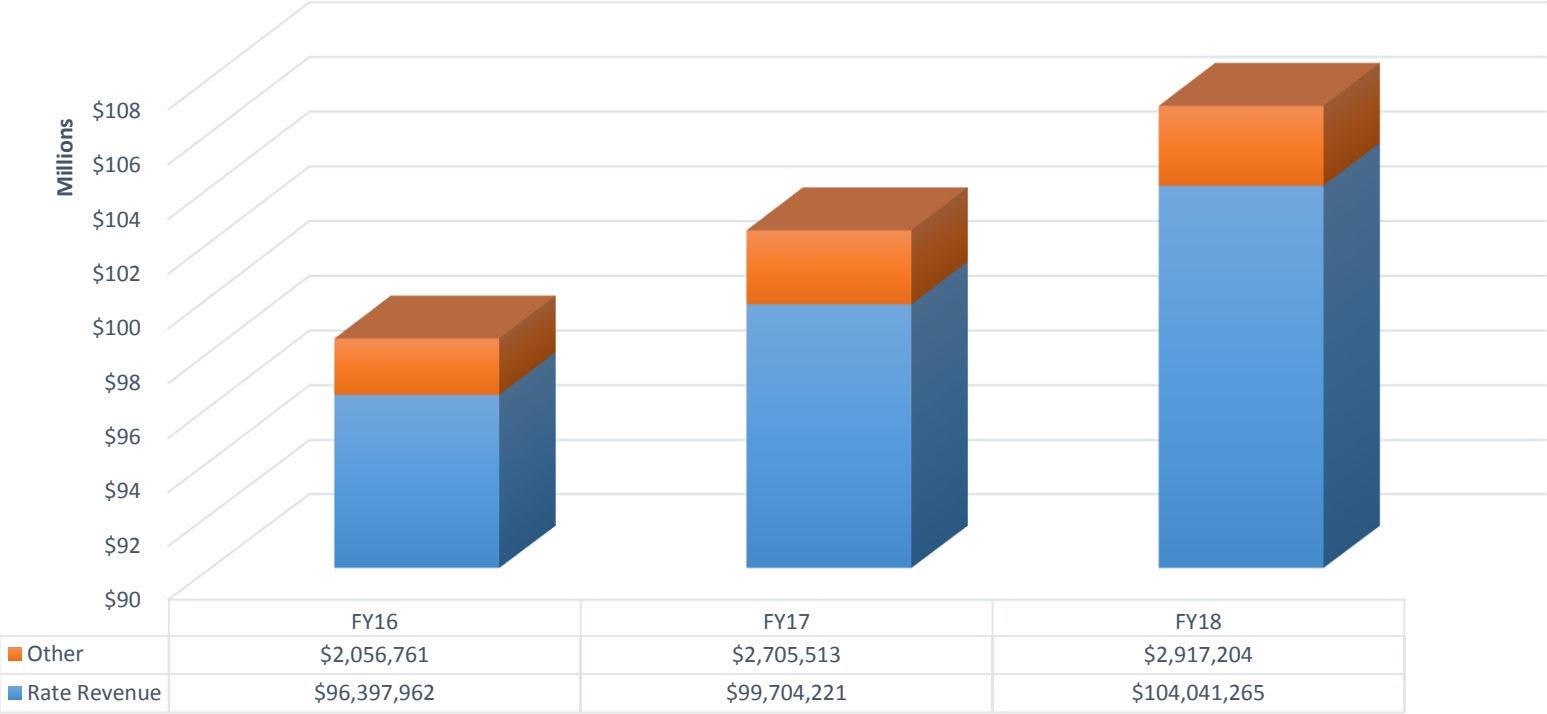
# Fiscal Year 2018

## 2<sup>nd</sup> Quarter Dashboard

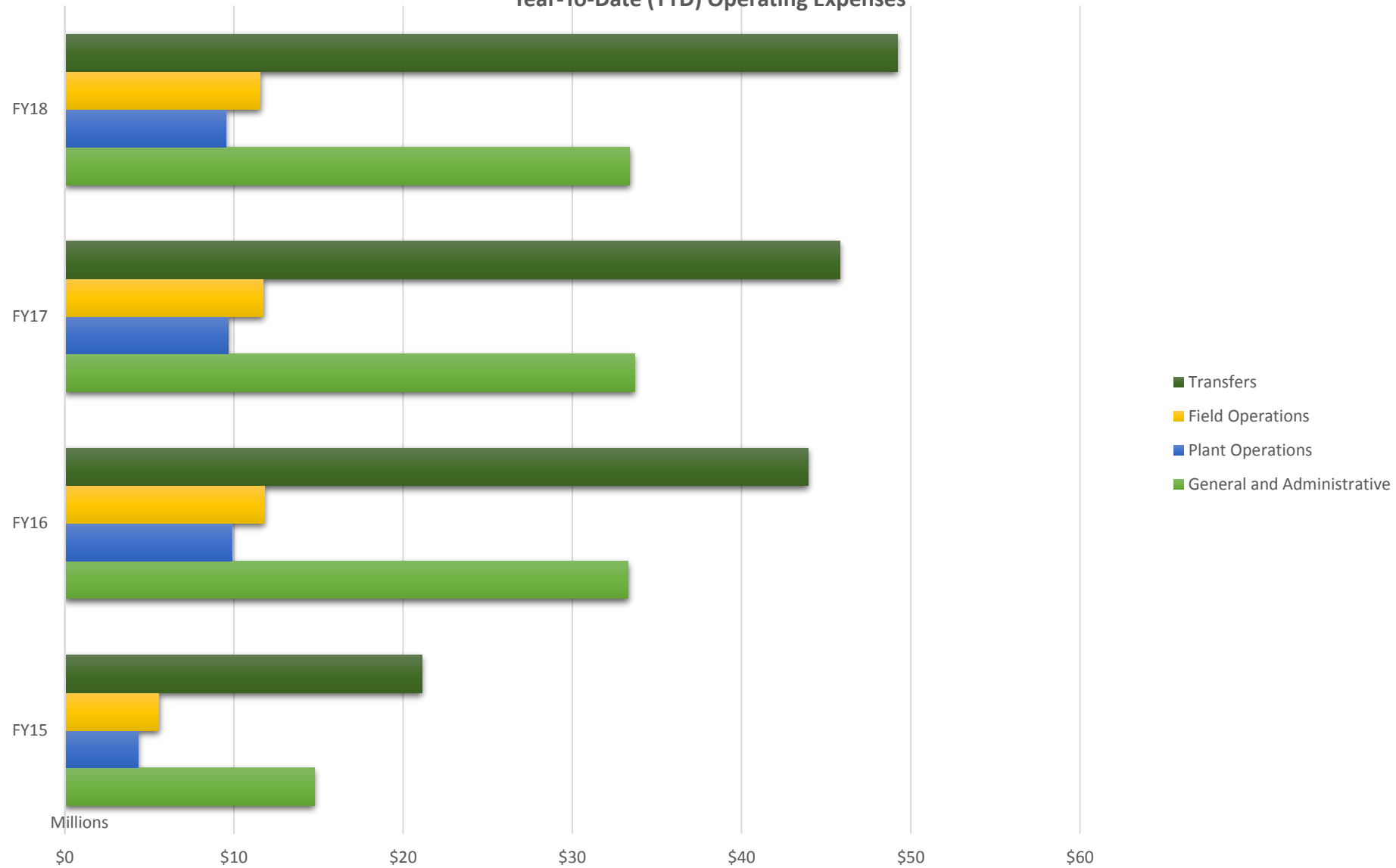


Albuquerque Bernalillo County  
Water Utility Authority

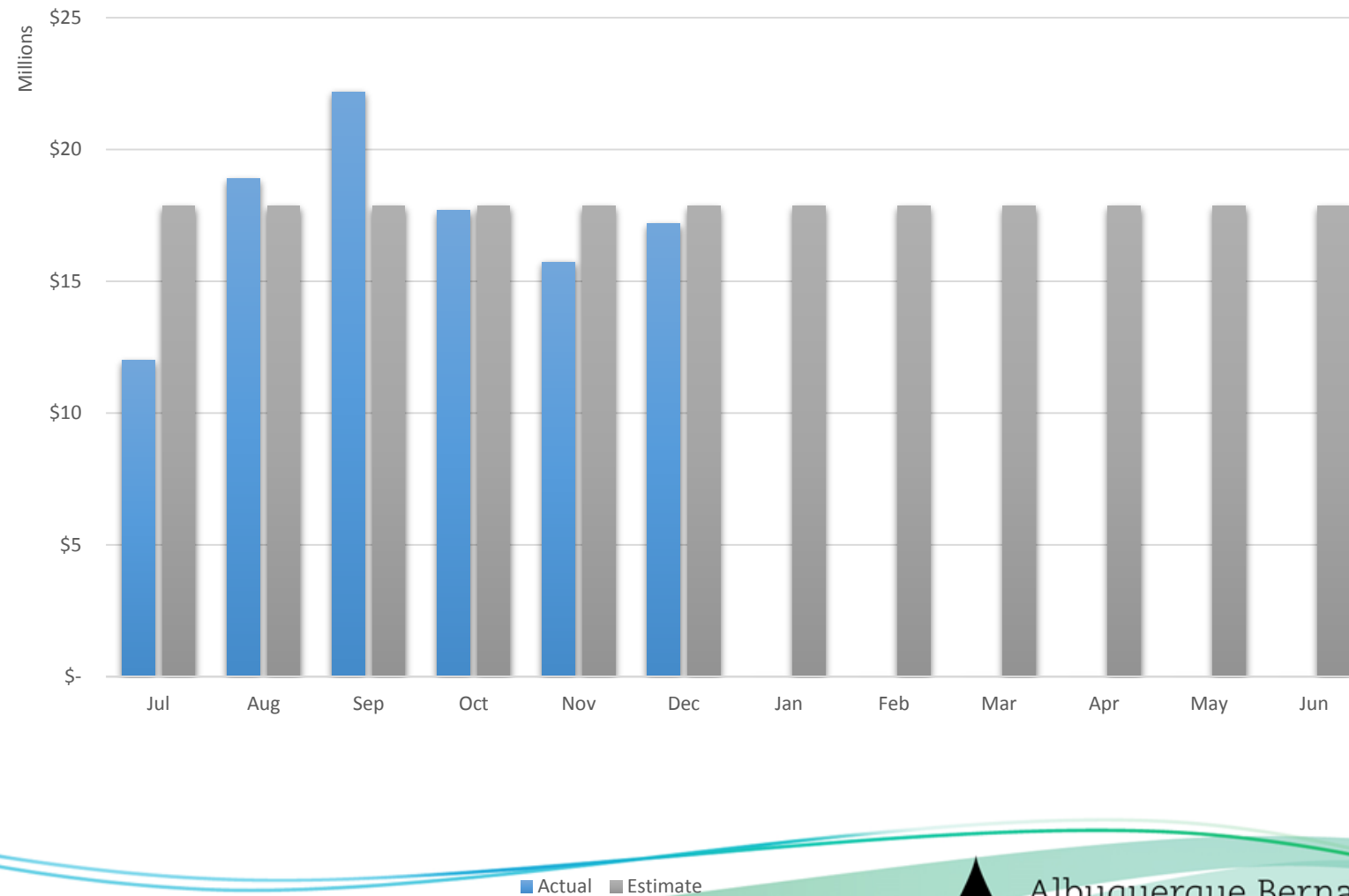
Year-To-Date (YTD) Operating Revenue



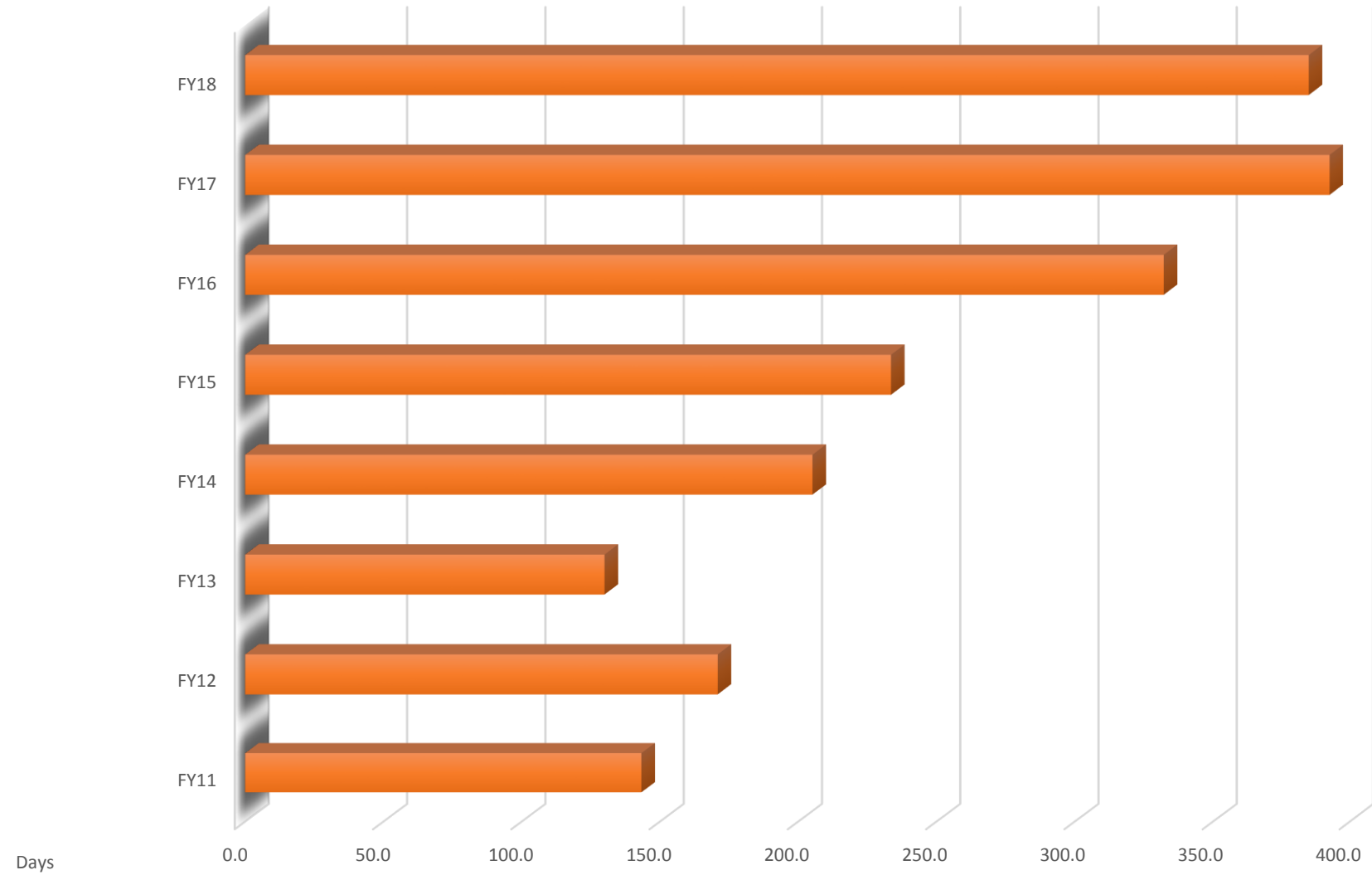
# Year-To-Date (YTD) Operating Expenses



# FY18 Operating Expenditures by month Compared to Estimate

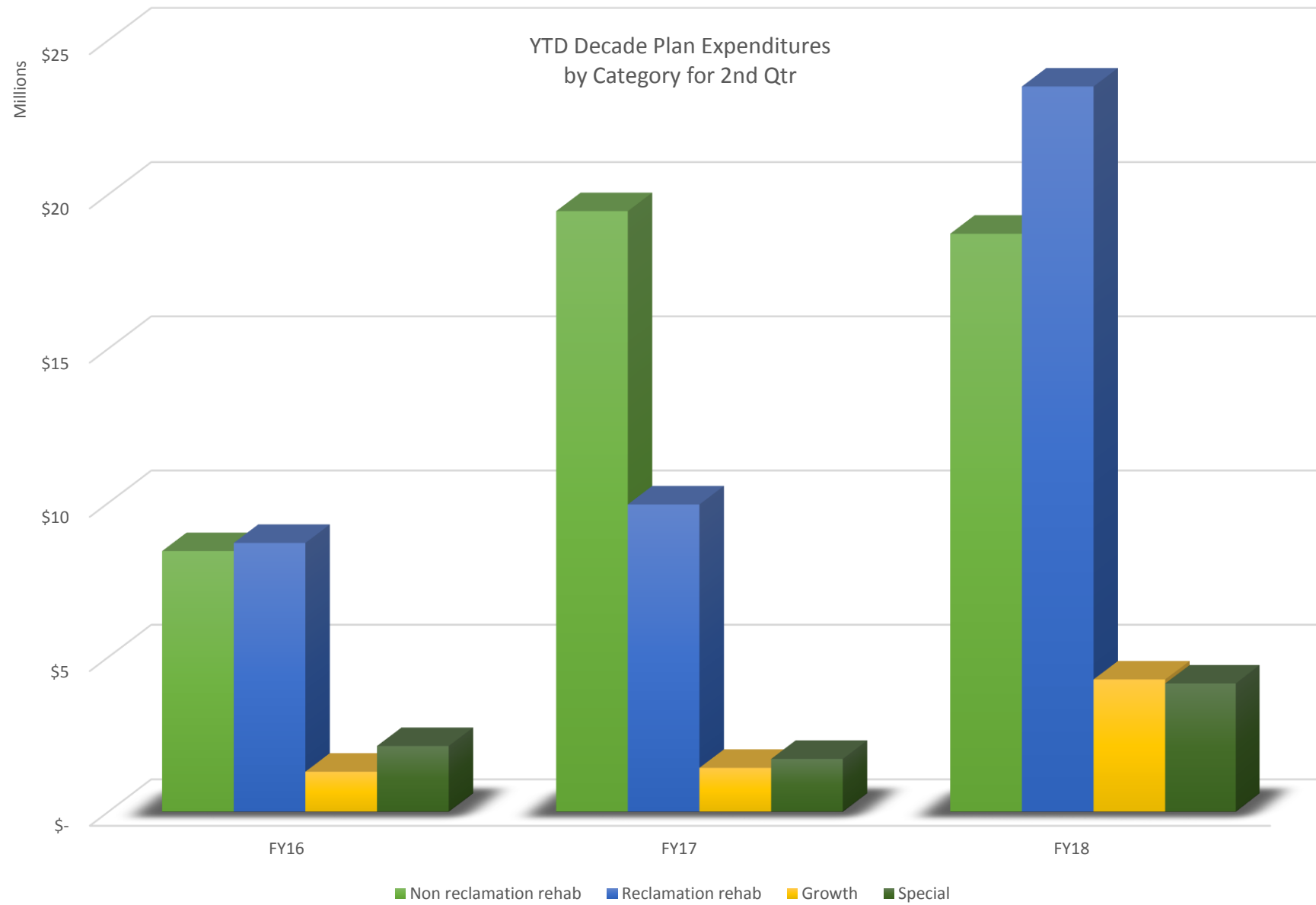


## Days Cash on Hand

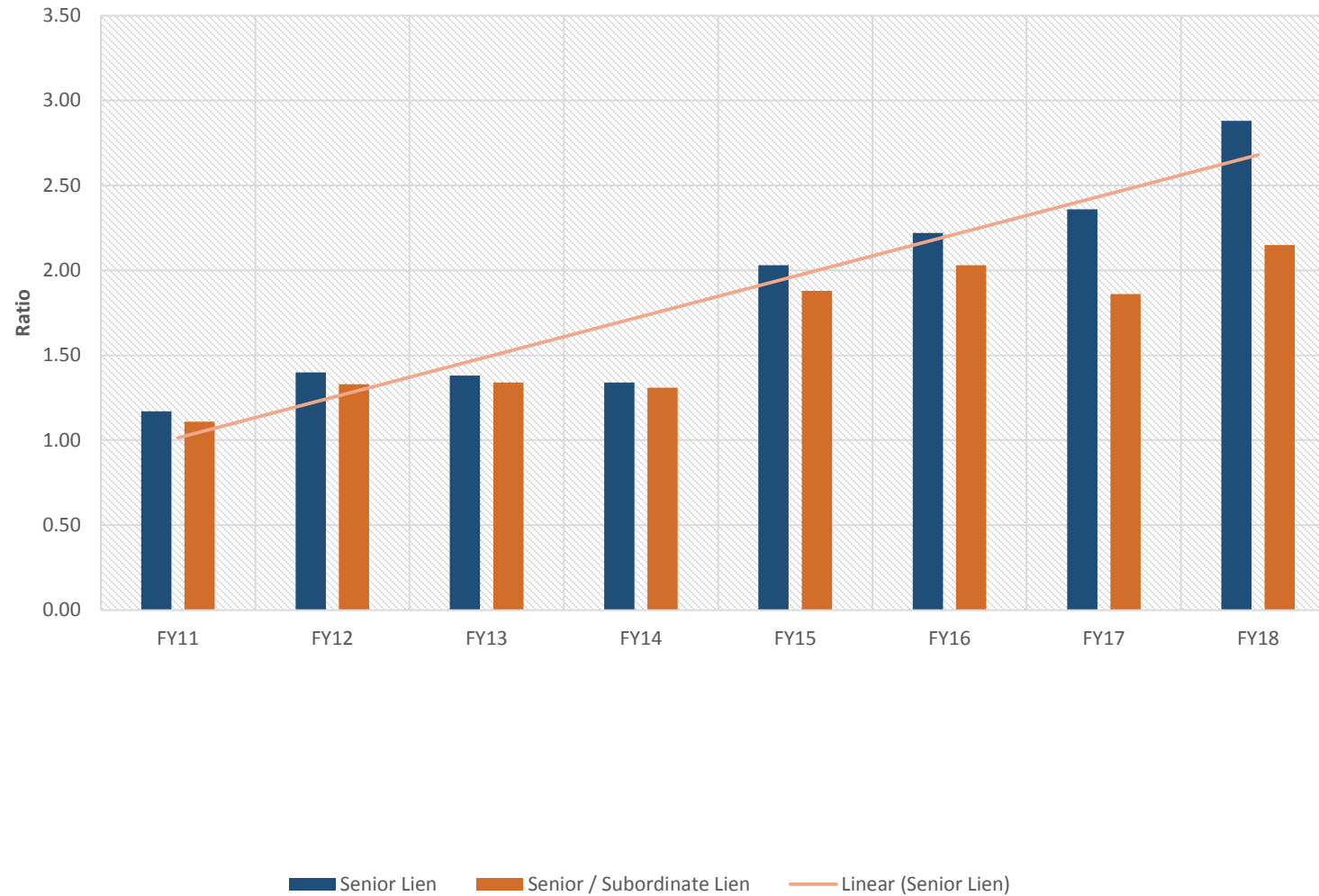


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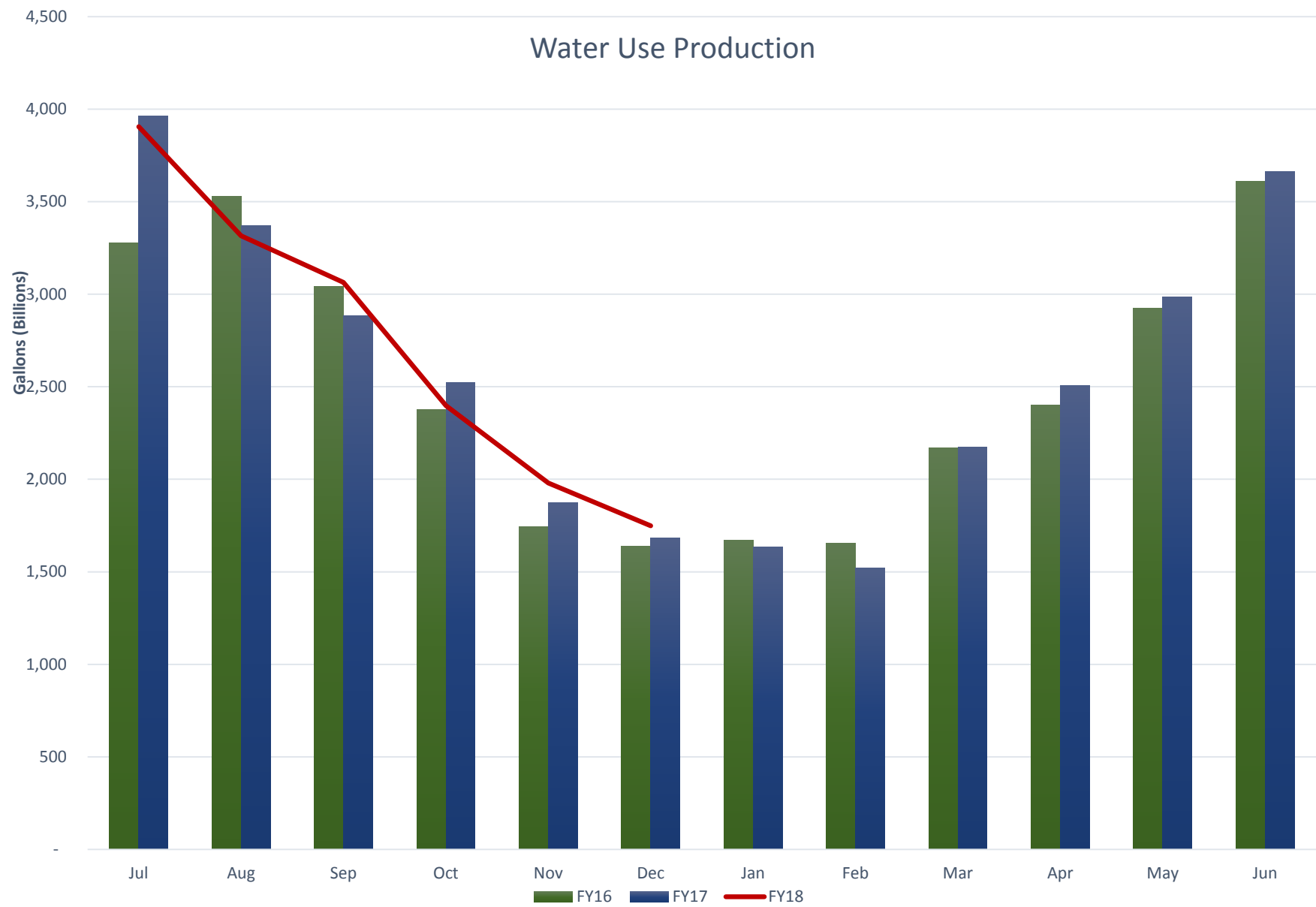




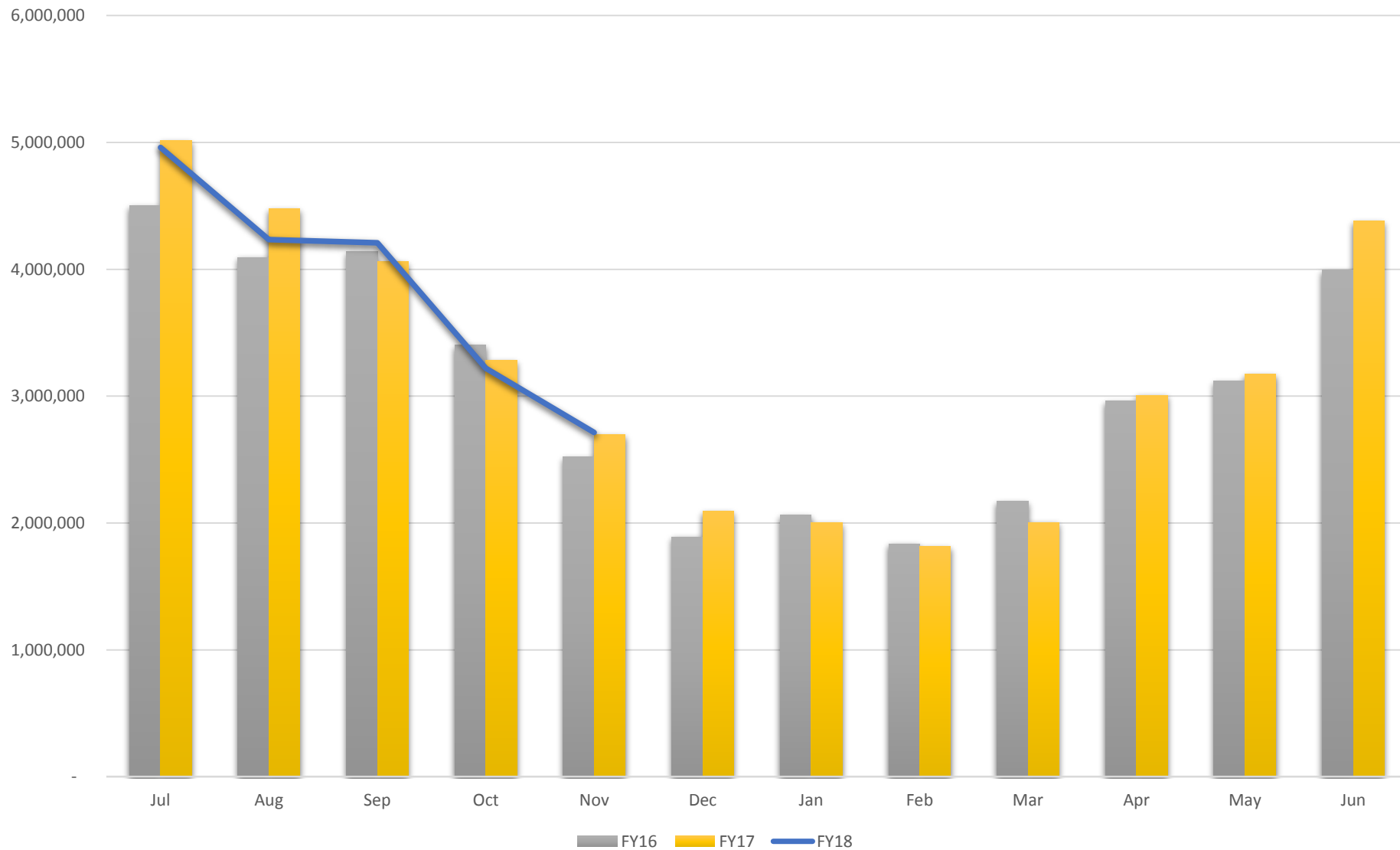
## Debt Coverage Ratio



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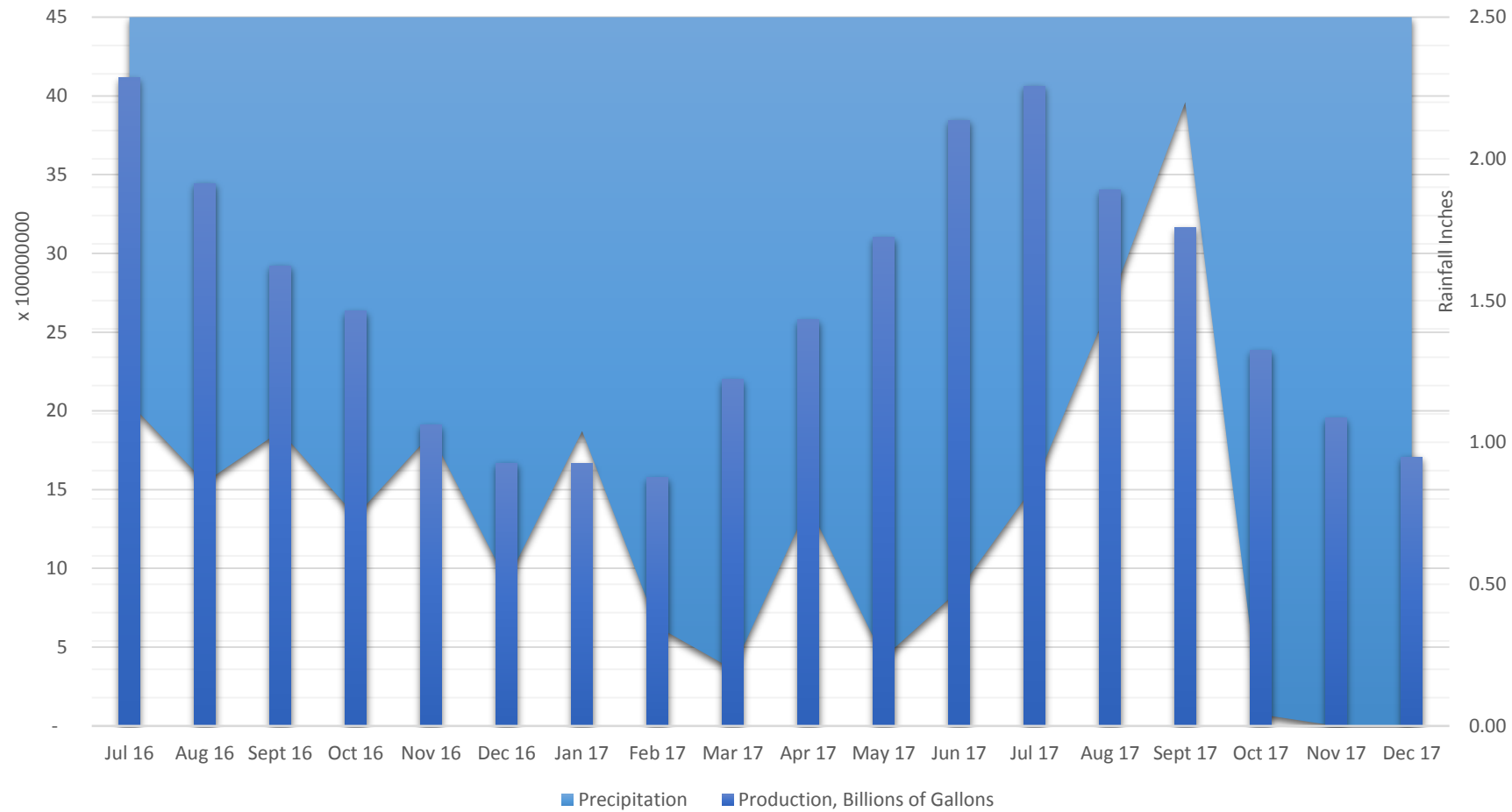


## Water Consumption



Albuquerque Bernalillo County  
Water Utility Authority

## Production vs Area Precipitation 2015-2017



Albuquerque Bernalillo County  
Water Utility Authority