
Meeting Date: May 23, 2018
Staff Contact: Stan Allred, Chief Financial Officer

TITLE: C-18-15 - FY18 3rd 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 March 31, 2018. The reports provide a year to date comparison between the approved revised FY18 budget and actual expenses through March 31, 2018. 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:

Third Quarter rate revenues are \$7.31 million above the actuals for the same period in FY17. This revenue increase includes increased revenue from Water revenue of \$2.38 million, and Sewer revenue \$4.93 million. The FY18 rate revenues are up from the FY17 revenues for the same time period due to a 5% increase in water and sewer rates effective July 1, 2017. Revenues are projected be above the FY18 projected budgeted amount by \$2.00 million. This projection is based upon 8 months of actual consumption and is subject to change.

Third Quarter other revenue, which includes miscellaneous revenue is \$0.63 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:

Third Quarter total expenses are \$2.40 million higher than the actuals for the same period in FY17. The projected total expense at June 30, 2018 is estimated to be \$2.33 million under the FY18 budgeted amount.

Working capital or fund balance is projected to be \$14.50 million, compared to a beginning balance in FY18 of \$13.67 million. The increase in fund balance is due to the additional rate revenue. The fund balance trend has reversed as planned and has met the target of 1/12 of operating expenditures.

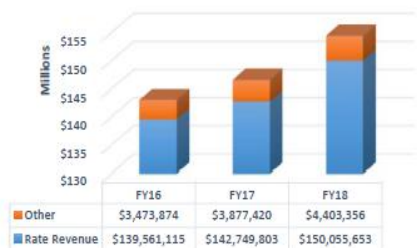
FISCAL IMPACT:

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.

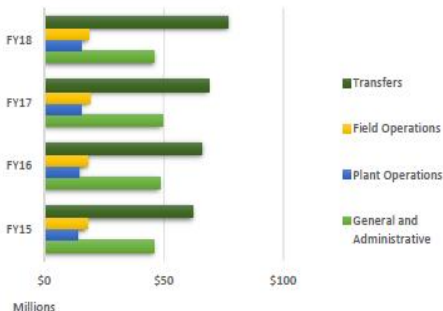
The Water Authority will continue to control operating expenditures to offset any reductions in Revenue. The Water Authority also continues to add an additional \$2.00 million a year to the Rate Reserve. The balance for this reserve is now at \$7.00 million, after \$3.00 million of the reserve was transferred to CIP for work at the Water Reclamation Plant to cover the Clarifiers. The remaining \$7.00 million balance in this reserve is earmarked for fluctuations in revenue which are not anticipated and to protect ratepayers from emergency rate adjustments.

FY18 - 3rd Quarter Water Authority Financial Dashboard

Year-To-Date (YTD) Operating Revenue



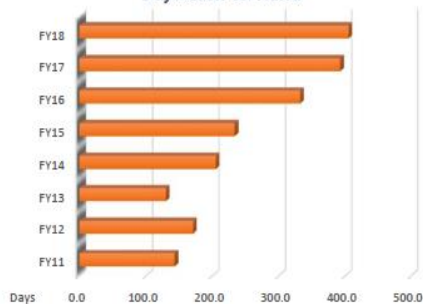
Year-To-Date (YTD) Operating Expenses



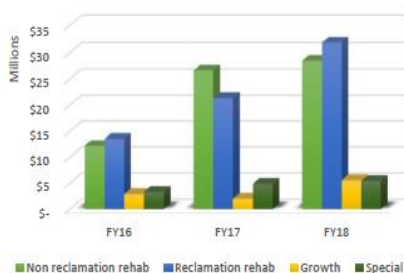
Operating Expenditures by month Compared to Estimate



Days Cash on Hand



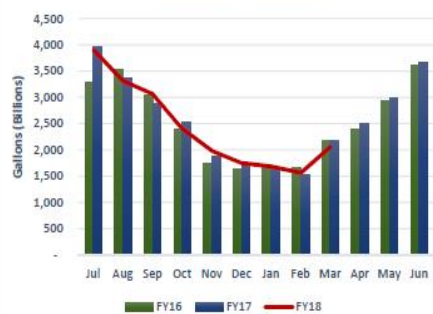
YTD Decade Plan Expenditures by Category for 3rd Qtr



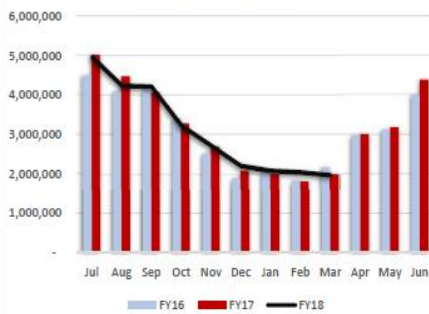
Debt Coverage Ratio



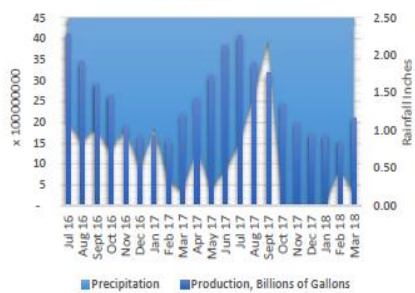
Water Use Production



Water Consumption



Production vs Area Precipitation 2016-2018



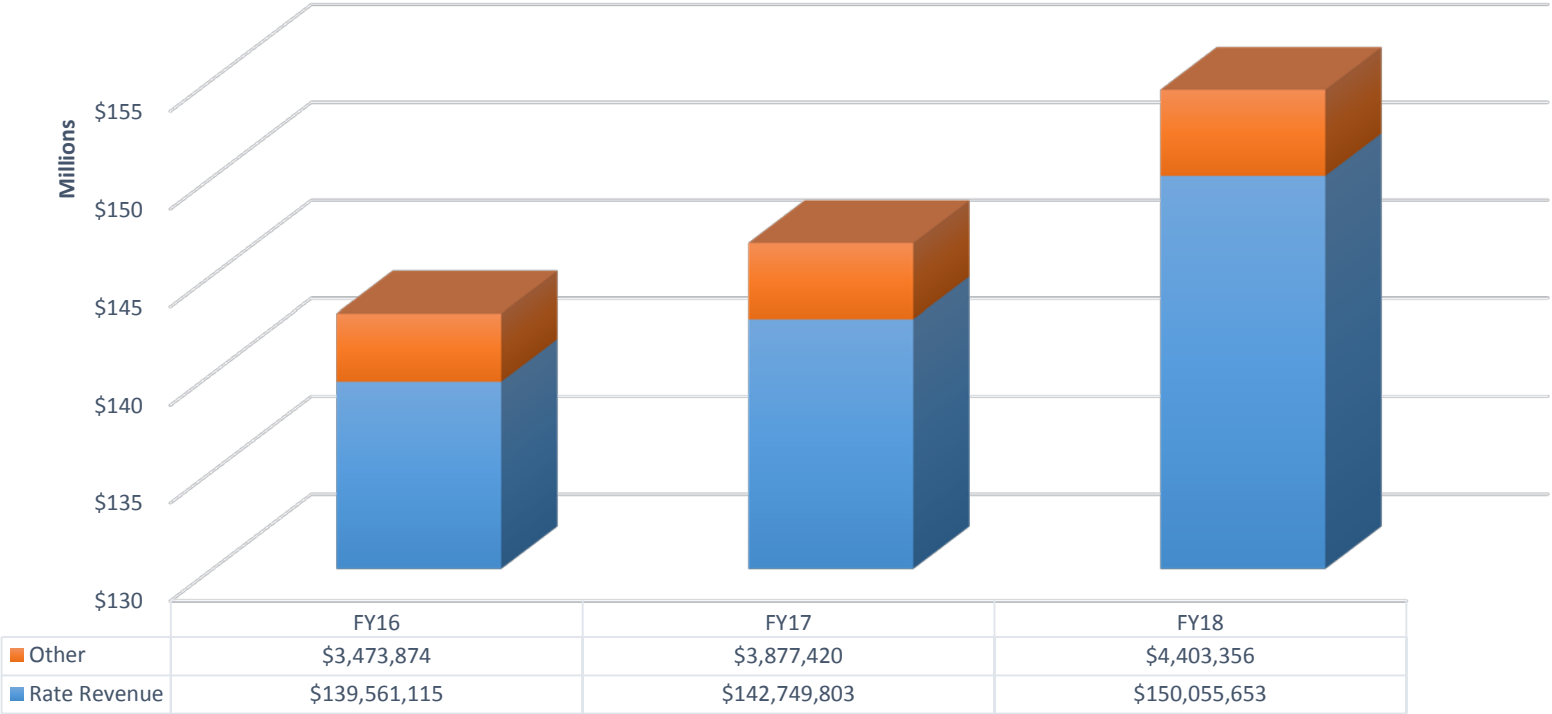
Fiscal Year 2018

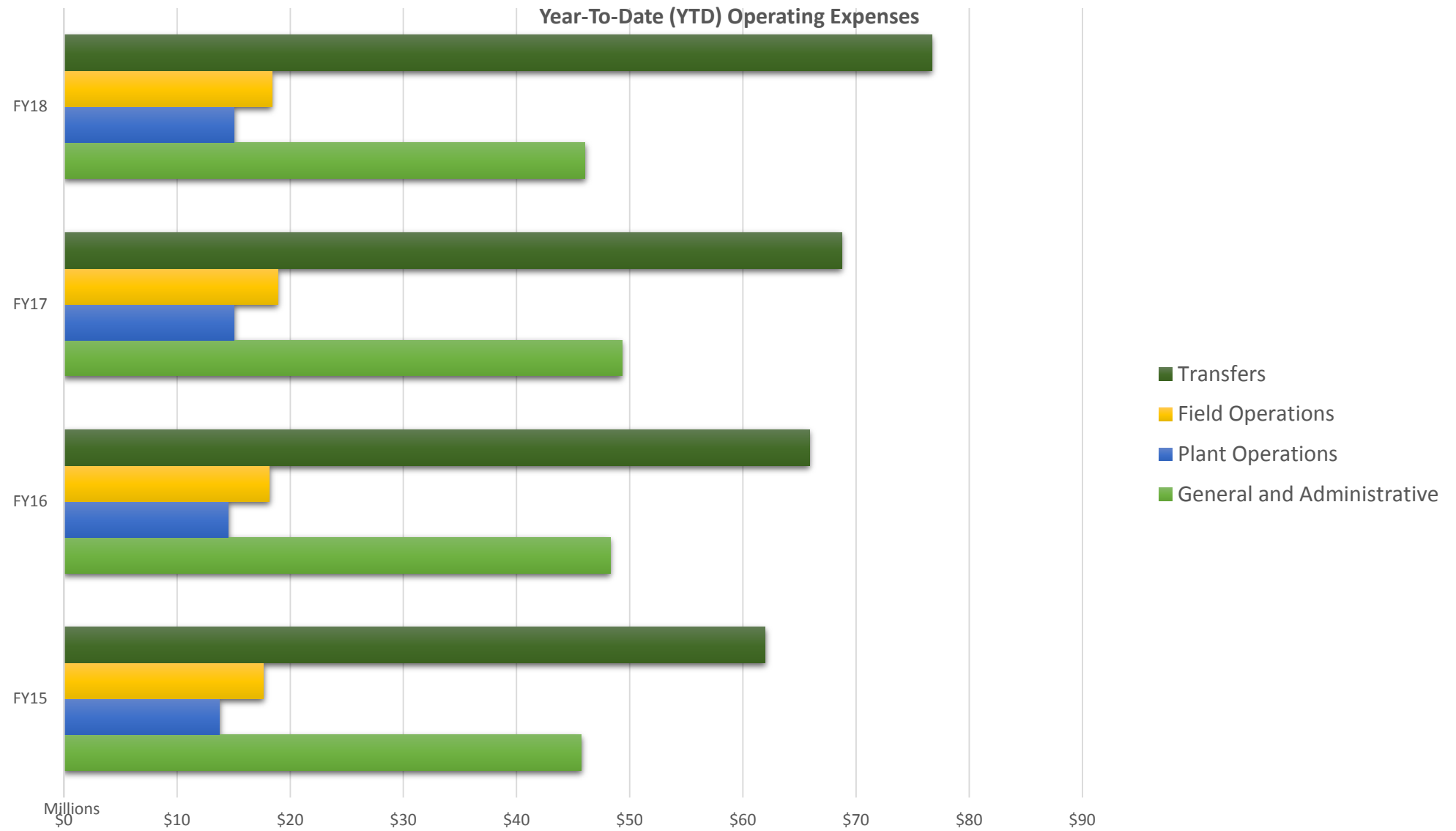
3rd Quarter Dashboard



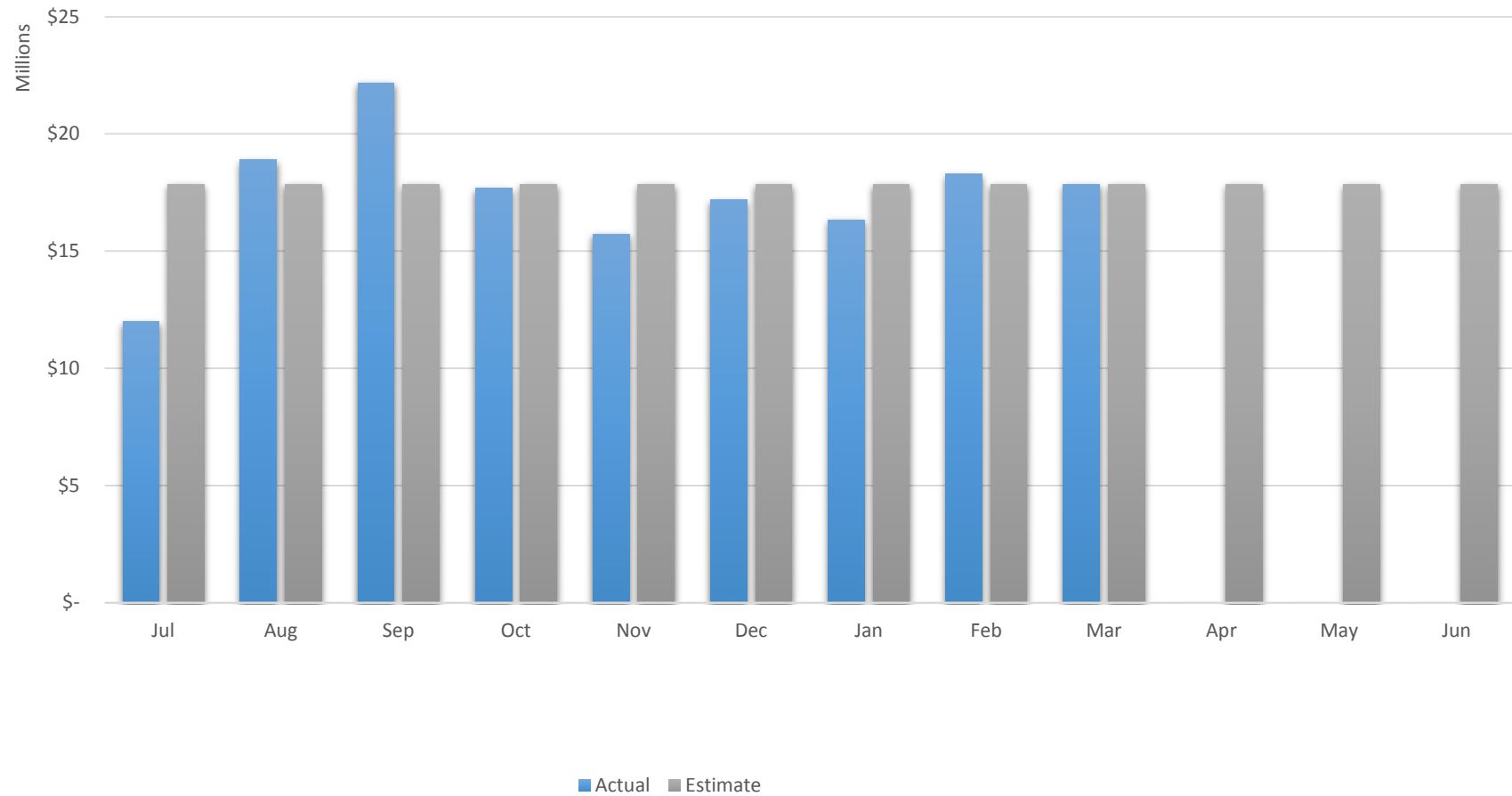
Albuquerque Bernalillo County
Water Utility Authority

Year-To-Date (YTD) Operating Revenue



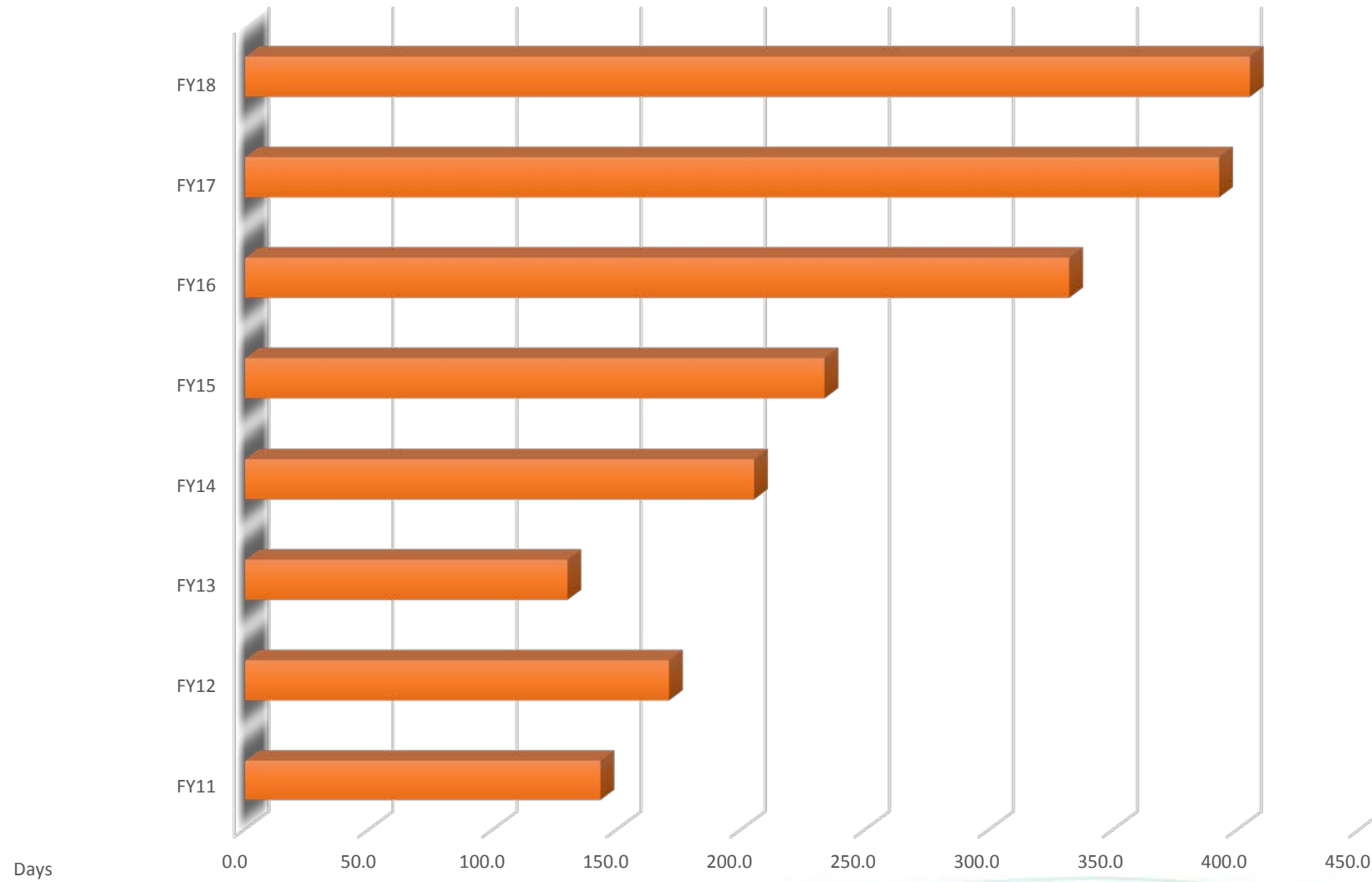


FY18 Operating Expenditures by month
Compared to Estimate

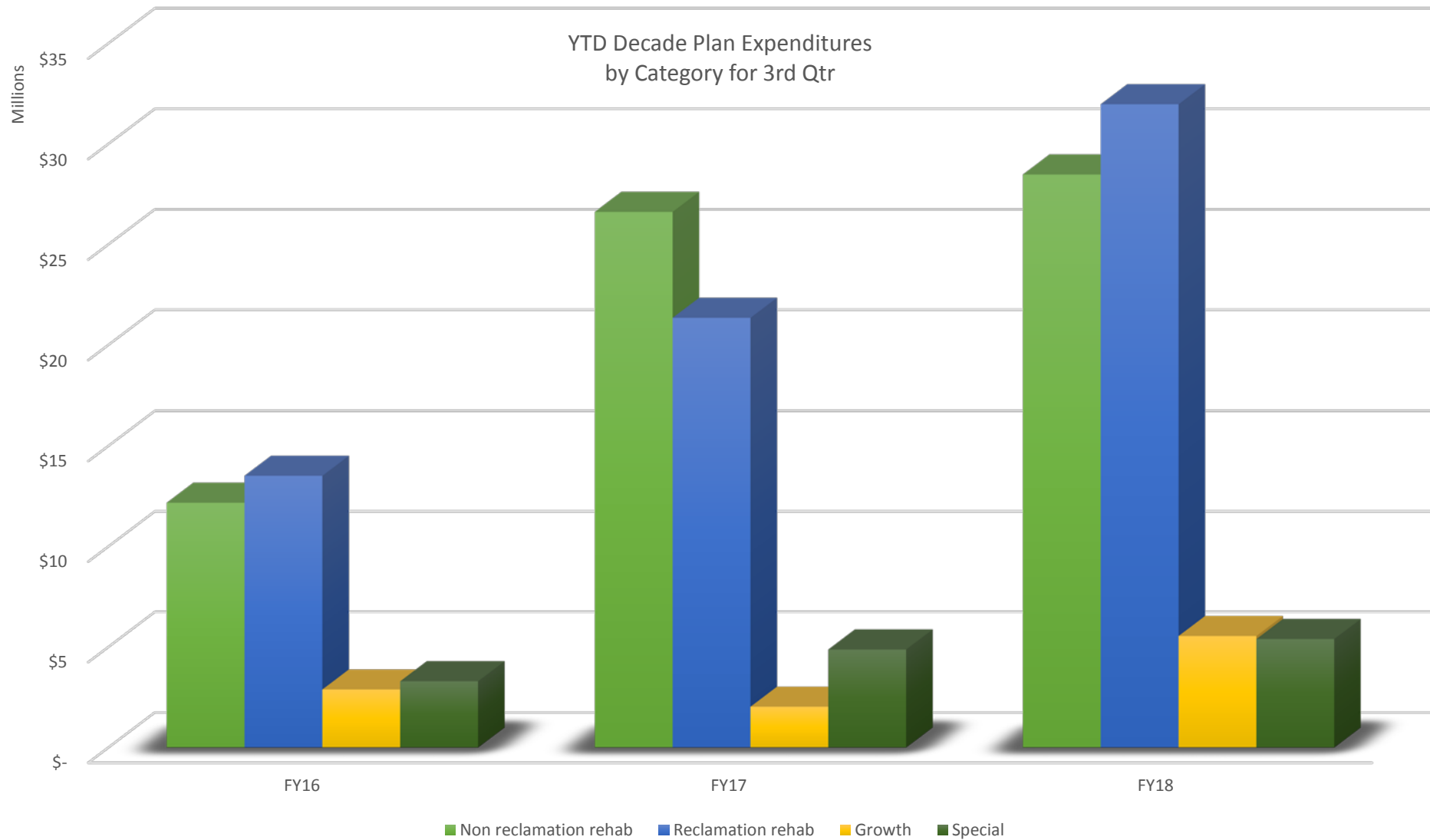


Albuquerque Bernalillo County
Water Utility Authority

Days Cash on Hand

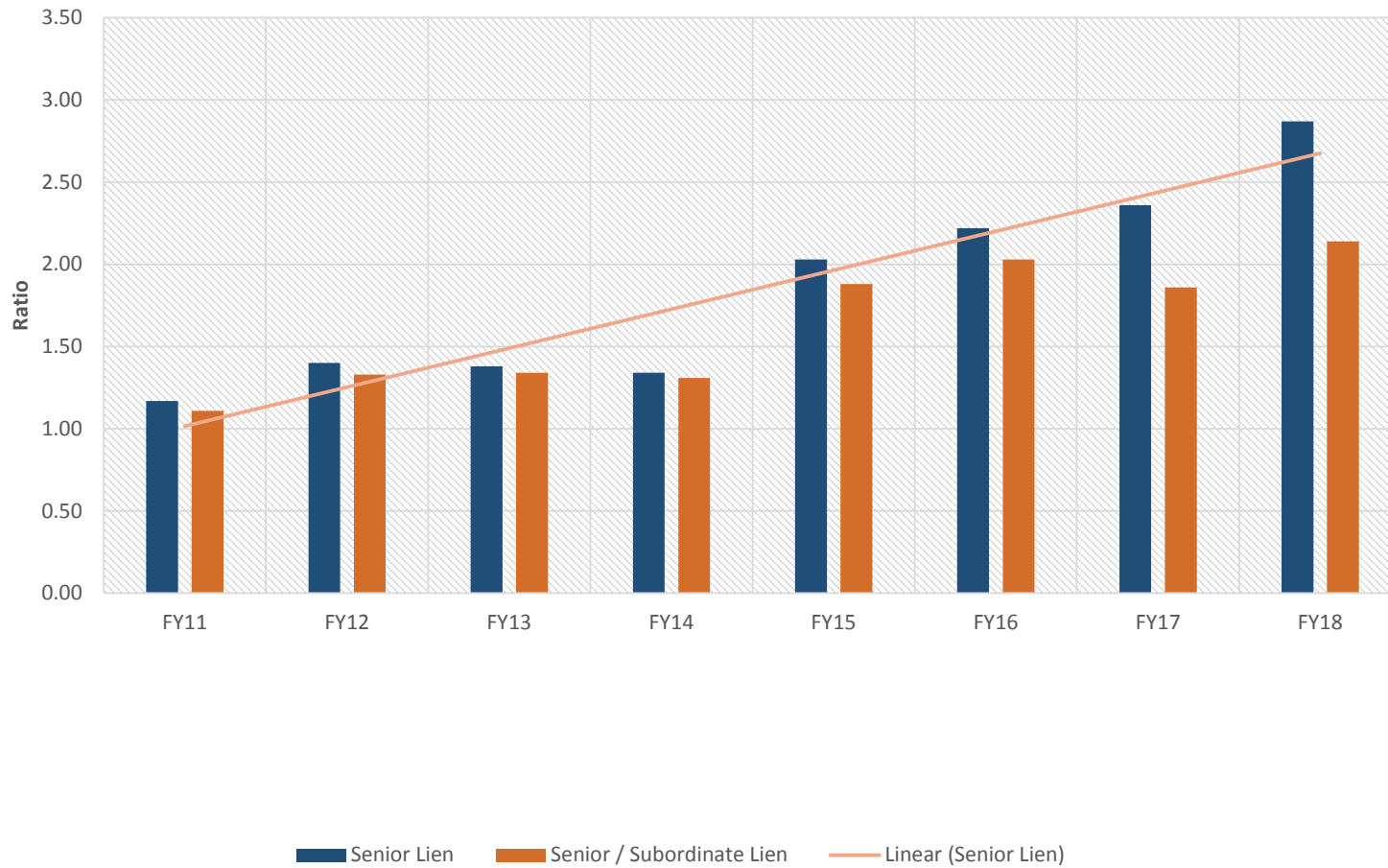


Albuquerque Bernalillo County
Water Utility Authority

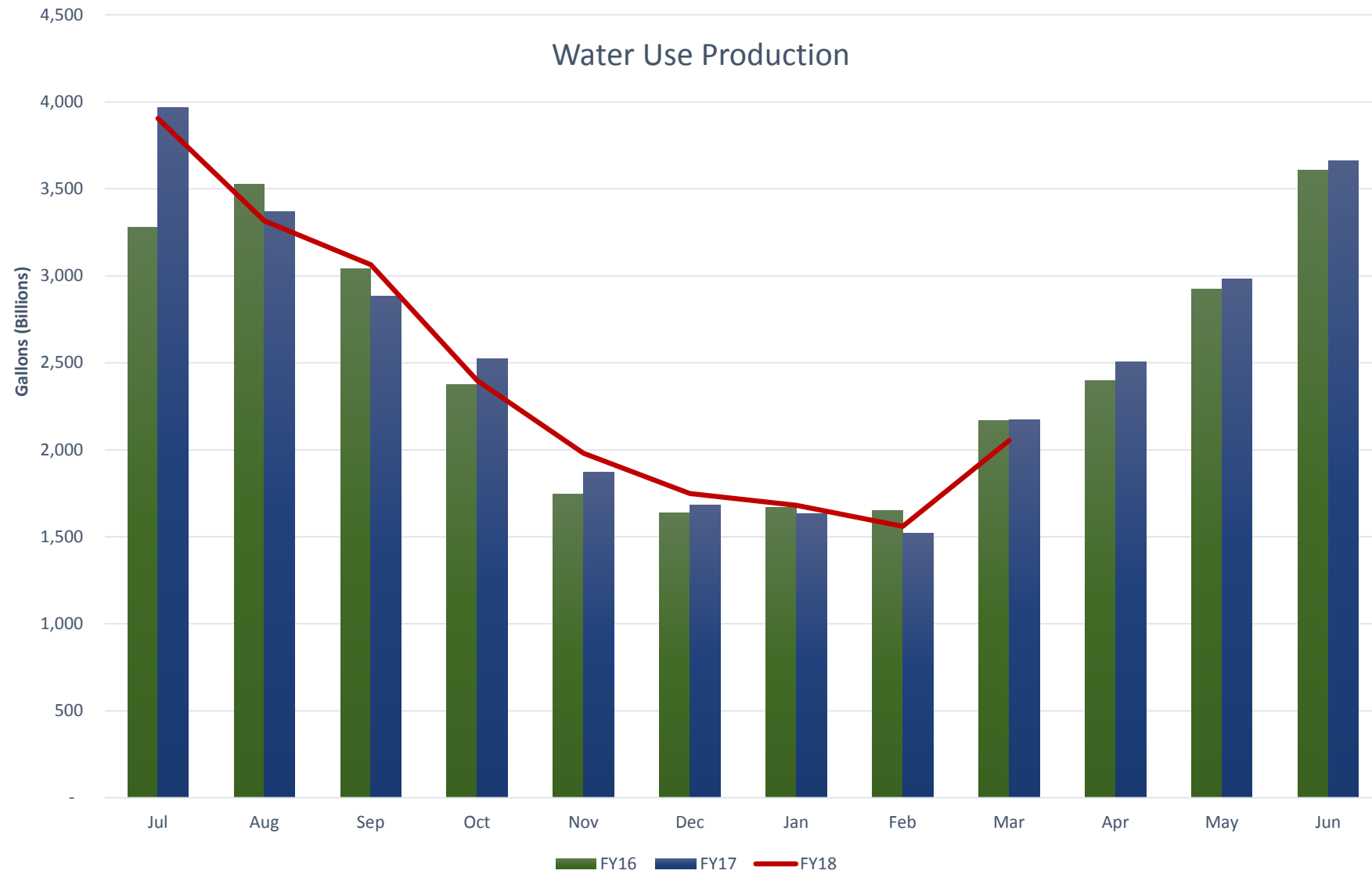


Albuquerque Bernalillo County
Water Utility Authority

Debt Coverage Ratio



Albuquerque Bernalillo County
Water Utility Authority



Water Consumption



Production vs Area Precipitation
2016-2018

