
Meeting Date: February 27, 2019
Staff Contact: Stan Allred, Chief Financial Officer

TITLE: C-19-10 – FY2019 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, 2018. The reports provide a year to date comparison between the approved FY19 budget and actual expenses through December 31, 2018. The reports also include revenue and expense projections to June 30, 2019. 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 and approved by the State Department of Finance and Administration Local Government Division.

Fund 21 General Operating Fund

Revenues:

Second Quarter rate revenues are \$2 million below the actuals for the same period in FY18. The FY19 rate revenues are below the FY18 revenues for the same time period due to a decrease in water consumption during this period. Revenues are projected be at the FY19 projected budgeted amount. This projection is based upon 6 months of actual consumption and is subject to change.

Second Quarter other revenue, which includes miscellaneous revenue, is \$930 thousand more than the actuals for the same period in FY18. Approved budget revenues amounts were derived with the expectation of very limited growth in the service area for the next several years.

Expenses:

Second Quarter total expenses are \$90 thousand less than the actuals for the same period in FY18. The projected total expense at June 30, 2019 is estimated to be \$280 thousand under the FY19 budgeted amount.

Working capital or fund balance is projected to be \$53.3 million, compared to a beginning balance in FY19 of \$41.2 million. The Rate Reserve balance for FY19 is \$9 million. The fund balance trend has reversed as planned and will meet the target of 1/12 of operating expenses.

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 expenses to offset any reductions in revenue. The Water Authority also continues to add an additional \$2.0 million a year to the Rate Reserve. The balance for this reserve is now at \$9.0 million and earmarked for fluctuations in revenue which are not anticipated and to protect ratepayers from emergency rate adjustments.

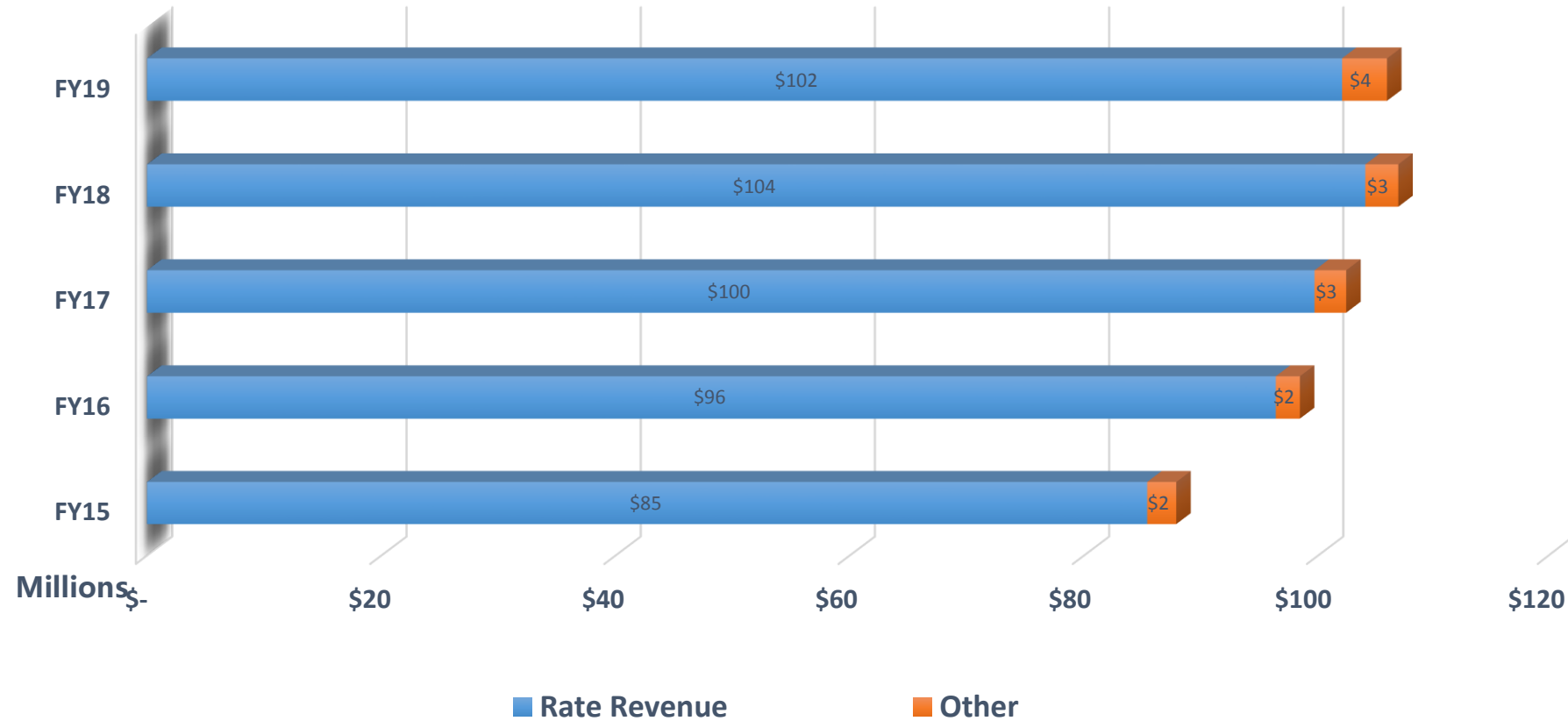
Fiscal Year 2019

2nd Quarter Dashboard



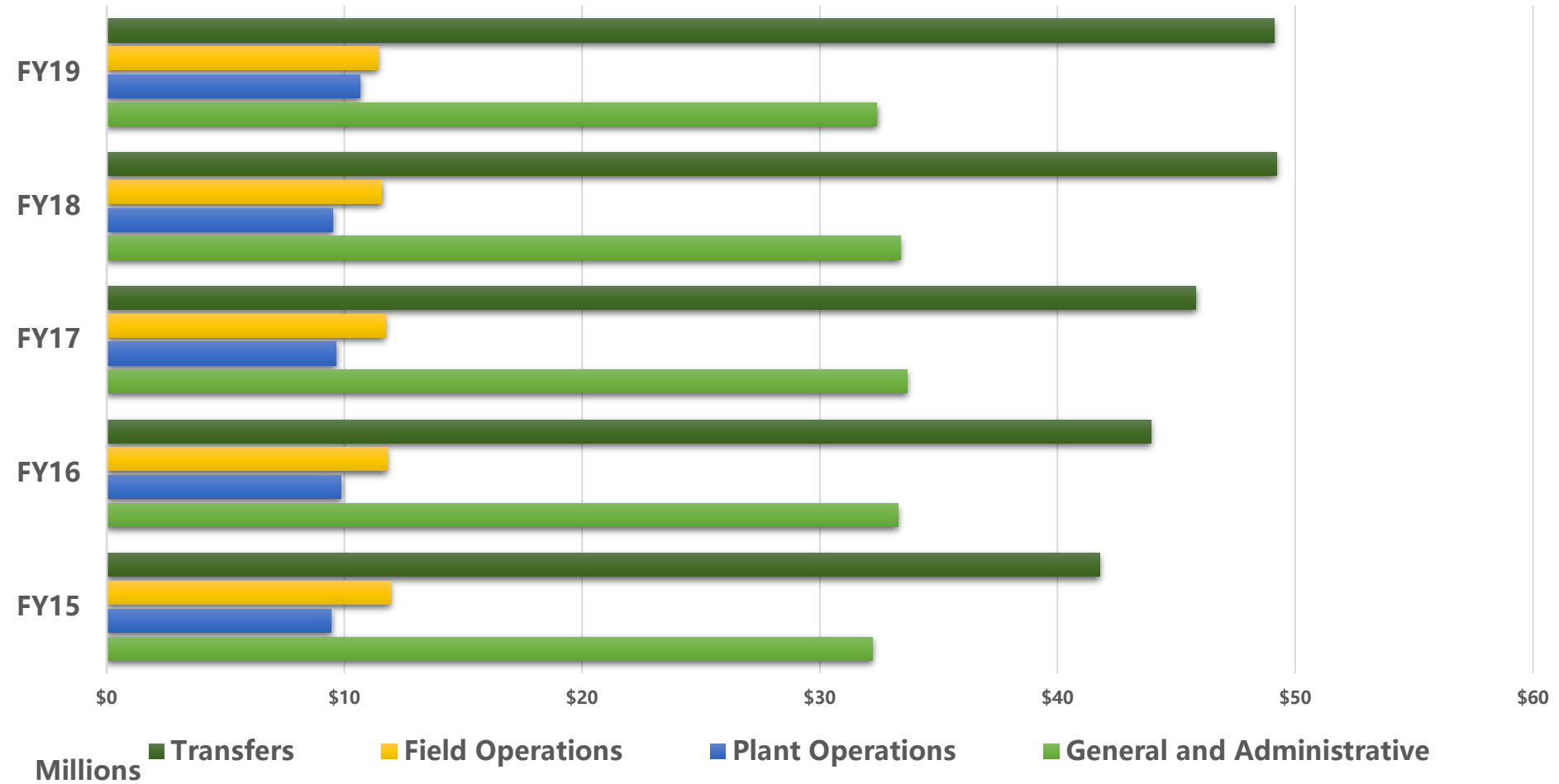
Albuquerque Bernalillo County
Water Utility Authority

Year-To-Date Operating Revenues

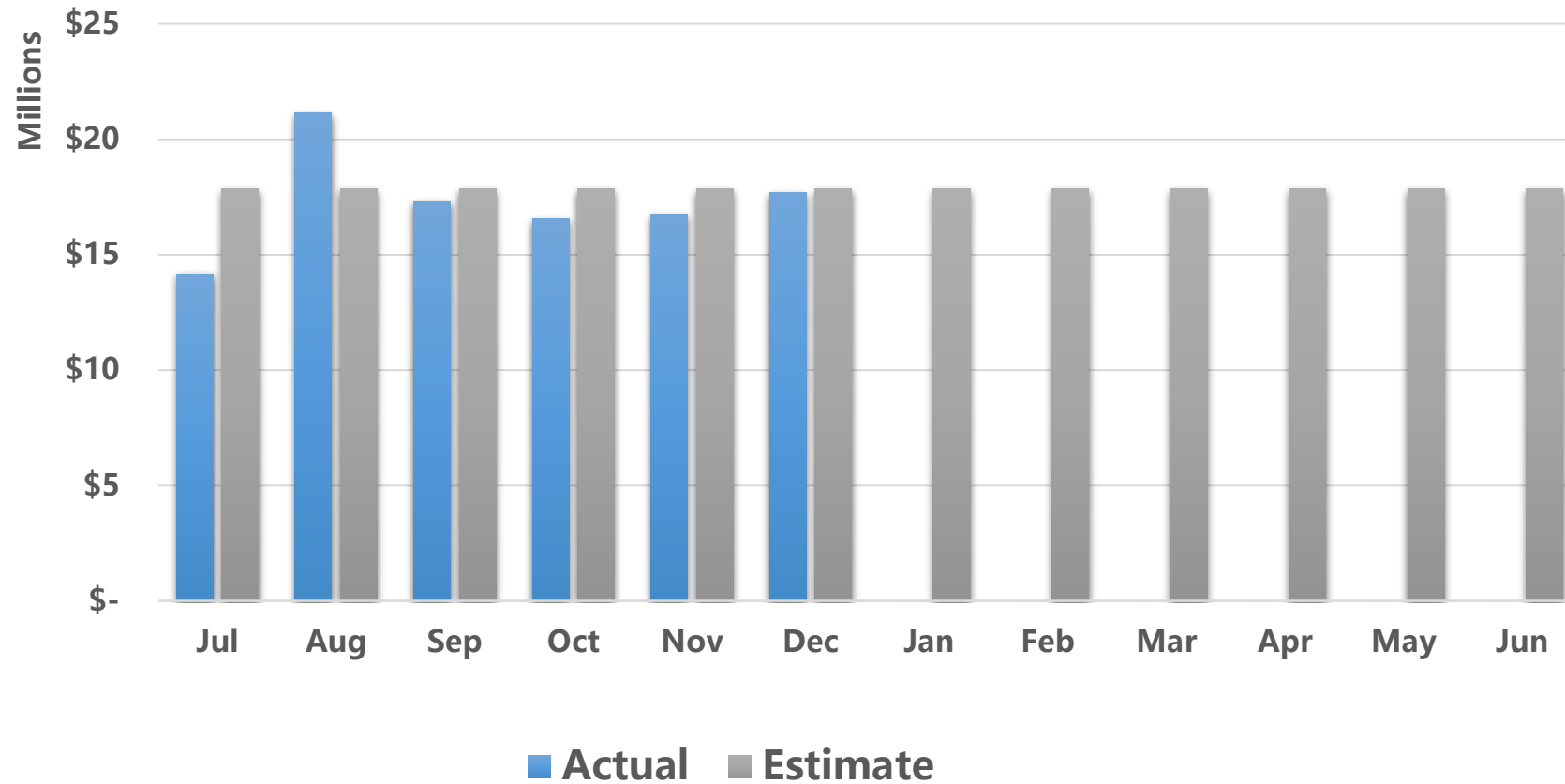


Albuquerque Bernalillo County
Water Utility Authority

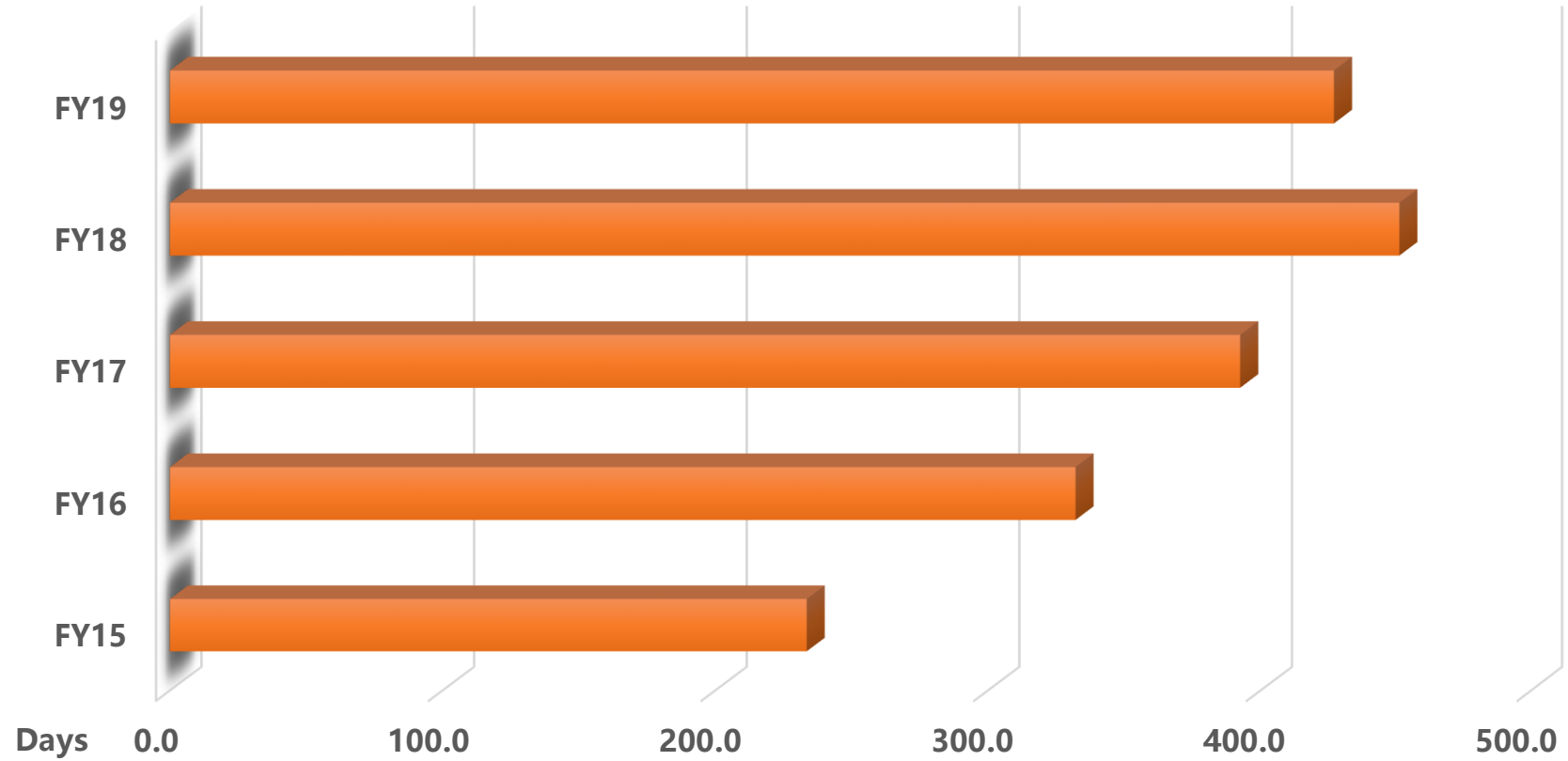
Year-To-Date Operating Expenses



Operating Expenditures by month Compared to Estimate

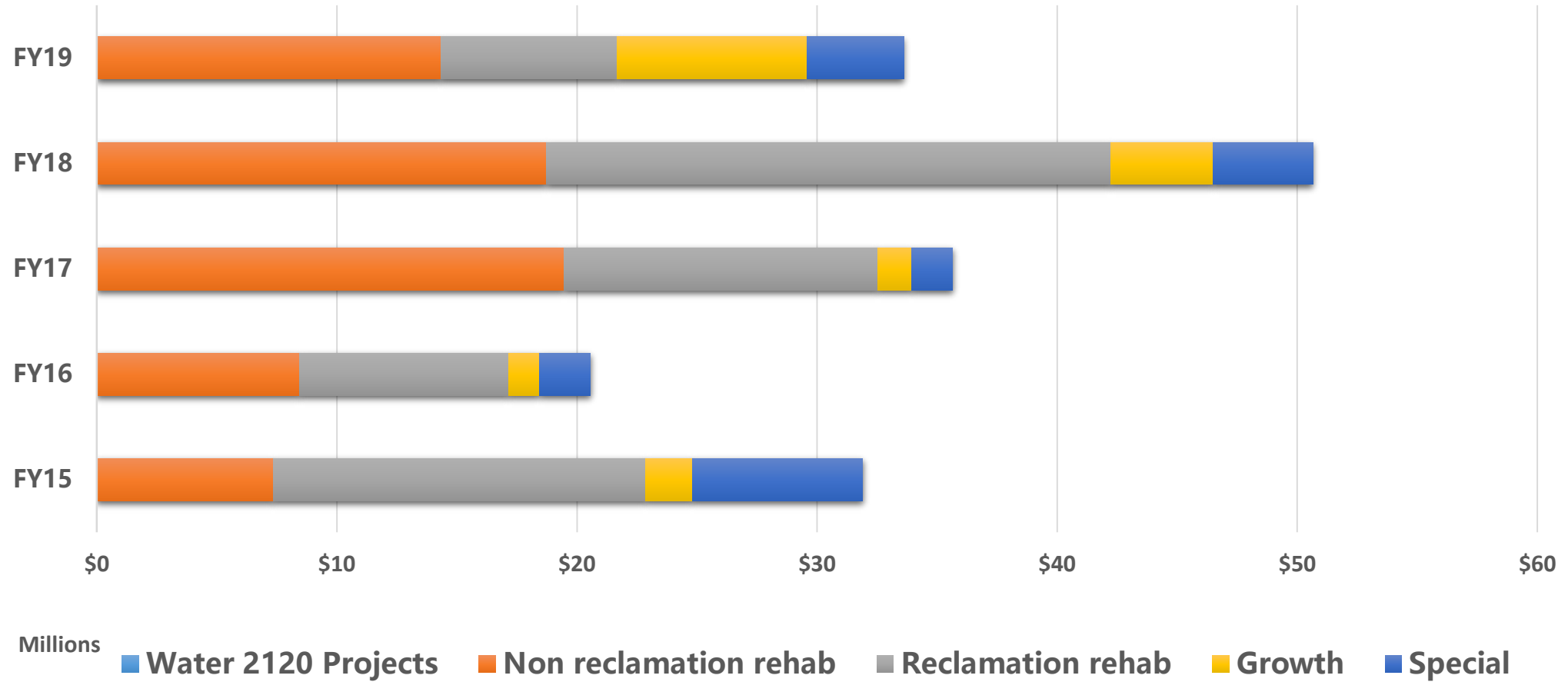


Days Cash on Hand

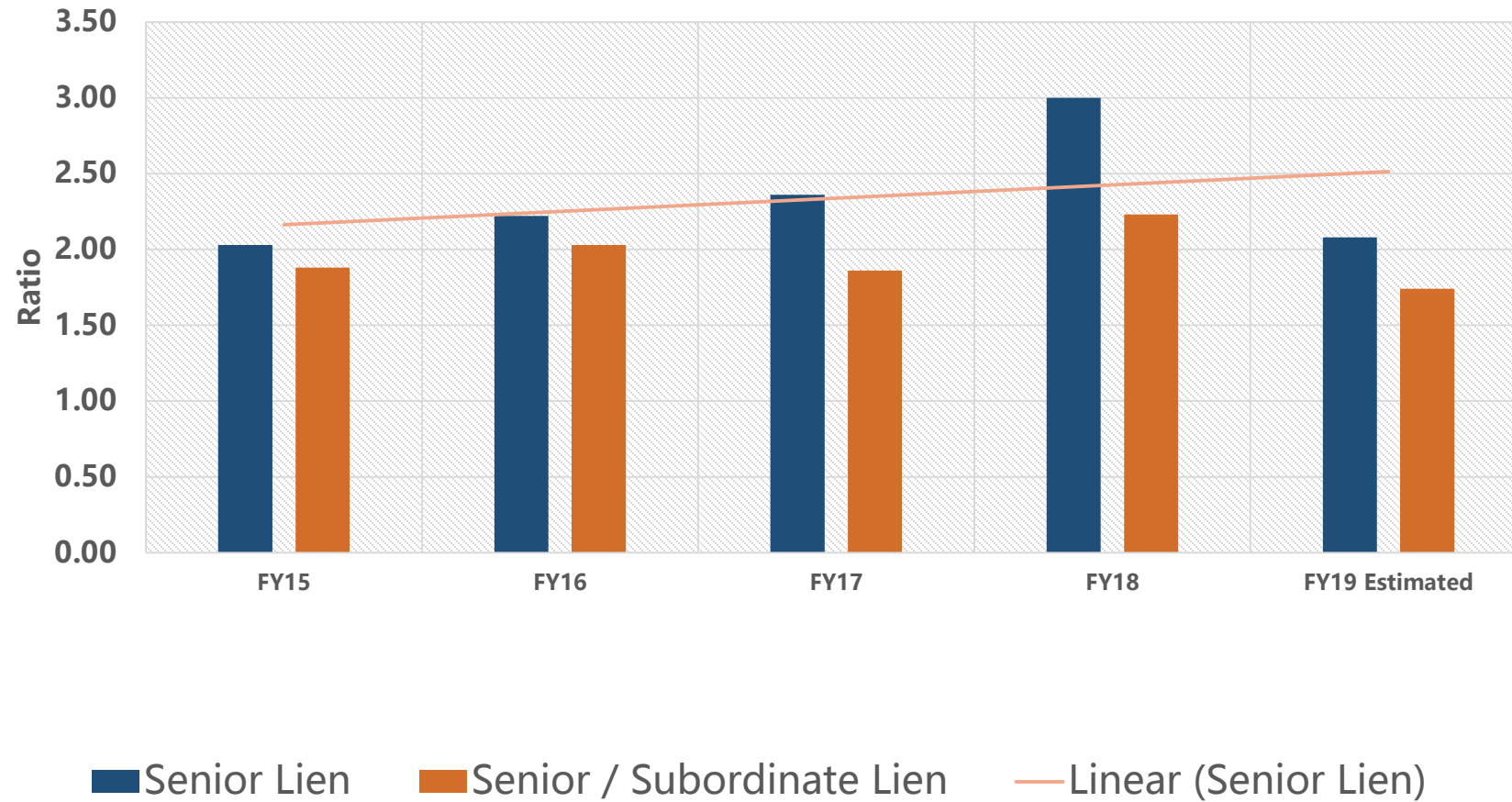


Albuquerque Bernalillo County
Water Utility Authority

Year-To-Date Capital Expenses

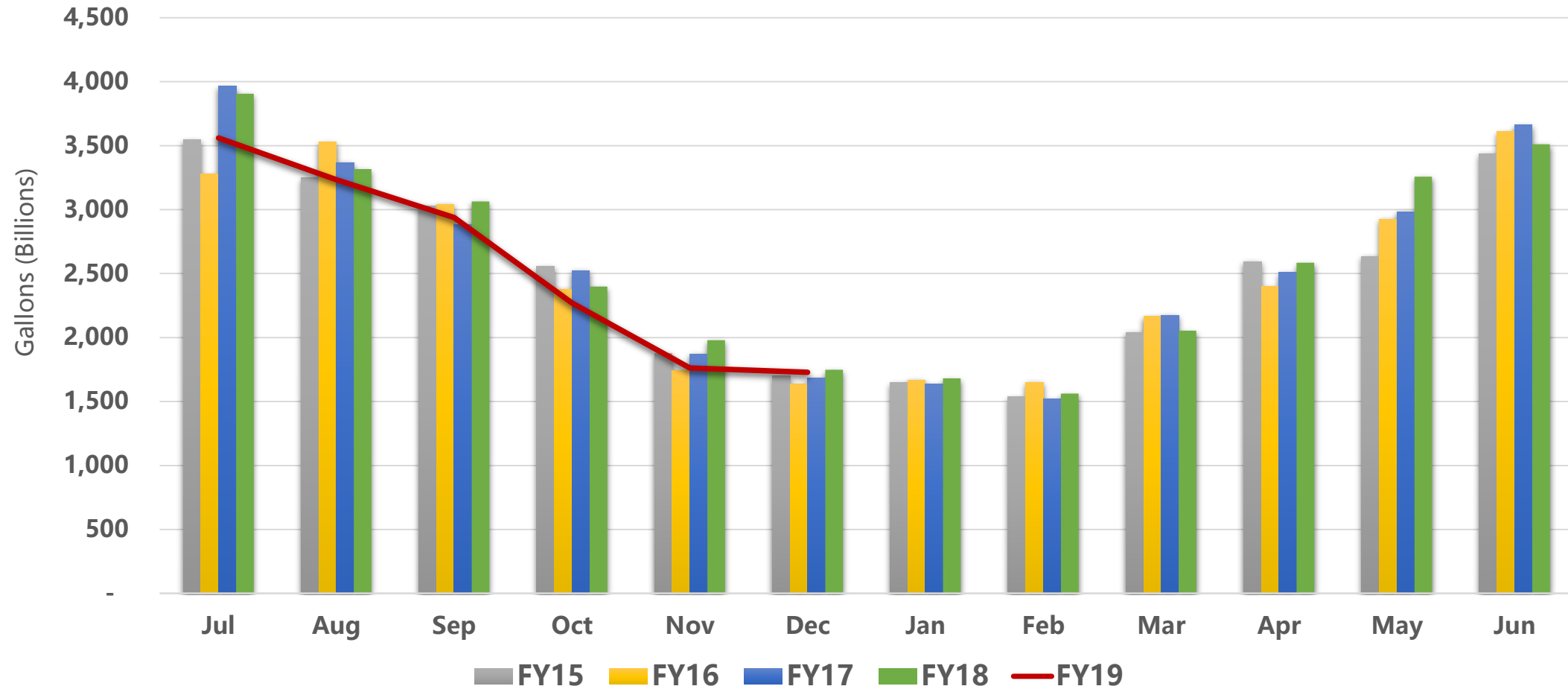


Debt Coverage Ratio



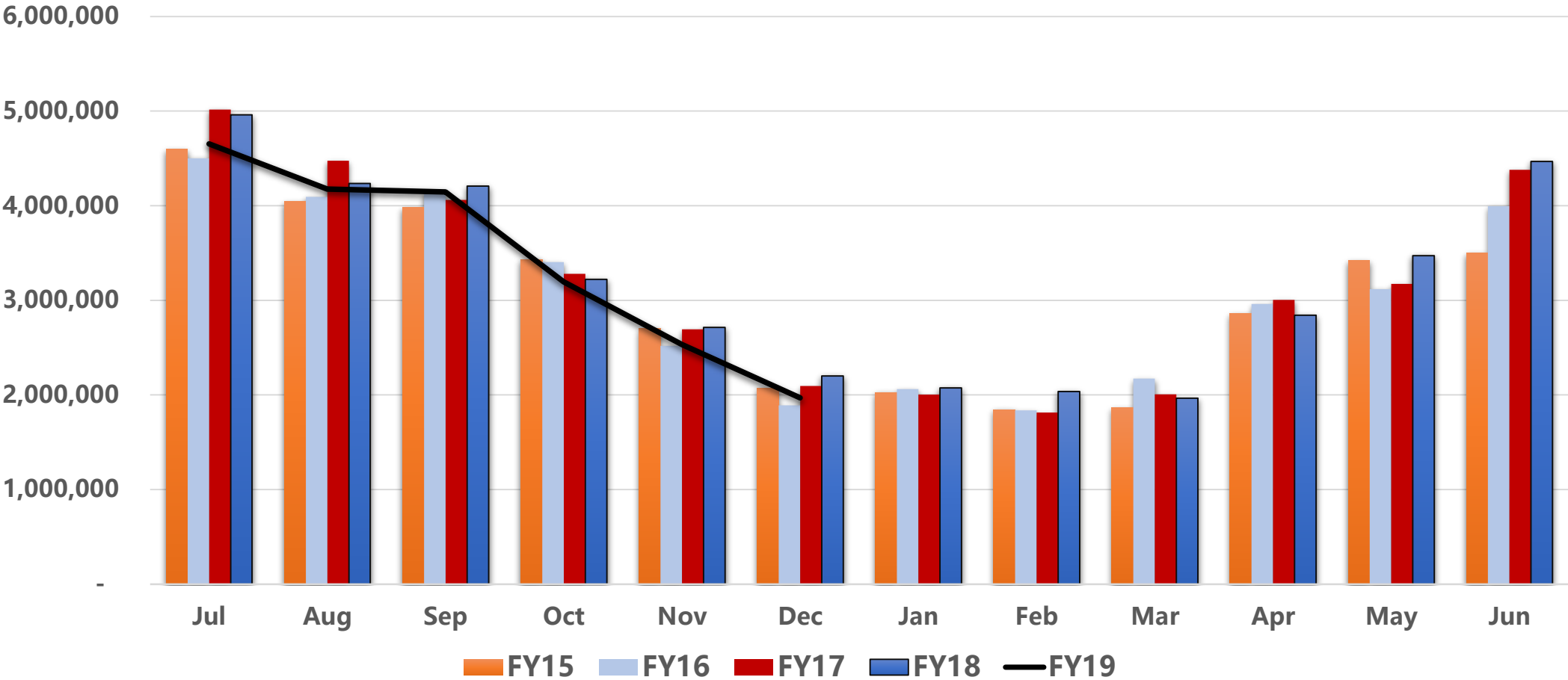
Albuquerque Bernalillo County
Water Utility Authority

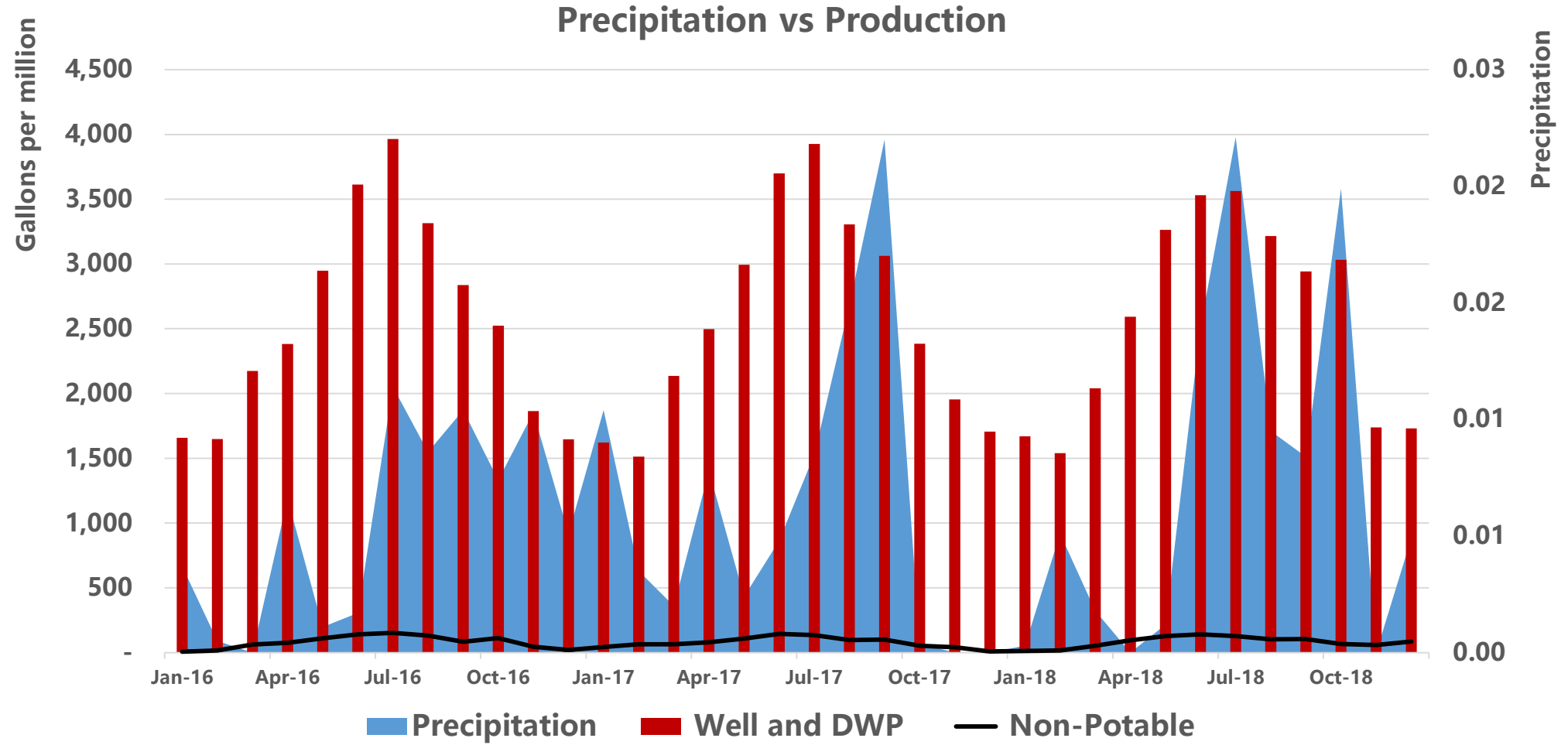
Water Use Production



Albuquerque Bernalillo County
Water Utility Authority

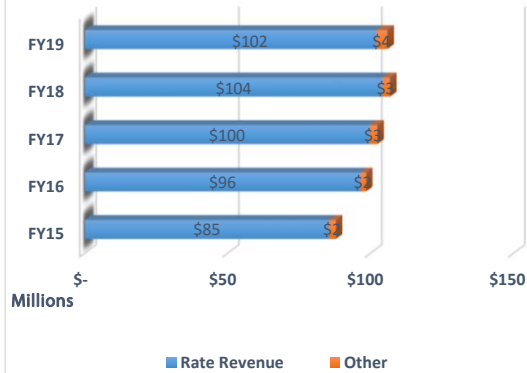
Water Consumption



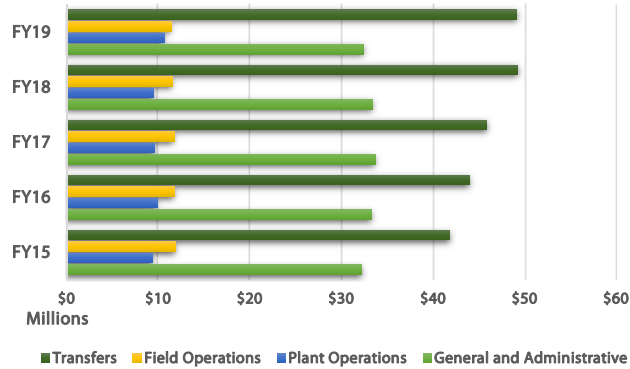


FY19 - 2nd Quarter Water Authority Financial Dashboard

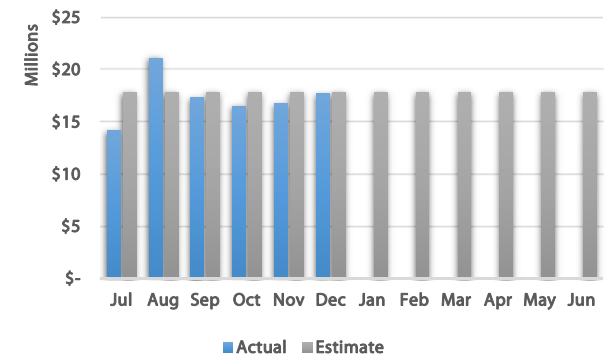
Year-To-Date Operating Revenues



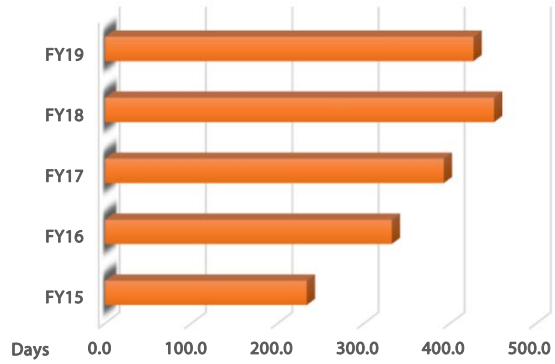
Year-To-Date Operating Expenses



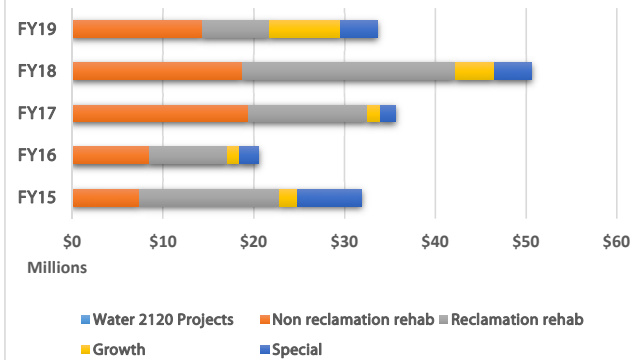
Operating Expenditures by month Compared to Estimate



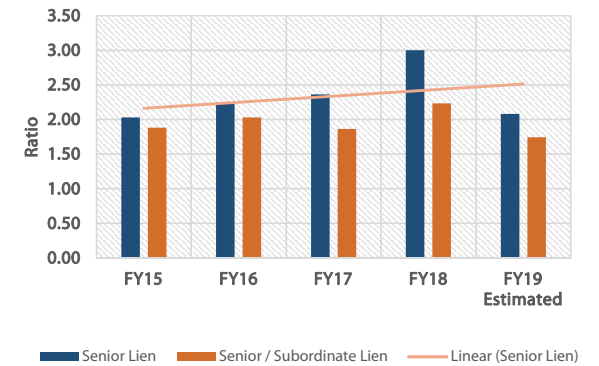
Days Cash on Hand



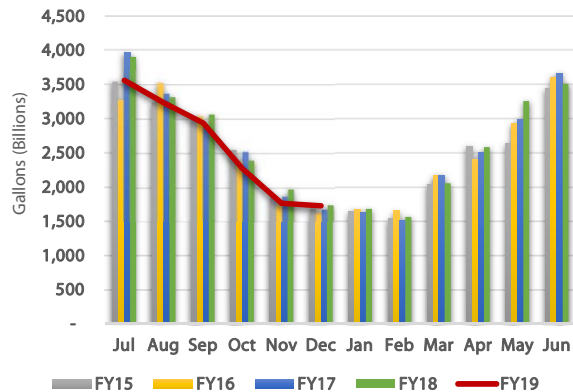
Year-To-Date Capital Expenses



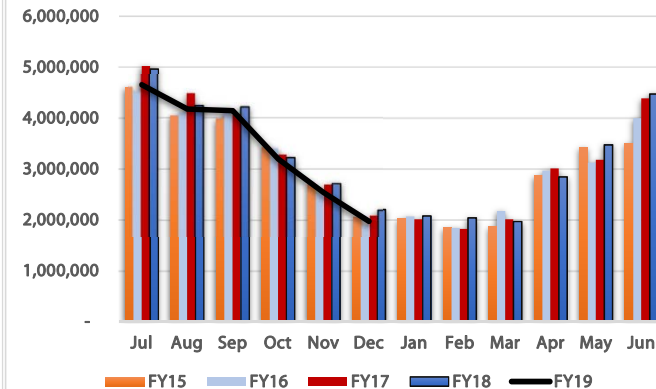
Debt Coverage Ratio



Water Use Production



Water Consumption



Precipitation vs Production

