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Meeting Date: December 4, 2019  
Staff Contact: Stan Allred, Chief Financial Officer

**TITLE: C-19-40 - FY20 First 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, 2019. The reports provide a year-to-date comparison between the approved FY20 budget and actual expenses through September 30, 2019. The reports also include revenue and expense projections to June 30, 2020. 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 and by the Water Authority's Internal Auditor.

Fund 21 General Operating Fund

Revenues:

First Quarter rate revenues are \$1.5 million above the actuals for the same period in FY19; the revenues reflect the increase of 482 MG of water produced during the first quarter. Revenues are projected be at the FY20 budgeted amount. This projection is based upon two and one-half months of actual consumption, and is subject to change.

First Quarter other revenue, which includes miscellaneous revenue, is \$0.3 million above the actuals for the same period in FY19.

Revenue budget amounts were derived with the expectation of very limited growth in the service area for the next several years coupled with a GCPD goal of 127 for FY20.

Expenses:

First Quarter total expenses are \$4.7 million above the actuals for the same period in FY19; primarily due to the increase in the transfer to the capital and debt service funds. The projected total expense at June 30, 2020 is estimated to be \$0.3 million under the FY20 budgeted amount.

Working capital or fund balance is projected to be \$49.2 million, compared to a

beginning balance in FY20 of \$53.6 million. The Rate Reserve balance for FY20 is \$9.0 million. The fund balance trend has reversed as planned and will meet the target of 1/12 of operating expenditures.

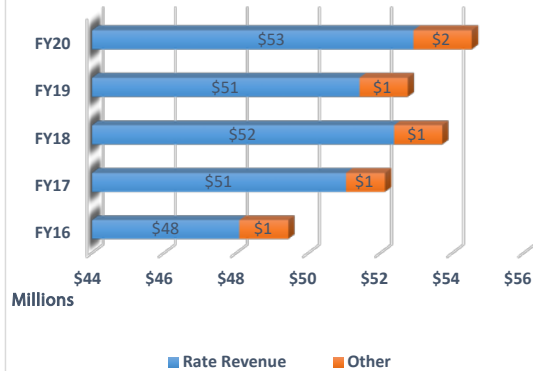
**FISCAL IMPACT:**

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.

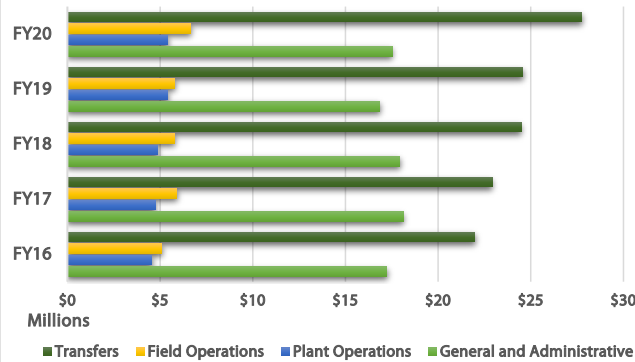
The Water Authority will continue to control operating expenditures to offset any reductions in Revenue. The balance for the Rate Reserve is now at \$9.0 million and earmarked for fluctuations in revenue which are not anticipated and to protect ratepayers from emergency rate adjustments.

# FY20 - 1st Quarter Water Authority Financial Dashboard

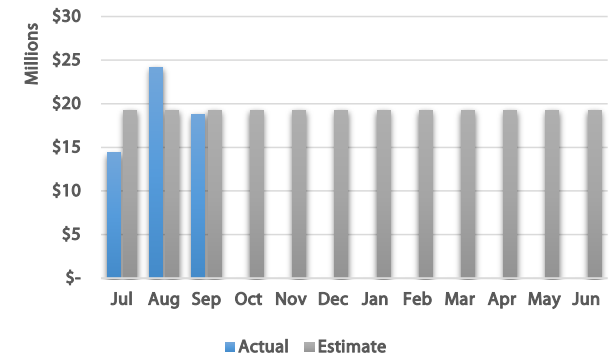
### Year-To-Date Operating Revenues



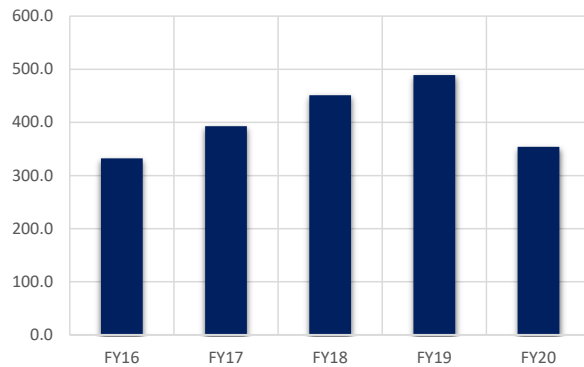
### Year-To-Date Operating Expenses



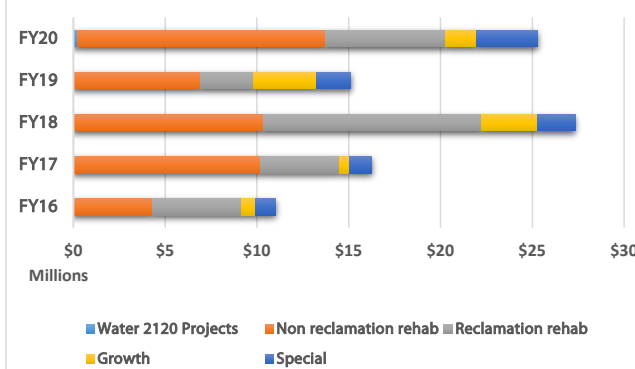
### Operating Expenses by Month Compared to Estimate



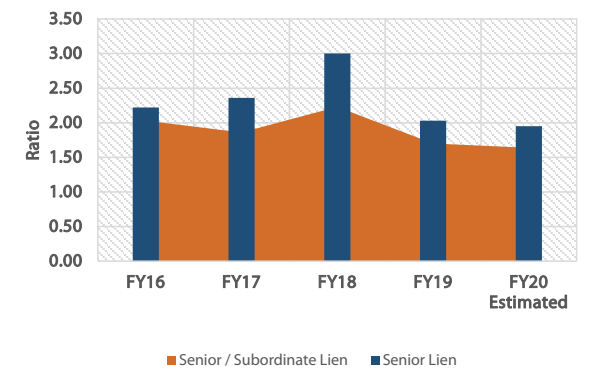
### Days Cash on Hand



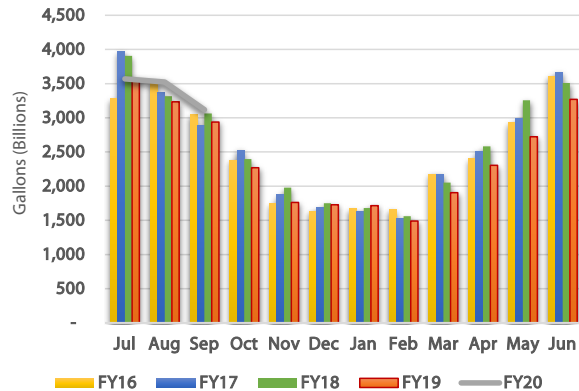
### Year-To-Date Capital Expenses



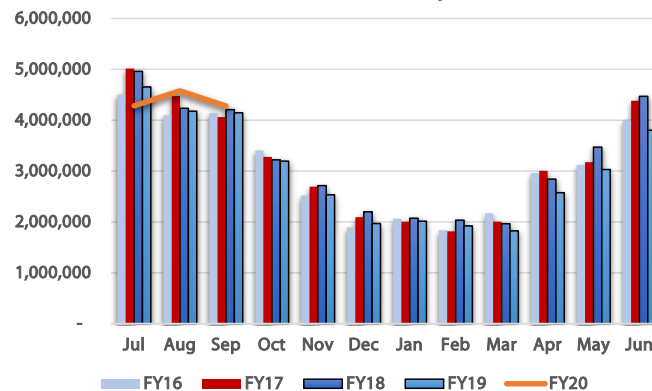
### Debt Coverage Ratio



### Water Use Production



### Water Consumption



### Precipitation vs Production

