FY 2018–19 Year–End Financial Results

February 25, 2020
At January 2020 meeting we discussed audited Annual Financial Statements for FY 2018–19
  ◦ Focus on accounting

This presentation will focus on the budgetary side of the financials
  ◦ Revenues and Expenses
  ◦ Working Capital (Available Fund Balance)
  ◦ Reserves and Fund Balances

Provide some historical metrics at the end
Total potable revenues of $19,973,034
- $20,940 or 0.1% under projection

- **Over-Projection:**
  - Property Taxes
  - Capital Contributions
  - Invest & Property Earnings
  - Engineering Fees
  - Other Revenue

- **On-Target (+/- 5%):**
  - Potable Meter Service Charges
  - Pass-Through Charges

- **Under-Projection:**
  - Potable Water Sales
  - Billing Fee
  - Grant Proceeds
Operating expenses of $13,178,651
  • $1,966,969 or 13.0% under budget

- Under-Budget:
  - Water Purchases (Commodity)
  - Water Purchases (Fixed)
  - Contracts & services
  - Benefits
  - Vehicle Purchases

- On-Target (+/- 5%):
  - Materials & Supplies

- Over-Budget:
  - Salaries
  - Utilities
  - Special Projects / Miscellaneous
Recycled Revenues & Expenses

- Revenues of $897,486
  - $190,936 or 26.5% over projection
  - Mainly over-projection due to water sales, meter service charges and SDG&E related service charges

- Expenses of $370,964
  - $14,254 or 4.0% over budget
  - Mainly over-budget due water purchases and pump station / pipeline repairs.
## Potable & Recycled CIP

<table>
<thead>
<tr>
<th></th>
<th>Potable</th>
<th>Recycled</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unspent Funds (07/01/18)</strong></td>
<td>$5,817,680</td>
<td>$2,546,735</td>
<td>$8,364,415</td>
</tr>
<tr>
<td><strong>FY 2018–19 Appropriation</strong></td>
<td>$808,732</td>
<td>$1,017,333</td>
<td>$1,826,065</td>
</tr>
<tr>
<td><strong>Additional Appropriation</strong></td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Returns from Closed Projects</strong></td>
<td>($128,737)</td>
<td>($3,171)</td>
<td>($131,908)</td>
</tr>
<tr>
<td><strong>Unspent Funds 06/30/19</strong></td>
<td>$2,528,790</td>
<td>$3,222,706</td>
<td>$5,751,496</td>
</tr>
</tbody>
</table>
Fire Revenues & Expenses

- Revenues of $2,405,068
  - $261,368 or 12.2% over projection
    - Mainly over projection due to property taxes and mitigation fees

- Expenses of $2,307,551
  - $163,851 or 7.6% over budget
    - Mainly over budget due to calculated fire contract costs
Available Fund Balance

Focus on Water Activities (Potable & Recycled)

Net Position of $64,136,584
- Includes all assets and liabilities

Available Fund Balance of $29,575,493
- Removes unavailable assets and liabilities
- Amount in liquid assets which is able to fund reserves and immediate needs
## Reserves & Fund Balances

- **Available Fund Balance of $29,575,493**

<table>
<thead>
<tr>
<th></th>
<th>Minimum Target (06/30/19)</th>
<th>Maximum Target (06/30/19)</th>
<th>Actual (06/30/19)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Working Capital</td>
<td>$2,141,686</td>
<td>$4,283,371</td>
<td>$4,283,371</td>
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<tr>
<td>Rate Stabilization</td>
<td>$947,695</td>
<td>$2,369,239</td>
<td>$2,369,239</td>
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<tr>
<td>Infrastructure Planning</td>
<td>$4,656,750</td>
<td>$4,656,750</td>
<td>$4,656,750</td>
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<tr>
<td>Appropriated Expense</td>
<td>$8,906,496</td>
<td>$8,906,496</td>
<td>$8,906,496</td>
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<tr>
<td>PW Capacity Fees (ID1)</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>PW Capacity Fees (IDA)</td>
<td>$217,254</td>
<td>$217,254</td>
<td>$217,254</td>
</tr>
<tr>
<td>Reserve (Future Appropt.)</td>
<td>$1,603,131</td>
<td>$1,603,131</td>
<td>$1,603,131</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$18,473,012</strong></td>
<td><strong>$22,036,241</strong></td>
<td><strong>$22,036,241</strong></td>
</tr>
</tbody>
</table>

- **Additional available funding of $7,539,252**
Historical Annual Financials & Metrics
Revenue and Expense – Overall

<table>
<thead>
<tr>
<th>Year</th>
<th>REVENUES</th>
<th>EXPENSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$12,000,000</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>2011</td>
<td>$14,000,000</td>
<td>$12,000,000</td>
</tr>
<tr>
<td>2012</td>
<td>$16,000,000</td>
<td>$14,000,000</td>
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<tr>
<td>2013</td>
<td>$18,000,000</td>
<td>$16,000,000</td>
</tr>
<tr>
<td>2014</td>
<td>$20,000,000</td>
<td>$18,000,000</td>
</tr>
<tr>
<td>2015</td>
<td>$20,000,000</td>
<td>$20,000,000</td>
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<tr>
<td>2016</td>
<td>$22,000,000</td>
<td>$22,000,000</td>
</tr>
<tr>
<td>2017</td>
<td>$24,000,000</td>
<td>$24,000,000</td>
</tr>
<tr>
<td>2018</td>
<td>$26,000,000</td>
<td>$26,000,000</td>
</tr>
<tr>
<td>2019</td>
<td>$28,000,000</td>
<td>$28,000,000</td>
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Employee Costs and Count

![Chart with bars and line graph showing employee count and salaries from 2010 to 2019. The chart illustrates the trend of increasing employee costs over the years.](chart.png)
Operating Income

Operating Income Before Depreciation  Depreciation  Net Operating Income


-$3,000,000  -$2,000,000  -$1,000,000  $0  $1,000,000  $2,000,000  $3,000,000  $4,000,000  $5,000,000  $5,000,000

$0  $2,000,000  $3,000,000  $4,000,000  $5,000,000  $6,000,000  $7,000,000  $8,000,000  $9,000,000  $10,000,000  $11,000,000

$1,000,000  $2,000,000  $3,000,000  $4,000,000  $5,000,000  $6,000,000  $7,000,000  $8,000,000  $9,000,000  $10,000,000  $11,000,000
Unrestricted Net Position

$0
$5,000,000
$10,000,000
$15,000,000
$20,000,000
$25,000,000
$30,000,000


Unrestricted Net Assets – Business
Ops Ratio / Days Cash on Hand

Days Cash on Hand

RATIO (1-1.5) –Total
Recommendation

Board of Directors receive and file the FY 2018–19 Year–End Financial Results