



Finance and Asset Management Committee

FY 2023/24 Annual Comprehensive Financial Report

Item 6a

December 10, 2024

Item # 6a

Receipt of Financial Report

Subject

- The District's Fiscal Year 2024 Annual Comprehensive Financial Report (ACFR)

Purpose

- For the Board to receive the audited 2024 ACFR
- Present an analysis of the trends observed in the balance sheet and cash flow data.

Audit Timeline and Results



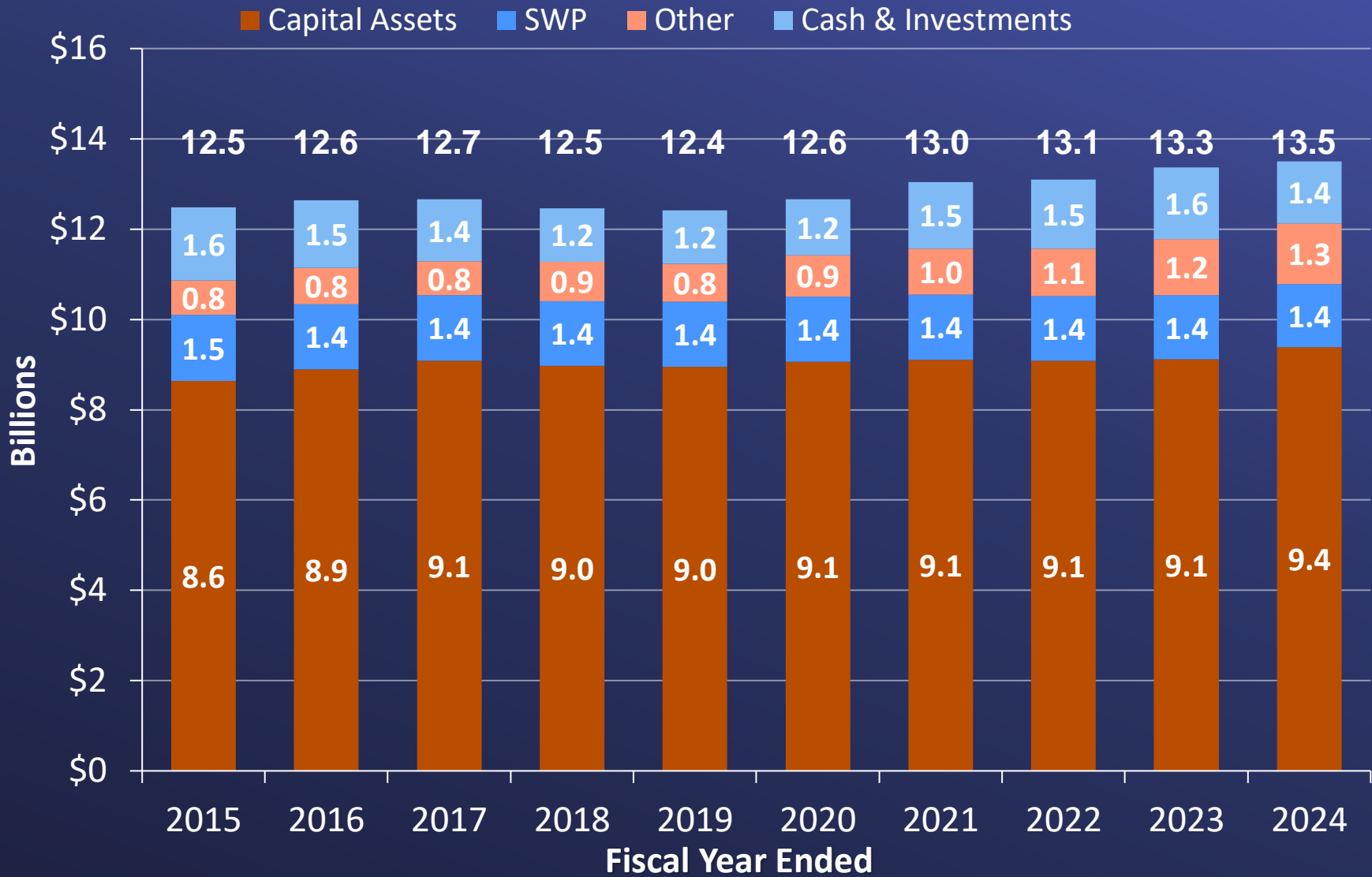
Audit Results

- Unqualified Opinion
- No Internal Control Deficiency
- No Audit Adjustments

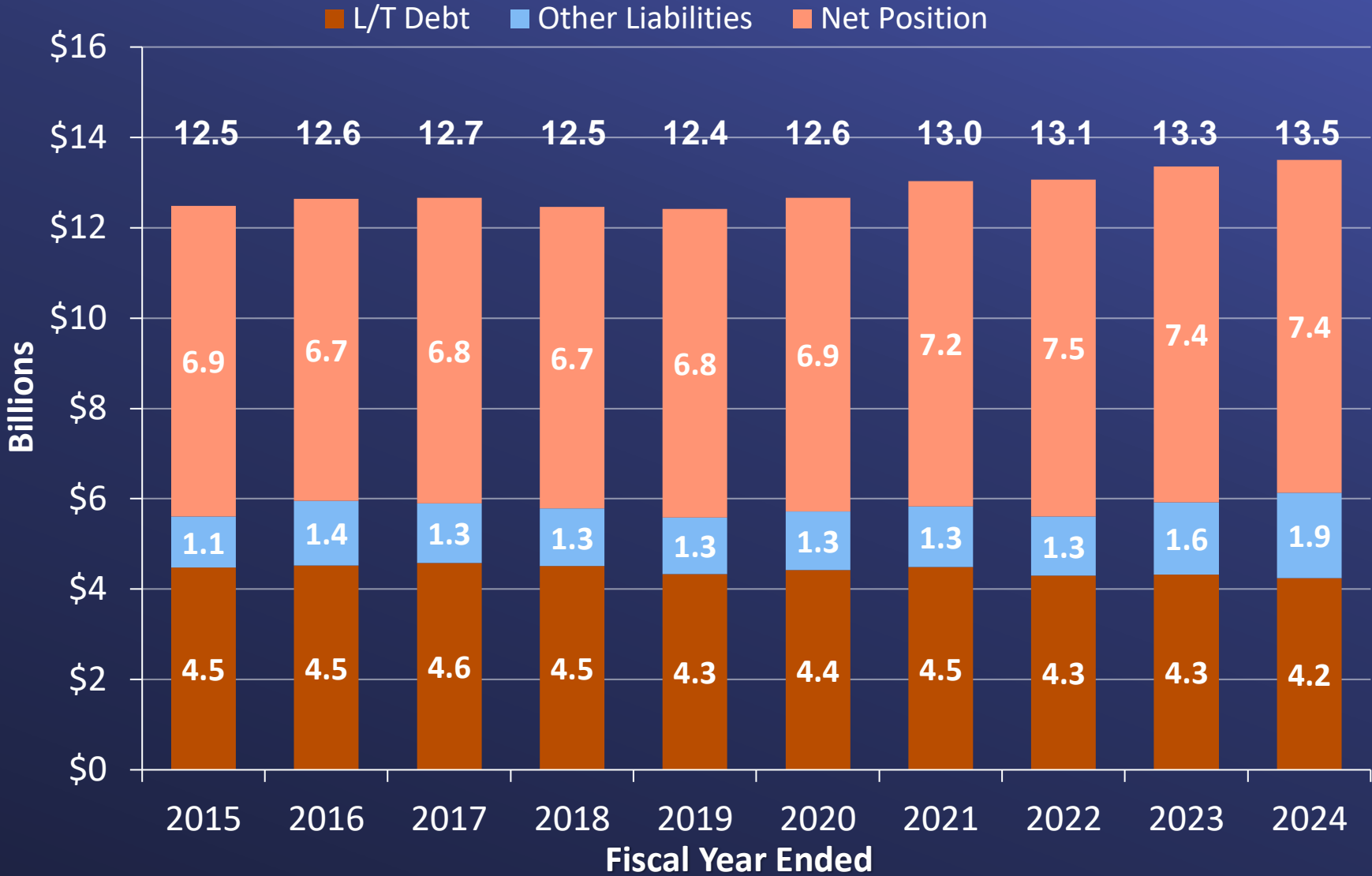
Balance Sheet Trends



Total Assets and Deferred Outflows

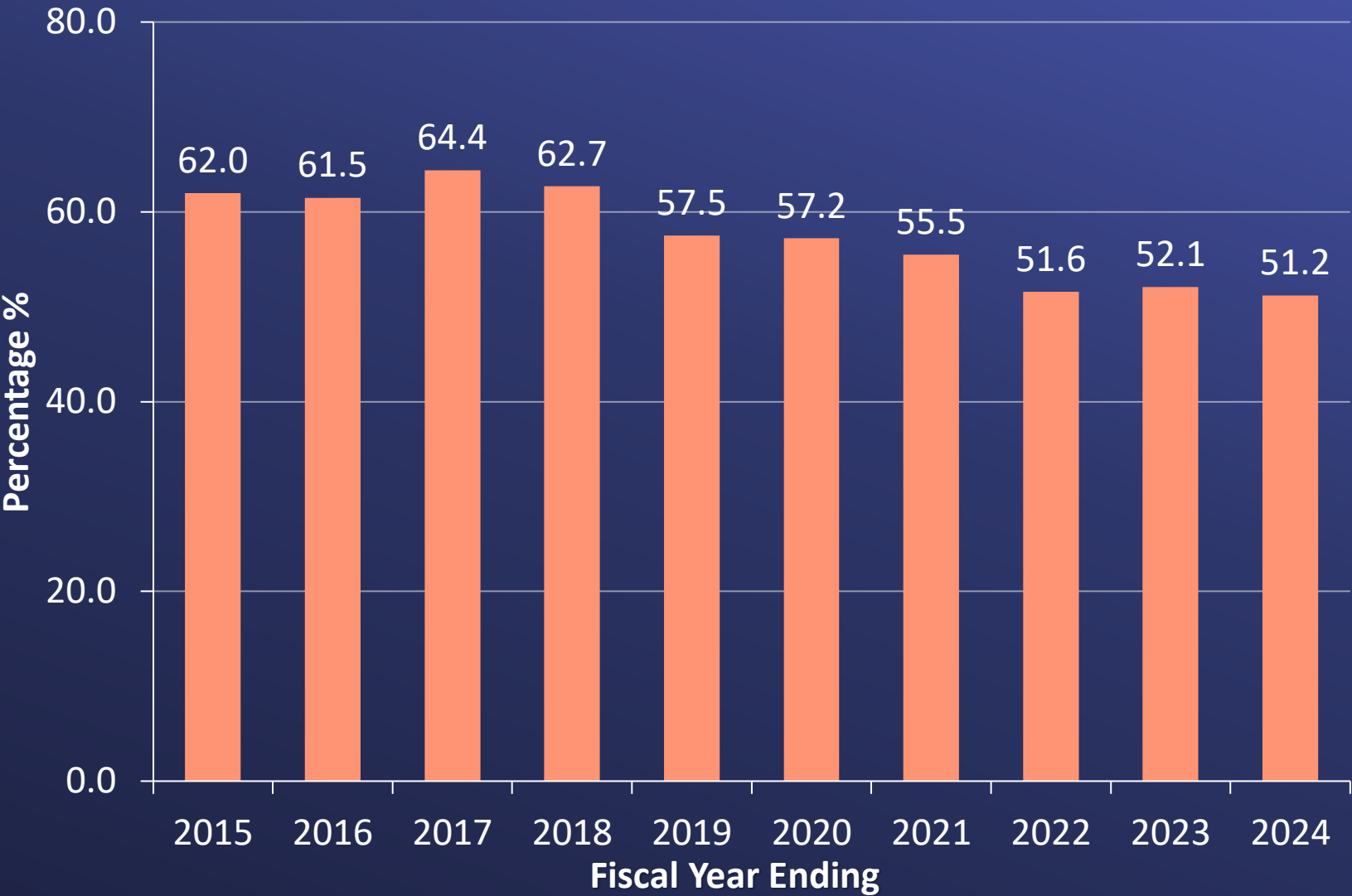


Total Liabilities, Deferred Inflows and Net Position



Revenue Bond Debt to Equity Ratio

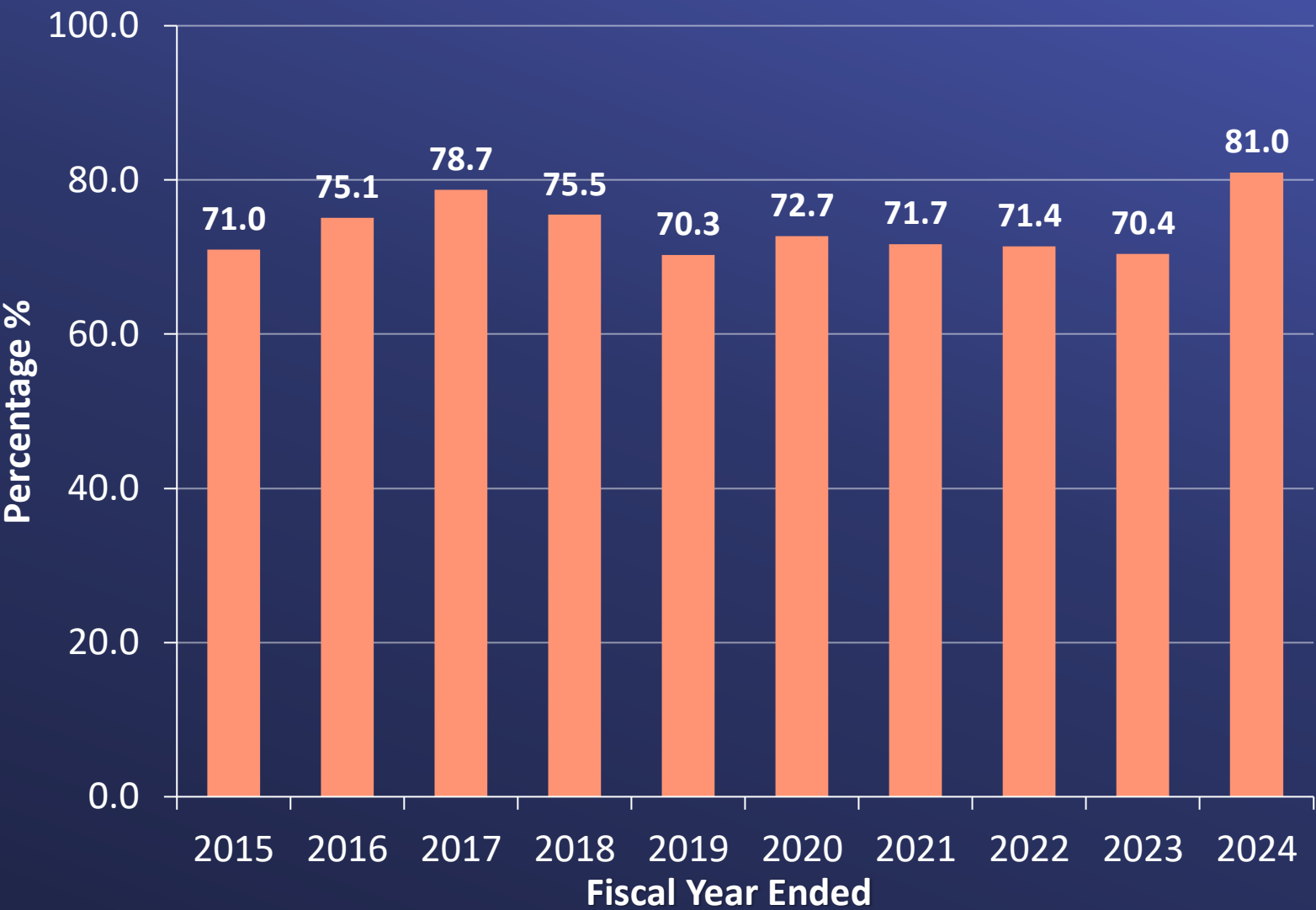
- Lower ratio means more bonding capacity or financial flexibility for Metropolitan



Pension Funded Ratio

Relationship between
Market Value of Assets
(MVA) and Accrued
Liability (AL)

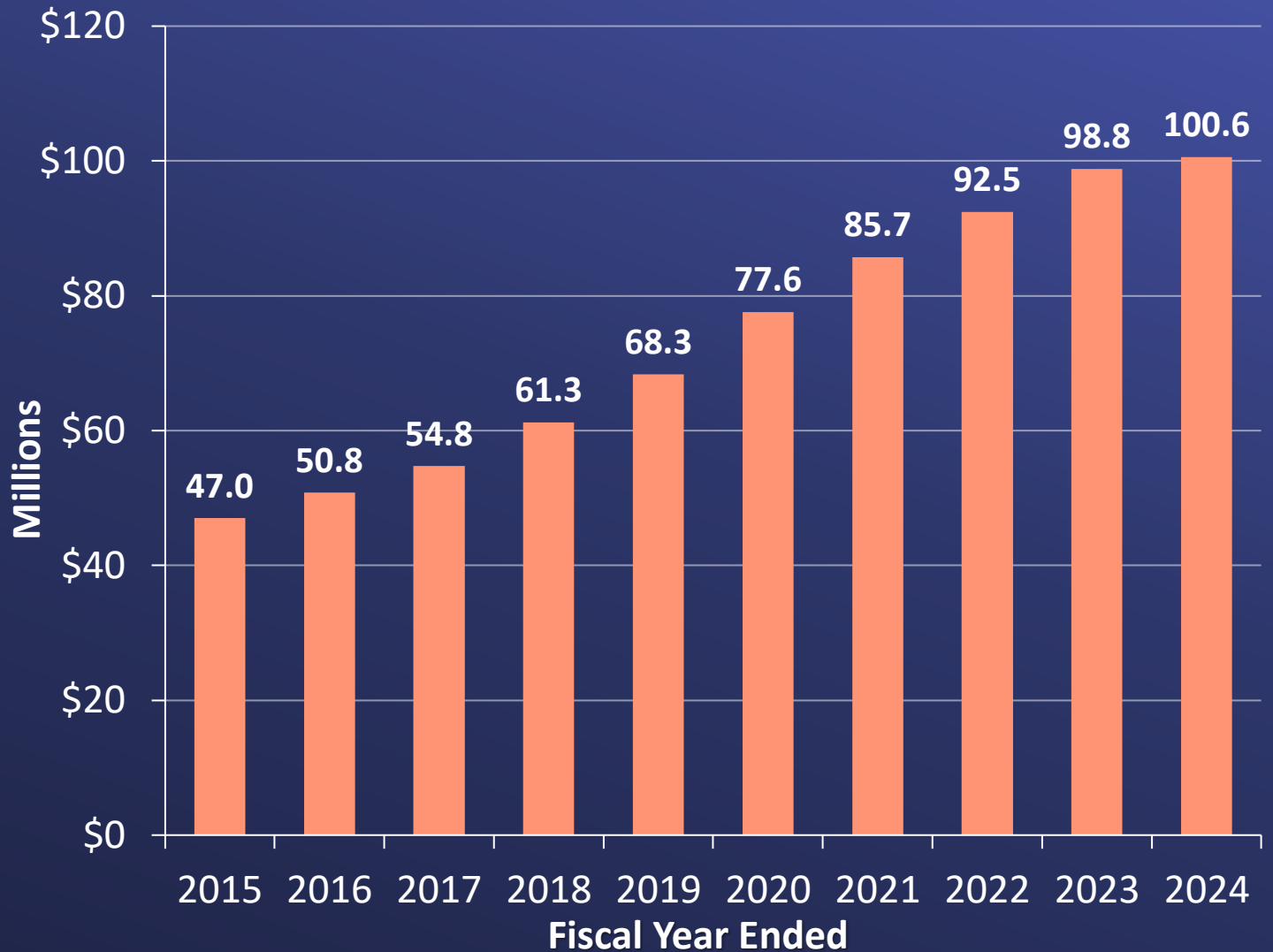
2024 MVA - \$2.22B
2024 AL - \$2.75B



Pension Actuarially Determined Contribution⁽¹⁾

Factors Affecting Contributions:

- Lowering of Discount Rate
- Adoption of New Actuarial Assumptions
- Change in Amortization Policy
- Investment Returns

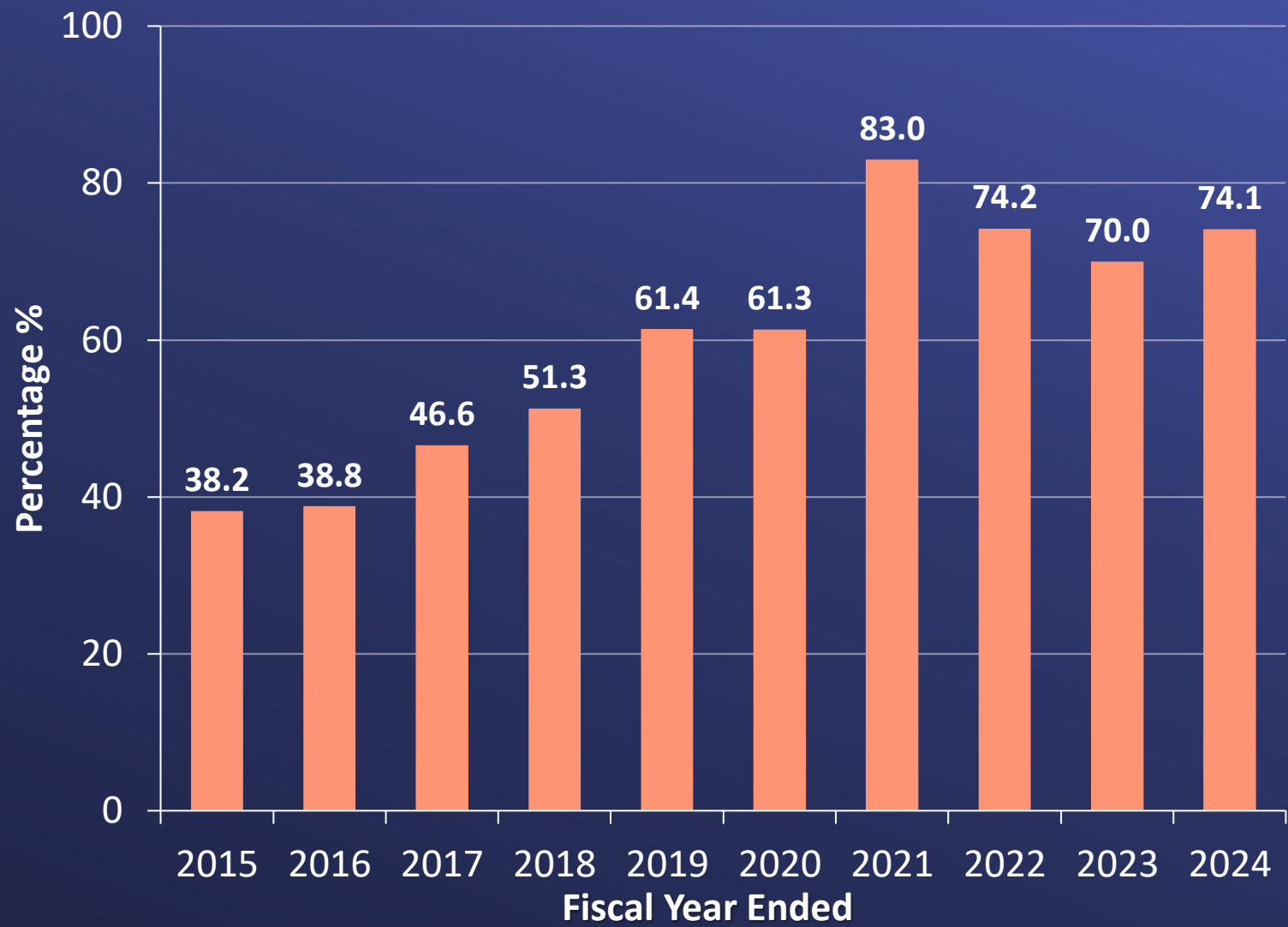


⁽¹⁾ Annual Required Contribution (ARC) in fiscal years 2015 through 2017

OPEB Funded Ratio

Relationship between
Market Value of Assets
(MVA) and Actuarial
Accrued Liability (AL)

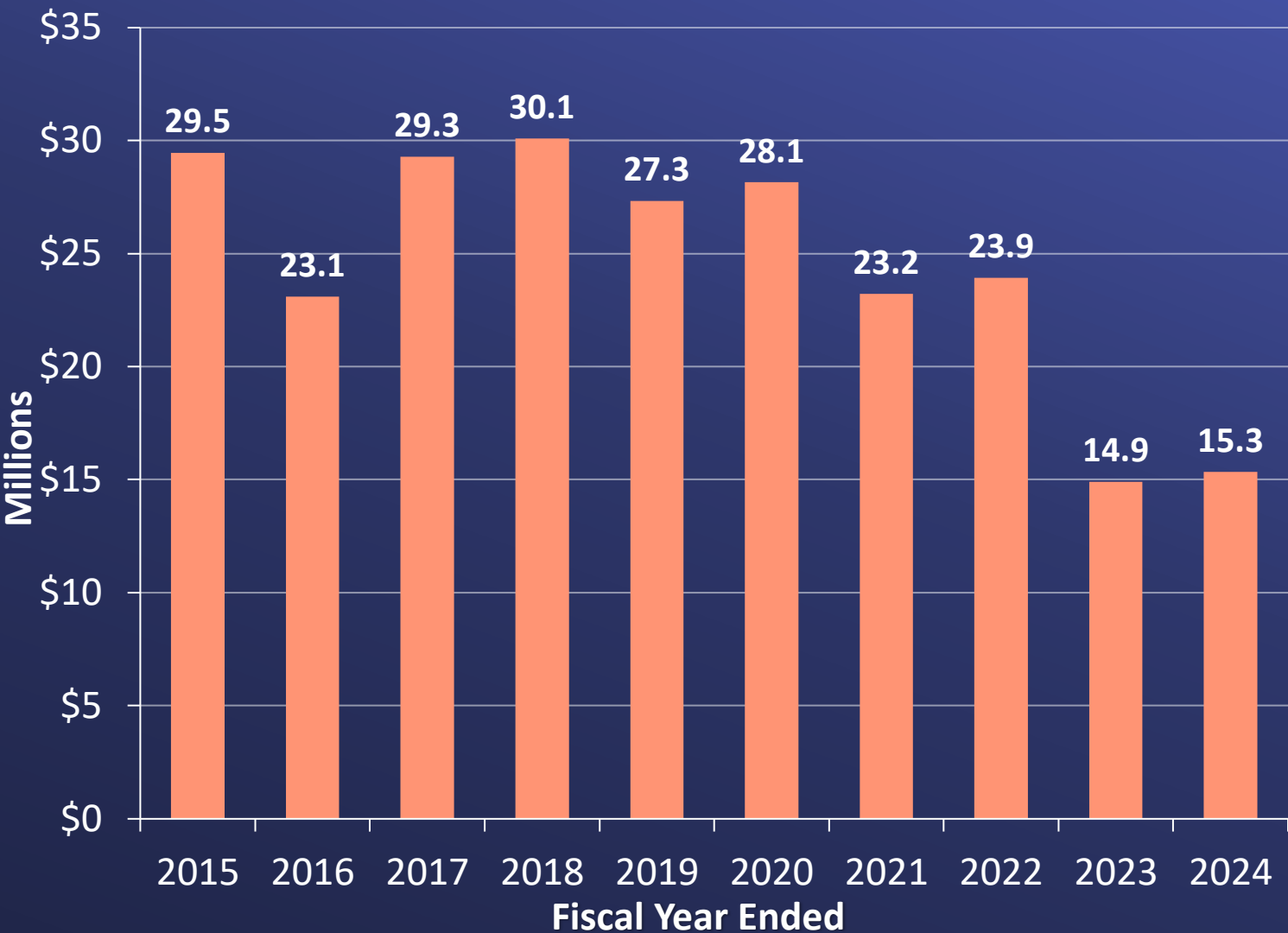
2024 MVA - \$378.7M
2024 AAL - \$511.1M



OPEB Actuarially Determined Contribution⁽¹⁾

Factors Affecting Contributions:

- Changes in Actuarial Assumptions
- Lowering of Discount Rate
- Investment Returns



⁽¹⁾ Annual Required Contribution (ARC) in fiscal years 2015 through 2017

Cash Flow Statement Summary

Inflow (Outflow) (\$ in millions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating Activities	\$636.9	\$218.3	\$385.2	\$504.3	\$515.7	\$307.7	\$535.8	\$566.2	\$196.8	\$(8.7)
Capital and Related Financing Activities	(531.3)	(374.4)	(519.1)	(704.1)	(565.5)	(277.8)	(317.3)	(501.5)	(280.0)	(278.2)
Investing Activities	(89.8)	141.1	126.8	353.6	(122.5)	(37.3)	(220.6)	(78.5)	(24.6)	261.1

A Cash Flow Statement provides key information about an entity's financial health and its capacity to generate cash over a period of time.

3 Major Components:

- Operating Activities – includes transactions from all operational business activities
- Capital and Related Financing Activities – includes transactions from debt financing
- Investing Activities – includes acquisitions and/or disposal of investment including gains and losses and investment income

Cash Flows – Operating Activities

Inflow (Outflow) (\$ in millions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Water Revenues ⁽¹⁾	\$1,448.8	\$1,164.9	\$1,176.3	\$1,252.3	\$1,199.6	\$1,135.1	\$1,354.4	\$1,522.6	\$1,322.7	\$1,167.3
Readiness-to-Serve Charge	163.3	155.3	145.6	137.6	137.2	134.2	133.4	134.6	144.4	160.4
Capacity Charge	36.8	44.7	40.6	34.6	33.3	30.4	31.8	36.1	37.8	36.1
Power Sales	8.3	7.4	17.2	27.3	17.5	16.7	18.9	8.8	5.9	13.1
O&M Expenses	(369.0)	(446.9)	(279.9)	(248.0)	(268.7)	(267.1)	(240.6)	(260.1)	(324.8)	(368.3)
Labor Costs	(228.8)	(185.1)	(199.0)	(220.2)	(226.6)	(247.7)	(262.2)	(272.3)	(268.8)	(299.2)
Power and Water Costs	(418.3)	(517.1)	(514.0)	(481.3)	(378.2)	(495.5)	(457.4)	(555.8)	(727.4)	(731.0)
Litigation Expenses	-	-	-	-	-	-	(44.4)	(50.5)	-	-
Other, Net	(4.2)	(4.9)	(1.6)	2.0	1.6	1.6	1.9	2.8	6.9	12.9
Net Cash Provided (Used) by Operating Activities	\$636.9	\$218.3	\$385.2	\$504.3	\$515.7	\$307.7	\$535.8	\$566.2	\$196.8	\$(8.7)

⁽¹⁾ Includes exchange and wheeling transactions

Cash Flows – Capital and Related Financing Activities

Inflow (Outflow) (\$ in millions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Capital Asset Spending	\$(210.9)	\$(551.4)	\$(390.5)	\$(222.1)	\$(231.7)	\$(335.5)	\$(277.8)	\$(227.6)	\$(277.3)	\$(408.5)
Debt Service	(296.3)	(324.3)	(370.3)	(606.0)	(360.5)	(282.0)	(282.8)	(283.3)	(330.8)	(324.1)
Payments for State Water Project costs	(127.4)	(108.6)	(131.6)	(126.4)	(140.7)	(144.4)	(141.8)	(141.4)	(136.2)	(122.1)
DCP Funding	-	-	-	-	-	-	(25.0)	(25.0)	(34.5)	(64.5)
Debt Proceeds	14.3	498.2	298.2	157.7	43.4	301.5	252.8	(2.4)	293.5	427.8
Tax Proceeds	103.0	110.7	115.1	129.7	145.2	147.1	161.1	160.0	197.8	201.5
Others	(14.0)	1.0	(40.0)	(37.0)	(21.2)	35.5	(3.8)	18.2	7.5	11.7
Net Cash Used by Capital and Related Financing Activities	\$(531.3)	\$(374.4)	\$(519.1)	\$(704.1)	\$(565.5)	\$(277.8)	\$(317.3)	\$(501.5)	\$(280.0)	\$(278.2)

Cash Flows – Investing Activities

Inflow (Outflow) (\$ in millions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Purchase of Securities	\$(8,685.2)	\$(13,178.7)	\$(10,621.7)	\$(7,571.2)	\$(6,377.3)	\$(2,992.9)	\$(3,432.7)	\$(3,308.3)	\$(4,006.1)	\$(3,031.9)
Sale of Securities	8,573.9	13,303.7	10,733.3	7,909.3	6,223.4	2,937.5	3,199.4	3,218.5	3,959.0	3,248.0
Investment Income	21.5	16.1	15.2	15.5	31.4	18.1	12.7	11.3	22.5	45.0
Net Cash Provided (Used) by Investing Activities	\$(89.8)	\$141.1	\$126.8	\$353.6	\$(122.5)	\$(37.3)	\$(220.6)	\$(78.5)	\$(24.6)	\$261.1

