



Finance and Asset Management Committee

Quarterly Financial Review

March 31, 2024

(Cash Basis)

Item 6b

May 14, 2024

Item 6b Overview of the Quarterly Financial Review

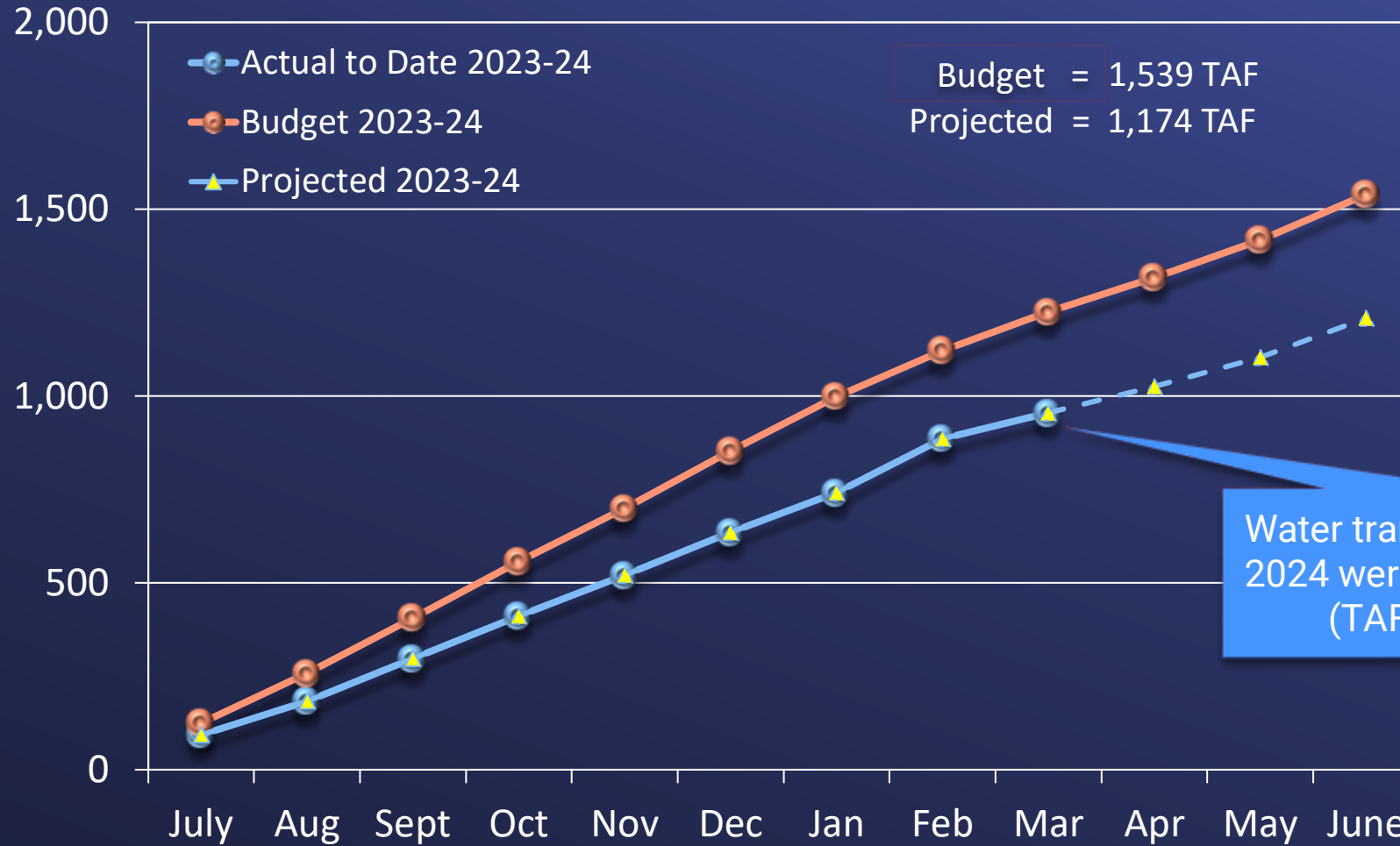
Subject

- The District's Financial Report for the quarter ended March 31, 2024 and projections through June 30, 2024

Purpose

- Present the financial performance for the third quarter (cash basis, actuals)
- Present the cumulative water transactions and its components
- Assess revenues, expenses, and insights into cash flow
- Compare full-year Fiscal Year 23/24 projections with the budget
- Present projected Fiscal Year 23/24 unrestricted reserve ending balance

Cumulative Water Transactions⁽¹⁾ (AF in thousands)



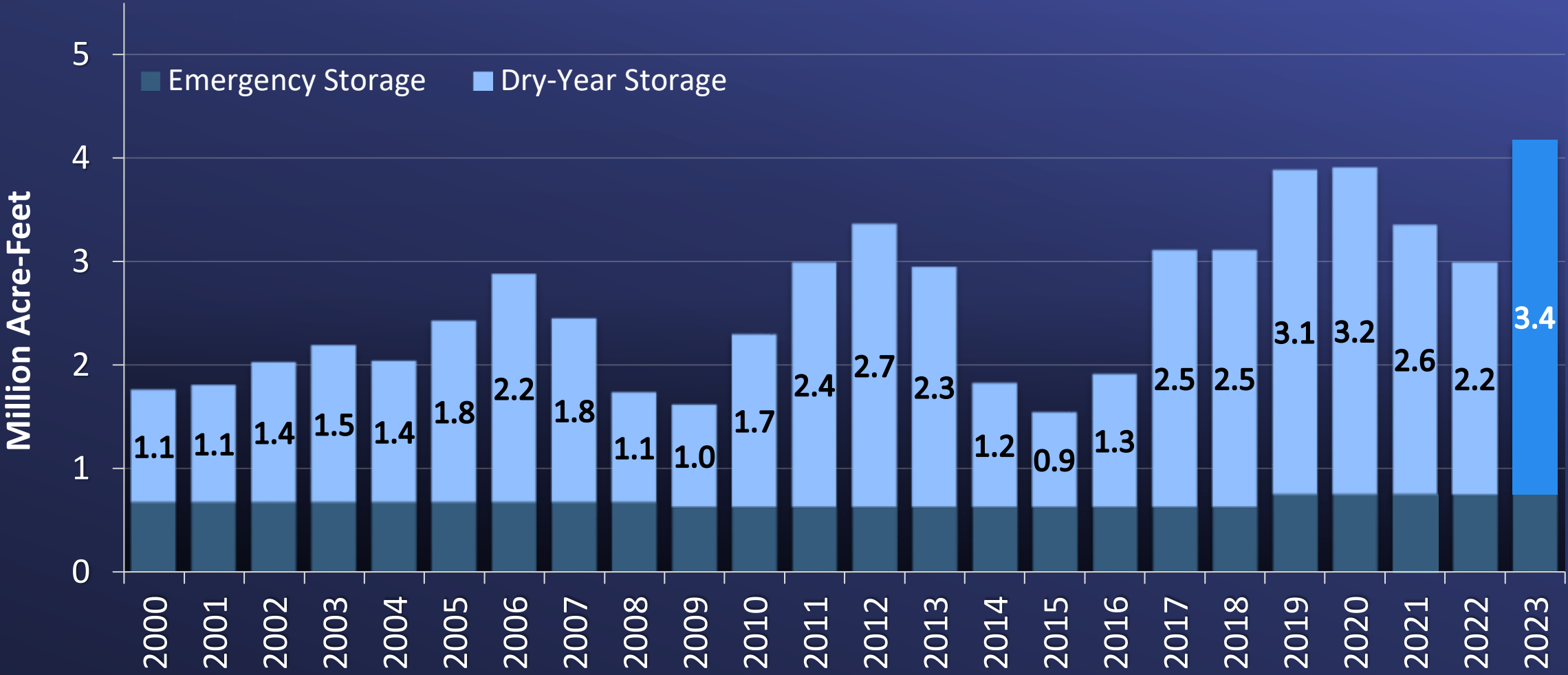
⁽¹⁾ Includes Water Sales, Exchanges, and Wheeling from member agencies. Non-member agency transactions are excluded.

Metropolitan's Water Transactions⁽¹⁾



⁽¹⁾ Includes Water Sales, Exchanges, and Wheeling from member agencies. Non-member agency transactions are excluded.

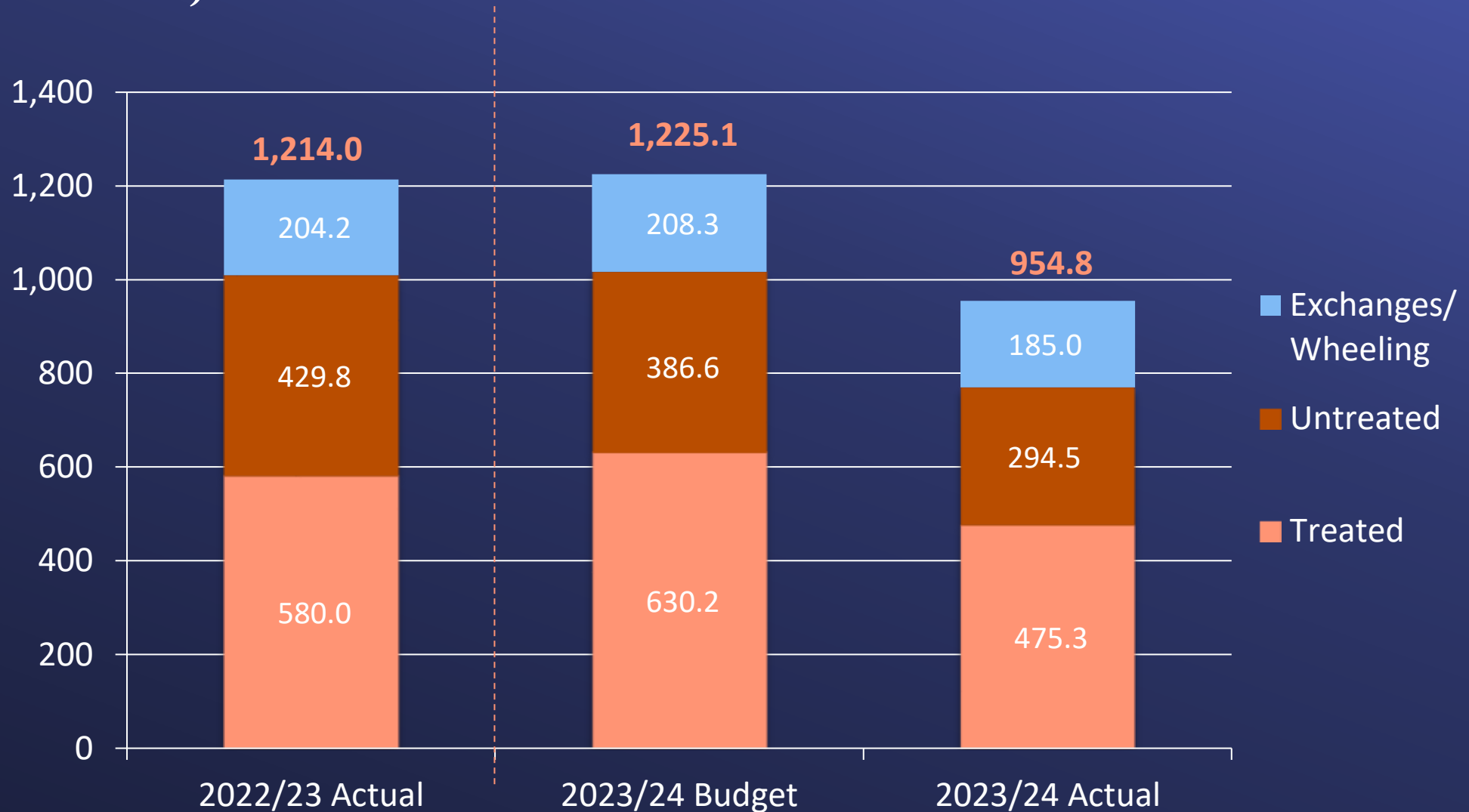
Record-High Storage Projection for Metropolitan End-of-Year Balances



Note:
2023 end-of-year balance is preliminary as it is subject to USBR final accounting.

Actual Water Transactions through March 2024⁽¹⁾

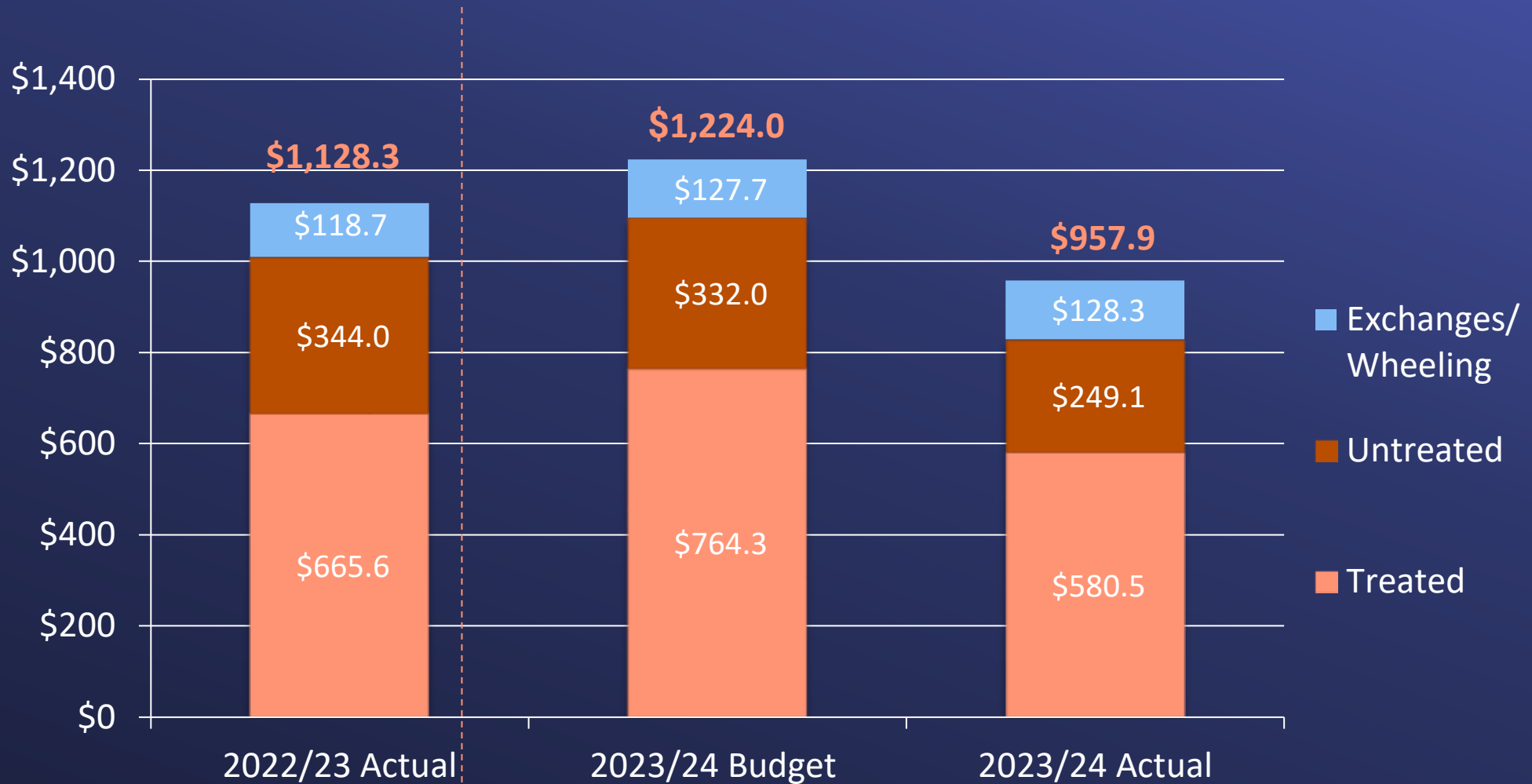
(AF in thousands)



⁽¹⁾ Includes Water Sales, Exchanges, and Wheeling from member agencies. Non-member agency transactions are excluded.

Actual Water Revenues through March 2024⁽¹⁾

(\$ in millions)



⁽¹⁾ Includes Water Sales, Exchanges, and Wheeling from member and non-member agencies.

(\$ in millions)

FY 23/24 Revenues (Cash Basis)

March 31, 2024

	2023/24 YTD Actuals	2023/24 Projected	2023/24 Budget	Variance
Water	\$ 957.9	\$ 1,172.5	\$ 1,538.3	\$(365.8)
RTS	95.4	160.5	160.5	-
Capacity Charge	21.2	35.2	35.2	-
Power	7.8	8.9	14.2	(5.3)
Taxes, net	119.8	185.9	168.3	17.6
Interest	35.3	43.2	9.6	33.6
Other ⁽¹⁾	17.2	24.9	30.5	(5.6)
Total Revenues	\$ 1,254.6	\$ 1,631.1	\$ 1,956.6	\$ (325.5)

⁽¹⁾ The Second Quarter Financial Report included \$47.3 million in projected grant revenue under IRA funding which is now expected to be received in FY 2024/25.

(\$ in millions)

FY 23/24 Expenses (Cash Basis)

March 31, 2024

	2023/24 YTD Actuals	2023/24 Projected	2023/24 Budget	Variance
State Water Contract	\$ 652.8	\$ 707.7	\$ 726.7	\$ (19.0)
Supply Programs	99.7	131.4	110.1	21.3
CRA Power Costs	34.8	42.3	85.7	(43.4)
Debt Service	281.2	327.3	301.0	26.3
Demand Management	45.2	63.9	67.1	(3.2)
Departmental O&M ⁽¹⁾	485.6	599.3	599.3	-
PayGo ⁽²⁾	37.5	35.0	135.0	(100.0)
Delta Conveyance	64.5	64.5	64.5	-
Total Expenses	\$ 1,701.3	\$ 1,971.4	\$ 2,089.4	\$(118.0)

⁽¹⁾ Including Operating Equipment; Net of \$15 million PWSC expenditures to be funded from the \$80 million SWRCB grant

⁽²⁾ \$100 million of pay-as-you-go ("PayGo") CIP expenditures were bond financed

(\$ in millions)

FY 23/24 Net Cash Flow (Cash Basis)

Estimate June 30, 2024

	FY 2023/24 Projected
Total Revenues	\$ 1,631.1
Total Expenses	1,971.4
Net Expenses	<u>\$ (340.3)</u>

The FY 2023/24 operating deficit requires the use of approximately \$249.7 million from unrestricted reserves

(\$ in millions)

FY 23/24
Unrestricted
Reserves
(Cash Basis)

Estimate June 30, 2024

	FY 2023/24 Projected
Beginning Unrestricted Reserves Balance	\$ 554.2
Net Cash Flow	(340.3)
Increase in Required Reserves	(3.4)
Other Funding Sources (e.g., Debt and CWF Refund)	<u>94.0</u>
Ending Unrestricted Reserves Balance	<u>\$ 304.5</u>

The estimated FY 2023/24 ending unrestricted reserve balance is about \$38 million above the minimum policy level

(\$ in millions)
FY 23/24
Unrestricted Reserves
(Cash Basis)

Estimate June 30, 2024

