

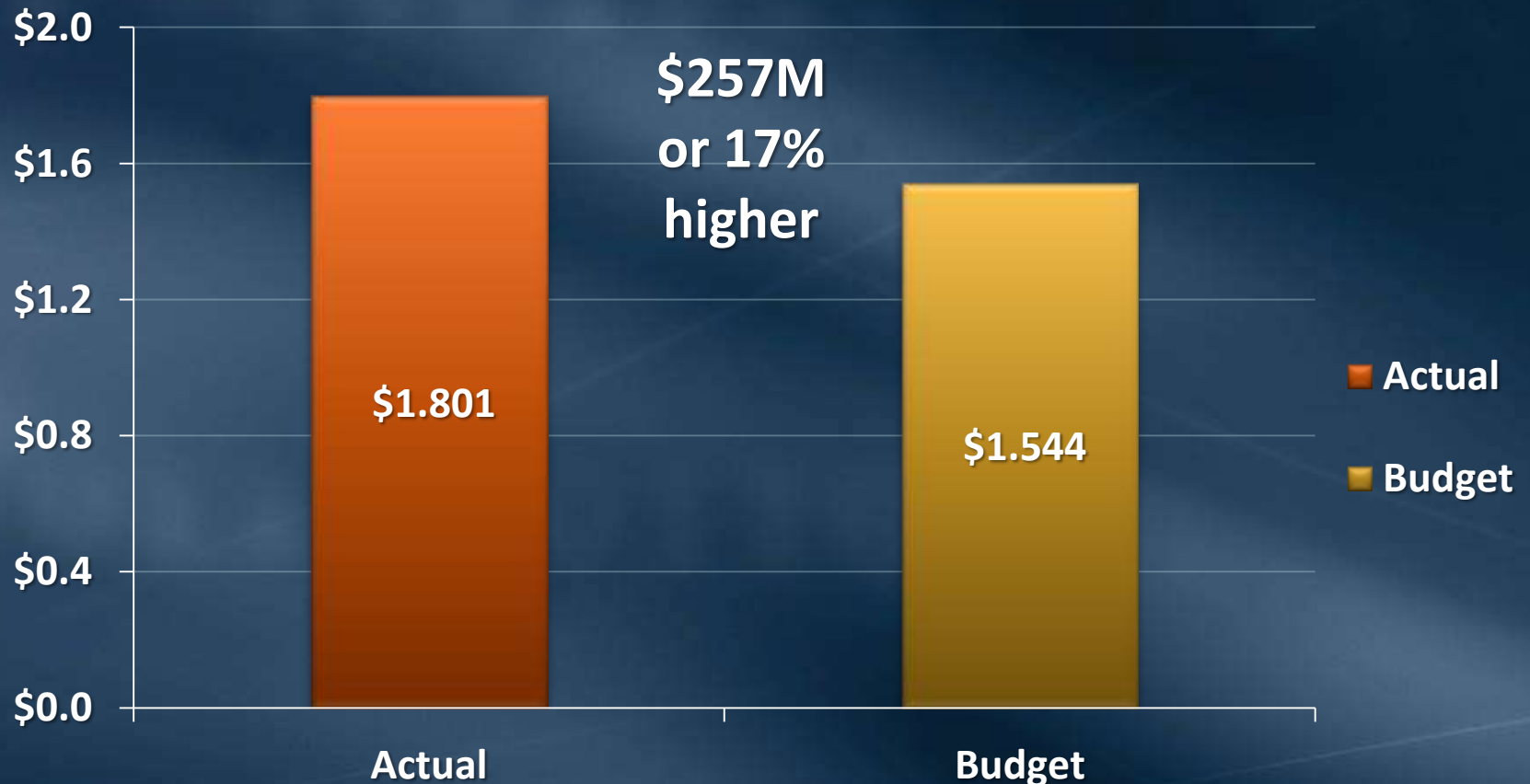


FY 2013/14 Year-end Financial Review

Finance and Insurance Committee
Item # 6a
October 13, 2014

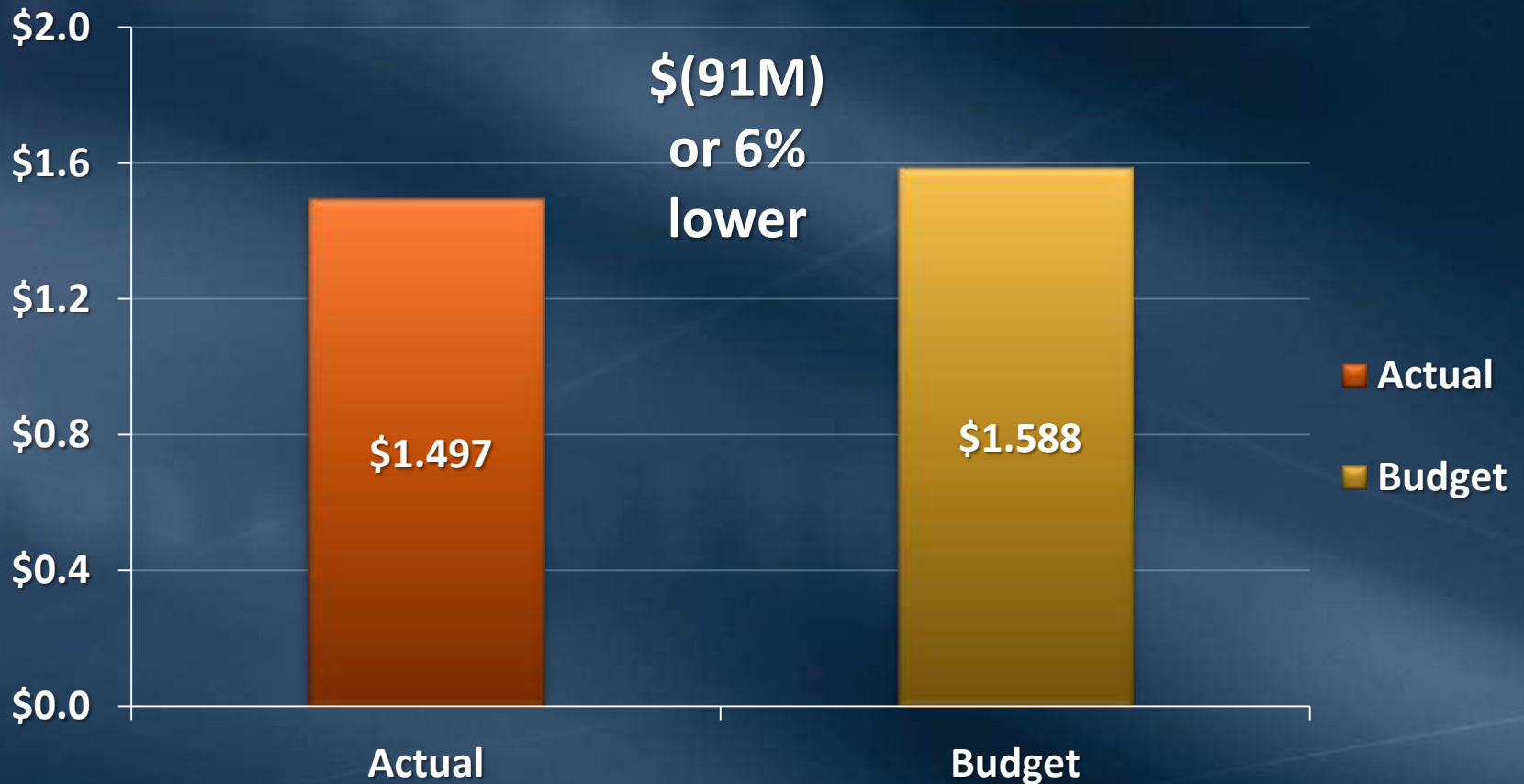
FY 13/14 Revenues

June 30, 2014
(\$ in billions)

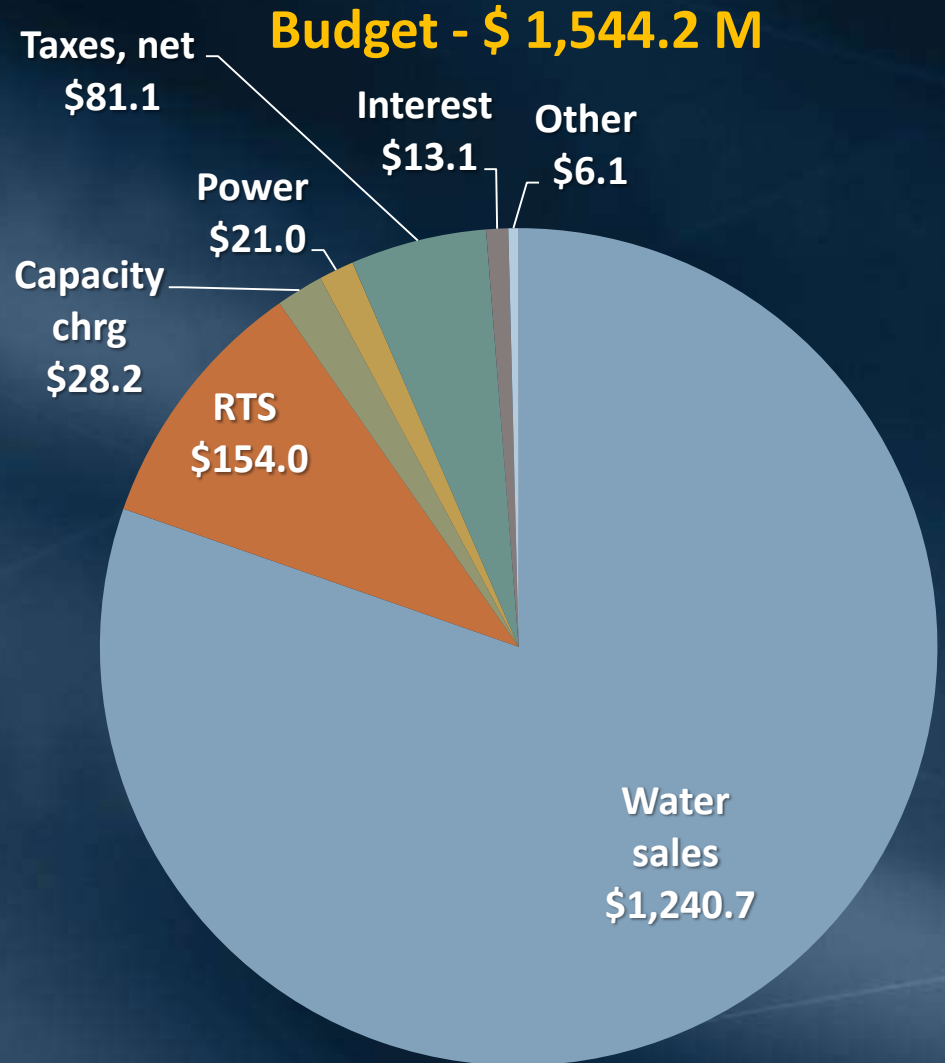
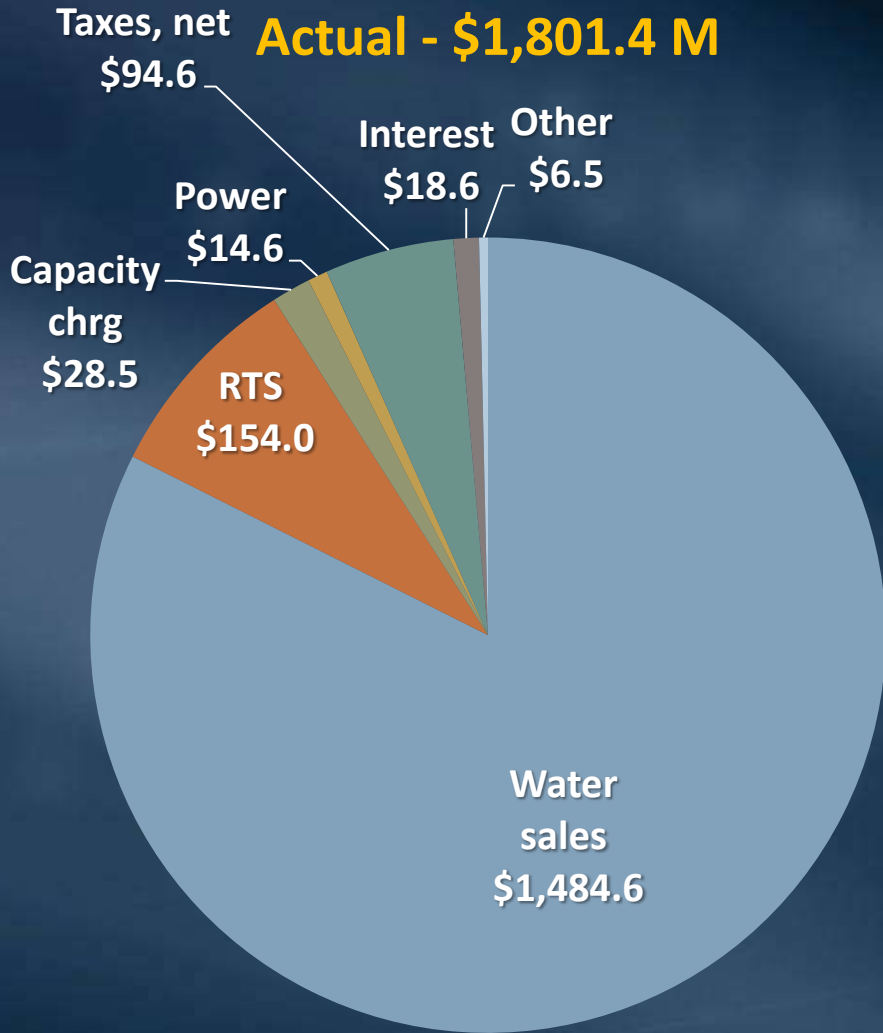


FY 13/14 Expenses

June 30, 2014
(\$ in billions)

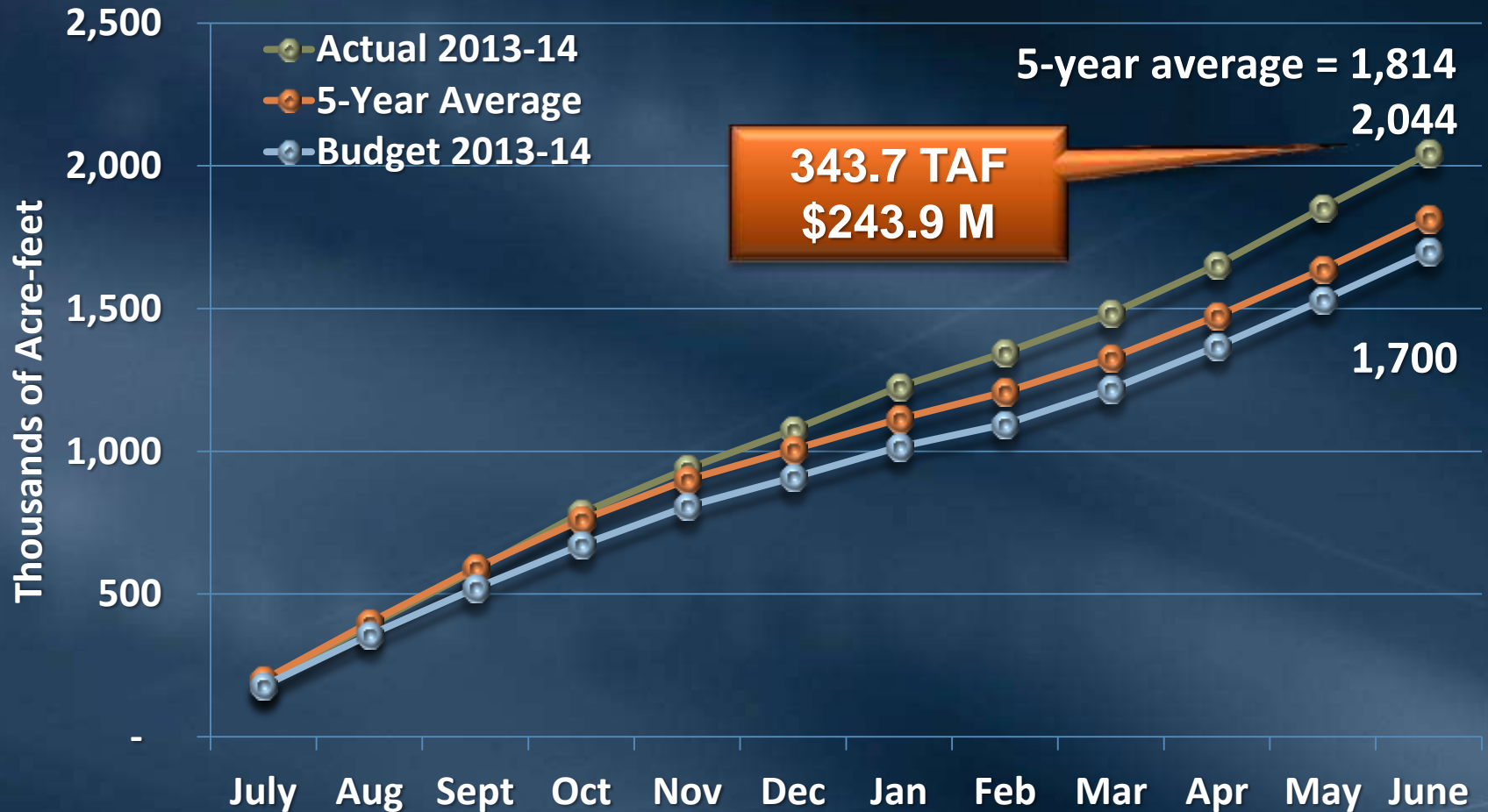


FY 2013/14 Revenues



Cumulative Water Sales

June 30, 2014
(AF in thousands)

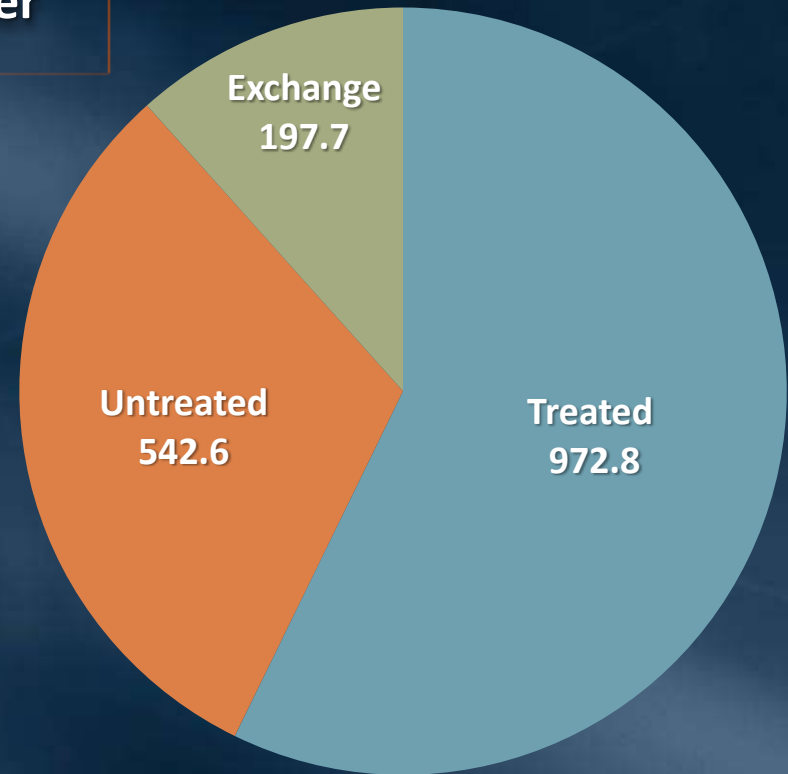
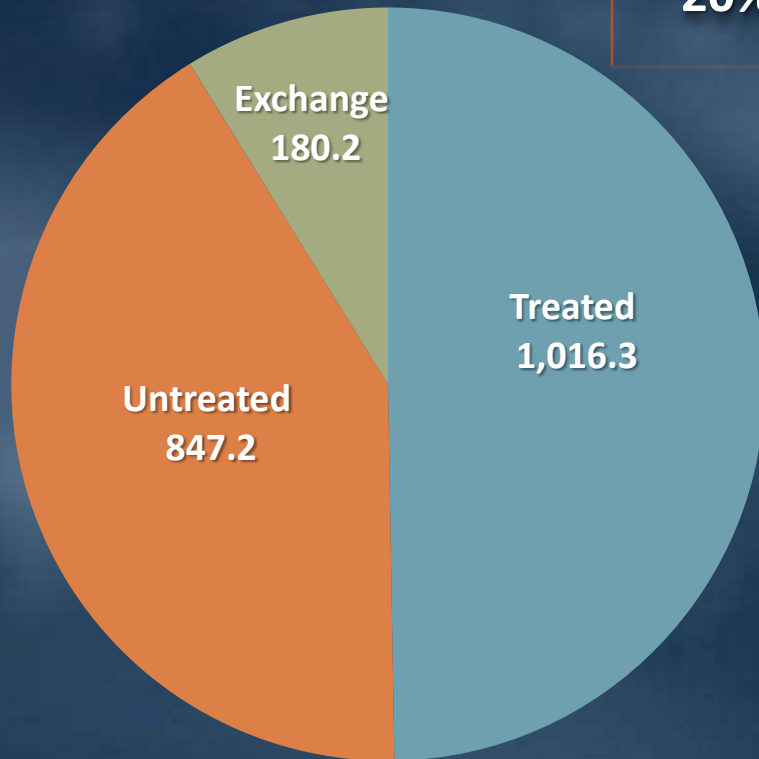


FY 13/14 Sales Mix

Actual – 2,043.7 TAF

Budget – 1,700.0 TAF

**343.7 TAF or
20% higher**



FY 13/14 Revenues

June 30, 2014
(\$ in millions)

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Water	\$ 1,484.6	\$ 1,240.7	\$ 243.9
RTS	154.0	154.0	-
Capacity Charge	28.5	28.2	0.3
Power	14.6	21.0	(6.4)
Taxes, net	94.6	81.1	13.5
Interest	18.6	13.1	5.5
Other	6.5	6.1	0.4
Total Revenues	\$ 1,801.4	\$ 1,544.2	\$ 257.2

FY 13/14 Revenues

June 30, 2014
(\$ in millions)

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Taxes, net			13.5
Interest			5.5
Other			0.4
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Lower power generation
Lower price

FY 13/14 Revenues

June 30, 2014
(\$ in millions)

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Interest			5.5
Other			0.4
Total Revenues	\$ 1,801.4	\$ 1,544.2	\$ 257.2

Higher collections

FY 13/14 Revenues

June 30, 2014
(\$ in millions)

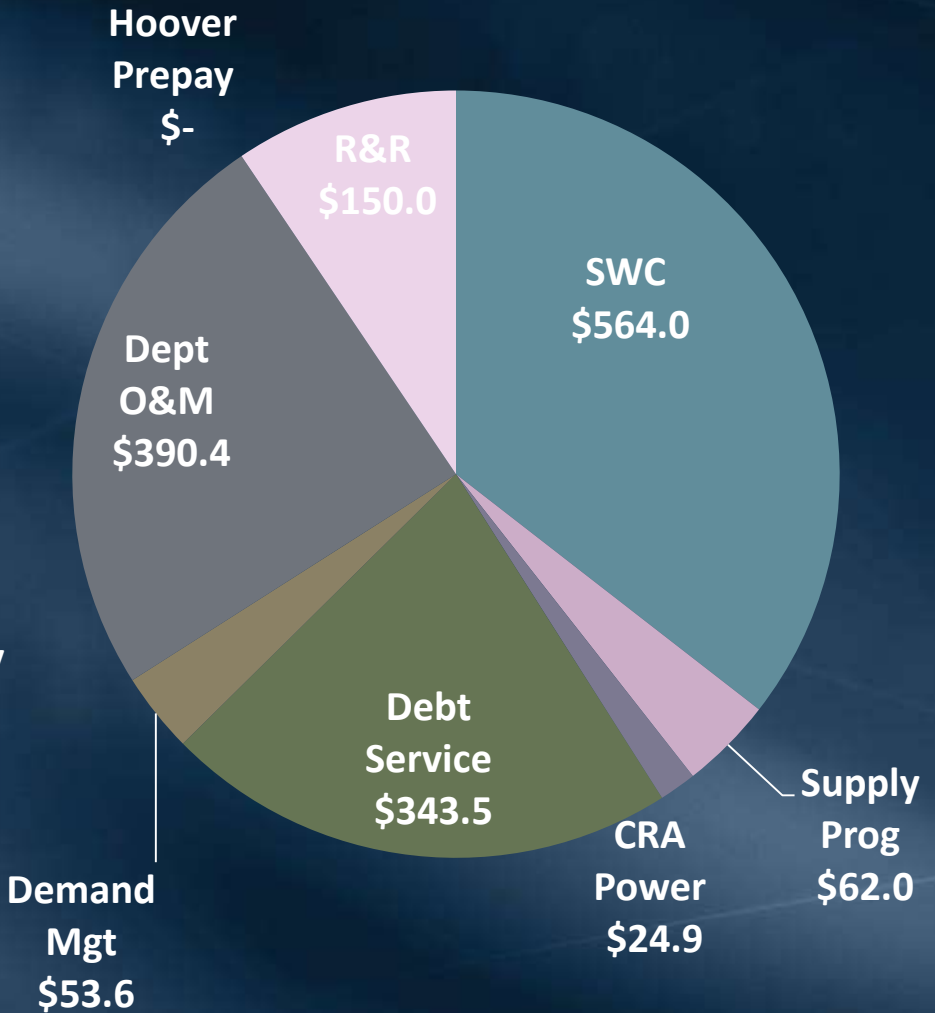
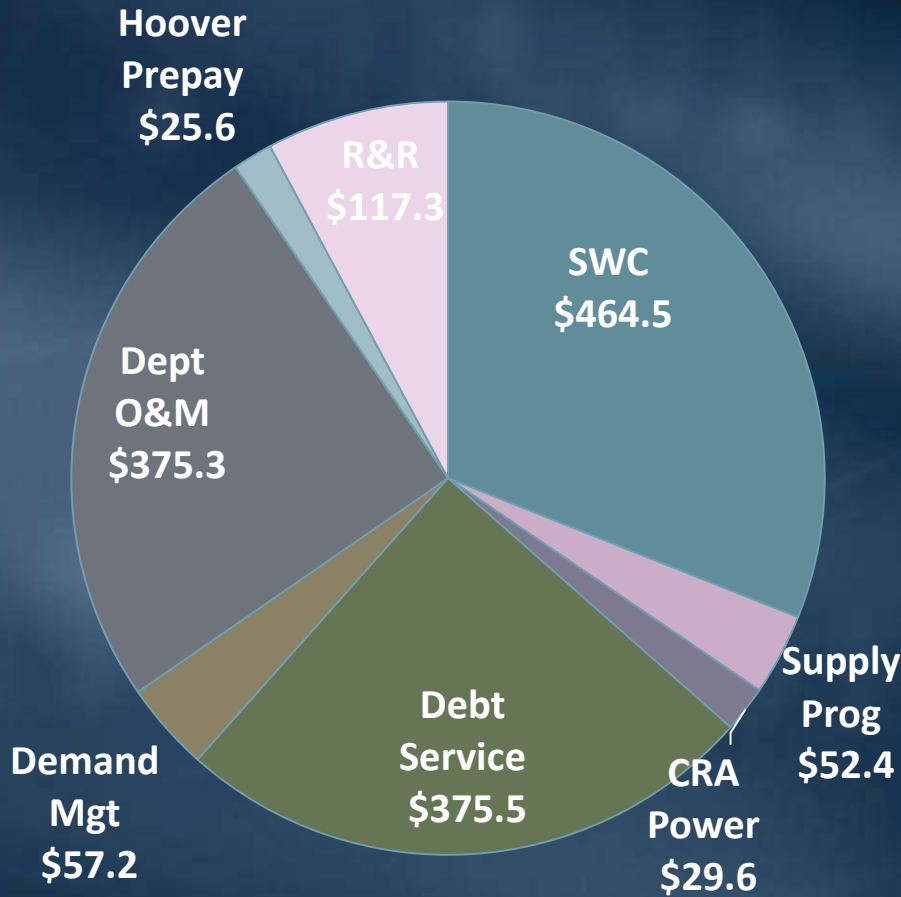
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Fair value adjustment

FY 2013/14 Expenses

Actual - \$ 1,497.4 M

Budget - \$ 1,588.4 M



FY 13/14 Expenses

June 30, 2014
(\$ in millions)

	<u>Actual</u>	<u>Budget*</u>	<u>Variance</u>
State Water Contract	\$ 464.5	\$ 564.0	\$ (99.5)
Supply Programs	52.4	62.0	(9.6)
CRA Power Costs	29.6	24.9	4.7
Debt Service	375.5	343.5	32.0
Demand Management	57.2	53.6	3.6
Departmental O&M	375.3	390.4	(15.1)
Hoover Bond Prepayment	25.6	-	25.6
R&R/General Fund	117.3	150.0	(32.7)
Total Expenses	\$ 1,497.4	\$ 1,588.4	\$ (91.0)

* Includes \$25M Board-approved increases for Supply Programs and the R&R fund.

FY 13/14 Expenses

June 30, 2014
(\$ in millions)

	<u>Actual</u>	<u>Budget*</u>	<u>Variance</u>
State Water Contract	\$ 464.5	\$ 564.0	\$ (99.5)
			(9.6)
Lower power costs		\$(82.3)	4.7
Unbudgeted rate mgmt. credits		(23.8)	32.0
Increased costs from redetermination		35.9	3.6
Prior year adjustments		(27.3)	(15.1)
Other		<u>(2.0)</u>	25.6
		\$ (99.5)	(32.7)
Total Expenses	\$ 1,497.4	\$ 1,588.4	\$ (91.0)

* Includes \$25M Board-approved increases for Supply Programs and the R&R fund.

FY 13/14 Expenses

June 30, 2014
(\$ in millions)

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Supplemental power costs

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FY 13/14 Expenses

June 30, 2014
(\$ in millions)

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Hoover Bond			25.6
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July 1 payment made as part of
May refunding

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FY 13/14 Expenses

June 30, 2014
(\$ in millions)

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FY 13/14 Expenses

June 30, 2014
(\$ in millions)

	<u>Actual</u>	<u>Budget*</u>	<u>Variance</u>
State Water Contract	\$ 464.5	\$ 564.0	\$ (99.5)
Supply Programs			(9.6)
CRA Power Costs	Labor \$(1.5)		4.7
Debt Service	Other (13.6)		32.0
Demand Management	\$(15.1)		3.6
Departmental O&M	375.3	390.4	(15.1)
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FY 13/14 Expenses

June 30, 2014
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FY 13/14 Expenses

June 30, 2014
(\$ in millions)

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Total Expenses	\$ 1,497.4	\$ 1,588.4	\$ (91.0)

Capital spending less than budget

* Includes \$25M Board-approved increases for Supply Programs and the R&R fund.

Impact on Reserves

FY 2013/14
(\$ in millions)

Revenues	\$1,801.4
Expenses	(1,497.4)
Expenses for Supply Programs & R&R funded in FY12/13	<u>50.0</u>
Net revenues	354.0
Decrease in required reserves	<u>49.0</u>
Increase in reserves	\$403.0
Fund designations approved by Board:	
OPEB	(100.0)
R&R	(100.0)
Conservation	(20.0)
Water Management Fund	<u>(232.0)</u>
Net decrease in reserves	<u><u>\$(49.0)</u></u>

Impact on Reserves

FY 2013/14
(\$ in millions)

Revenues		\$1,801.4
Expenses		(1,497.4)
Expenses for Supply Programs & R&R funded in FY12/13		<u>50.0</u>
		354.0
Projected at March 31, 2014	\$152.0	<u>49.0</u>
O&M under budget	15.1	\$403.0
Other net revenues over budget	32.2	
R&R under budget	<u>32.7</u>	(100.0)
	\$232.0	(100.0)
		(20.0)
Water Management Fund		<u>(232.0)</u>
Net decrease in reserves		<u>\$(49.0)</u>

Unrestricted Reserves

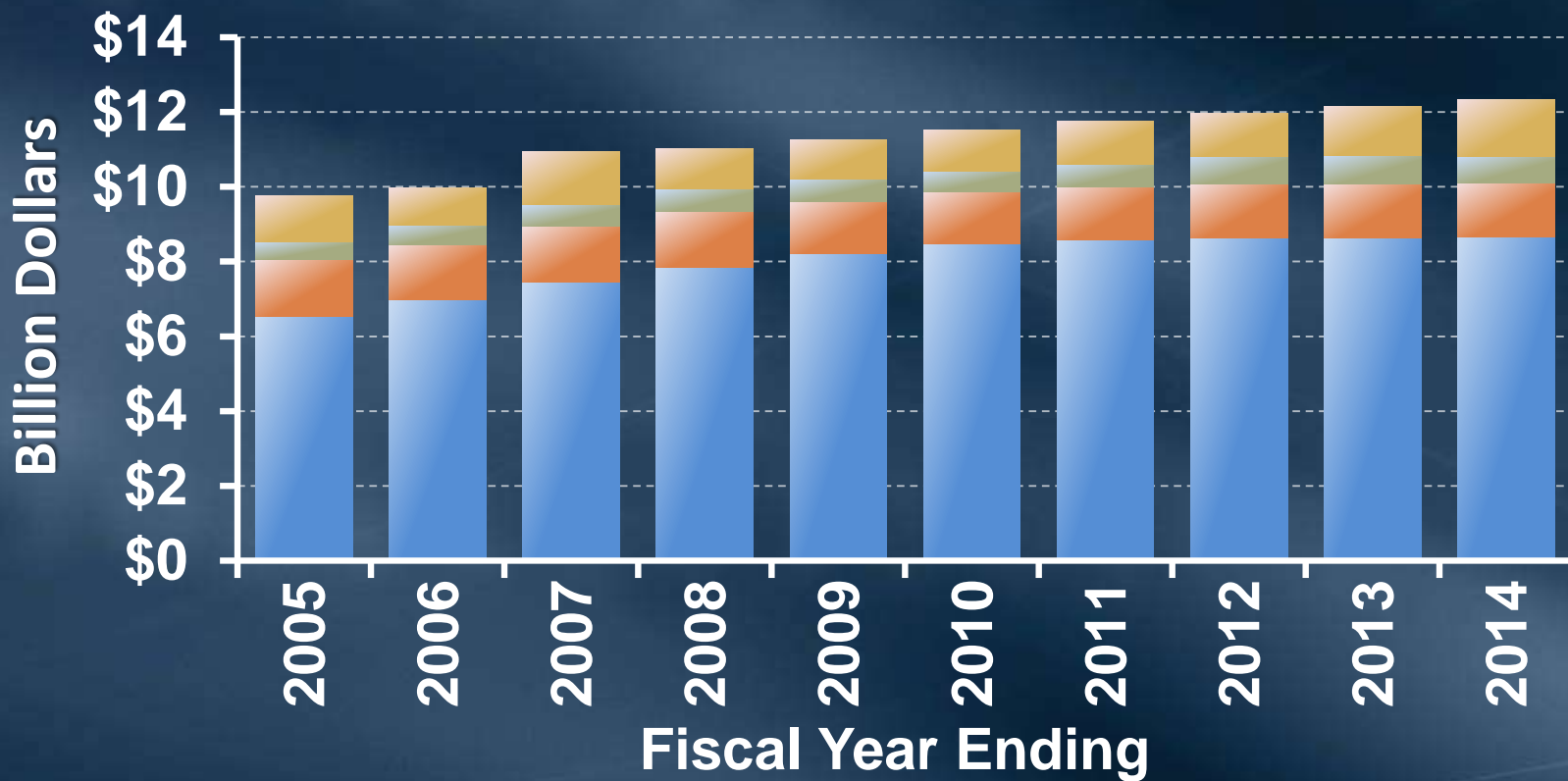
June 30, 2014
(\$ in millions)



Balance Sheet Trends

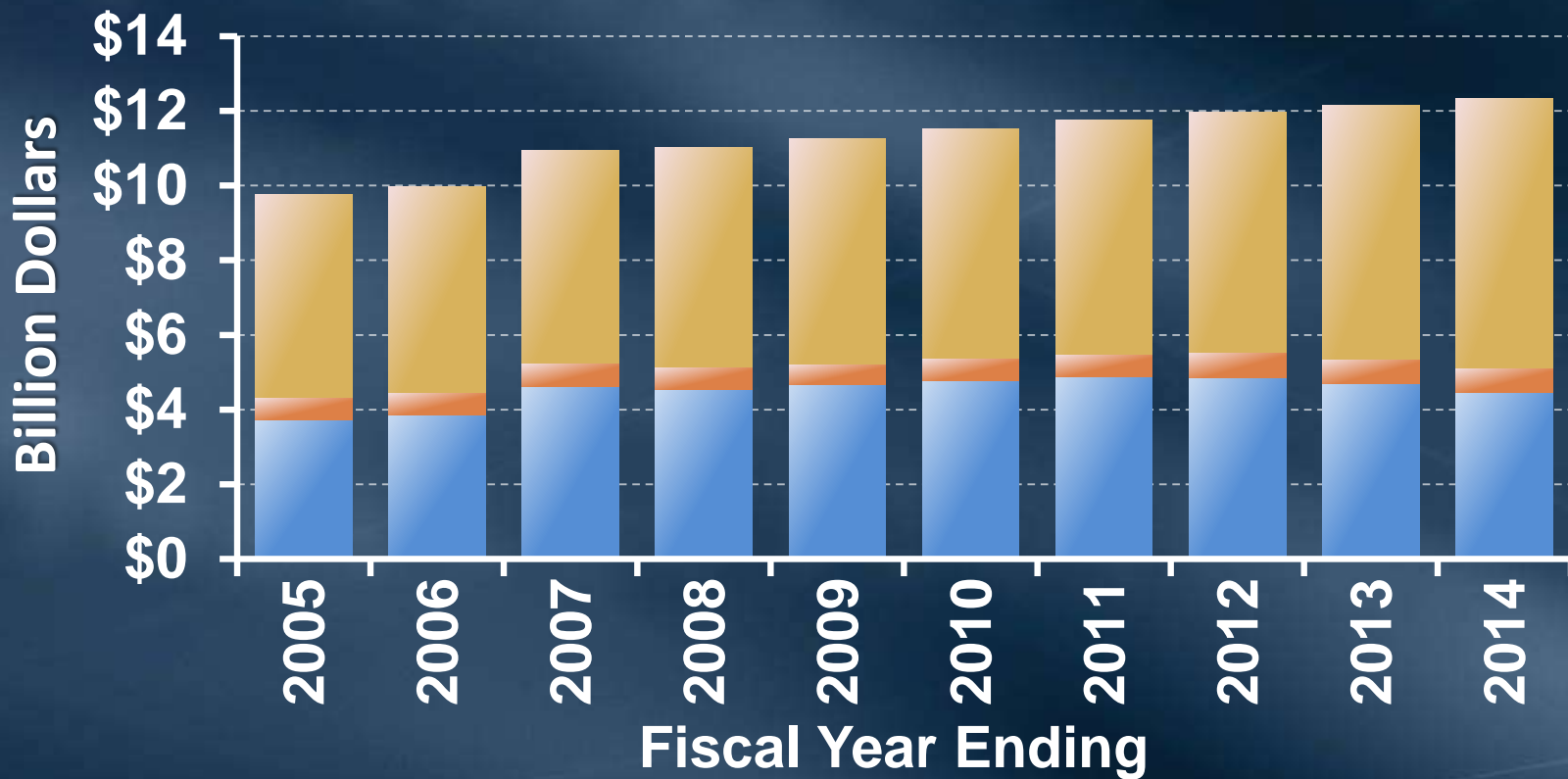
Total Assets

■ Capital Assets ■ SWC ■ Other ■ Cash & Investments

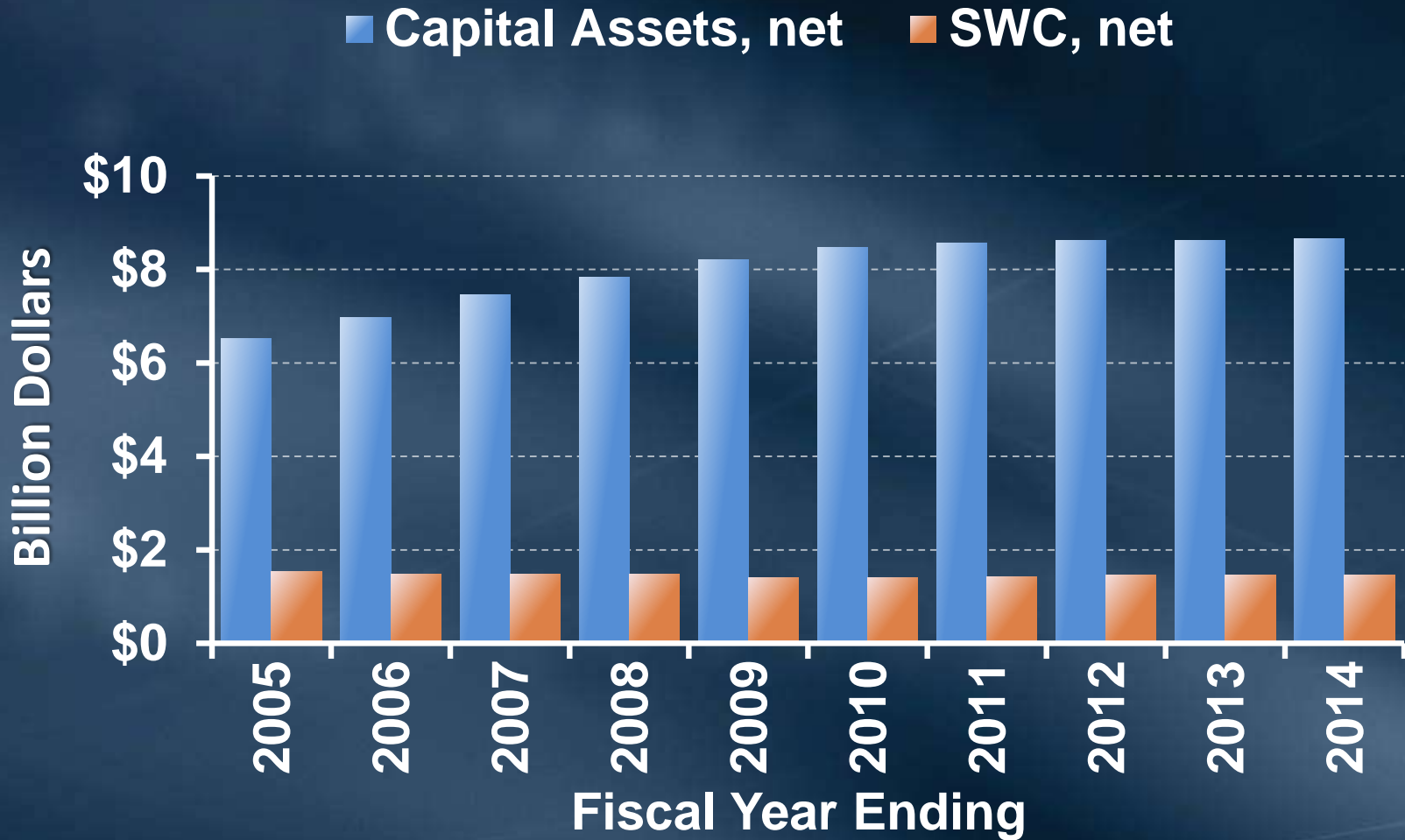


Total Liabilities and Net Position

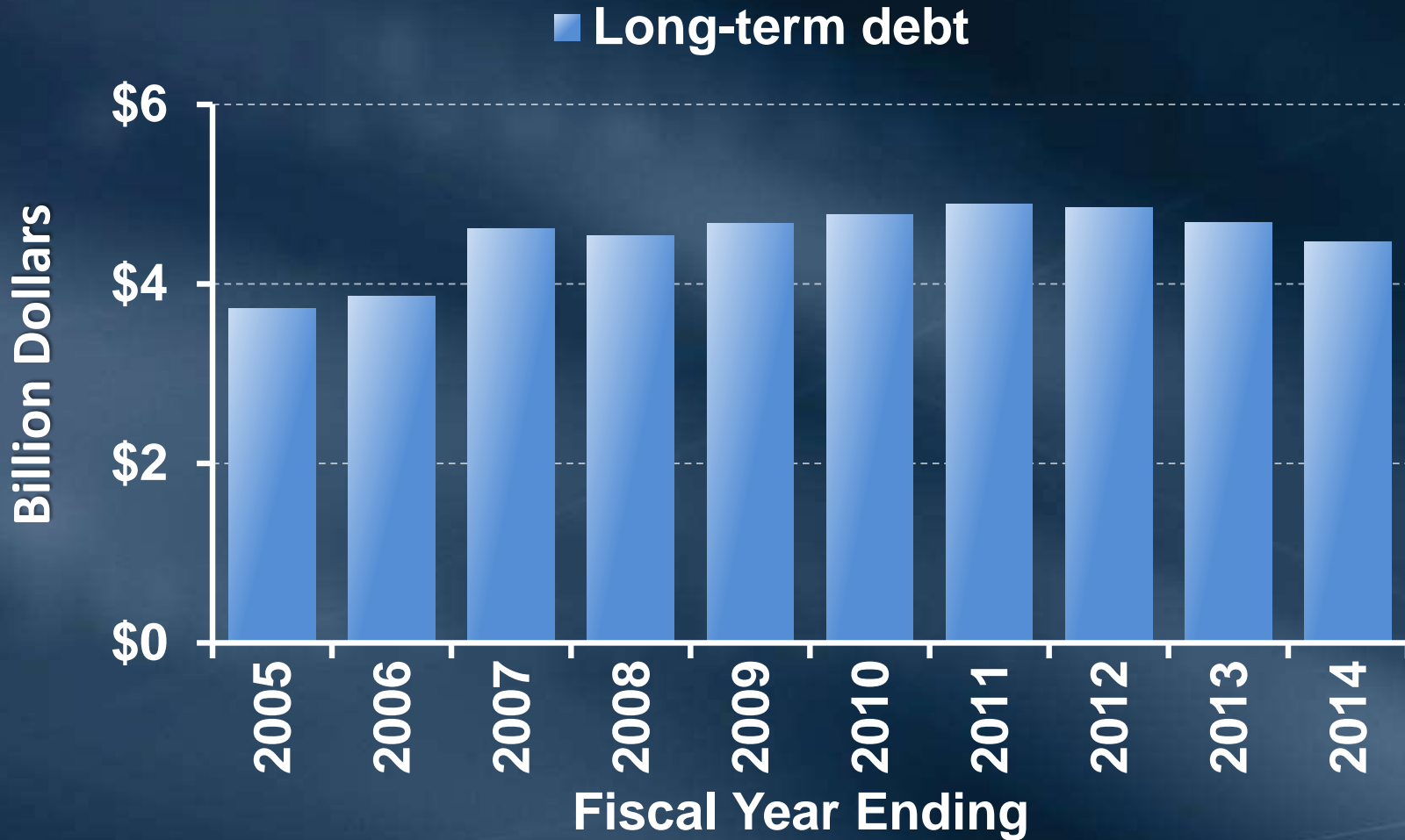
■ L/T Debt ■ Other Liabilities ■ Net Position



Capital Assets & SWC Costs

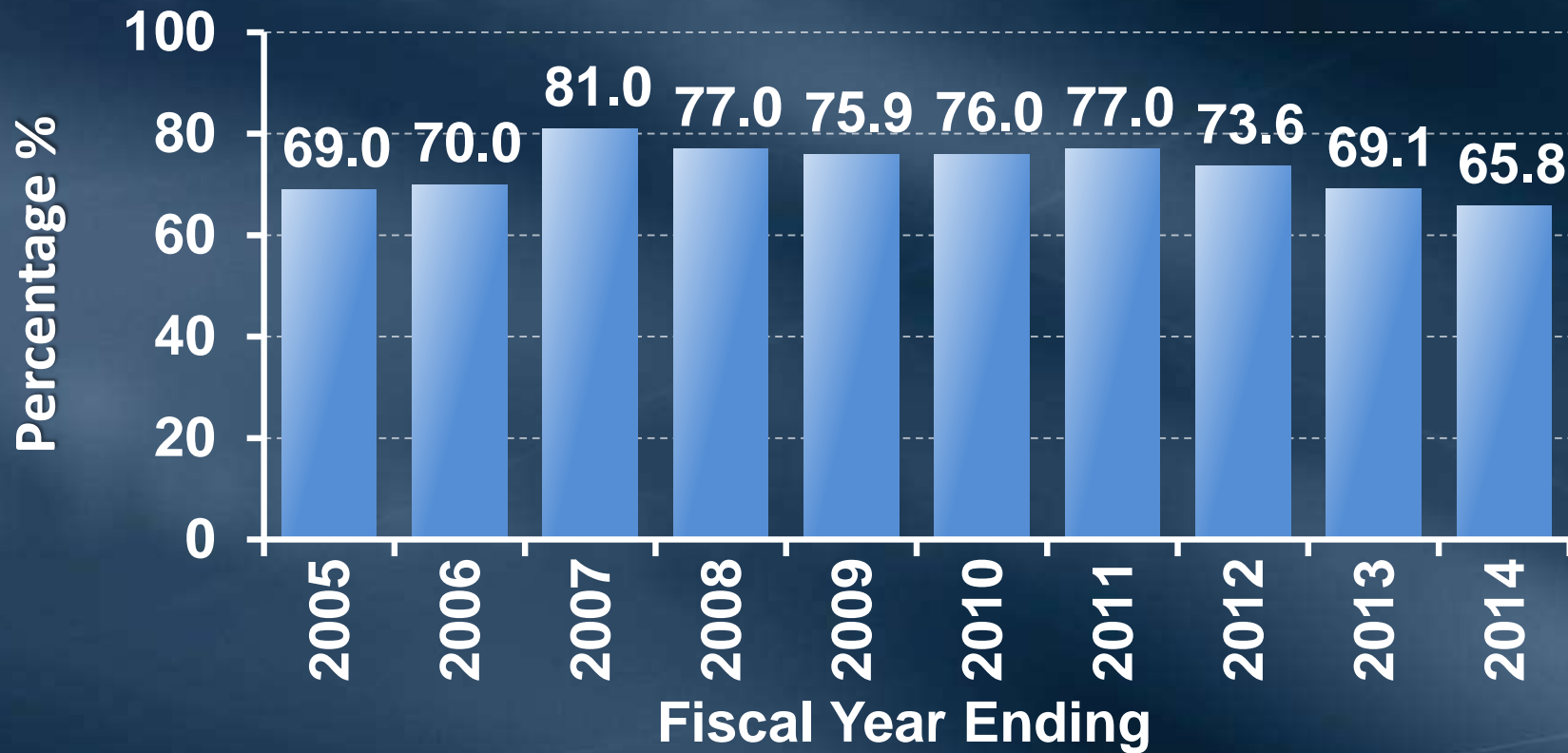


Long-Term Debt



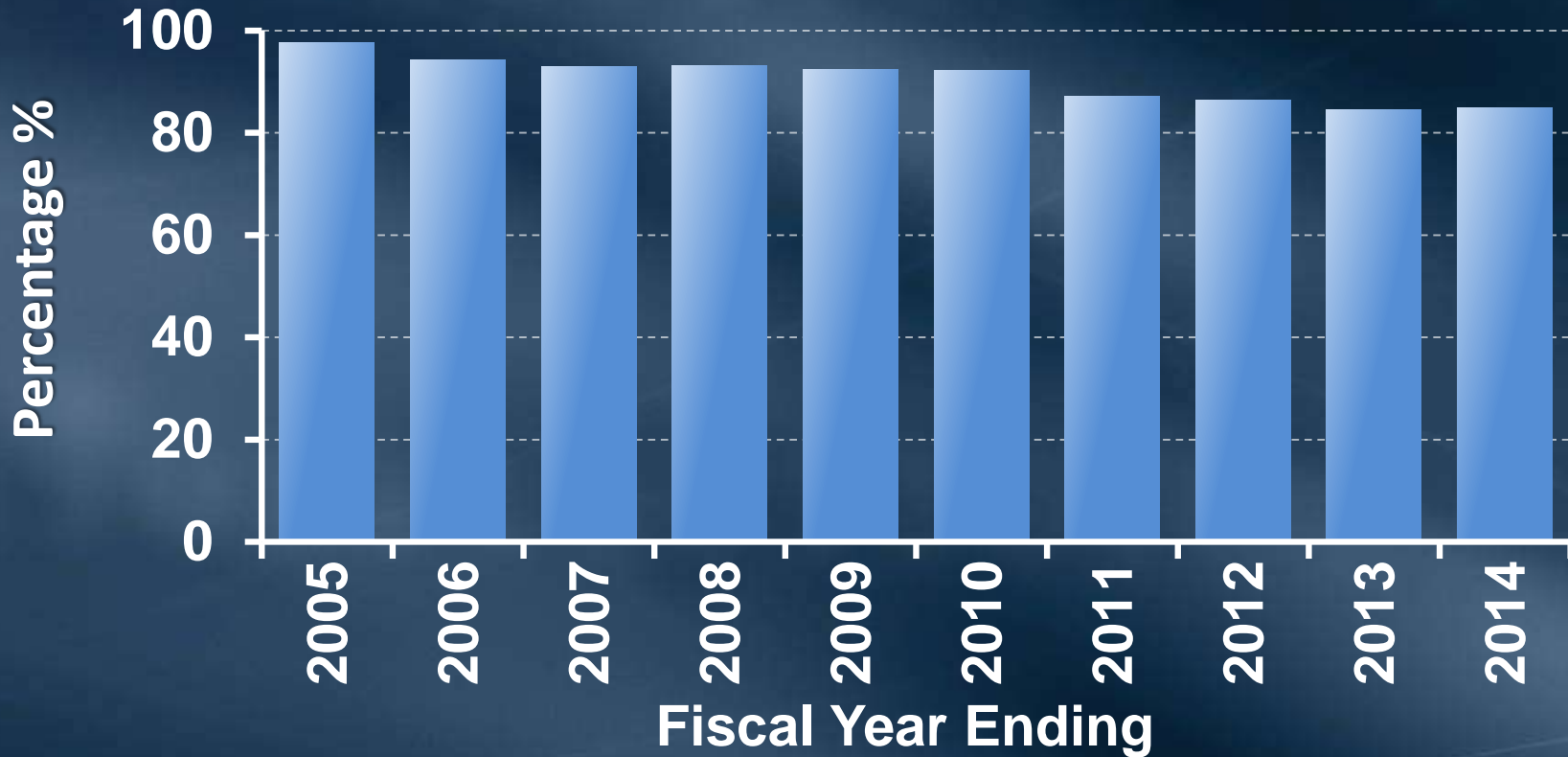
Debt to Equity Ratio

■ Debt to equity ratio



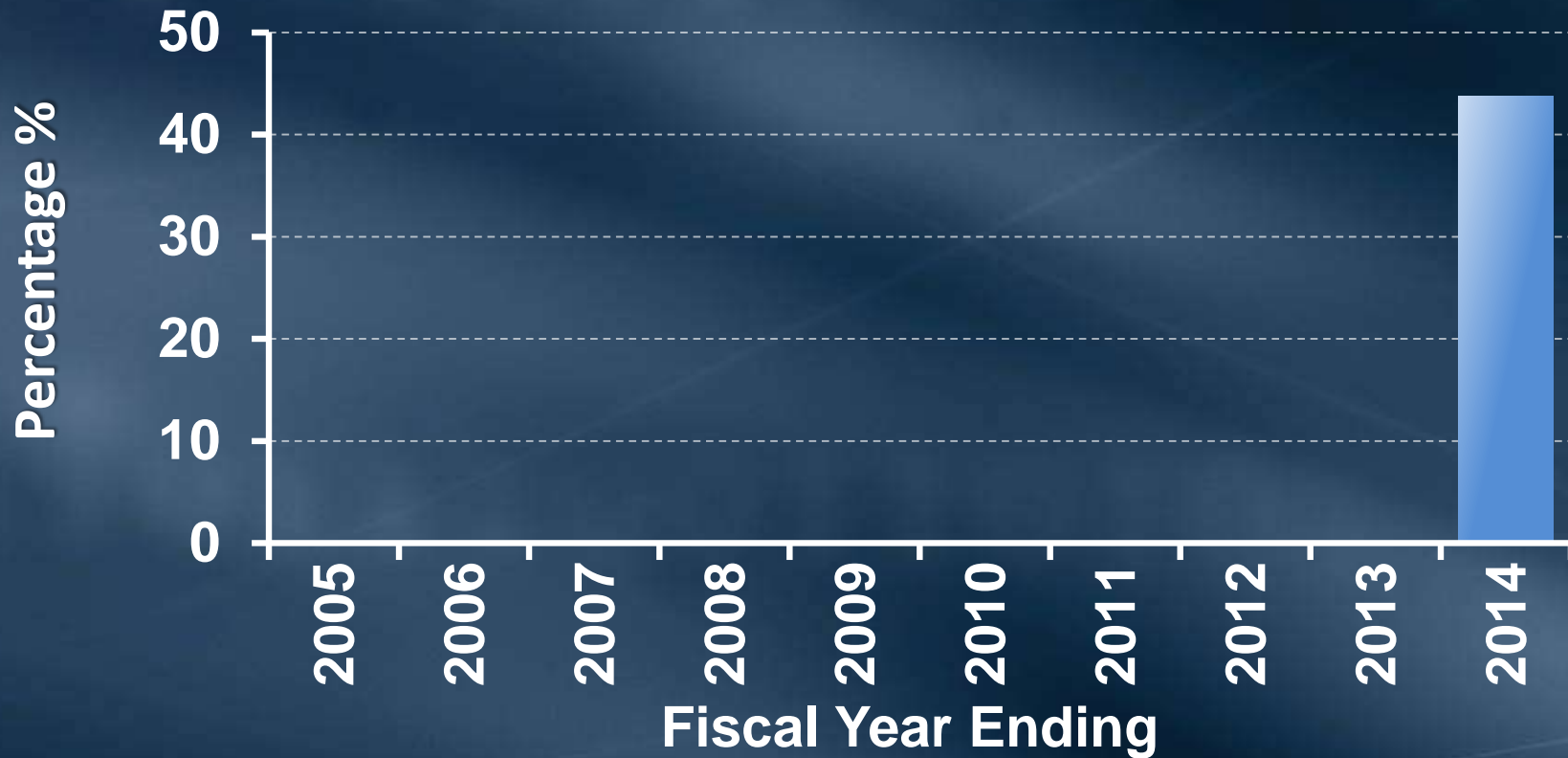
Pension Funded Ratio

■ Pension funded ratio



OPEB Funded Ratio

■ OPEB funded ratio



OPEB Annual Required Contribution



Year-end Adjustments

- **Costs incurred for feasibility studies related to pipeline projects were written off as the decision to move forward on these projects has been delayed.**
 - **\$6.5 M San Diego Pipeline No. 6 – approved in 1993**
 - **\$12.8 M Central Pool Augmentation – approved in 1995**
 - **\$2.9 M Second Lower Cross Feeder – approved in 2006**
- **Reimbursable projects are established when Metropolitan is contracted to perform services for outside parties. Approximately \$2 million was written off where costs were incurred but no party could be identified to bill.**

