



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: WRAG 19-117, **Version:** 1

Consider receiving the Monterey County Water Resources Agency FY 2018-19 Fourth Quarter Financial Status Report through June 30, 2019.

RECOMMENDATION:

It is recommended that the Monterey County Water Resources Agency Board of Directors:

Receive the Monterey County Water Resources Agency FY 2018-19 Fourth Quarter Financial Status Report through June 30, 2019.

SUMMARY/DISCUSSION:

The Monterey County Water Resources Agency (Agency) successfully completed the process of reorganizing its Fund structure collapsing a total of 19 Funds and transferring \$6.4 million in remaining Fund Balance out of these collapsed Funds into other Agency Funds, as prescribed by the external accountant and approved by the Board of Directors and Board of Supervisors of the Agency. As a result, the Agency is left with a total of 14 Funds for FY 2019-20. Total consolidated FY 2018-19 revenue received by the Agency totaled \$32.9M, exceeding budgeted revenues of \$29.4 million by a combined \$3.5 million. The excess revenue was, in its majority, the result of \$6.4 million transfer of Fund Balance out of the 19 collapsed Funds into other Agency Funds. These transfers accounted for \$6.4 million of the received revenue. The remaining \$26.5 million represent 90.2% of the budgeted revenues, with a 9.8% shortfall, as compared to the budget, which is mainly due to lower than expected grant reimbursements associated with the Inter-Lake Tunnel. The Agency successfully amended the agreement with Department of Water Resources to extend this agreement date from June 30, 2019 to January 31, 2021.

The Agency began FY 2018-19 with a recommended budget of \$26 million in expenditures, this number was increased to \$39.1 million through six budget amendments. Actual expenditures came \$8.5 million under budget to a consolidated actual total of \$30.6 million. The lower than budgeted expenditures was a result of vacant positions, accounting for \$1.7 million, Inter-Lake Tunnel expenditures accounting for \$1.6 million, a previously budgeted collapsing of Funds 303 and 313 which did not occur after consulting with the County's Auditor Controller's Office, accounting for \$1.9 million, and delay in completing certain projects such as the repairs to the Pajaro Levee repairs, Moro Cojo tide gate repairs, and other projects.

Overall, the Agency is estimating to end the year with total expenditures of \$30.6 million and total revenue of \$32.9 and a combined Fund Balance of \$20.7 million.

On a consolidated basis, the Agency financial performance up to June 30, 2019 is projected as follows:

	<u>Year End Estimate</u>
FY 2018-19 Est. Beg. Fund Balance	\$18,465,414
FY 2018-19 Revenues	32,925,860
FY 2018-19 Available Funds	51,391,274
FY 2018-19 Expenditures	(30,619,234)
FY 2018-19 Est. End. Fund Balance	\$20,772,040

OTHER AGENCY/COMMITTEE INVOLVEMENT:

This item was presented to the Monterey County Water Resources Agency Finance Committee on September 6, 2019.

FINANCING:

There is no financial impact for receiving this report.

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Approved by: Brent Buche, General Manager (831-766-4860)

Attachments:

1. FY 2018-19 Financial Summary
2. Board Order