



Fiscal Year 2018 Second Quarter Budget Report

***Presented by
David Thompson
Chief Financial Officer***

Meeting Date: April 30, 2018



Pricing and Financial Policies

- Operating Reserves Approved By Board In 2005
 - Working Capital Reserve
 - Contingency Reserve Fund
 - Self Insurance Fund
 - Rates Stabilization Reserve Fund
 - Address fluctuations in revenue and expense requirements that will occur year-to-year
 - Pre-funding significant capital improvements
 - Minimize long-term rate impacts
 - Moderate the need for significant rate changes



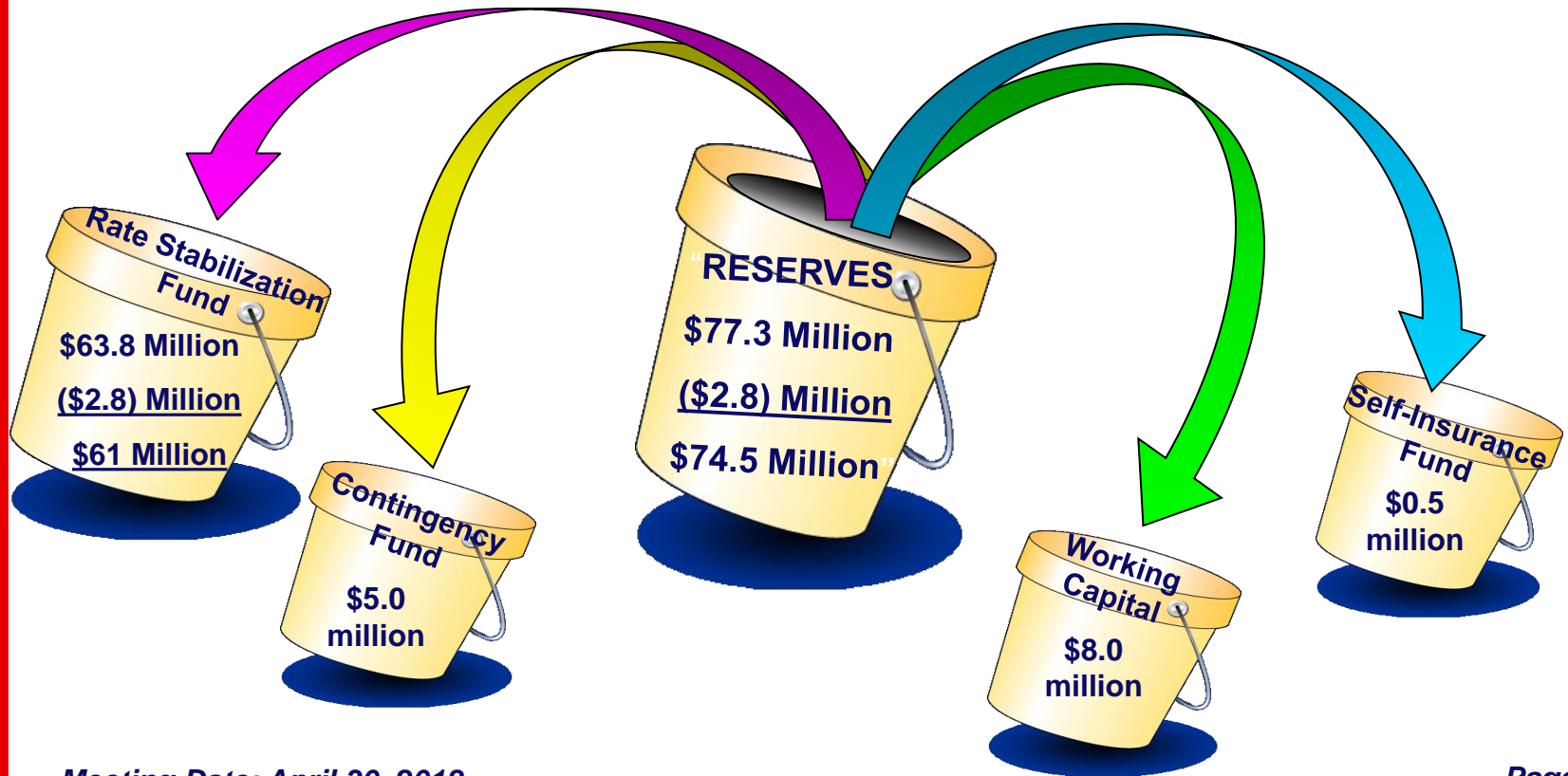
Rate Stabilization Reserves

Fiscal Year	Rate Stabilization Reserves Added/ (Used)	System Rate without Rate Stabilization	System Rate with Rate Stabilization
2017	\$ 1,000,000	\$69.37	\$72.00
2018	(\$ 2,800,000)	\$81.68	\$74.00



Reserve (Working Capital) Funds

As of 9/1/2017





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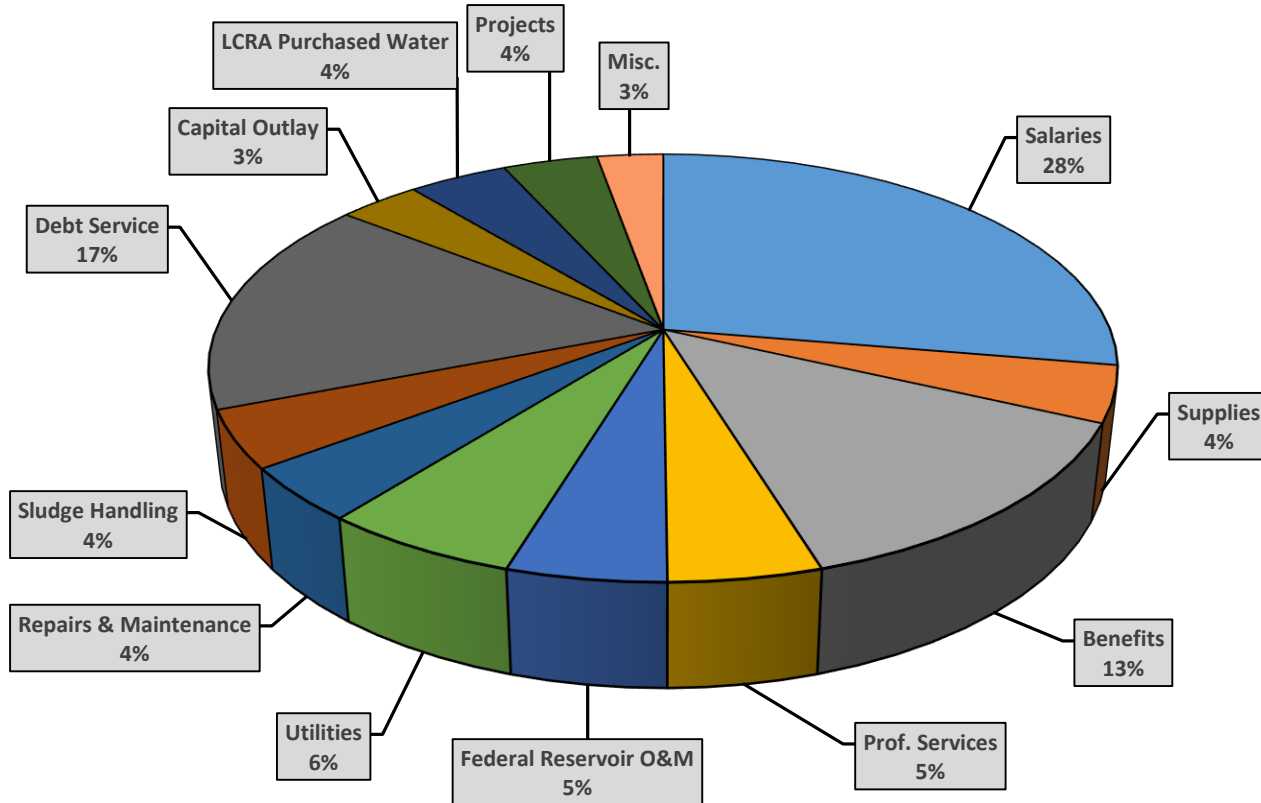
Water Supply System (in thousands)

	Year-To-Date			Annual Budget
	Budget	Actual	Variance	
Beginning Working Capital	\$ 77,268	\$ 77,268	\$ -	\$ 77,268
Less: Rate Stabilization Reserves	2,800	2,800	-	2,800
Adjusted Beginning Working Capital	74,468	74,468	-	74,468
Revenues	35,860	40,218	4,358	41,562
Rate Stabilization Reserves	-	-	-	2,800
Revenues	35,860	40,218	4,358	44,362
Less: Expenses	20,332	18,146	2,185	40,504
Less: Operating Programs	2,308	443	1,865	3,095
Surplus/(Deficit)	13,220	21,629	8,407	763
Less: Capital Improvement Projects	18,671	637	18,034	23,761
Less: Addition to R&R Reserve	500	500	-	500
Ending Working Capital	\$ 68,518	\$ 94,960	\$ 26,442	\$ 50,970



FY 2018 Second Quarter

All Expenditures by Category





Brazos River Authority