



Fiscal Year 2025 First Quarter Budget Report

***Presented by
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Chief Financial Officer***



- **This is the first quarterly financial report published out of our new financial software.**
- **The budget report is comparing year-to-date actuals against the total annual budget, instead of a year-to-date budget.**
- **The financial statements have been formatted to reflect the recent re-organization.**
- **We have added a discussion on variances in the Water Supply Budget Report**



Water Supply Variance Discussion

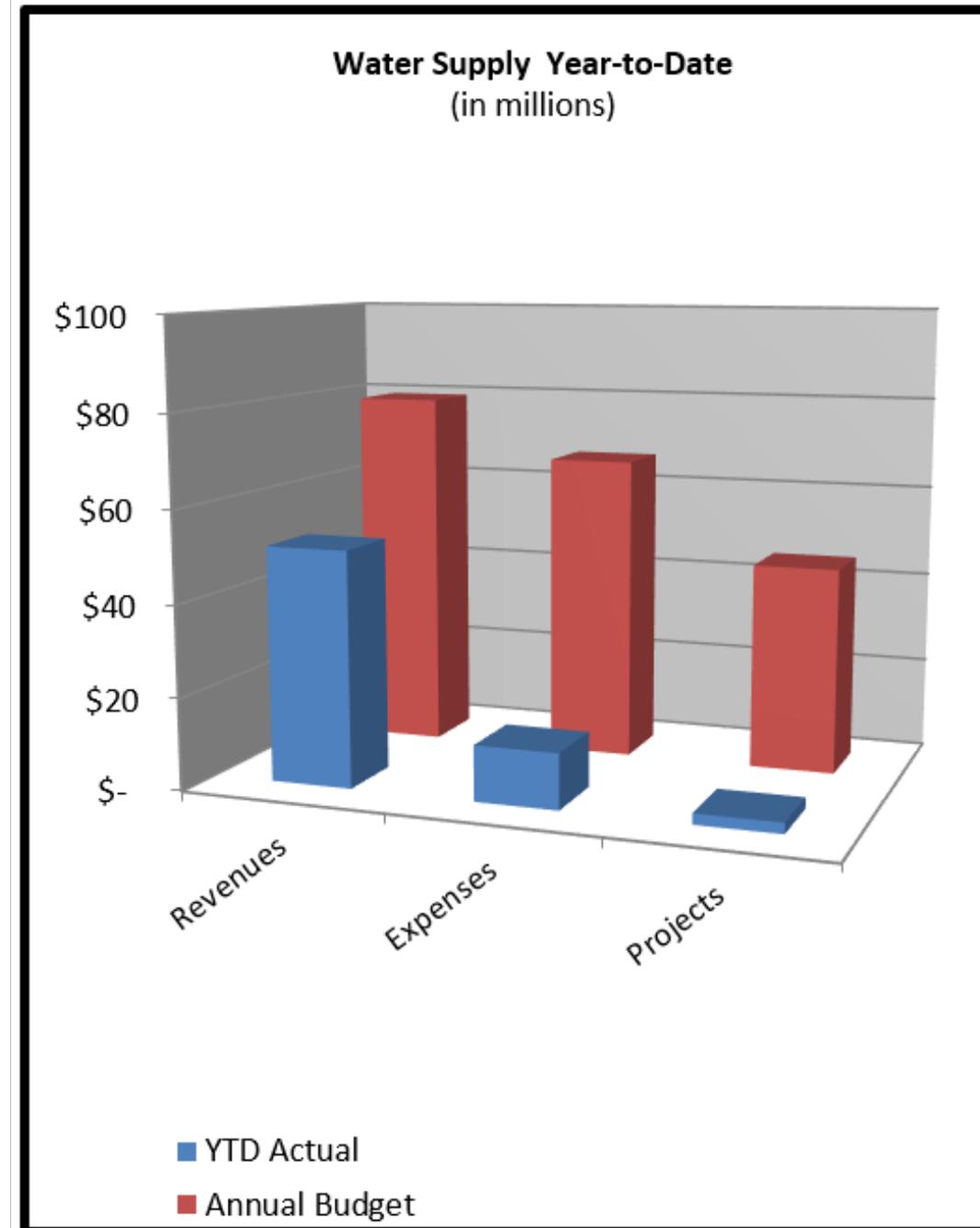


| REVENUES | | | |
|------------------------------|-------------|--------|---|
| Category | % of Budget | Status | Discussion |
| Raw Water Sales - System | 85% | | As expected. Most System Water contracts are invoiced at the beginning of the fiscal year. Some customers choose to be invoiced quarterly or monthly. |
| Raw Water Sales - Non-System | 44% | | As expected. Most Two-Tier contracts and Residential/Commercial Water Permits are invoiced on a calendar year. |
| East Williamson County RWS | 33% | | As expected. Four months of revenue recorded in Q1. |
| Sugar Land WW | 17% | | As expected. Capital items in progress and are not invoiced until complete. |
| Lake Operations | 9% | | As expected. The majority of these contracts are invoiced on a calendar year. |
| Grants | 7% | | As expected. Spending on Brazos G and Region 8 is expected to ramp up in Q2 and Q3. |
| Management Fees | 17% | | As expected. Expenses in cost reimbursable operations usually lower in Q1. |
| Interest Income | 48% | | Better than expected. Beginning reserves were \$15M higher than budgeted and interest rates are better than the 4% return assumed in the budget (5.08% in Q1). |
| Miscellaneous | 33% | | As expected. Includes unbudgeted insurance proceeds. |

| EXPENSES | | | |
|--|-------------|--------|--|
| Category | % of Budget | Status | Discussion |
| Reservoir, Water Supply & Treatment Operations | 21% | | As expected. All expense categories tracking as planned. |
| Project Delivery Division | 22% | | As expected. All expense categories tracking as planned. |
| Water Services | 15% | | Better than expected. U.S. ACE O&M charges for storage space in the Federal Reservoirs came in \$1.1M under budget. |
| Environmental Services | 24% | | As expected. All expense categories tracking as planned. |
| Special Projects & Strategic Initiatives | 20% | | As expected. All expense categories tracking as planned. Some lag salaries & benefits due to position vacancy. |
| Central Services | 25% | | As expected. All expense categories tracking as planned. |
| Debt Service | 7% | | As expected. Debt service payments for EWC and Allens Creek are not due until February and August. |
| Operating Projects | 11% | | As expected. Most projects on schedule at the end of Q1. |
| Capital Improvement Projects | 4% | | As expected. It is still very early in the fiscal year, but we expect to spend most of the CIP funds in FY 25. |



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Water Supply System *(in thousands)*

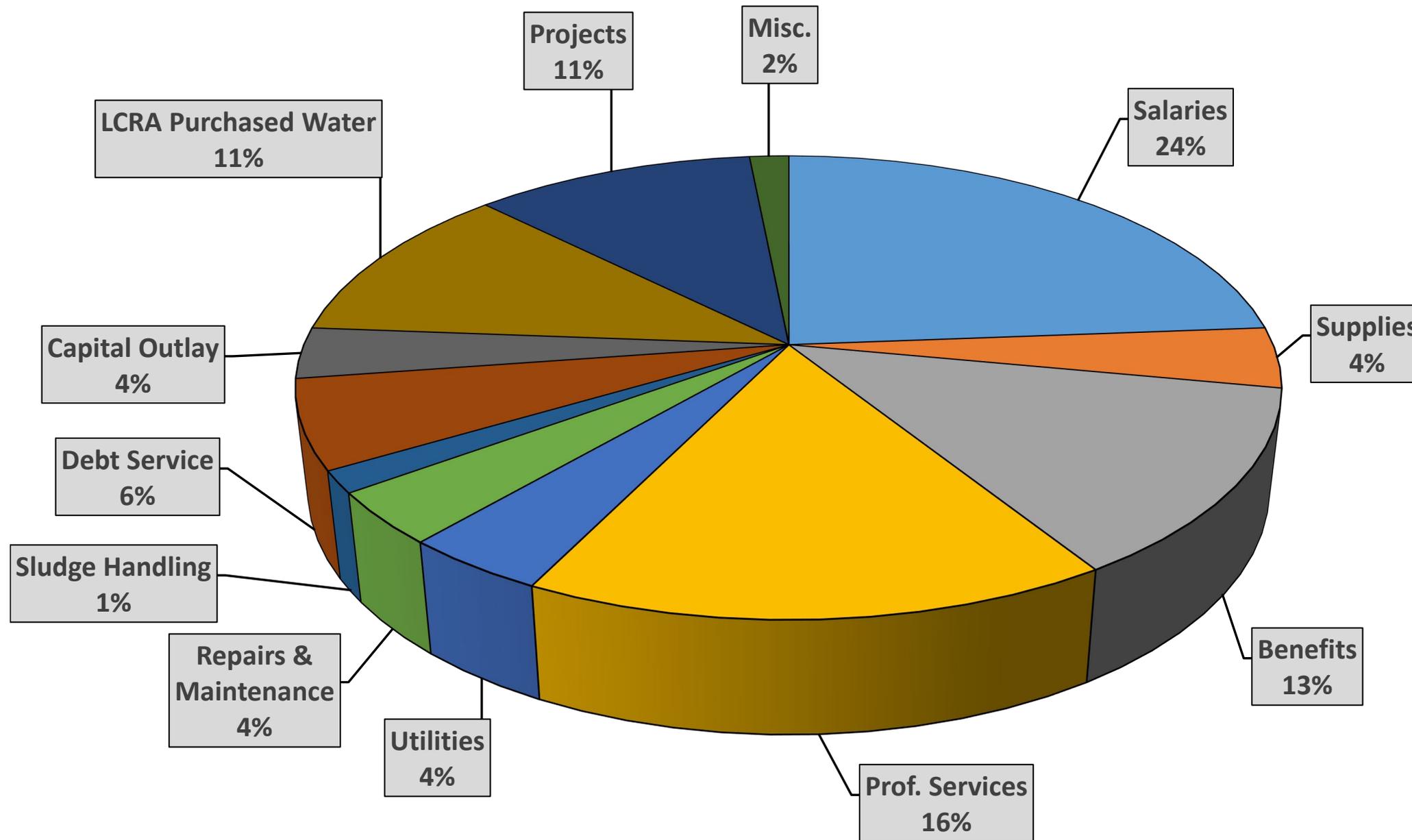
| | Annual Budget | Year-to- Date Actual | \$ Variance |
|---|--------------------------|---------------------------------|------------------------|
| Beginning Working Capital | 105,593 | 121,478 | 15,885 |
| Revenues | 79,121 | 51,225 | (27,896) |
| Less: Expenses | 66,595 | 12,111 | 54,484 |
| Less: Operating Projects | 7,075 | 779 | 6,296 |
| Surplus/(Deficit) | 5,451 | 38,334 | 32,883 |
| Less: Capital Improvement Projects | 38,069 | 1,602 | 36,467 |
| Ending Working Capital | \$ 72,975 | \$ 158,210 | \$ 85,235 |

Meeting Date: January 27, 2025



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All Expenditures by Category





Brazos River Authority



Brazos



RIVER AUTHORITY