



## **Southeastern Colorado Water Conservancy District**

### **2022 Mid-Year Financial Report Information Report**

**Date:** August 31, 2022

**Agenda Item:**

#### **STAFF RECOMMENDATIONS:**

None

#### **BUDGET IMPLICATIONS:**

As described in the below section.

#### **PREVIOUS BOARD ACTION AND/OR ACTIVITY:**

In December 2021, the Board of Directors took action to adopt the 2022 Budget as published.

#### **ISSUE SUMMARY DESCRIPTION:**

##### **2022 Mid-Year Fryingpan-Arkansas Financial Report**

###### ***Fry-Ark Revenues:***

As of July 30, the District has collected 96 percent of the budgeted (contract mill levy) totaling \$8,562,123. By December 31, the expectation is to collect 100 percent totaling \$8,870,630.

###### ***Fry-Ark Expenditures:***

As of July 30, the District has not received invoicing from Reclamation for the Fry-Ark Debt payment, Fry-Ark OM&R, Fountain Valley Authority (FVA) debt payment, winter water storage fee or safety of dam's debt payment. We are in communication with Reclamation and expect to receive invoicing by December 2022. The District currently has collected funds to complete payment on all the above-mentioned items, with the exception of the FVA which will be collected at the point we received the billing amount from Reclamation.

###### ***Fry-Ark Estimated Year-End Balance:***

At this point the District estimates a deposit of tax revenues in the Fry-Ark reserve fund, but the amount is unknown until the invoices for payment are received from Reclamation.

##### **District Operating Financial Report**

###### ***Grant Revenues and Expenditures***

The District's budget reflects \$400,000 for the possibility of grant opportunities. Recently the District was awarded a grant from the Reclamation of \$1,000,000 for the study of recovery of storage at the Pueblo Reservoir. We believe that we will utilize \$150,000 for this in 2022. The remainder of the grant will be applied to future budget years.

**District 2022 Mid-Year Financial Report  
August 31, 2022**

***District Revenues:***

**Operating Tax** has collected 67 percent of Budget (certified mill levy) as of July 30. For year-end 2022 expectation is to collect 100 percent.

**Specific Ownership Tax** has collected 60 percent of budget, or an average of \$81,000 per month in revenue. Specific Ownership Tax is economically driven revenue generation in each of the Districts nine counties. For year-end 2022, the expectation is to collect 116 percent of budget or \$126,000 over budget.

**Interest income** has collected 102 percent of budget as of July 31, with an expectation of collecting an estimated 200 percent of budget. Due to the market fluctuations interest income was budgeted conservatively. In recent months we have experienced a positive change in the market adjustment as interest rates rise. This is a forecasted increase compared to budgeted revenue of \$100,000.

District Operating Revenue is forecasted to experience an increase compared to 2022 Budget in the amount of \$226,000, also considering by year-end that the District may experience a negative market adjustment in investments.

***District Expenditures:***

As of July 31, overall operating expenditures totals 36 percent of total Budget. The District operations is forecasted to spend 76 percent or \$3,172,000 of the total 2022 Budget by year-end.

The District plans to complete capital expenditures totaling an estimated \$210,000 in the following budgeted capital projects: board and conference rooms audio and video replacement, convert to LED lighting throughout District headquarters office building, additional office furniture, replacement of exchange server, and replacement and/or repair to outdoor shed.

**District Estimated Year-End Balance:**

The 20220 Adopted Budget estimated a use of reserve funds in the amount of \$1,148,686, but the year-end forecast estimates the use of reserve fund may be closer to \$743,462 or 35 percent less than budget.

**SUGGESTED MOTION:**

None

**ATTACHMENTS:**

None