



**MOUNTAIN
REGIONAL
WATER**

**2024 UN-AUDITED
1st Quarter FINANCIAL SUMMARY**

March 2024

Table of Contents

FINANCIAL SUMMARY	2
Change in Net Position	2
Revenue.....	2
Water Sales (1 st Quarter).....	3
Expenses.....	4
Cash	5
Capital Budget.....	6
CUSTOMER GROWTH	7
WATER CONSUMPTION	8
APPENDIX A - CHANGE IN NET POSITION (INCOME STATEMENT)	9
APPENDIX B – CASH REPORT	10
APPENDIX C – REVENUE GRAPH	11

FINANCIAL SUMMARY

Change in Net Position

For the 1st quarter 2024, preliminary Change in Net Position (net income) is \$638,064, which is \$576,027 better than budgeted. As shown below, this positive variance resulted from both revenues being higher than budgeted by \$466,757 (14.4%) and expenses being lower than budgeted by \$109,270 (3.4%).

Mountain Regional Water District Change in Net Position YTD through March 2024 - Unaudited							
	2024		2024		2023		
	Actual	Budget	Variance	%	Actual	Change	%
Revenue	\$ 3,702,807	\$ 3,236,050	\$ 466,757	14.4%	\$ 2,989,312	\$ 713,495	23.9%
Expenses & Expenditures	3,064,743	3,174,013	109,270	3.4%	2,630,235	434,508	16.5%
Change in Net Position Before Transfers	638,064	62,037	576,027		359,077	278,987	
Net Transfers	-	-	-	n/a	-	-	n/a
Change in Net Position After Transfers	638,064	62,037	576,027		359,077	278,987	

As compared to last year, total revenue for the 1st quarter is up \$713,4954 (23.9%). Increases in Water Sales (\$207,711), Interest Earnings (\$265,531), and Impact Fees (\$204,429) account for most of this increase. A more detailed explanation of revenue is below.

Expenses for the 1st quarter of 2024 are \$3.06 million, which is 3.4% lower than budgeted and \$434,508 (16.5%) higher than last year. Much of this increase comes from Interest Expense (\$223,136) and Depreciation (\$46,824). A more thorough explanation of expenses follows the revenue explanation. A detailed change in net position statement (income statement) is shown as Appendix A.

Revenue

Revenue for the 1st Quarter 2024 is \$3.70 million which is \$466,757 (14.4%) better than budgeted. Interest Earnings had the greatest positive variance, being \$162,903 above budget for the quarter. Interest Earnings continue to be high as the Federal Reserve has not cut interest rates, so the PTIF continues to provide earnings over 5.4%. Water Sales are \$130,256 above budget due to faster than expected growth in the customer base, and higher than projected wheeling charges to Park City and the Utah Olympic Park as both have taken more water than planned.

Impact Fees are also above budget (\$119,646). This in large part is due to the large impact fee received from Parley’s Park Elementary for their remodel (\$115,955). The table on the next page provides a summary by revenue category.

March 2024 Unaudited Preliminary Financial Summary

District Revenue							
YTD through March 2024 - Unaudited							
	2024		Variance	%	2023		
	Actual	Budget			Actual	Change	%
Water Sales	\$ 2,144,829	\$ 2,024,450	\$ 120,379	5.9%	\$ 1,868,072	\$ 276,756	14.8%
Promontory Raw Water	650	650	-	0.0%	750	(100)	-13.3%
Park City Wheeling	167,277	157,400	9,877	6.3%	194,247	(26,970)	-13.9%
Weber Basin Regionalization	269,100	269,100	-	0.0%	311,075	(41,975)	-13.5%
Development Related Collections	582,679	415,700	166,979	40.2%	346,509	236,170	68.2%
Other Revenue	538,272	368,750	169,522	46.0%	268,659	269,614	100.4%
Total Revenue	3,702,807	3,236,050	466,757	14.4%	2,989,312	713,495	23.9%

Water Sales (1st Quarter)

Water Sales for the 1st quarter were \$130,0256 above budget. Residential sales had the highest positive variance followed by Wholesale and then Standby Fees.

2024 Actual v Budget (January thru March)			
	1st Qtr (Actual)	1st Qtr (Budget)	Over/(Under)
<u>WATER SALES</u>			
Water Sales - Residential	\$ 1,514,578	\$ 1,442,600	\$ 71,978
Water Sales - Commercial	\$ 154,221	\$ 149,200	\$ 5,021
Water Sales - Churches	\$ 3,376	\$ 2,800	\$ 576
Water Sales - Schools	\$ 24,226	\$ 20,800	\$ 3,426
Water Sales - Governments	\$ 19,804	\$ 20,800	\$ (996)
Water Sales - Industrial	\$ 7,130	\$ 6,400	\$ 730
Water Sales - Wholesale	\$ 106,235	\$ 82,000	\$ 24,235
Water Sales - Weber Basin Regionalization	\$ 269,100	\$ 269,100	\$ -
Water Sales - Park City Wheeling	\$ 167,277	\$ 157,400	\$ 9,877
Water Sales - Irrigation	\$ 41,711	\$ 38,300	\$ 3,411
Water Sales - Irrigation Golf	\$ 650	\$ 900	\$ (250)
Water Sales - Standby Fees	\$ 273,548	\$ 261,300	\$ 12,248
TOTAL WATER SALES	\$ 2,581,856	\$ 2,451,600	\$ 130,256

Expenses

As shown below, the Total Cash Expenditures of \$2.50 million for the 1st quarter is \$87,280 (3.4%) below budget. These savings came from several categories including salary & benefits and repair expenses. Some other expenses are slightly higher than budgeted such as supplies, electricity, and meters.

District Expenses From Operations YTD through March 2024 - Unaudited							
	2024 Actual	2024 Budget	Variance	%	2023 Actual	Change	%
Operating Expenses							
Operations, Maintenance & Repairs	\$ 1,573,701	\$ 1,631,163	\$ 57,462	3.5%	\$ 1,483,258	\$ 90,443	6.1%
Non-OM&R	468,929	496,950	28,021	5.6%	394,823	74,106	18.8%
Depreciation	564,810	586,800	21,990	3.7%	517,987	46,824	9.0%
Subtotal Operating	2,607,440	2,714,913	107,473	4.0%	2,396,068	211,373	8.8%
Non-operating Expenses							
Interest Expense	456,802	458,600	1,798	0.4%	233,667	223,136	95.5%
Bank & Trustee Fees	-	-	-	n/a	-	-	n/a
Bond Issuance	500	500	0	0.0%	500	-	0.0%
Subtotal Non-operating	457,302	459,100	1,798	0.4%	234,167	223,136	95.3%
Total Expenses	3,064,743	3,174,013	109,270	3.4%	2,630,235	434,508	16.5%
Total Cash Expense (Expenditures) <i>(Excludes Depreciation / Amortization)</i>	2,499,433	2,586,713	87,280	3.4%	2,111,748	387,685	18.4%

Operations, Maintenance & Repairs (OM&R) expense for the 1st quarter is \$1.57 million - which is \$57,462 (3.5%) under budget. As you can see in Appendix A, there were savings in several departments, however the Treatment Plant and Safety & Risk Management are slightly above budget at this point.

Non-OM&R expense for the 1st quarter is \$468,929 which is \$28,021 (5.6%) under budget. Although better than being above budget, these savings are not significant and will continue to be watched closely.

Non-cash Depreciation expense for the 1st quarter is \$564,810 which is 3.7% under budget.

Non-operating Expense is running under budget by \$1,798 as a minimal amount of variance was allowed for in the interest budget for 2024.

March 2024 Unaudited Preliminary Financial Summary

Cash

As shown below, total cash at the end of the 1st quarter is \$39.59 million, an increase of \$423,413 from the previous month. Total cash has increased by \$15.86 million (66.8%) from this time last year. However, if the 2023 bond proceeds of \$18 million are excluded, cash is down by \$2.14 million due to the numerous capital projects completed last year.

Cash							
March 2024 - unaudited							
	Current Month	Previous Month	Change	%	Previous Year	Change	%
Operating Cash & Reserves	\$ 6,523,111	\$ 6,601,774	\$ (78,663)	-1.2%	\$ 8,194,258	\$(1,671,147)	-20.4%
Subtotal	6,523,111	6,601,774	(78,663)	-1.2%	8,194,258	(1,671,147)	-20.4%
<i>Days Reserve</i>	<i>260</i>	<i>263</i>	<i>(3)</i>		<i>345</i>	<i>(85)</i>	
Debt Reserves Held by District	6,639,182	6,551,335	87,847	1.3%	7,200,671	(561,490)	-7.8%
Debt Reserves Held by Trustee	1,820,516	1,541,104	279,413	18.1%	1,444,086	376,431	26.1%
Regionalization Reserves	643,340	640,379	2,961	0.5%	2,116,836	(1,473,496)	-69.6%
Drought Reserve	859,066	855,113	3,954	0.5%	822,515	36,551	4.4%
Capital Facility Reserves	3,251,405	3,224,446	26,960	0.8%	2,522,725	728,680	28.9%
Other Restricted Cash	19,856,994	19,756,052	100,943	0.5%	1,437,121	18,419,873	1281.7%
Subtotal	33,070,504	32,568,427	502,076	1.5%	15,543,955	17,526,549	112.8%
Total	39,593,615	39,170,201	423,413	1.1%	23,738,212	15,855,402	66.8%

Operating Cash & Reserves balance at the end of the 1st quarter is \$6.52 million which represents a 260 day reserve, compared to 345 days a year ago. Policy requires 120 days minimum reserves.

Debt Reserves Held by the Trustee increased by \$279,413 during March as the normal monthly transfers of \$382,000 were made to the Trustee (Zions Bank), offset by two bond payments totaling \$108,955 decreasing the balance.

A more detailed change in cash balances (Operating Cash and Reserves) is shown as Appendix B.

Capital Budget

The 2024 Capital Budget tracking sheet is shown below. As can be seen, the capital budget for 2024 is \$28.1 million, of which \$1.91 million has already been spent. Work on two of the large infrastructure projects in 2024 has already begun, with the Old Ranch Road booster pump station and the new 24" valve in the Lost Canyon transmission line already underway. The new office and maintenance facility remain the largest capital project for 2024.

2024 Capital Project Tracking Sheet

	BUDGET					
	2023 Budget Carryover	2024 Approved Capital Budget	2024 Total Budget	Spent	Planned to Still Spend	Under/(Over) Budget
2024 Capital Projects with carryforward from 2023						
Office & Maintenance Shop	20,797,600.00	-	20,797,600.00	794,288.03	20,003,312	-
Southpointe Distribution Line (Impact Fee Eligible)	403,000.00		403,000.00	-	403,000	-
Solar Array on Treatment Plant Pond	1,808,300.00		1,808,300.00	136,687.00	1,671,613	-
Treatment Plant Expansion (Partially Impact Fee Eligible)	441,000.00	1,000,000.00	1,441,000.00	382,511.47	1,058,489	-
Vehicles & Equipment	4,139.00	458,000.00	462,139.00	32,075.99	430,063	-
Capitalized Personnel Costs	-	346,500.00	346,500.00	87,949.98	258,550	-
Sun Peak Well 2	200,000.00	-	200,000.00	145,043.56	54,956	-
2024 New Capital Projects						
Old Ranch Road		1,200,000.00	1,200,000.00	86,859.59	1,113,140	-
Summit Park Well 5		150,000.00	150,000.00		150,000	-
Lost Canyon 24" valve line transmission		120,000.00	120,000.00	33,244.95	86,755	-
General System Improvements						
	702,754.00	464,100.00	1,166,854.00	208,209.15	958,645	-
Engineering Design Fees	250,000.00	-	250,000.00		192,600	
Glenwild Loop and PRVS				38,312.50		
Silver Creek Paving				5,070.00		
Well Siting				12,767.65		
ASR Pilot Study				1,250.00		
Fence-Silver Creek		50,000.00	50,000.00		50,000	
Asphalt Bison Bluffs		40,000.00	40,000.00		40,000	
Asphalt Silver Creek		40,000.00	40,000.00		40,000	
Skid D VFD		20,000.00	20,000.00		20,000	
Signal Hill Tank		15,000.00	15,000.00		15,000	
Treatment Plant Door (front)		10,000.00	10,000.00		10,000	
Treatment Plant Meter		50,000.00	50,000.00		50,000	
Asset Management Solution		200,000.00	200,000.00		200,000	
Sage Hills (Promontory) Betterment	143,694.00		143,694.00	143,694.00	-	
LC BPS Capacity Upgrade - AQUA	20,000.00		20,000.00	7,115.00	12,885	-
Unallocated	289,060.00	39,100.00	328,160.00	-	328,160	-
TOTAL PROJECTS	24,356,793.00	3,738,600.00	28,095,393.00	1,906,869.72	26,188,523	-

CUSTOMER GROWTH

For the 1st quarter there were 27 new connections requests, which is 35 fewer than the four-year average, but four more than last year. The impact fee revenue of \$279,646 is above the four-year-average of \$164,744 and \$119,646 above budget so far this year. As mentioned previously, these numbers are bolstered by the Parley’s Park Elementary School impact fee.

Customer Growth Through March of Each Year						
Year	Commitment to Serve Letters		Impact Fees			Promontory Lot Assessments
	New Connections	New Units	Total Collections	Average Per Connection	Average Per Unit	
2020	28	92	106,791	3,814	1,161	8
2021	109	109	178,271	1,636	1,636	29
2022	86	86	298,696	3,473	3,473	26
2023	23	23	75,217	3,270	3,270	5
Four Year Avg	62	78	164,744	3,048	2,385	17
2024	27	27	279,646	10,357	10,357	9
<i>Change from 4 Year Avg</i>	<i>(35)</i>	<i>(51)</i>	<i>114,902</i>	<i>7,309</i>	<i>7,972</i>	<i>(8)</i>
	<i>-56.1%</i>	<i>-65.2%</i>	<i>69.7%</i>	<i>239.8%</i>	<i>334.3%</i>	<i>-47.1%</i>

During the 1st quarter Promontory sold 9 lots, which is 8 below the four-year average of 17, but four more than last year.

WATER CONSUMPTION

As shown below, during the 1st quarter culinary water consumption by the District’s retail customers of 228 acre-feet, is 0.2% higher than the four-year-average of 227 acre-feet and two acre-feet lower than last year. The Utah Olympic Park has used 89.9% more than their four-year-average, water wheeled to Park City is down 8.6% from their four-year-average, and Summit Water has taken 221 acre-feet of the 600 acre-feet contracted amount for this year.

Water Consumption March of Each Year										
Current Month										
Year	MRW		Utah Olympic Park		Park City		Summit Water		Total	
	Million Gals	Acre Feet	Million Gals	Acre Feet	Million Gals	Acre Feet	Million Gals	Acre Feet	Million Gals	Acre Feet
2020	21.6	66	2.2	7	-	-	30.1	92	55.0	169
2021	23.0	71	0.6	2	59.6	183	27.4	84	112.3	345
2022	22.4	69	0.8	2	56.2	172	19.3	59	99.8	306
2023	25.7	79	2.1	6	77.0	236	30.0	92	136.7	419
Four Year Avg	23.2	71	1.4	4	48.2	148	26.7	82	99.5	305
2024	25.1	77	0.8	2	33.0	101	9.4	29	69.4	213
<i>Change from</i>	<i>1.9</i>	<i>6</i>	<i>(0.6)</i>	<i>(2)</i>	<i>(15.2)</i>	<i>(47)</i>	<i>(17.3)</i>	<i>(53.0)</i>	<i>(30.1)</i>	<i>(92)</i>
<i>4 Year Avg</i>	8.1%		-43.0%		-31.5%		-64.7%		-30.2%	
Year-to-Date										
Year	MRW		Utah Olympic Park		Park City		Summit Water		Total	
	Million Gals	Acre Feet	Million Gals	Acre Feet	Million Gals	Acre Feet	Million Gals	Acre Feet	Million Gals	Acre Feet
2020	75.5	232	9.9	31	90.2	277	115.9	356	293.6	901
2021	73.3	225	3.6	11	177.1	543	104.5	321	361.8	1,110
2022	72.8	223	5.0	15	213.2	654	71.6	220	365.7	1,122
2023	74.5	229	6.5	20	255.0	783	92.5	284	432.3	1,327
Four Year Avg	74.0	227	6.3	19	183.9	564	96.1	295	363.3	1,115
2024	74.2	228	11.9	37	168.0	516	72.0	221	328.7	1,009
<i>Change from</i>	<i>0.2</i>	<i>1</i>	<i>5.6</i>	<i>17</i>	<i>(15.9)</i>	<i>(49)</i>	<i>(24.1)</i>	<i>(74)</i>	<i>(34.7)</i>	<i>(106)</i>
<i>4 Year Avg</i>	0.2%		89.9%		-8.6%		-25.1%		-9.5%	

APPENDIX A - CHANGE IN NET POSITION (INCOME STATEMENT)

Mountain Regional Water Special Service District Change in Net Position (Income Statement) YTD through March 2024 - Unaudited							
	Actual	Budget	Variance		Previous Year	Change	
Revenue							
Water Sales	\$ 2,144,829	\$ 2,024,450	\$ 120,379	5.9%	\$ 1,868,072	\$ 276,756	14.8%
Park City Wheeling	167,277	157,400	9,877	6.3%	194,247	(26,970)	-13.9%
Promontory Raw Water	650	650	-	0.0%	750	(100)	-13.3%
Weber Basin Regionalization Fees	269,100	269,100	-	0.0%	311,075	(41,975)	-13.5%
Operating Fees	139,137	102,100	37,037	36.3%	127,510	11,627	9.1%
Penalties & Fines	11,334	5,600	5,734	102.4%	7,529	3,805	50.5%
Other Operating Revenue	2,668	1,800	868	48.2%	2,391	277	11.6%
Subtotal Operating Revenue	2,734,995	2,561,100	173,895	6.8%	2,511,574	223,420	8.9%
Project Grants	2,917	2,900	17	0.6%	2,917	-	0.0%
Interest Earnings	521,353	358,450	162,903	45.4%	255,822	265,531	103.8%
Impact Fees	279,646	160,000	119,646	74.8%	75,217	204,429	271.8%
SID/SAA Assessments	46,926	44,300	2,626	5.9%	26,070	20,856	80.0%
Infrast Assess Stagecoach	60,323	63,100	(2,777)	-4.4%	58,579	1,744	3.0%
Infrast Assess Community Water	40,338	39,900	438	1.1%	40,352	(13)	0.0%
Other Non-operating Revenue	16,309	6,300	10,009	158.9%	18,781	(2,472)	-13.2%
Subtotal Non-operating Revenue	967,812	674,950	292,862	43.4%	477,738	490,075	102.6%
Total Revenue	3,702,807	3,236,050	466,757	14.4%	2,989,312	713,495	23.9%
<i>Total Revenue Excluding Project Grants</i>	<i>3,699,890</i>	<i>3,233,150</i>	<i>466,740</i>	<i>14.4%</i>	<i>2,986,395</i>	<i>713,495</i>	<i>22.1%</i>
Expenses & Expenditures							
Energy & Technology Management	195,366	205,138	9,772	4.8%	178,935	(16,431)	-9.2%
Distribution	728,917	757,300	28,383	3.7%	676,567	(52,349)	-7.7%
Lost Canyon Transmission	420,800	447,550	26,750	6.0%	379,385	(41,416)	-10.9%
Treatment Plant	209,242	204,050	(5,192)	-2.5%	236,632	27,390	11.6%
Safety & Risk Management	19,376	17,125	(2,251)	-13.1%	11,739	(7,636)	-65.1%
Subtotal Operations & Maintenance & Repairs	1,573,701	1,631,163	57,462	3.5%	1,483,258	(90,443)	-6.1%
Public Services	188,411	196,000	7,589	3.9%	149,976	(38,435)	-25.6%
Administration	280,518	300,950	20,432	6.8%	244,847	(35,672)	-14.6%
Subtotal Non-OM&R	468,929	496,950	28,021	5.6%	394,823	(74,106)	-18.8%
Interest Expense	456,802	458,600	1,798	0.4%	233,667	(223,136)	-95.5%
Trustee Fees	-	-	-	n/a	-	-	n/a
Subtotal Financing	456,802	458,600	1,798	0.4%	233,667	(223,136)	-95.5%
Amortized Bond Insurance Expense	500	500	0.02	0.0%	500	-	0.0%
Depreciation	564,810	586,800	21,990	3.7%	517,987	(46,824)	-9.0%
Subtotal Non-Cash Expenses	565,310	587,300	21,990	3.7%	518,487	(46,824)	-9.0%
Total Operations Expenses	3,064,743	3,174,013	109,270	3.4%	2,630,235	(434,508)	-16.5%
<i>Cash Expenditures</i>	<i>2,499,433</i>	<i>2,586,713</i>	<i>87,280</i>	<i>3.4%</i>	<i>2,111,748</i>	<i>(387,685)</i>	<i>-15.0%</i>
Net Income (Loss) before Transfers	638,064	62,037	576,027		359,077	278,987	
Total Transfers & Contingency	-	-	-		-	-	
Net Income (Loss) after Transfers	\$ 638,064	\$ 62,037	\$ 576,027		\$ 359,077	\$ 278,987	

APPENDIX B – CASH REPORT

Mountain Regional Water Special Service District							
Operating Cash and Reserves							
YTD through March 2024 - Unaudited							
	Current Month	Previous Month	Monthly Change		Previous Year	Yearly Change	
OPERATING CASH & RESERVES							
Checking	\$ 224,209	\$ 338,912	(114,704)		\$ 403,130	(178,921)	
Cash Clearing - Utility Billing	37,906	45,130	(7,224)		35,254	2,652	
Operating Reserves	6,260,997	6,217,732	43,265		7,755,874	(1,494,878)	
Subtotal Operating Cash & Reserves	6,523,111	6,601,774	(78,663)	-1.2%	8,194,258	(1,671,147)	-20.4%
	<i>Days Cash on Hand</i>	260	263		345		
RESTRICTED DEBT RESERVES HELD BY DISTRICT							
Impact Fee Reserves	\$ 4,724,518	\$ 4,678,137	46,381		5,214,441	(489,923)	
Rate Stabilization Fund/Debt Service	1,263,493	1,257,678	5,815		1,197,886	65,607	
Prepaid SAA Assessments	353,814	342,738	11,076		489,551	(135,737)	
Promontory Stabilization Reserves	243,745	241,685	2,060		214,121	29,624	
Stagecoach Debt Reserves	26,015	2,833	23,182		49,163	(23,148)	
Community Water Debt Reserves	27,597	28,264	(667)		35,509	(7,912)	
Subtotal Restricted Debt Reserves	6,639,182	6,551,335	87,847	1.3%	7,200,671	(561,490)	-7.8%
RESTRICTED CAPITAL FACILITY RESERVES							
Capital Reserve and Replace Fund w/ State	2,468,979	2,458,273	10,706		1,866,438	602,541	
Lost Canyon Reserve Fund	782,426	766,173	16,253		656,287	126,139	
Subtotal Restricted Capital Facility Reserves	3,251,405	3,224,446	26,960	0.8%	2,522,725	728,680	28.9%
OTHER RESTRICTED CASH							
East Canyon Fund	2,872	2,859	13		2,723	149	
Series 2023 Bond Funds	18,232,217	18,153,154	79,062		-	18,232,217	
Regionalization Reserve	643,340	640,379	2,961		2,116,836	(1,473,496)	
Drought Reserve	859,066	855,113	3,954		822,515	36,551	
Treatment Plant Operating Reserve Fund	485,331	471,892	13,439		328,635	156,696	
Customer Deposits	1,100,689	1,092,425	8,263		1,071,740	28,948	
Other Deposits	35,887	35,721	165		34,023	1,863	
Subtotal Other Restricted Cash	21,359,400	21,251,543	107,857	0.5%	4,376,472	16,982,928	388.1%
Debt Reserves Required by Bond Holders and Held by Trustee	1,820,516	1,541,104	279,413	18.1%	1,444,086	376,431	26.1%
TOTAL	\$39,593,615	\$39,170,201	\$ 423,413	1.1%	\$ 23,738,212	\$ 15,855,402	66.8%

APPENDIX C – REVENUE GRAPH

