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Executive Director



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February 7, 2012

Honorable Commission  
Indio Water Authority  
P.O. Drawer 1480  
83101 Avenue 45  
Indio, CA 92201

***SUBJECT: FY 11/12 Second-Quarter Budget Report***

Commission members:

The IWA has adjusted to its 4% reduction in revenue from prior years, and our financial outlook is positive. We are successful in our efforts to reduce costs, bring projects in-house, and leverage grants to cushion unfunded mandates. Some of these cost efficiencies were not incorporated into this year's budget and may result in an increased balance in the Water Fund, which can be used for capital improvements next fiscal year. I'm proud of the efforts put forth by our managers and employees.

In the first quarter, I reported that revenues were up due to the cyclical nature of water sales and that by midyear we would have a better understanding of the state of our current budget. I am pleased to report that after six months of activity, we are anticipating revenue levels slightly above budget projections. I also reported that expenditures were lower due to a number of recent projects that were already underway. Though we are making progress on these capital projects we will not see their total cost until the third and fourth quarters.

In late December, an unexpected California Supreme Court ruling upheld a state law that eliminated more than 400 local Redevelopment Agencies (RDAs) throughout California. The procedure for implementing this dissolution under AB1X 26 can be complicated and unclear, and nonetheless holds consequences for those who have outstanding business with RDAs.

We will continue business as usual until we receive better clarity on potential impacts to the Indio Water Authority (IWA). The IWA takes this matter seriously, has consulted with counsel, and is proactively evaluating a broad range of possible courses of action.

**ITEM NO. 4**

Most utilities today are facing decreased water sales and a subsequent drop in revenues due to economic recession, and conservation efforts have also contributed to a reduction in per-capita demand for water. Utilities everywhere are approaching these challenges pragmatically and are gradually adapting to the current circumstances.

The FY 2011-12 year-to-date numbers indicate that the IWA is on track to close the year with a balanced budget. Total operating revenues for the water enterprise are at 52%, while total operating expenditures are at 44.3% of budgeted amounts. The IWA continues to scrutinize expenses while providing the high quality services our customers have come to expect, such as uninterrupted water service, environmental stewardship, and compliance with water quality regulations

The attached budget report summarizes the IWA's financial condition as of the second quarter. It compares revenues and expenditures for the second quarter of FY 2011-12 with those of the second quarter of the previous fiscal year.

This year the IWA has included a new graph that illustrates customer growth each quarter by fiscal year. We have also added a brief description of departmental activity over the past six months including customer service enhancements, water quality enhancements, identification of fire flow deficiencies, and system telemetry enhancements that will provide energy efficiencies to help reduce costs.

Looking ahead along current trends, I anticipate that growth in water sales will be lower than growth in operating costs and employee costs. Therefore, our challenge will be to continue to limit or reduce expenditures to avoid rate increases, and simultaneously continue to improve the system to address fire flow issues, infrastructure replacement and water quality regulations.

Included attachments:

ATTACHMENT A – Revenue and Expenditure Summary

ATTACHMENT B – First Quarter Budget Recap

**IT IS RECOMMENDED** that the Commission approve the report and budget adjustments to this report along with Attachments A and B.

Respectfully submitted,

  
Dan Martinez  
Executive Director



Indio Water Authority  
Quarterly Financial Report

**Fiscal Year 2011-12 Mid-Year Report**

February 7, 2012  
Prepared by The Authority

**Indio Water Authority  
 FY 2011-12  
 Mid-Year Budget Report  
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## **A. CURRENT FINANCIAL CONDITIONS**

As 2011 drew to a close, the California Supreme Court struck a fatal blow for California's redevelopment agencies. In upholding Assembly Bill X1 26 which eliminated all four hundred California redevelopment agencies (RDAs) and started a process to transition all existing projects and obligations to other agencies. The procedure for implementing this dissolution under AB X1 26 is somewhat convoluted and has consequences for those who have outstanding business with RDAs.

Due to the varied opinions of impacts to Indio Water Authority we have decided to continue business as usual until the dust has settled around this issue. Not to take lightly the potential impacts, the Indio Water Authority has consulted with counsel and continues to review all options and evaluate several alternatives.

Generally, most state and municipal budgets are already under significant pressures because of decreased sales tax and property tax revenues resulting from the 2008–09 recession. States and cities are going to continue to struggle with their revenues and budgets.

Similarly, most utilities are already struggling with decreased water sales and revenues because of the recession. Every water utility manager I have talked to in the past few years' mentions revenue challenges it's just a question of how large the percentage decrease has been. Utilities have adapted to the reality of shrinking revenues, but not without some struggles. Conservation, continued penetration into the market of low-flow plumbing fixtures, and a decreased manufacturing base have all contributed to a decrease in per-capita demand for water. Utilities have high fixed costs which continue whether revenues remain the same or decrease by 5 to 20%.

While the Authority had adapted to its 4% reduction in revenue from prior years, the Authority's financial condition continues to remain sound. The FY 2011-12 year-to-date numbers indicate the Authority is generally in-line with its budget and on track to end the year within budget. Total operating revenues for the water enterprise are at 52%, while total operating expenditures are at 44.3% of budgeted amounts. The Indio Water Authority (IWA) continues to closely scrutinize expenses while providing high quality services customers have come to expect, such as uninterrupted water service, environmental stewardship, and compliance with water quality regulations.

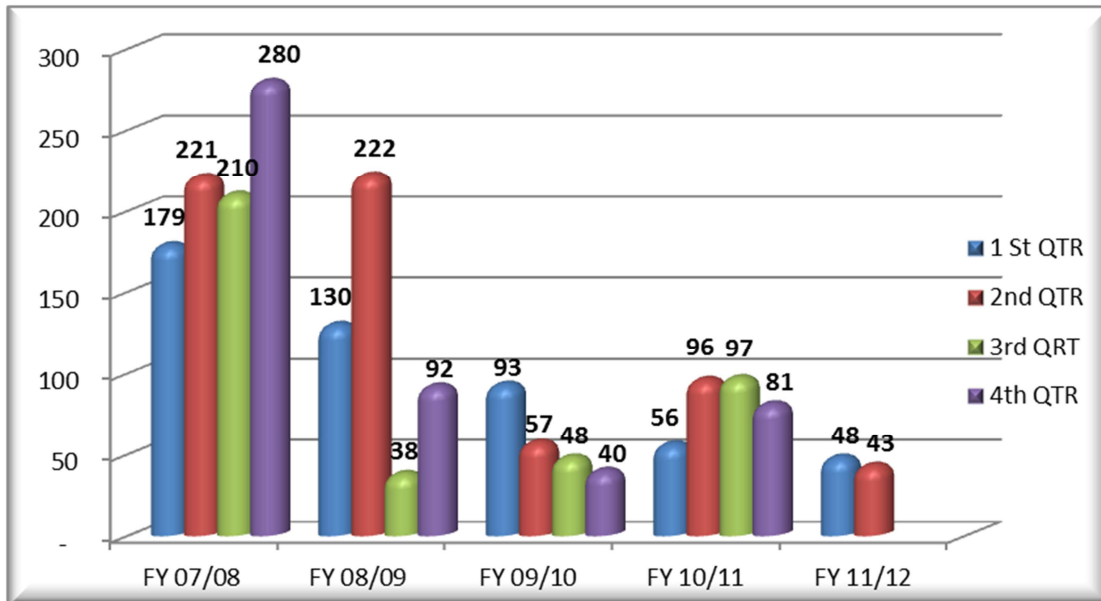
## **B. CUSTOMER GROWTH**

At the beginning of FY 2011-12, the IWA had 20,993 customers with a projected growth of 200 new accounts. In the first six months of the fiscal year, IWA added 62 residential customers and 29 commercial customers for a total of 91 new accounts.

It is anticipated IWA will meet budgeted projections for customer growth by fiscal year-end.

The reflection of a slowing economy is indicated on Chart 1 below where customer growth has declined significantly over the last five years.

**Chart 1 - Customer Growth Each Quarter by Fiscal Year**



**C. OPERATING FUND REVENUE**

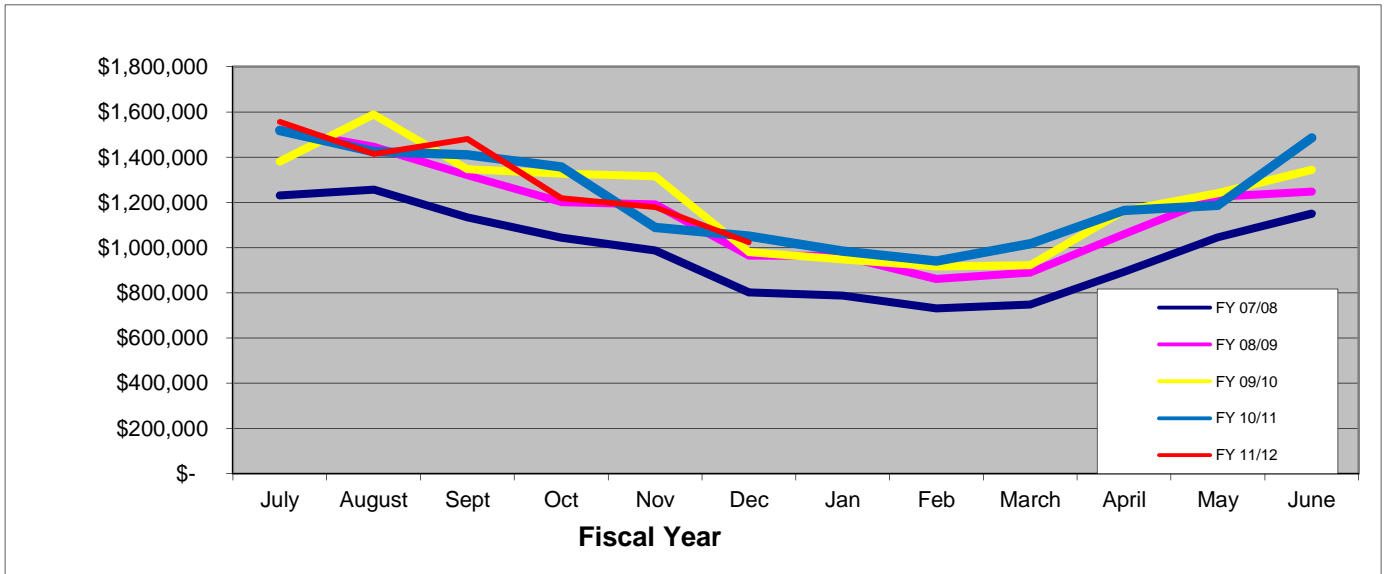
Revenues are delineated by operating revenues and non-operating revenues. In FY 2010-11 the mid-year budget reported earnings of \$8,516,343. The total unaudited operating revenues recorded for this FY after six months of operation are \$8,694,989 or 52% of budget. This is an increase of \$103,760 over the prior fiscal year (Attachment A). Water sales make up \$7,870,824 of the revenue earned thru December 31, 2011. Water sales are up \$18,890 when compared to last year during the same time frame. This slight increase is attributed to the increase in number of customers.

Other operating revenues for FY 2011-12 totaled \$787,249 through mid-year or 54% of budget. This is an increase of \$138,450 when compared to the second quarter of FY 2010-11. Other operating revenue includes account establishment fees, delinquent account fees, inspections, plan checks, backflows, replenishment fees passed thru to Coachella Valley Water District, sphere of influence fees and reimbursements. During the second quarter of this fiscal year, IWA received a state

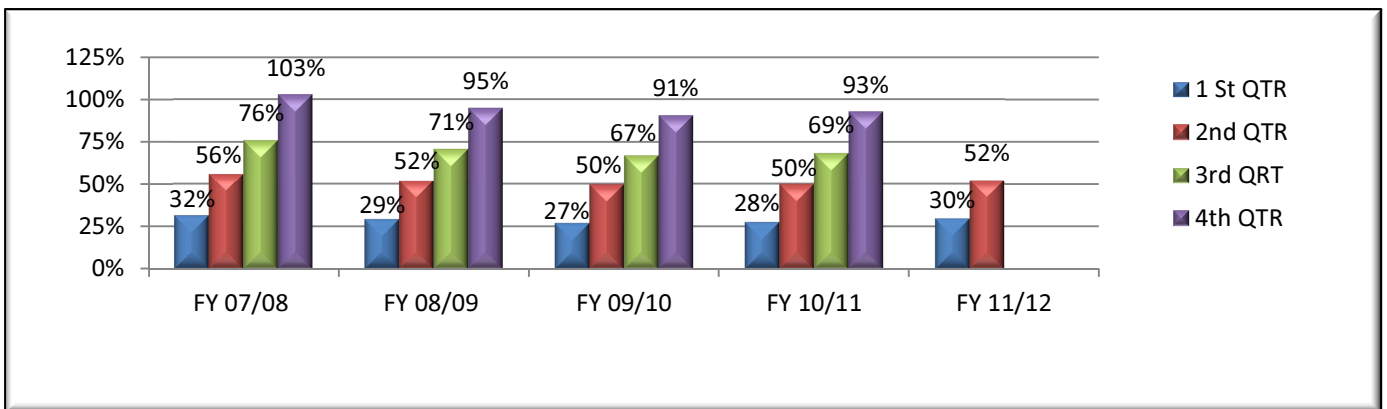
reimbursement in the amount of \$66,337 for water related expenses attributed to the Avenue 44 disaster of December 2010.

Charts 2 and 3 below reflect revenues are on target with historical trends over the last five years.

**Chart 2 - 5 Year Water Sales Revenue - History by Month**



**Chart 3 - 5 Year Water Sales Revenue - History by Quarter**



*Non-Operating Revenue*

Investment income ended the second quarter at 22% of the budget, or \$48,599. Thru the mid-year, investment income decreased by \$41,897 when compared to the

prior year. Lower interest yields for long-term investments are attributed to declining interest income. IWA finance staff will continue to monitor pooled cash investments with the City of Indio.

**D. OPERATING FUND EXPENDITURES**

The FY 2011-12 operating expenditure budget includes \$4,138,837 in salaries and benefits, \$7,675,414 for services and supplies, and \$420,000 for capital maintenance. At the end of the second quarter, 50% or less of the allocated budget has been expended.

Table 1 below indicates through the end of the second quarter, operating fund expenditures were at 42.3% of the budget or \$5,177,493. Total operating and capital outlay expenditures decreased by \$218,514 from FY 2010-11 (see Attachment A). This decrease is due to an unused contingency budgeted of \$231,000, projects that are underway and have not been billed, and a slight savings in payroll related expenses due to the delayed hiring of personnel.

**Table 1 - Operating Fund Expenditures - By Category**

	<b>Budget</b>	<b>Actual</b>	<b>% of</b>
	<b>FY 2011-12</b>	<b>Dec. 31, 2011</b>	<b>Budget</b>
Salaries and Benefits	\$ 4,138,837	\$ 1,920,334	46.4%
Services and Supplies	7,675,414	3,200,996	41.7%
Capital Outlay	420,000	56,163	13.4%
<b>Total Expenditures</b>	<b>\$ 12,234,251</b>	<b>\$ 5,177,493</b>	<b>42.3%</b>

**1. SALARY AND BENEFITS**

Salary and benefit expenditures through the end of the second quarter were \$1,920,334 or 46.4% of the budget (Table 1 above). City employees are currently working 10 percent fewer hours and receiving 10 percent less pay. As a result of this reduction, operational services have been cut back to four days a week since June of 2009. The Authority has continued to provide most services Monday thru Friday by flexing employee’s hours and focusing on web-based and automated technology.

Due to staff taking advantage of further education opportunities, IWA has been able to provide engineering services on Fridays without requiring additional overtime



compensation. Beginning in February and continuing through May 2012, inspection services will be available on Fridays at no additional cost to operating expenses.

## 2. SERVICES AND SUPPLIES

Services and supplies expenditures are \$5,177,493 or 42.3% of budget through mid-year. Each division is responsible for monitoring and adhering to their adopted budget. As shown on Table 2 below after the second quarter, all divisions are within a normal expenditure range. IWA will continue to monitor expenses to ensure adherence to the budget.

**Table 2 - Operating Fund Expenditures - By Division**

	<b>Budget</b>	<b>Actual</b>	<b>% of</b>
	<b>FY 2011-12</b>	<b>Dec. 31, 2011</b>	<b>Budget</b>
Commission	\$ 10,334	\$ 4,820	46.6%
Administration/ Engineering	5,090,512	2,212,028	43.5%
Production	3,545,209	1,316,801	37.1%
Transmission Distribution	1,828,507	852,484	46.6%
Finance/Customer Service	1,759,689	791,360	45.0%
<b>Total Expenditures</b>	<b>\$ 12,234,251</b>	<b>\$ 5,177,493</b>	<b>42.3%</b>

### *Administration/Engineering*

The Authority recently awarded a contract for the Water Master Plan Update and will be incorporating the results of the Near Term CIP project identifying zone requirements and fire flow deficiencies in the distribution system.

### *Production*

The Authority is making needed improvements in its water operations division, by upgrading SCADA (Supervisor Control and Data Acquisition). These enhancements will enable IWA to better control and monitor operations to promote energy efficiency and also creates the ability to pull real-time operational data for useful evaluation of future capital improvement projects.

### *Transmission Distribution*

Directional and hydrant flushing of the water system along with valve turning to maintain water quality has been an ongoing effort of the distribution department.

With a renewed focus on safety, this department now participates in weekly OSHA compliant tailgate meetings and is committed to an injury free workplace. The distribution department has also coordinated major water main shut downs for Indio High School, Pulte Homes, Desert Meadows and a healthcare facility.

*Finance/Customer Service*

Recently the Authority started a project to revamp its website. The new site will provide updated messages to customers regarding water quality and resources, will be easier to navigate, and poise the Authority for future online services such as E-billing. Audited financial statements for FY 2010-11 have been completed by Moss, Levy & Hartzheim and will be brought to the commission for approval in February and made available online in the coming months. Lockbox decisioning enhancements will be fully implemented by the upcoming quarter. These enhancements will enhance the process of posting customer's payments.

3. CAPITAL OUTLAY

Capital Outlay includes the purchase of capital equipment, vehicles, and capital maintenance projects that are not part of the Capital Improvement Program (CIP). As referenced in Table 3 below the \$420,000 capital outlay budget for FY 2011-12 covers a leak detection program, small meter change out program, facility maintenance, well maintenance, water improvements and a long range financial planning model.

**Table 3 - Operating Fund Expenditures - Capital Outlay By Division**

	<b>Budget</b>	<b>Actual</b>	<b>% of</b>
	<b>FY 2011-12</b>	<b>Dec. 31, 2011</b>	<b>Budget</b>
Administration/ Engineering		-	0.0%
Production	340,000	56,163	16.5%
Transmission Distribution	-	-	0.0%
Finance/Customer Service	80,000	-	0.0%
<b>Total Expenditures</b>	<b>\$ 420,000</b>	<b>\$ 56,163</b>	<b>13.4%</b>

#### 4. INTERNAL SERVICE (IS)

These funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City, or to other Government entities, on a cost allocation basis. This budget component includes: risk management, buildings and grounds maintenance, information technology, centralized services, and fleet maintenance.

The IS current fiscal year's budget is \$1,370,241. Through the second quarter, Internal service expenses total \$687,404 or 50% of the budget.

#### **E. OUTSTANDING DEBT**

On October 1, 2006, the Indio Water Authority issued \$61,795,000 Enterprise Revenue Bond 2006 Series. Some of the proceeds were used to repay the 2004 Bond Series, and the remainder is used for capital maintenance and capital projects to build new reservoirs, wells and boosters, pipelines, and for system administration. The Bonds are paid from net revenues of IWA and from certain funds held under the indenture. The Water Authority has an A+ rating which makes using Bonds the preferred method to fund large capital maintenance projects. With interest rates being at an all-time low for preferred borrowers, spreading the cost to repay the loan over a much longer period equates to lower water utility rates to our consumers. It also allows the Water Authority more flexibility in managing cash flows to cover internal and external costs. At the beginning of FY 2011-12, the total outstanding bonded debt was approximately \$59,290,000.

Debt service is budgeted in Non-Departmental/Debt Service as \$4,162,738 with a principle payment of \$1,320,000 and interest of \$2,842,738. The 2006 Enterprise Revenue bond matures in 2036.

At this time Indio Water Authority meets its debt coverage ratio at 1.20 percent but does not have additional bonding capacity with current rate structure and expenditures.

#### **F. EQUIPMENT REPLACEMENT FUND**

The Authority has an equipment replacement fund separate from the City. This fund is for the replacement of vehicles and equipment as needed. At the end of the second quarter for FY 2011-12, the balance of this fund is \$600,982. Through the second quarter, \$50,000 was transferred from fund 010 as approved in the operating budget. At mid-year the Authority has spent \$98,576 for the purchase of three vehicles as approved by the commission in the Spring of 2011.

The authorization to purchase of these vehicles was granted at the end of FY 2010-11. With time constraints and outfitting requirements, they were not purchased until the beginning of FY 2011-12. A budget adjustment is requested at this time to reflect the expenditure of these funds in the proper fiscal year.

**Recommended Motion:** *That the Indio Water Authority Commission approve and direct the IWA Finance Department to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
011-4713-471-63-10	Capital Outlay/Vehicles	\$159,000
Expected Offset:		
011-0000-273-00-00	Fund Equity/Retained Earnings	\$159,000

The Authority will continue to monitor vehicles and equipment to ensure safety and reliability of its daily operations.

**G. CAPITAL IMPROVEMENT PROGRAM (CIP)**

This section presents a summary of all CIP projects adopted with the passage of the FY 2011-12 budget. Capital improvements are projects that contribute to providing essential water services to customers and meeting regulatory requirements.

At the end of the second quarter of FY 2011-12, the Authority’s budgeted projects had a remaining total project cost of \$220,578 from the revenue bond and \$1,355,368 from Water Development impact fees. These available funds have been designated for projects during the current fiscal year.

The Authority is looking forward to a busy 2012. The Shadow Lake piping improvements, electrical safety audit, and Well 1B building enclosure project will all be under contract in February 2012. A distribution system audit/leak detection program, Well Z blow off piping, and Well S rehabilitation projects will be initiated in February. Due to canal crossing permit issues, construction of the canal crossing at Avenue 40 and Monroe Street and Terra Lago seismic retrofits are delayed. The chlorine tank containment project is moving forward as two (2) wells have been retrofitted with chlorine feed systems. The remaining eight (8) systems will be retrofitted by the end of the fiscal year.

## H. RESERVE FUND

The Authority hired a financial firm to evaluate the current reserve policy and recommend a comprehensive reserve policy based on the specific needs of Indio Water Authority. As a result on December 13, 2011, the Commission was presented with several reserve policies at varied reserve levels. Table 4 below is a summarized allocation of reserve funding levels, which are being reviewed by the Authority for approval and implementation.

**Table 4 – Proposed Reserve Policy Funds**

Priority Ranking	Reserve Funds Unrestrictive – Designated	Allocation	Target Level Moderate	Unfunded (difference)
1	Operating Reserve	\$ 4,000,000	\$ 4,000,000	
2	Capital Repair and Replacement/System Improvement Reserve	374,080	374,080	
3	Equipment Replacement Reserve	500,000	500,000	
4	Rate Stabilization Reserve	330,000	330,000	
5	Water Transfer Reserve	1,750,000	1,750,000	
6	Emergency Reserve	545,920	4,904,060	\$ 4,358,140
	<b>Total</b>	<b>\$ 7,500,000</b>	<b>\$ 11,858,140</b>	<b>\$ 4,358,140</b>

These six reserve policies recognize the importance of adopted policies relative to reserves and the funding of them. Reserves are prudent fiscal management tools, which are a cornerstone of long-term financial planning. The policies being considered provide both flexibility to continually adapt to change, ensure continued operational solvency, and preserve adequate levels of services.

## I. LONG RANGE FINANCIAL PLANNING (LRFP)

Staff is in the process of developing a suite of tools that will favorably position the IWA to anticipate necessary facility improvements and clearly identify future funding needs. Aging infrastructure is a challenge for all water utilities and the IWA is no exception. Through the development of the new CIP Viewer tool, staff will have the ability to prioritize asset replacement projects based on age of the asset, performance of the asset, probability of failure, number of customers impacted by failure and the estimated cost of construction.

The results of the Water Master Plan update will also be analyzed using the CIP Viewer tool allowing staff to anticipate future improvements related to growth, water quality challenges such as Chromium VI and the development of a supplemental

water supply. The resulting picture of future infrastructure needs will be fed into the Long Range Financial Planning model. This model will prepare multiple scenarios that will evaluate alternative funding strategies including rate increases, bond issuance, and the implementation of fees to ensure a sustainable water supply and system for IWA now and in the future.

**ATTACHMENT A: REVENUE AND EXPENDITURE SUMMARY - OPERATING FUNDS**

Indio Water Authority  
 Revenue & Expenditure Summary-Operating Fund  
 Quarter Ending December 31, 2011

50% of Year Elapsed

REVENUES	Revenue through		Variance			
	12/31/2010	12/31/2011	FY 2011 vs. 2012	Percentage Change	Budget FY 2011/12	Percentage FY 2011/12
<b>Operating Revenue</b>						
Water Utility Payments	7,851,934	7,870,824	18,890	0.2%	15,038,548	52.3%
Other Operating			-			
Water Meters	41,014	39,839	(1,175)	-2.9%	72,500	55.0%
Backflow Charges	88,757	88,198	(559)	-0.6%	145,472	60.6%
Fire Protection Charges	26,430	31,750	5,320	20.1%	50,651	62.7%
Replenish Assmnt Charge	270,712	351,213	80,501	29.7%	736,000	47.7%
Charges for Services	176,081	164,185	(11,896)	-6.8%	317,441	51.7%
Establishment Fee	41,378	43,168	1,790	4.3%	97,820	44.1%
Reimbursements/Recovery of Labor	4,427	68,896	64,469	1456.3%	50,000	137.8%
<b>Total Operating Revenue</b>	<b>8,500,733</b>	<b>8,658,073</b>	<b>157,340</b>	<b>1.9%</b>	<b>16,508,432</b>	<b>52.4%</b>
<b>Non-Operating Revenue</b>						
Interest Earnings	90,496	48,599	(41,897)	-46.3%	219,000	22.19%
<b>Total Non-Operating Revenue</b>	<b>90,496</b>	<b>48,599</b>	<b>(41,897)</b>	<b>-46.3%</b>	<b>219,000</b>	<b>22.19%</b>
<b>Total Revenues</b>	<b>8,591,229</b>	<b>8,706,672</b>	<b>115,443</b>	<b>1.3%</b>	<b>16,727,432</b>	<b>52.1%</b>

EXPENDITURES	Expenditures through		Variance			
	12/31/2010	12/31/2011	FY 2011 vs. 2012	Percentage Change	Budget FY 2011/12	Percentage FY 2011/12
<b>Personnel</b>						
Salary and Benefits	1,732,893	1,920,334	187,441	10.8%	4,138,837	46.4%
<b>Total Personnel</b>	<b>1,732,893</b>	<b>1,920,334</b>	<b>187,441</b>	<b>10.8%</b>	<b>4,138,837</b>	<b>46.4%</b>
<b>Services and Supplies</b>						
Legal	71,116	22,988	(48,128)	-67.7%	95,000	24.2%
Professional/Contract Services	598,794	216,284	(382,510)	-63.9%	836,147	25.9%
Regulatory/Government Agency	238,062	347,638	109,576	46.0%	811,000	42.9%
Utilities	623,192	714,642	91,450	14.7%	1,600,000	44.7%
Outside Repair & Maint	83,960	60,479	(23,481)	-28.0%	208,140	29.1%
Travel & Training	9,785	15,620	5,835	59.6%	42,500	36.8%
Dues and Subscriptions	19,191	29,798	10,607	55.3%	50,000	59.6%
Postage Freight	96,196	46,075	(50,121)	-52.1%	123,900	37.2%
Conservation Programs	16,280	27,803	11,523	70.8%	130,913	21.2%
Telephones	2,618	1,165	(1,453)	-55.5%	7,000	16.6%
Cell Phones	7,012	5,642	(1,370)	-19.5%	14,200	39.7%
Pagers	571	230	(341)	-59.7%	1,700	13.5%
Rents/Leases	633,631	652,696	19,065	3.0%	1,305,273	50.0%
Printing	76,881	28,406	(48,475)	-63.1%	92,200	30.8%
Water Meters & Parts	219,529	209,729	(9,800)	-4.5%	462,700	45.3%
Supplies & Safety Equipment	1,499	5,233	3,734	249.1%	24,750	21.1%
Chemical Lab	36,194	35,540	(654)	-1.8%	81,500	43.6%
Contingency	-	-	-	0.0%	231,000	0.0%
Internal Service Funds	604,983	687,404	82,421	13.6%	1,370,241	50.2%
Transfer out	125,000	93,624	(31,376)	-25.1%	187,250	50.0%
<b>Total Services and Supplies</b>	<b>3,464,494</b>	<b>3,200,996</b>	<b>(263,498)</b>	<b>-7.6%</b>	<b>7,675,414</b>	<b>41.7%</b>
<b>Total - Operations</b>	<b>5,197,387</b>	<b>5,121,330</b>	<b>(76,057)</b>	<b>-1.5%</b>	<b>11,814,251</b>	<b>43.3%</b>

**ATTACHMENT A: REVENUE AND EXPENDITURE SUMMARY - OPERATING FUNDS**

Continuation of Report:

50% of Year Elapsed

EXPENDITURES	Expenditures through		FY 2011 vs. 2012	Variance		
	12/31/2010	12/31/2011		Percentage Change	Budget FY 2011/12	Percentage FY 2011/12
<b>Capital Outlay</b>						
Equipment	-	-	-	0.0%	-	0%
Projects	198,620	56,163	(142,457)	-71.7%	420,000	13%
<b>Total Capital Outlay</b>	<b>198,620</b>	<b>56,163</b>	<b>(142,457)</b>	<b>-71.7%</b>	<b>420,000</b>	<b>13.4%</b>
<b>Total Operations &amp; Capital Outlay</b>	<b>5,396,007</b>	<b>5,177,493</b>	<b>(218,514)</b>	<b>-4.0%</b>	<b>12,234,251</b>	<b>42.3%</b>
<b>Debt Service</b>						
Interest -Revenue Bonds	813,204	1,426,913	613,709	75.5%	2,842,738	50%
Principal Revenue Bonds	640,000	660,000	20,000	3.1%	1,320,000	50%
<b>Total Debt Service</b>	<b>1,453,204</b>	<b>2,086,913</b>	<b>633,709</b>	<b>43.6%</b>	<b>4,162,738</b>	<b>50%</b>
<b>Total Operations and Debt Service</b>	<b>6,849,211</b>	<b>7,264,406</b>	<b>415,195</b>	<b>39.6%</b>	<b>16,396,989</b>	<b>44.3%</b>



**ATTACHMENT B: SECOND QUARTER BUDGET RECAP**

IWA 2ND QUARTER BUDGET RECAP 2011/2012  
 THRU DECEMBER 2011 (6 MONTHS, 50%)  
 SUMMARY REPORT

50% of Year Elapsed

<b>Revenue</b>	<b>Budget 11/12</b>	<b>Through 12/31/2011</b>	<b>% Earned</b>
Water Sales	15,038,548	7,870,824	52%
Meter and Service Fees	1,469,884	787,249	54%
Investment Income	219,000	48,599	22%
<b>Total Budgeted Revenue</b>	<b>16,727,432</b>	<b>8,706,672</b>	<b>52.1%</b>

<b>Expenditures</b>	<b>Budget 11/12</b>	<b>Through 12/31/2011</b>	<b>% Spent</b>
Salary and Benefits	4,138,837	1,920,334	46%
Legal	95,000	22,988	24%
Professional/Contract Services	836,147	216,284	26%
Regulatory/Government Agency	811,000	347,638	43%
Utilities	1,600,000	714,642	45%
Outside Repair & Maint	208,140	60,479	29%
Travel & Training	42,500	15,620	37%
Dues and Subscriptions	50,000	29,798	60%
Postage Freight	123,900	46,075	37%
Conservation Programs	130,913	27,803	21%
Telephones	7,000	1,165	17%
Cell Phones	14,200	5,642	40%
Pagers	1,700	230	14%
Rents/Leases	1,305,273	652,696	50%
Printing	92,200	28,406	31%
Water Meters & Parts	462,700	209,729	45%
Supplies & Safety Equipment	24,750	5,233	21%
Chemical Lab	81,500	35,540	44%
Contingency	231,000	-	0%
<b>Capital Outlay</b>	<b>420,000</b>	<b>56,163</b>	<b>13%</b>
<b>Internal Service Funds</b>	<b>1,370,241</b>	<b>687,404</b>	<b>50%</b>
<b>Transfer Outs</b>	<b>187,250</b>	<b>93,624</b>	<b>50%</b>
<b>Total Appropriations</b>	<b>12,234,251</b>	<b>5,177,493</b>	<b>42.3%</b>
<b>Debt Service</b>	<b>4,162,738</b>	<b>2,086,913</b>	<b>50.1%</b>
<b>Total Budgeted Appropriations</b>	<b>16,396,989</b>	<b>7,264,406</b>	<b>44.3%</b>
<b>Projected Revenue Over Expenditures (+/ - )</b>	<b>330,443</b>	<b>1,442,266</b>	