

Tab 4

Metropolitan Water District of Salt Lake & Sandy
Board Packet Information
Last Update: April 5, 2023

Agenda Item: Consider adoption of FY 2024 tentative budget

Background: Annually, during the April board meeting, the Board of Trustees adopts the tentative budget. Prior to this meeting, staff members have presented sections, or all, of the tentative budget to different standing committees of the Board.

Committee Activity: During the February 6, 2023 Engineering Committee meeting, there was a preliminary discussion on the FY24 capital budget. The Management Advisory Committee reviewed the staffing and compensation recommendations for the FY24 budget during the March 7, 2023 committee meeting. The Board has received the FY24 budget books. During the April 3, 2023 board meeting, the board received and reviewed an updated version of the FY24 Executive Summary and Cash Flow.

Recommendation: Adoption of the tentative budget by the Board.

METROPOLITAN WATER DISTRICT
Balance Sheet - Summary
As of February 28, 2023
66.67% of Budget Completed

ASSETS	<u>02/28/23</u>	<u>01/31/23</u>	<u>02/28/22</u>
Current Assets:			
1 Accounts Receivable	\$ 5,962,657	\$ 4,972,846	\$ 5,735,175
2 Inventories	344,307	341,086	338,657
3 Prepaid Expenses	280,111	340,261	338,825
Reserve Funds:			
4 Operations & Maintenance Fund	22,170,331	25,615,238	26,422,158
5 Renewal and Replacement Reserve	650,000	650,000	650,000
6 Interest Rate Stabilization Reserve	3,284,866	3,284,866	3,284,866
7 Capital Projects Reserve	6,047,413	6,047,413	5,808,007
8 ASR Reserve	682,216	3,058,706	3,355,467
9 Self Insurance/Contingency Reserve	2,000,000	2,000,000	2,000,000
10 Jordan Aqueduct Reserve	44,325	44,325	44,108
11 JVWTP O&M Agreement	20,000	20,000	20,000
12 150th South Pipeline Agreement	36,362	36,362	36,183
13 TOTAL CURRENT ASSETS	41,522,588	46,411,103	48,033,446
Restricted Assets:			
2012 Series Bond			
14 Bond Fund Account 2012A	-	-	5,059,035
15 Bond Fund Account 2012B	518,790	451,729	884,176
2015 Series Bond			
16 Bond Fund Account 2015A	216,027	178,054	210,077
2016 Series Bond			
17 Bond Fund Account 2016A	329,623	166,022	326,789
2020 Series Bond			
18 Bond Fund Account 2020A	6,922,338	5,985,637	1,052,273
2021 Series Bond			
19 Bond Fund Account 2021A	342,394	172,455	339,474
20 Bond Fund Account 2021B	27,621	13,912	27,385
21 TOTAL RESTRICTED ASSETS	8,356,793	6,967,809	7,899,209
Fixed Assets:			
22 Land & Right-of-Way	22,023,773	22,023,773	22,028,673
23 Buildings & Improvements	287,740,831	287,740,831	288,717,732
24 Machinery & Equipment	17,077,354	17,077,354	19,286,238
25 Furniture & Fixtures	60,173	60,173	160,890
26 Transportation Equipment	1,394,778	1,345,615	1,325,698
27 Aqueduct & Appurtenances	111,991,784	111,991,784	112,515,740
28 Water Rights - PRWUA	18,188,008	18,188,008	33,565,711
29 Investment in Surface Water	135,189,064	135,189,064	58,349,684
Construction in Progress:			
30 CIP - Jordan Aqueduct System	1,596,511	1,596,511	705,705
31 CIP - Provo River Project	-	-	3,614,328
32 CIP - Central Utah Project	3,815,423	3,815,423	2,971,200
33 CIP - CUP ULS New Supply Assessment	-	-	844,223
34 CIP - Aquifer Storage & Recovery	502,696	469,662	77,968
35 CIP - Other	2,323,336	2,128,589	597,885
36 TOTAL FIXED ASSETS	601,903,731	601,626,787	544,761,675
37 Less: Accumulated Depreciation	<u>(186,967,592)</u>	<u>(186,117,297)</u>	<u>(180,186,695)</u>
38 NET FIXED ASSETS	414,936,139	415,509,490	364,574,980
Other Assets:			
39 Investment in ULWUA	-	-	2,372,689
40 Investments	30,344,582	30,258,907	20,243,088
41 Net Pension Asset	<u>2,500,167</u>	<u>2,500,167</u>	<u>-</u>
42 TOTAL OTHER ASSETS	32,844,749	32,759,074	22,615,777
43 TOTAL ASSETS	\$ 497,660,269	\$ 501,647,476	\$ 443,123,412

METROPOLITAN WATER DISTRICT
Balance Sheet - Summary
As of February 28, 2023
66.67% of Budget Completed

	02/28/23	01/31/23	02/28/22
Deferred Outflow of Resources:			
44 Refinance Term Costs - 2021A	\$ 494,652	\$ 497,725	\$ 531,521
45 Refinance Term Costs - 2021B	9,911,084	10,022,445	11,247,410
46 Deferred Amount on Refunding - 2002B	17,760	21,312	60,382
47 Deferred Amount on Refunding - 2004	64,521	77,425	219,372
48 Deferred Amount on Refunding - 2005A	449,472	475,912	766,747
49 Deferred Amount on Refunding - 2009A	3,464,479	3,498,781	3,876,101
50 Deferred Bond Refunding - 2021A	1,859,800	1,871,352	1,998,419
51 Deferred Bond Refunding - 2021B	482,142	487,559	547,150
52 Deferred Outflows Relating to Pensions	1,081,526	1,081,526	782,721
53 TOTAL DEFERRED OUTFLOW OF RESOURCES	17,825,436	18,034,037	20,029,823
54 TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	<u>\$ 515,485,705</u>	<u>\$ 519,681,513</u>	<u>\$ 463,153,235</u>
LIABILITIES AND NET ASSETS			
Current Liabilities:			
55 Accounts Payable	\$ 906,676	\$ 5,684,661	\$ 417,239
56 Interest Payable - Bonds	874,957	437,478	938,508
57 Vacation Payable	559,160	540,207	475,513
58 Sick Leave Payable	96,475	96,475	95,925
59 Deferred Revenue	3,750,732	3,750,732	936,018
60 Bonds Payable, Current	10,435,000	10,435,000	10,125,000
61 CUP Water Supply Payable-CP	2,971,200	2,971,200	-
62 TOTAL CURRENT LIABILITIES	19,594,200	23,915,753	12,988,203
Long-Term Liabilities:			
63 Bonds Payable - Series 2012A	-	-	7,510,000
64 Bonds Payable - Series 2012B	770,000	770,000	2,075,000
65 Bonds Payable - Series 2015A	4,225,000	4,225,000	4,495,000
66 Bonds Payable - Series 2016A	59,200,000	59,200,000	59,200,000
67 Bonds Payable - Series 2020A	64,625,000	64,625,000	65,975,000
68 Bonds Payable - Series 2021A	43,340,000	43,340,000	43,340,000
69 Bonds Payable - Series 2021B	12,240,000	12,240,000	12,240,000
70 Reoffering Premium - 2012A	-	-	578,939
71 Reoffering Premium - 2012B	49,760	59,712	169,184
72 Reoffering Premium - 2015A	459,231	462,583	499,455
73 Reoffering Premium - 2016A	3,237,797	3,269,854	3,622,486
74 Reoffering Premium - 2021A	14,548,386	14,638,749	15,632,738
75 Net Pension Liability	-	-	220,100
76 CUP Water Supply Payable	68,337,600	68,337,600	-
77 Less Bonds Payable, Current	(10,435,000)	(10,435,000)	(10,125,000)
78 TOTAL LONG-TERM LIABILITIES	<u>260,597,774</u>	<u>260,733,498</u>	<u>205,432,902</u>
79 TOTAL LIABILITIES	<u>280,191,974</u>	<u>284,649,251</u>	<u>218,421,105</u>
Deferred Inflow of Resources:			
80 Deferred Bond Refunding - 2012A (2019)	879,239	899,222	1,119,032
81 Deferred Bond Refunding - 2012A (2020)	1,778,667	1,840,000	2,514,667
82 Deferred Inflows Relating to Pensions	3,418,975	3,418,975	1,615,894
83 TOTAL DEFERRED INFLOW OF RESOURCES	<u>6,076,881</u>	<u>6,158,197</u>	<u>5,249,593</u>
84 TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	<u>286,268,855</u>	<u>290,807,448</u>	<u>223,670,698</u>
Net Assets:			
85 Invested in Capital Assets, Net of Related Debt	222,511,548	223,076,458	157,420,830
Restricted Assets:			
86 Future Debt Service	8,356,793	6,967,809	7,899,209
87 Operations & Maintenance Restriction	5,699,658	4,659,163	4,435,938
88 Renewal and Replacement	650,000	650,000	650,000
89 150th South Pipeline Agreement	36,362	36,362	36,183
90 JWTP O&M Agreement	20,000	20,000	20,000
91 Jordan Aqueduct Reserve	44,325	44,325	44,108
92 Unrestricted	(8,101,836)	(6,580,052)	68,976,269
93 TOTAL NET ASSETS	<u>229,216,850</u>	<u>228,874,065</u>	<u>239,482,537</u>
94 TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET ASSETS	<u>\$ 515,485,705</u>	<u>\$ 519,681,513</u>	<u>\$ 463,153,235</u>

METROPOLITAN WATER DISTRICT
Capital Report
For the Month Ending February 28, 2023
66.67% of Budget Complete

	Account Name	Account Number	Current Month	Year to Date	Total Budget	Amount Remaining	% of Budget Used
CAPACITY IMPROVEMENT PROJECTS							
1	Managed Aquifer Recharge Design and Construction*	1865	\$ 33,034.30	\$ 346,296.90	\$ 5,000,000.00	\$ 4,653,703.10	6.93 %
2	Capacity Improvement Projects		33,034.30	346,296.90	5,000,000.00	4,653,703.10	6.93%
NON-CAPACITY IMPROVEMENT PROJECTS							
3	LCWTP Standby Generator Replacement	1845	2,125.00	18,024.00	25,000.00	6,976.00	72.10%
4	PC/S Hardware Replacement	1845C	-	-	200,000.00	200,000.00	0.00%
5	SCS Hardware and Software Replacement	1845F	3,568.50	105,794.55	600,000.00	494,205.45	17.63%
6	Salt Lake Aqueduct Replacement - Cottonwoods Conduit**	1802C	-	-	100,000.00	100,000.00	0.00%
7	Fleet Replacement Program	1848	49,163.59	136,295.59	215,000.00	78,704.41	63.39%
8	Little Dell Dam Improvements**	1840	-	-	501,920.00	501,920.00	0.00%
9	Repair and Replace		189,053.62	405,872.94	947,000.00	541,127.06	42.86 %
10	Non-Capacity Improvement Projects		243,910.71	665,987.08	2,588,920.00	1,922,932.92	25.72%
OTHER CAPITAL IMPROVEMENT PROJECTS							
11	Jordan Aqueduct System and 150th South Pipeline	1599	-	-	2,885,643.00	2,885,643.00	0.00 %
12	Other Capital Improvement Projects		0.00	0.00	2,885,643.00	2,885,643.00	0.00 %
INVESTMENTS IN WATER SOURCES							
13	Provo River Project (PRP) Capital**^	1852	-	-	2,306,481.00	2,306,481.00	0.00%
14	Central Utah Project (CUP) Capital	1853	-	3,815,423.00	3,815,423.00	-	100.00 %
15	Investments in Water Sources		0.00	3,815,423.00	6,121,904.00	2,306,481.00	62.32 %
16	GRAND TOTAL		\$ 276,945.01	\$ 4,827,706.98	\$ 16,596,467.00	\$ 11,768,760.02	29.09 %

* In accordance with the budget transfer approved by the board on October 17, 2022, \$2,376,490.21 was transferred from ASR Reserve funds, and \$1,723,509.79 was transferred from ARPA Grant funds as follows:

	FY 23 Budget	Transfer	Revised Budget
ASR Reserve	\$ -	\$ (2,376,490.21)	\$ -
ARPA Grant	\$ -	\$ (1,723,509.79)	\$ -
CIP Aquifer Storage & Recovery	\$ 900,000.00	\$ 4,100,000.00	\$ 5,000,000.00

** In accordance with the budget transfer approved by the board on January 23, 2023, \$100,080.00 was transferred from Little Dell Dam Improvements project funds as follows (the overall capital budget amount did not change):

	FY 23 Budget	Transfer	Revised Budget
Little Dell Dam Improvements	\$ 602,000.00	\$ (100,080.00)	\$ 501,920.00
Salt Lake Aqueduct Replacement - Cottonwoods Conduit	\$ -	\$ 100,000.00	\$ 100,000.00
Provo River Project (PRP) Capital	\$2,306,401.00	\$ 80.00	\$ 2,306,481.00

^ Provo River Project costs are now being accounted for in their entirety as Operations and Maintenance expenses.

METROPOLITAN WATER DISTRICT
Revenue Statement
For the Month Ending February 28, 2023
66.67% of Budget Complete

	Current Month	Year to Date	Total Budget	% of Budget Used	Prior YTD Actual	Prior Year Total	% Prior Year Use	Average 3 Years	Average 3 YTD (Actual Dollars)	
OPERATING REVENUE										
Water Sales:										
1	Salt Lake City	\$ 1,385,240.25	\$ 11,081,922.00	\$ 16,622,883.00	66.67%	\$ 10,759,148.00	\$ 16,138,722.00	66.67%	66.67%	\$ 10,550,232.43
2	Sandy City	538,704.58	4,309,636.64	6,464,455.00	66.67%	4,184,112.64	6,276,168.96	66.67%	66.67%	4,102,867.79
3	Water Sales for Others	30,271.12	935,319.18	1,516,011.00	61.70 %	650,550.98	1,290,843.14	50.40 %	62.78 %	697,354.68
4	TOTAL OPERATING REVENUE	1,954,215.95	16,326,877.82	24,603,349.00	66.36%	15,593,811.62	23,705,734.10	65.78%	66.48%	15,350,454.89
OPERATING EXPENSES										
5	Administrative	99,257.15	1,082,113.72	1,772,430.00	61.05%	1,043,740.11	1,683,078.17	62.01%	58.41%	1,084,223.09
6	General	566,132.53	8,134,379.85	5,227,548.00	155.61%	3,441,082.04	8,202,507.56	41.95%	50.61%	2,985,190.68
7	Operations	210,984.31	2,332,976.02	4,087,959.00	57.07%	2,019,890.52	3,178,017.38	63.56%	65.82%	2,104,484.00
8	Maintenance	210,965.41	1,841,526.71	3,122,836.00	58.97%	1,553,553.95	2,470,252.42	62.89%	63.09%	1,466,872.64
9	Information Technology	158,469.75	1,064,708.04	2,017,921.00	52.76%	1,022,896.45	1,771,806.95	57.73%	59.17%	1,103,192.21
10	Engineering	110,728.15	791,486.72	1,473,485.00	53.72%	980,756.57	1,546,302.81	63.43%	62.47%	908,436.77
11	Instrumentation & Electrical	166,743.84	862,427.50	1,419,704.00	60.75%	782,701.61	1,270,249.55	61.62%	60.25%	498,523.42
12	Lab	74,704.31	593,076.75	924,127.00	64.18%	535,692.74	870,583.66	61.53%	61.84%	504,461.12
13	Non-Routine O&M	86,563.17	552,660.79	965,000.00	57.27 %	0.00	0.00	0.00 %	0.00 %	0.00
14	TOTAL OPERATING EXPENSES	1,684,548.62	17,255,356.10	21,011,010.00	82.13%	11,380,313.99	20,992,798.50	54.21%	58.42%	10,655,383.92
Revenue from Operations before Depreciation/Amortization										
15		269,667.33	(928,478.28)	3,592,339.00	-25.85%	4,213,497.63	2,712,935.60	155.31%	96.78%	4,695,070.97
16	Depreciation Expense	850,295.13	7,379,543.41	11,198,000.00	65.90%	7,353,773.57	11,047,486.91	66.57%	66.63%	7,259,058.23
17	Amortization Expense	(8,440.92)	(183,315.06)	(217,080.00)	84.45 %	(993,829.28)	(1,490,743.92)	66.67 %	66.65 %	(936,895.18)
18	Total Expenses	841,854.21	7,196,228.35	10,980,920.00	65.53%	6,359,944.29	9,556,742.99	66.55%	66.63%	6,322,163.05
19	REVENUE (LOSS) FROM OPERATIONS	(572,186.88)	(8,124,706.63)	(7,388,581.00)	109.96%	(2,146,446.66)	(6,843,807.39)	31.36%	35.09%	(1,627,092.08)
NON-OPERATING REVENUE										
20	General Property Taxes	47,139.05	10,439,310.18	11,096,818.00	94.07%	10,121,439.37	11,444,267.53	88.44%	87.49%	9,886,360.31
21	Fees in Lieu of Taxes	34,808.97	289,361.88	407,231.00	71.06%	296,561.57	445,979.96	66.50%	67.29%	300,570.71
22	Interest Revenue	237,249.06	1,329,022.21	411,387.00	323.06%	189,535.76	362,256.75	52.32%	67.07%	406,401.43
23	Prior Year Tax Collections	3,220.07	(71,562.22)	200,342.00	-35.72%	102,201.88	392,958.55	26.01%	36.66%	96,825.93
24	Special Assessment Revenue	1,005,393.33	7,943,146.64	12,701,368.00	62.54%	8,214,794.99	11,386,541.99	72.14%	70.88%	8,432,806.24
25	Encroachment Applications	0.00	41,454.39	0.00	0.00%	24,129.10	24,762.10	97.44%	71.31%	20,084.91
26	Miscellaneous	25,006.20	80,708.66	208,117.00	38.78%	2,942,824.99	130,533.79	2254.45%	944.00%	1,008,108.61
27	Gain/(Loss) on Disposal of Fixed Assets	0.00	15,649.50	0.00	0.00%	8,000.00	(14,907.38)	-53.66%	28.86%	2,666.67
28	Grant Funding	0.00	0.00	0.00	0.00%	0.00	60,567.82	0.00%	0.00%	0.00
29	Gain/(Loss) on PRWUA	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%	0.00%	0.00
30	Net Change of Investments	(362.73)	2,027.45	0.00	0.00 %	2,527.51	(486,922.76)	(0.52)%	(6.20)%	6,271.50
31	TOTAL NON-OPERATING REVENUE	1,352,453.95	20,069,118.69	25,025,263.00	80.20%	21,902,015.17	23,746,038.35	92.23%	87.73%	20,160,096.31
NON-OPERATING EXPENSE										
32	Interest Expense	437,478.28	3,499,825.81	4,434,740.00	78.92%	3,839,549.69	5,716,566.22	67.17%	67.09%	4,511,517.25
33	TRRP Contractual Obligations	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%	0.00%	0.00
34	Benefit Expense	0.00	0.00	0.00	0.00%	0.00	(951,826.00)	0.00%	0.00%	0.00
35	Actuarial Calculated Pension Expense	0.00	0.00	0.00	0.00 %	0.00	(264,165.00)	0.00 %	0.00 %	0.00
36	TOTAL NON-OPERATING EXPENSE	437,478.28	3,499,825.81	4,434,740.00	78.92 %	3,839,549.69	4,500,575.22	85.31 %	73.72 %	4,511,517.25
37	NET NON-OPERATING REVENUE (LOSS)	914,975.67	16,569,292.88	20,590,523.00	80.47 %	18,062,465.48	19,245,463.13	93.85 %	92.81 %	15,648,579.06
38	TOTAL DISTRICT NET REVENUE (LOSS)	\$ 342,788.79	\$ 8,444,586.25	\$ 13,201,942.00	63.96 %	\$ 15,916,018.82	\$ 12,401,655.74	128.34 %	114.71 %	\$ 14,021,486.98

MWDSLS Non-Capital Purchases over \$10,000

February 2023

Vendor	Invoice #	Check #	Amount	Description
Lundquist Sales	various	79225	12,237.26	LCWTP Steam System Parts - Pump Cover, Valves, Air Vent Kits, etc.
Bowen, Collins & Associates	various	79238	11,954.01	Little Cottonwood Creek - Supply Reliability Improvements Project
Dominion Energy	various	79269	12,692.85	Natural Gas
Elwell Consulting Group	2022-001-10	79270	20,728.06	Multi-Hazard Mitigation Plan
Kimley-Horn	23798074	79277	10,350.00	District Wide Pump Station Assessment Plan
Thatcher Company	various	79286	20,719.82	Chemicals
Accelerated Technology Laboratories, Inc	32262	79290	21,705.12	ATL Gold Support - 1 Year Renewal
Pilot Thomas Logistics	0632233-IN	79305	30,620.96	Diesel Fuel
Xylem Water Solutions U.S.A., Inc.	3556C59872	79319	48,321.00	Ozone Dielectrics
Health Equity		ACH	24,714.75	H.S.A. Contributions - February 2023
Central Utah Water Conservancy District		ACH	1,386,000.00	2022 Central Utah Project M&I
Lincoln Financial		ACH	12,740.87	Insurance Premiums - January/February 2023
Paylocity		ACH	69,192.26	Payroll Taxes 2/2/23
Paylocity		ACH	65,813.55	Payroll Taxes 2/16/23
Utah Retirement Systems		ACH	70,511.50	Retirement Contributions 2/2/23 Payroll
Utah Retirement Systems		ACH	68,732.20	Retirement Contributions 2/16/23 Payroll
Paylocity		ACH	163,346.50	Net Payroll 2/2/23
Paylocity		ACH	158,654.67	Net Payroll 2/16/23
Rocky Mountain Power		ACH	38,852.64	Electrical Services - December 2022/January 2023
Select Health		ACH	97,302.50	Medical Insurance Premiums - February 2023
Zions Bank		ACH	121,811.78	Zions Visa Commercial Card Payment; statement closing date 1/31/23
Zions Bank		ACH	65,610.42	2012B Bond Payment Transfer
Zions Bank		ACH	37,416.66	2015A Bond Payment Transfer
Zions Bank		ACH	163,245.83	2016A Bond Payment Transfer
Zions Bank		ACH	917,538.62	2020A Bond Payment Transfer
Zions Bank		ACH	169,570.83	2021A Bond Payment Transfer
Zions Bank		ACH	13,679.25	2021B Bond Payment Transfer

METROPOLITAN WATER DISTRICT
Balance Sheet - Summary Comparisons
As of February 28, 2023

	2/28/23	1/31/23	Difference
1 Accounts Receivable	5,962,657	4,972,846	989,811

Explanation: As of February 28th, water payments from both Salt Lake City and Sandy City for the prior month were still outstanding, whereas Sandy City was current at the end of January.

	2/28/23	1/31/23	Difference
4 Operations & Maintenance Fund	22,170,331	25,615,238	(3,444,907)

Explanation: Our annual payment to Central Utah Water Conservancy District was paid in February, totaling \$5,201,423. Additionally, the increase in the Accounts Receivable balance has contributed to the decrease in the cash balance over last month. Cash flow would have otherwise been positive.

	2/28/23	2/28/22	Difference
4 Operations & Maintenance Fund	22,170,331	26,422,158	(4,251,827)

Explanation: There have been two transfers made during the last year to the Investments account of \$5 million each, which has caused an overall decrease in the O&M Fund. There would otherwise have been a sizeable increase, as there has been a steady, positive net cash flow. Reference line 40, Investments.

	2/28/23	1/31/23	Difference
8 ASR Reserve	682,216	3,058,706	(2,376,490)

Explanation: This decrease in the ASR Reserve was the result of a capital budget transfer to help fund the advancement of work to be completed on the ASR project in FY 2023.

	2/28/23	2/28/22	Difference
31 CIP - Provo River Project	-	3,614,328	(3,614,328)

Explanation: In connection with the FY 2022 audit, it was determined that the District should record payments to Provo River Water Users Association as O&M expenses rather than capital items as done previously.

	2/28/23	2/28/22	Difference
40 Investments	30,344,582	20,243,088	10,101,494

Explanation: Two \$5 million transfers have been made from the O&M Fund account within the last year in order to generate greater interest revenue. Reference line 4, Operations & Maintenance Fund.

	2/28/23	1/31/23	Difference
55 Accounts Payable	906,676	5,684,661	(4,777,985)

Explanation: The January balance was high because our invoice from Central Utah Water Conservancy District was dated and posted in January, but the invoice was not paid until early February. The CUWCD invoice accounts for approximately \$5.2 million of the January balance.

METROPOLITAN WATER DISTRICT
Revenue Statement Comparisons
For the Month Ending February 28, 2023

	Year to Date	Average 3 YTD (Actual Dollars)	Difference
6 General (Operating Expenses)	8,134,379.85	2,985,190.68	5,149,189.17

Explanation: Most of this difference is the result of recording our annual payment to Provo River Water Users Association as O&M expenses rather than capital as we have in years past. This change in accounting methods was dictated by the FY 2022 audit. The payment to PRWUA totaled approximately \$3.9 million. Additionally, we paid \$1,386,000 to CUWCD for 2022 Central Utah Project M&I Water, which was about \$362k higher than the three-year average. A third contributing factor to this large difference is a significant rate increase in the price of natural gas. Current year-to-date natural gas expenditures are \$587k above the three-year average.

	Year to Date	Total Budget	Difference
23 Prior Year Tax Collections (Non-Operating Revenue)	(71,562.22)	200,342.00	(271,904.22)

Explanation: In connection with the FY 2022 audit, it was determined that the District should include an accrual at year end to represent delinquent taxes still owed to the District. The negative balance for the current year is the resulting effect of the reversal of that accrual, and it will be offset as prior year taxes are received. This account will always reflect a positive balance by the year's end.

	Year to Date	Average 3 YTD (Actual Dollars)	Difference
26 Miscellaneous (Non-Operating Revenue)	80,708.66	1,008,108.61	(927,399.95)

Explanation: This difference is the result of billing for the ARPA grant funding in January of last year. The Grant Funding account was established later on, and the funds were eventually moved there.

Fraud Risk Assessment

Continued

*Total Points Earned: 375 /395 *Risk Level: Very Low Low Moderate High Very High
> 355 316-355 276-315 200-275 < 200

	Yes	Pts
1. Does the entity have adequate basic separation of duties or mitigating controls as outlined in the attached Basic Separation of Duties Questionnaire?	✓	200
2. Does the entity have governing body adopted written policies in the following areas:		
a. Conflict of interest?	✓	5
b. Procurement?	✓	5
c. Ethical behavior?	✓	5
d. Reporting fraud and abuse?	✓	5
e. Travel?	✓	5
f. Credit/Purchasing cards (where applicable)?	✓	5
g. Personal use of entity assets?	✓	5
h. IT and computer security?	✓	5
i. Cash receipting and deposits?	✓	5
3. Does the entity have a licensed or certified (CPA, CGFM, CMA, CIA, CFE, CGAP, CPFO) expert as part of its management team?		20
a. Do any members of the management team have at least a bachelor's degree in accounting?	✓	10
4. Are employees and elected officials required to annually commit in writing to abide by a statement of ethical behavior?	✓	20
5. Have all governing body members completed entity specific (District Board Member Training for local/special service districts & interlocal entities, Introductory Training for Municipal Officials for cities & towns, etc.) online training (training.auditor.utah.gov) within four years of term appointment/election date?	✓	20
6. Regardless of license or formal education, does at least one member of the management team receive at least 40 hours of formal training related to accounting, budgeting, or other financial areas each year?	✓	20
7. Does the entity have or promote a fraud hotline?	✓	20
8. Does the entity have a formal internal audit function?	✓	20
9. Does the entity have a formal audit committee?	✓	20

*Entity Name: Metropolitan Water District of Salt Lake & Sandy

*Completed for Fiscal Year Ending: 2023 *Completion Date: _____

*CAO Name: Annalee Munsey *CFO Name: Michael J. DeVries

*CAO Signature: _____ *CFO Signature: _____

*Required