

City of Dixon Water Operation Financial History - Supplemental

OCTOBER 26, 2023

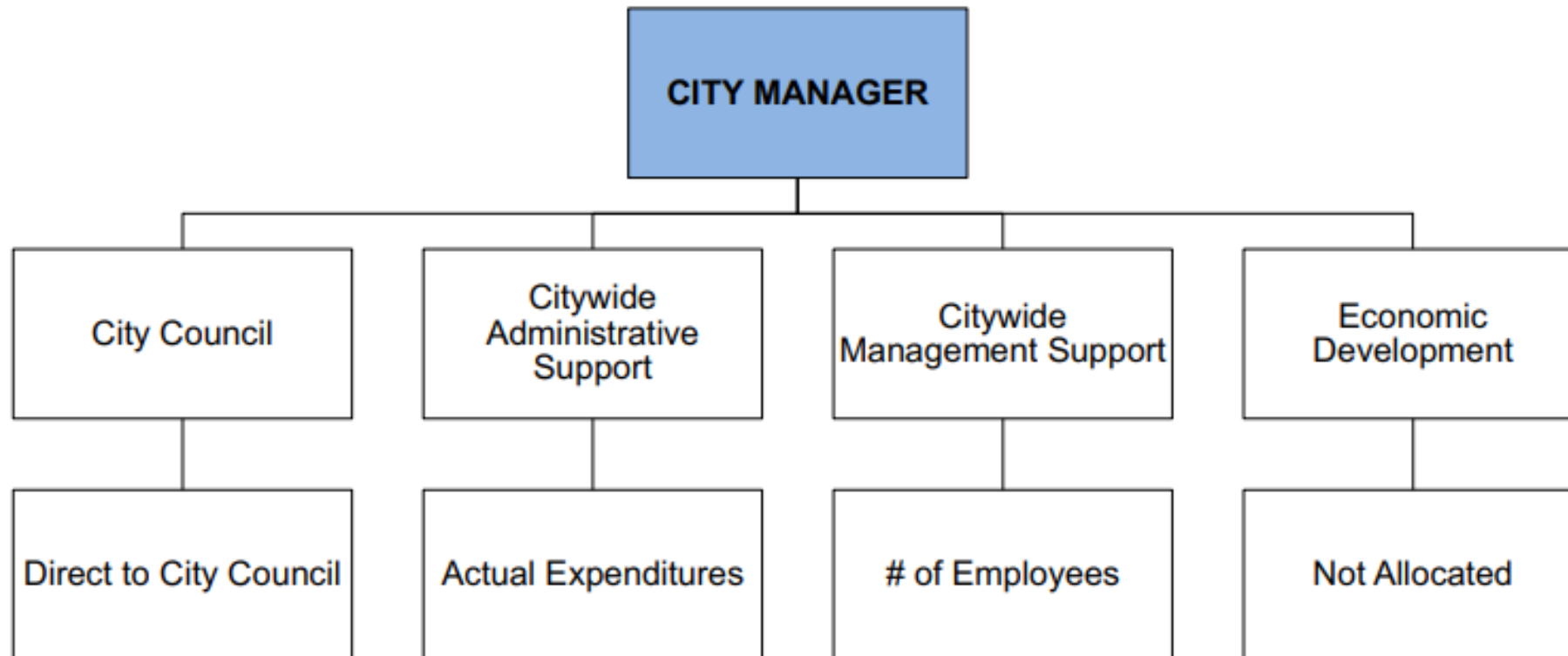
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Question #1

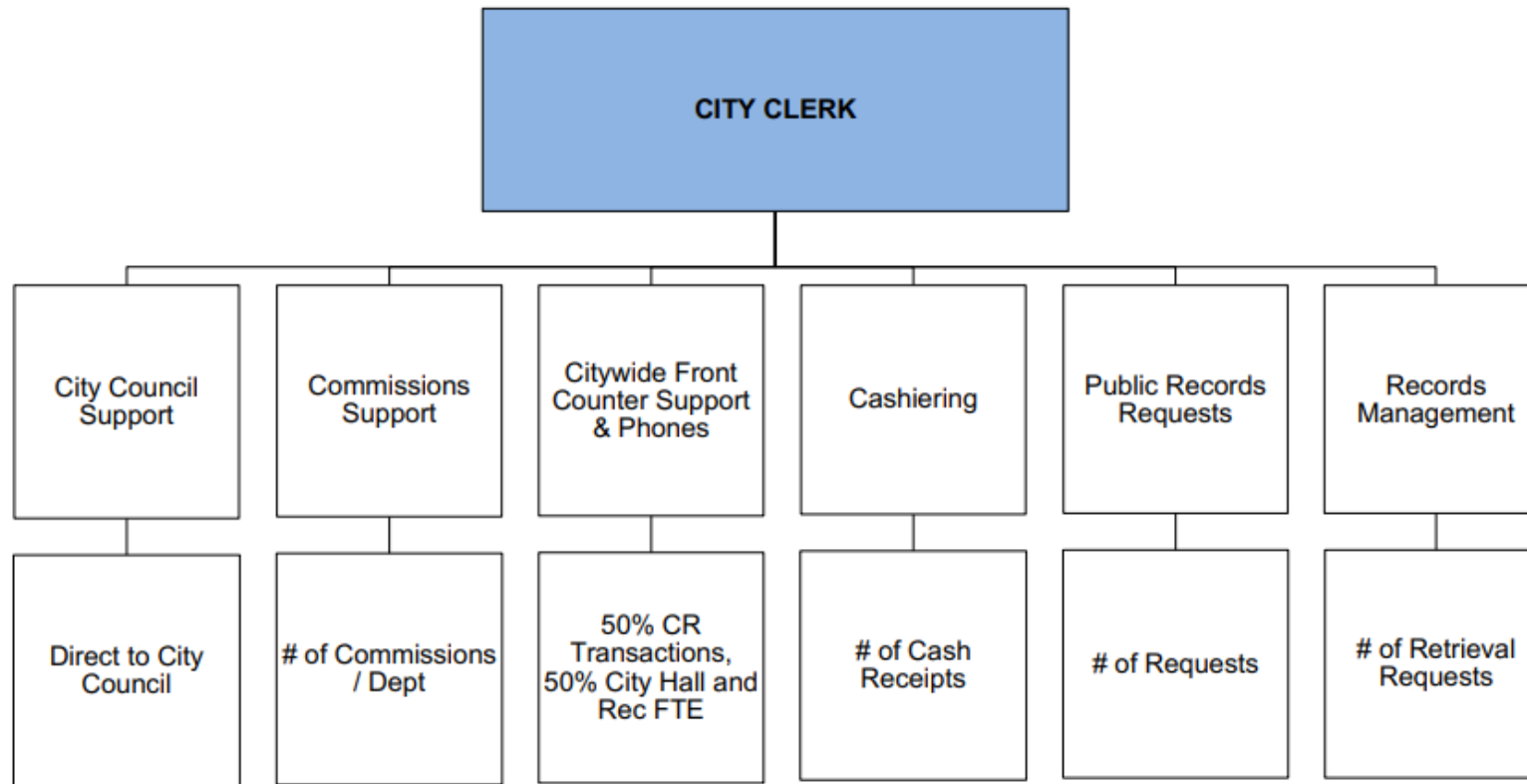
How is the City cost allocation applied to the Water operations?

Function	2023 Water Allocation	Total 2022 Cost	Water % of Costs
Building Use	\$ 1,706	\$ 266,721	0.6%
City Manager	\$ 11,863	\$ 767,090	1.5%
City Clerk	\$ 23,106	\$ 544,440	4.2%
Finance	\$ 224,430	\$ 1,546,804	14.5%
Human Resources	\$ 14,395	\$ 378,864	3.8%
Information Technology	\$ 1,677	\$ 320,561	0.5%
City Attorney	\$ 1,551	\$ 145,728	1.1%
Total	\$ 278,728	\$ 3,970,208	7.0%

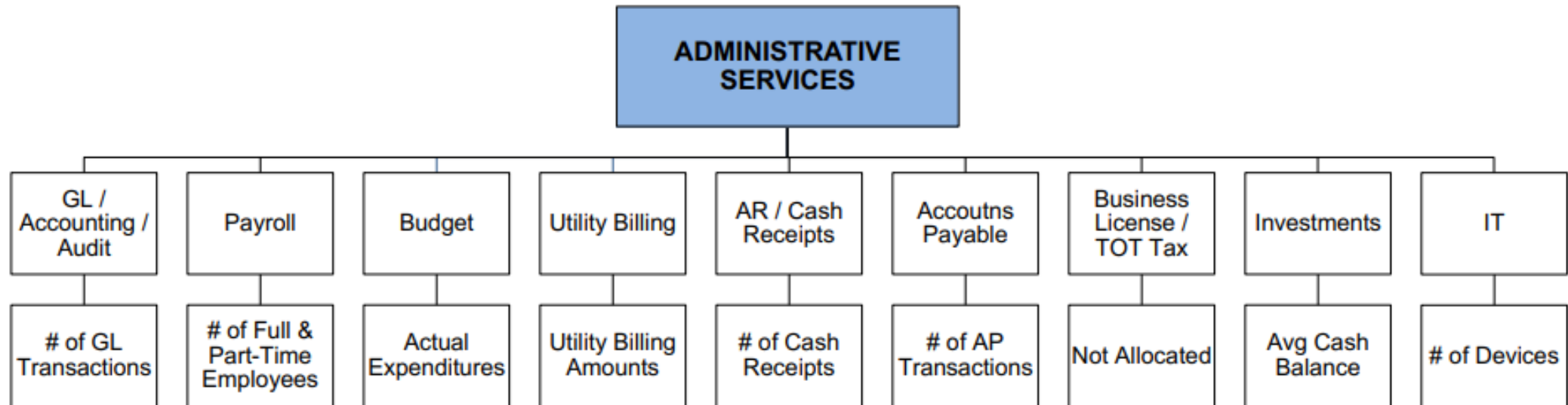
Cost Allocation Basis – City Manager



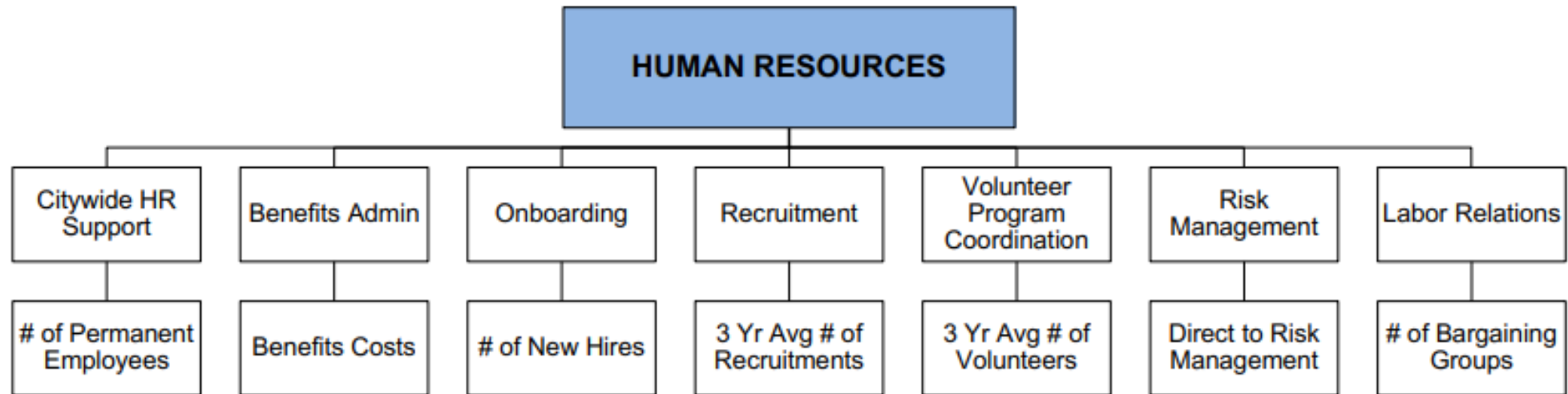
Cost Allocation Basis – City Clerk



Cost Allocation Basis – Administrative Services



Cost Allocation Basis – Human Resources



Question #2

How much in indirect cost charges have been applied to Water operations?

City Staff Time and Indirect Cost Application

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Staff Salary cost	\$ 47,287	\$ 17,042	\$ 16,942	\$ 10,114	\$ 3,907
Indirect Cost Charge	\$ 39,248	\$ 12,995	\$ 13,987	\$ 6,541	\$ 2,527
Total Charge	\$ 86,535	\$ 30,037	\$ 30,929	\$ 16,655	\$ 6,434

Question #3 and #4

What is the cash flow of water operations and what are the projected cash and reserve balances for FY 2023?

Cash Flow Summary

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Beginning Balance	\$ 2,215,061	\$ 2,258,484	\$ 3,586,605	\$ 5,794,066
Received from Customers	\$ 2,097,245	\$ 3,521,694	\$ 4,282,787	\$ 3,219,926
Investment Earnings	\$ 79,710	\$ 117,160	\$ 36,982	\$ (123,929)
Salaries & Benefits	\$ (380,211)	\$ (462,018)	\$ (488,152)	\$ (517,370)
Paid for goods and services	\$ (1,202,742)	\$ (1,465,426)	\$ (1,212,271)	\$ (1,248,909)
Transfers Out	\$ (186,218)	\$ (223,563)	\$ (206,829)	\$ (195,615)
Capital Assets	\$ (364,361)	\$ (159,726)	\$ (205,056)	\$ (567,704)
End of year Cash	\$ 2,258,484	\$ 3,586,605	\$ 5,794,066	\$ 6,360,465

Cash Balance by Type

<u>Type of Cash</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023*</u>
Unrestricted	\$ 665,912	\$ 1,691,073	\$ 3,314,201	\$ 2,932,876	\$ 2,673,778
Reserves	\$ 1,197,192	\$ 1,439,859	\$ 1,543,301	\$ 1,515,166	\$ 1,566,276
Restricted	\$ 395,380	\$ 455,673	\$ 936,563	\$ 1,912,423	\$ 2,322,506
Total Cash	\$ 2,258,484	\$ 3,586,605	\$ 5,794,065	\$ 6,360,465	\$ 6,562,560

* Projected based upon current status. Year-end close and audit in progress

Question #5

Operations Expenses by Major Category

Water Operating Expenses by Major Category

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Salaries & Benefits	\$ 390,109	\$ 516,525	\$ 521,426	\$ 536,188
Pension Expense	\$ 74,664	\$ 293,701	\$ 6,570	\$ 80,321
Cost Allocation	\$ 186,083	\$ 221,085	\$ 204,843	\$ 193,766
Consultants - Professional	\$ 15,472	\$ 34,508	\$ 30,755	\$ 47,261
Contract Services - Non Professional	\$ 780,946	\$ 162,180	\$ 250,954	\$ 273,893
Special Supplies	\$ 65,214	\$ 76,980	\$ 73,766	\$ 77,632
Equipment Repairs & Maintenance	\$ 159,212	\$ 61,501	\$ 102,925	\$ 68,366
Other Operational Expenses	\$ 458,392	\$ 208,292	\$ 386,177	\$ 393,858
Utilities	\$ 318,596	\$ 335,064	\$ 368,375	\$ 403,204
Depreciation	\$ 662,731	\$ 674,583	\$ 663,301	\$ 663,698
Total Operational Expenses	\$ 3,111,419	\$ 2,584,419	\$ 2,609,092	\$ 2,738,187

Question #6

Why were FY 2019 expenses so much more than FY 2018?

Description	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Revenue	1,687,018	1,565,306	1,680,725	1,829,922	2,146,856
Operations	931,082	801,168	763,906	961,470	1,314,579
Utilities	325,112	271,464	348,852	366,680	318,596
Depreciation	667,118	658,589	654,018	655,057	662,731
Maintenance	611,276	175,520	320,574	487,678	815,513
Transfers	69,631	48,584	200,000	-	273,061
Total Expense	2,604,219	1,955,325	2,287,350	2,470,885	3,384,480
Operational Loss	(917,201)	(390,019)	(606,625)	(640,963)	(1,237,624)

Question #7

How much revenue was lost when rates were rescinded in 2021?

Estimated Reduction in Revenue Due to Reduced Water Rates

	2021	2022	2023*
Projected Revenue	\$ 4,143,101	\$ 4,938,105	\$ 5,245,852
Actual Revenue	\$ 3,350,945	\$ 1,836,360	\$ 1,978,855
Estimated Difference in Revenue	\$ 792,156	\$ 3,101,745	\$ 3,266,997

* Projected based upon current status. Year-end close and audit in progress

Question # 8

What is the average household water usage?

- Single Family Residence
- 24 Cubic Feet Bi-Monthly
- 12 Cubic Feet per month

Correction from August 2023 Meeting

Description	FY 2020	FY 2021	FY 2022
Revenue	\$ 3,738,043	\$ 3,549,364	\$ 1,995,197
Operations	\$ 1,487,369	\$ 981,809	\$ 1,240,867
Utilities	\$ 335,063	\$ 368,375	\$ 403,204
Depreciation	\$ 674,583	\$ 663,301	\$ 663,698
Maintenance	\$ 87,404	\$ 595,607	\$ 430,418
Transfers	\$ 197,973	\$ 100,000	\$ -
Total Expense	\$ 2,782,392	\$ 2,709,092	\$ 2,738,187
Operational Gain (Loss)	\$ 955,651	\$ 840,272	\$ (742,990)