

Diamond A Mutual Water Company

Financial Report to Board of Directors

SEPTEMBER 12, 2022

- **Current Financial Status**
- **2022 Cap Ex Review**
- **Budget Prep for 2023**

Current Financial Status

- **YTD 2022 Net Income significantly below Prior Year**
 - **Water Sales Revenue tracking to be \$30k BELOW than Budget**
 - **Members are conserving water and usage is down significantly from the Prior Year**
 - **Electricity is \$9k lower (25%) than Prior Year, which is a function of the reduced water consumption/sales**
 - **Repair and Maintenance costs are only \$20k YTD vs annual budget of \$65k**

DIAMOND A MUTUAL WATER COMPANY										
Excludes Depreciation										
			APPROVED	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL
			BUDGET	YTD	YTD	YTD	YTD	YTD	YTD	YTD
			2022	9/30/2016	9/7/2017	9/6/2018	9/4/2019	8/20/2020	9/16/2021	9/2/2022
Water Sales & Service			195,717	58,411	54,854	65,442	64,156	82,029	149,194	99,033
Interest			0	16	54	71	35	30	0	69
Other Income			0	0	0	0	0	0	0	0
Subtotal - Operating Income			195,717	58,427	54,908	65,513	64,191	82,059	149,194	99,103
Admin										
Admin	Finance Mngr	Dee	18,000	10,800	9,600	11,200	11,200	9,800	11,200	12,000
Admin	Legal & Accting		8,000	7,061	2,650	2,700	5,200	6,896	2,000	2,090
Admin	Taxes		800	800	800	800	800	800	800	
Admin	Interest Expense		1,000	4,747	6,746	7,502	6,601	2,761	1,592	149
Admin	Mailing & Office		444	1,171	601	562	515	439	424	462
Admin	Bank Charges		4,736	1,781	2,294	2,760	3,034	3,273	4,030	3,657
Admin	PayPal Charges		0							
Admin	Website		200	196	196	196	196	196	196	0
Admin	Fees		534	371	1,915	1,574	1,574	1,730	443	2,050
Admin	Insurance		9,000	3,810	5,619	3,765	1,902	8,049	8,543	9,850
Admin	Answering Service		0	629	592					
Admin	Supplies		0	0	0					
Ops - Recurring										
Ops - Recurring	Operations Mngr	Bill	14,400	7,000	8,000	8,000	8,000	7,700	8,800	9,600
Ops - Recurring	Monthly Service	JDY	22,178	8,079	11,171	12,695	9,756	11,190	12,337	15,156
Ops - Recurring	Meter Reading Service		0							
Ops - Recurring	Water Analysis / Health Dept		1,545	3,322	1,087	3,163	3,927	1,505	1,125	3,395
Ops - Recurring	Generator Rental		6,000						1,902	
Ops -R&M										
Ops -R&M	Labor / Maintenance Projects		50,000	12,828	14,754	21,851	9,668	0	13,149	1,900
Ops -R&M	Materials		5,000	3,764	569	1,835	1,102	0	0	0
Ops -R&M	Repairs		10,000	4,217	13,898		5,153	12,808	14,296	18,043
Ops - Utilities										
Ops - Utilities	Telephone		1,286	2,528	1,394	826	825	825	833	847
Ops - Utilities	Electricity		40,629	18,251	18,669	16,971	19,159	22,374	34,826	25,478
Subtotal - Operating Expenses			193,752	91,354	100,554	96,400	88,612	90,346	116,495	104,676
Net Cash Flow From Operations			1,965	(32,927)	(45,646)	(30,887)	(24,421)	(8,287)	32,698	(5,574)
Income - Maintenance & Improvements			134,000	127,600	126,998	125,895	126,555	125,799	99,633	100,159
Expense - Capital Improvements										
Subtotal - Capital			134,000	127,600	126,998	125,895	126,555	125,799	99,633	100,159
CASH FLOW FROM OPERATIONS			135,965	94,673	81,352	95,008	102,134	117,512	132,331	94,585

Current Financial Status

- Cash position remains strong with \$233k in the Bank**
 - Currently tracking to end 2022 with over \$250k in cash**

		Sep 2, 22
ASSETS		
Current Assets		
Checking/Savings		
	Westamerica	61,313.96
	Westamerica /MM	172,065.23
Total Checking/Savings		233,379.19
Accounts Receivable		
	Accounts Receivable	4,627.02
Total Accounts Receivable		4,627.02
Other Current Assets		
	Undeposited Funds	6,748.25
Total Other Current Assets		6,748.25
Total Current Assets		244,754.46
Fixed Assets		
	Capital Improvements	1,448,853.92
	Land	1,000.00
	Water Equipment	482,031.11
	Accum. Depreciation	-1,296,396.00
Total Fixed Assets		635,489.03
TOTAL ASSETS		880,243.49
LIABILITIES & EQUITY		
Equity		
	Paid-In Capital	2,266,468.66
	Common Stock	214.00
	Retained Earnings	-1,388,861.26
	Net Income	2,422.09
Total Equity		880,243.49
TOTAL LIABILITIES & EQUITY		880,243.49

YTD Cap Ex Review

2022 Cap Ex BUDGET							YTD	YTD
				2022			2022	Better
				Budget			Actual	(Worse)
Other Cap Ex								
	Manifold modifcation and control system at White Oak to f	6,000	JDY					6,000
	Hydraulic Model (Brelje & Race)	24,000	B&R				26,446	(2,446)
	Hydrogeologic Study	10,000	Mike Malone					10,000
	Control Systems (Iconia)	10,000	Iconia					10,000
	System documentation	10,000	B&R					10,000
	Replace piping on DAMWCO lot at Kenleigh	40,000					33,145	6,855
								-
Ongoing Maintenance				30,000			328	(2,572)
	Grove St Main Line Replacement						15,899	
	Burke Place - Meter, hydrant, line replacement						9,075	
	Belmont Ct - install meters						7,270	
GRAND TOTAL				130,000			92,163	37,837
CAP EX BUDGET ITEMS DEFERRED TO LATER YEARS				<i>Estimated Cost</i>				
					2023	2024	2025	2026
	Piping and logistics to prep for generator				50,000			
	Purchase 50kw portable generator					60,000		
	B&R System Evaluation						25,000	
					50,000	60,000	25,000	-

Budget Prep for 2023

- Finance Subcommittee will meet in Q4**
 - Review October financials after the final water billing**
 - Develop a Budget recommendation to submit to the Board for the December meeting**
- Special Considerations**
 - Backup Power / Generator plan to be compliant with SB 552**
 - Evaluate possible rate increase for 2023**