

Staff Report

TO: Board of Directors

FROM: Sandra Dunlap, Finance Director

DATE: August 14, 2024

SUBJECT: FY2024 Mid-Year Budget Amendment

FINANCE

RECOMMENDATION:

Adopt Resolution Approving the Mid-Year Budget Amendment.

BACKGROUND:

The Fiscal Year (FY) 2024 budget was adopted by the Nevada Irrigation Board of Directors on November 8, 2023. Each quarter thereafter, the budget is reviewed for accuracy and performance, and adjusted internally or amended by the Board as needed.

Staff have prepared the quarter ending June 30, 2024, Budget Reports for the second Quarter (Q2), or mid-year and as part of that process have identified items within the budget requiring adjustment.

The annual budget is a living document that must be reviewed and updated for accuracy periodically. The proposed mid-year amendment improves the accuracy of this year's Budget and financial plan. The completion of the FY2023 audit has also presented significant changes to the beginning fund balances.

REPORT SUMMARY:

The proposed amendment results in a net decrease to outflows of \$765,861; including increases to operational expenses totaling \$651,648 and decreases to capital expenses totaling \$1,417,509 as follows:

| <u>Amendment Type</u> | <u>Expenditure Amendments</u> | <u>Fund</u> | <u>Account</u> | <u>Total</u> | <u>Explanation</u> |
|------------------------|--------------------------------------|-------------|--------------------|----------------|--|
| Capital | 2182 - N Day Rd Pipeline Replacement | 15 | Construction | 50,000.00 | Additional funds needed to complete project |
| Capital | 2366 - Cedar Ridge PRV Replacement | 15 | Construction | (154,000.00) | Project not a priority for 2024 |
| Capital | 2643 - Ali Lane DFWLE | 15 | Construction | (100,509.00) | Project complete and under budget |
| Capital | 2647 - Ramp Repairs Operations | 15 | Construction | (600,000.00) | Only design expenses until 2025 |
| Capital | 2688 - Auto Gaging Head Gates | 15 | Construction | (35,000.00) | Roll remaining project amount to 2025 for installation |
| Capital | Total Station and Data Collector | 15 | Equipment Purchase | 72,000.00 | New Total Station for survey crews |
| Capital | 2655 - CPPH Refurbishment | 55 | Design | (100,000.00) | Ordering in 2024, only need down payment this year |
| Capital | 2655 - CPPH Refurbishment | 55 | Construction | (400,000.00) | Ordering in 2024, only need down payment this year |
| Capital | 2658 - French Lake LLO Gate | 55 | Construction | (150,000.00) | Inspection only in 2024, work in 2025 due to water level |
| Sub-Total Capital | | | | (1,417,509.00) | |
| Operational | NBS Administrative Fees | 21 | Consultant Fees | 800.00 | NBS Administrative Fees higher than originally budgeted |
| Operational | NBS Administrative Fees | 22 | Consultant Fees | 750.00 | NBS Administrative Fees higher than originally budgeted |
| Operational | Insurance - Deer Creek | 50 | Insurance | 35,000.00 | Missed insurance on Hydro specific buildings |
| Operational | Insurance - Whitcomb | 50 | Insurance | 30,000.00 | Missed insurance on Hydro specific buildings |
| Operational | Materials - South Yuba Canal | 50 | Materials | 240,098.00 | Materials ordered in 2023 delivered and paid in 2024 |
| Operational | Meter Replacement | 10 | Materials | 250,000.00 | Direct purchase of meters instead of through warehouse |
| Operational | Tank Restoration | 10 | Contractor Fees | 75,000.00 | Tank restoration inspection services |
| Operational | Fuel Costs - Shop Ops | 70 | Fuel Expenses | 20,000.00 | Additional funds needed. Fuel costs more than originally budgeted. |
| Sub-Total Operating | | | | 651,648.00 | |
| Net Adjustment by Fund | | | | (765,861.00) | |



RESOLUTION NO. 2024

OF THE BOARD OF DIRECTORS OF THE NEVADA IRRIGATION DISTRICT

FY2024 Mid-year Budget Amendment

WHEREAS, the Nevada Irrigation District (District) budget for the 2024 fiscal year reflects resources to meet the essential needs of the District and the District's customers; and

WHEREAS, the Board of Directors adopted the 2024 Annual Budget on November 8, 2023; and

WHEREAS, the District's budget performance through June 30, 2024, Q2 has been reviewed; and

WHEREAS, the conclusion of the prior year audit has allowed for adjustments to the budget year's beginning fund balances, which have been updated and increased in total by \$23,588,647; and

WHEREAS, adjustments to budget expenditure projections have been identified totaling a net decrease of \$765,861 to expenditures; including increases to operational expenses of \$651,648 and decreases to capital expenses totaling \$1,417,509; and

WHEREAS, the amended budget will include a revised beginning fund balance of \$142,510,557, total inflows of \$108,990,924, total outflows of \$117,191,332, and a projected ending fund balance of \$134,310,148; and

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of Nevada Irrigation District as follows:

1. The Board of Directors hereby approves amending the 2024 Annual Budget decreasing total outflows by a net amount of \$765,861 as follows:

| <u>Fund</u> | <u>Outflows</u> |
|----------------------|---------------------|
| 10 Water | 325,000.00 |
| 15 Water Capital | (767,509.00) |
| 21 Cement Hill | 800.00 |
| 22 Rodeo Flat | 750.00 |
| 50 Hydro | 305,098.00 |
| 55 Hydro Capital | (650,000.00) |
| 70 Internal Services | 20,000.00 |
| <u>Total</u> | <u>(765,861.00)</u> |

2. The detailed budget amendment by Fund is included in Attachment A.
3. The updated Fund Balance Summary Schedule is included in Attachment B

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PASSED AND ADOPTED by the Board of Directors of the Nevada Irrigation District at a regular meeting held on the 14th day of August 2024, by the following vote:

AYES: Directors:
NOES: Directors:
ABSENT: Directors:
ABSTAINS: Directors:

President of the Board of Directors

Attest:

Secretary to the Board of Directors

Nevada Irrigation District
FY2024 Mid-Year Budget Amendment by Fund

| <u>Amendment Type</u> | <u>Expenditure Amendments</u> | <u>Fund</u> | <u>Account</u> | <u>Total</u> | <u>Explanation</u> |
|-------------------------------|--------------------------------------|-------------|--------------------|-----------------------|--|
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| Sub-Total Operating | | | | 651,648.00 | |
| Net Adjustment by Fund | | | | (765,861.00) | |

Nevada Irrigation District
 Fiscal Year Budget: 2024
Fund Balance Summary Schedule - Updated Fund Balance and Amendments

| Fund | Beginning Fund Balance | Revenue | Transfers In | Total Inflow | Expense | Transfer Out | Total Outflow | Projected Ending Fund Balance | Change |
|---|------------------------|----------------------|----------------------|-----------------------|------------------------|------------------------|-------------------------|-------------------------------|------------|
| 10 Water Fund | 34,063,938.00 | 47,055,722.00 | 1,629,394.00 | 48,685,116.00 | (36,403,077.09) | (16,818,984.00) | (53,222,061.09) | 29,526,992.91 | -13.3% |
| 12 Capacity Fees Fund | 10,435,241.00 | 800,000.00 | - | 800,000.00 | (594.00) | (3,004,345.00) | (3,004,939.00) | 8,230,302.00 | -21.1% |
| 15 Water Capital Improvement Fund | 20,075,265.00 | - | 9,737,865.00 | 9,737,865.00 | (9,986,171.00) | - | (9,986,171.00) | 19,826,959.00 | -1.2% |
| 21 Cement Hill Assessment District Fund | 22,624.00 | 333,000.00 | - | 333,000.00 | (400,005.00) | - | (400,005.00) | (44,381.00) | -296.2% |
| 22 Rodeo Flat Assessment District Fund | 117,031.00 | 47,500.00 | - | 47,500.00 | (47,720.00) | - | (47,720.00) | 116,811.00 | -0.2% |
| 30 Recreation Fund | 1,540,070.00 | 2,453,847.00 | 1,700,000.00 | 4,153,847.00 | (3,015,854.67) | (960,536.00) | (3,976,390.67) | 1,717,526.33 | 11.5% |
| 35 Recreation Capital Improvement Fund | 403,582.00 | - | - | - | - | - | - | 403,582.00 | 0.0% |
| 50 Hydroelectric Fund | 22,240,022.00 | 24,696,000.00 | - | 24,696,000.00 | (13,874,046.52) | (12,028,215.00) | (25,902,261.52) | 21,033,760.48 | -5.4% |
| 55 Hydroelectric Capital Fund | 51,639,125.00 | - | 4,565,000.00 | 4,565,000.00 | (3,925,000.00) | - | (3,925,000.00) | 52,279,125.00 | 1.2% |
| 70 Internal Services Fund | 1,973,659.00 | 792,775.00 | 15,179,821.00 | 15,972,596.00 | (16,726,784.53) | - | (16,726,784.53) | 1,219,470.47 | -38.2% |
| TOTAL | 142,510,557.00 | 76,178,844.00 | 32,812,080.00 | 108,990,924.00 | (84,379,252.81) | (32,812,080.00) | (117,191,332.81) | 134,310,148.19 | -6% |