

# Dockton Water Association

## PROPOSED Budget - 2023/2024 Fiscal Year (July through June)

FUND ACTIVITY	2022-23 Budget	2022-23 Forecast Actual <sup>1</sup>	2023-24 Proposed Budget
<b>OPERATING FUND</b>			
<b>BEGINNING FUND BALANCE</b>	7,660	(2,994)	896
SOURCE: Billings (Base, Usage and Taxes)	270,850	267,907	292,000
USE OF FUNDS::			
Staffing and Contract Services	(122,000)	(123,429)	(132,878)
Business Operations	(28,950)	(30,532)	(34,504)
System Operations	(44,520)	(53,482)	(55,151)
Taxes & Licenses	(15,400)	(16,575)	(17,100)
King County Franchise Fee (TBD)	(12,000)	-	(12,000)
Transfer to System Replacement Fund	(50,000)	(40,000)	(40,000)
Total Operating Uses	(272,870)	(264,017)	(291,633)
Net Change in Fund	(2,020)	3,890	367
<b>ENDING FUND BALANCE</b>	<b>5,640</b>	<b>896</b>	<b>1,263</b>

<b>SYSTEM REPLACEMENT FUND</b>			
<b>BEGINNING FUND BALANCE</b>	<b>275,069</b>	<b>275,069</b>	<b>267,021</b>
SOURCES: Transfer from Operating Fund	50,000	40,000	40,000
Pre-Construction Loan (Sandy Shores PRV)		30,000	70,000
USE OF FUNDS::			
Loan Servicing: Interest and Principal		(3,000)	(9,000)
Meter Replacement Program	(3,000)	(1,857)	(3,000)
Evaluation of Water Towers	-	-	(10,000)
Replacements @ DWA Building	(32,000)	(33,690)	(5,000)
Sandy Shores PRV Relocation	(59,000)	(30,000)	(70,000)
94th to Summerhurst Connection	(30,000)	-	-
Hake Springs Well House demo	(7,000)	(5,435)	-
Unscheduled Replacement Costs	(9,000)	(4,066)	(9,000)
Total Replacement Uses	(140,000)	(78,048)	(106,000)
Net Change in Fund	(90,000)	(8,048)	4,000
<b>ENDING FUND BALANCE</b>	<b>185,069</b>	<b>267,021</b>	<b>271,021</b>

<b>CAPITAL IMPROVEMENT FUND</b>			
<b>BEGINNING FUND BALANCE</b>	<b>(78,203)</b>	<b>(76,646)</b>	<b>(38,564)</b>
SOURCES: Billings (including Capital Charge)	82,200	81,221	110,205
Construction Loan (New Wells at Springs)		-	100,000
New Shares and Installations (net of costs)	-	7,147	-
USE OF FUNDS::			
Loan Servicing: Interest and Principal	(51,500)	(50,236)	(54,000)
New Deeper Wells at Springs - Phase 1	-	-	(113,000)
Improvements @ Dockton Springs	(3,000)	(50)	-
Unscheduled Improvement Costs	(3,000)	-	(3,000)
Total Improvement Uses	(6,000)	(50,286)	(170,000)
Net Change in Fund	24,700	38,082	40,205
<b>ENDING FUND BALANCE</b>	<b>(53,503)</b>	<b>(38,564)</b>	<b>1,641</b>

<b>CONTINGENCY RESERVES</b>			
<b>BEGINNING FUND BALANCE</b>	<b>104,102</b>	<b>104,102</b>	<b>104,102</b>
Repay't of SBA EID Loan	-	-	-
<b>ENDING FUND BALANCE</b>	<b>104,102</b>	<b>104,102</b>	<b>104,102</b>
<b>TOTAL FUNDS</b>	<b>230,422</b>	<b>333,454</b>	<b>378,026</b>

**NOTES:**

\* We manage our finances using four Funds. Each fund has inflows (Sources) and outflows (Uses) during the year. The total balance of all four funds at any time equals the total amount of cash we hold in the bank. (USBank and Kitsap Bank.)

\* The **Operating Fund** is used to run the business on a day-to-day basis. This fund receives income from the Base Rate and Water Usage billings plus excise tax. It pays out all operating expenses. We budget to be near break-even in this fund, after transfers to the System Replacement fund.

Our Budgeted Billings increase to meet higher costs due to inflation pressures on wages, energy and chemicals. Partly boosted by costs to run the Filtration Plant. Transfer to System Replacements remains \$40,000 before increasing in coming years.

\* **System Replacement Fund** holds our cash reserves for projects that replace existing system capacity. We always budget to replace old meters (\$3k) and for unexpected replacements (\$9k).

An additional Source of funds is a Loan we received from the State of WA for "Pre-Construction" costs on the Sandy Shores PRV Relocation project. (2-year total: \$100,000)

\* **Capital Improvement Fund** holds our reserves for projects where we expand/upgrade our system. This fund receives the income from the Capital Charges we all pay and 1/2 of the base charge paid by Reserve Shareholders. It also receives funds from net sales of memberships (water shares) and fees for installations (less costs) but we do not budget for this income.

This year we plan to begin a project to add upto 10 new, deeper wells at Dockton Springs -- replacing our shallow wells. The state is encouraging this as a longterm improvment to our water quality and sustainability.

\* **Contingency Reserves Fund** are available to us for Emergencies. We put our Covid related EID Loan in this fund. We pay interest-only on the EID loan and have chosen to not pay it off at this time.

\* **Total Funds** is the Ending Balance of all four funds.

As you can see from last year's Budget, through Forecasted results and then into this new Budget we are rebuilding our Reserves since completing the Filtration Plant. Our new billing rates this coming year and in the future are designed to rebuild these Reserves to a stronger position while funding essential infrastructure improvements.

For more details, visit the Financial Reports section of the "Documents" menu item on our website. Otherwise, contact the Association's Treasurer: Todd Currie, twcurrie@yahoo.com 206-696-1216

<sup>1</sup> Includes actual results through April 2023. May and June are estimated