

Highway 79 Corridor Authority

Board Agenda Item

September 11, 2024

Item

FA 2

Public Hearing – Final Budget Adoption for FY 2024-2025

Recommendation

Staff respectfully recommend approval of Final Budget for FY2024-2025.

Board Action

Moved by:

Seconded by:

Action Taken:

Highway 79 Corridor Authority Operating Forecast

	2024 Budgeted	2024 Projected (Revised)	2025 Tentative	FY 2024 vs FY 2025
OPERATING REVENUES				
Charges for Water Services	\$ -	75	\$ 896	\$ 821
Charges for Wastewater Services	2,240	93	1,121	1,028
Bad Debt Expense	-	-	-	-
TOTAL OPERATING REVENUES	<u>2,240</u>	<u>168</u>	<u>2,017</u>	<u>1,849</u>
OPERATING EXPENSES				
Operating and Management Services	76,584	71,584	57,286	(14,298)
Other Operating Expenses	34,954	30,895	31,880	985
Professional Services	30,000	20,997	26,000	5,003
TOTAL OPERATING EXPENSES	<u>141,538</u>	<u>123,477</u>	<u>115,166</u>	<u>(8,311)</u>
NET OPERATING REVENUE (EXPENSE)	(139,298)	(123,309)	(113,149)	10,160
NON-OPERATING REVENUE (EXPENSE)				
Operating Grants and Contributions	<u>120,000</u>	<u>120,000</u>	<u>93,000</u>	<u>(27,000)</u>
Increase (Decrease) in Net Position	<u>(19,298)</u>	<u>(3,309)</u>	<u>(20,149)</u>	<u>(16,840)</u>
Unrestricted Fund Balance - Beginning of Year	<u>39,129</u>	<u>39,129</u>	<u>35,820</u>	<u>3,309</u>
Unrestricted Fund Balance - End of Year	<u>\$ 19,831</u>	<u>\$ 35,820</u>	<u>\$ 15,671</u>	<u>\$ (20,149)</u>

Highway 79 Corridor Authority

Operating Forecast

	2024		2025
	Budgeted	Projected (Revised)	Tentative
OPERATING REVENUES			
Charges for Water Services	\$ -	\$ 75	\$ 896
Charges for Wastewater Services	2,240	93	1,121
Total Operating Revenues	2,240	168	2,017
OPERATING EXPENSES			
Operating and management services			
Operations and Maintenance	7,764	8,162	8,196
Water and Wastewater Treatment	2,170	217	5,110
Management (Ops and Development)/US Water	24,000	24,564	-
Finance, Accounting, Compliance (GSG)	-	405	-
Finance, Accounting, Compliance (Carr, Riggs)	36,000	36,000	36,000
Customer Service and Billing/US Water	4,250	445	5,580
Electricity Services	2,400	1,792	2,400
Total Operating and Management Services	76,584	71,584	57,286
Other operating expenses			
Audit	16,000	15,000	15,000
Travel & Per Diem	2,400	200	1,200
Insurance	12,479	12,479	12,705
Legal Advertising	2,400	1,616	1,000
Miscellaneous	1,500	125	-
Office Supplies	-	1,300	1,800
Dues, Licenses, Fees	175	175	175
Total Other Operating Expenses	34,954	30,895	31,880
Professional Services			
Legal Counsel	30,000	20,997	26,000
TOTAL OPERATING EXPENDITURES	141,538	123,477	115,166
NET OPERATING REVENUE (EXPENSE)	(139,298)	(123,309)	(113,149)
NON-OPERATING REVENUE (EXPENSE)			
Operating Contributions (Counties)	120,000	120,000	93,000
Increase (Decrease) in Net Position	(19,298)	(3,309)	(20,149)
Unrestricted Fund Balance - Beginning of Year	39,129	39,129	35,820
Unrestricted Fund Balance - End of Year	\$ 19,831	\$ 35,820	\$ 15,671

Highway 79 Corridor Authority
Budget Input Information
Cash Burn Rate
FY 2025 Budget

Quarter ending	12/31/2024	3/31/2025	6/30/2025	9/30/2025	Total
Operating revenue	\$ 504.21	\$ 504.21	\$ 504.21	\$ 504.21	\$ 2,016.84
Operating expenses					
Operating and maintenance	(14,321.61)	(14,321.61)	(14,321.61)	(14,321.61)	(57,286.44)
Other operating expenses	(12,851.25)	(12,676.25)	(4,176.25)	(4,176.25)	(33,880.00)
Professional services	(6,501.00)	(6,501.00)	(6,501.00)	(6,501.00)	(26,004.00)
Total operating expenses	(33,673.86)	(33,498.86)	(24,998.86)	(24,998.86)	(117,170.44)
Net operating loss	(33,169.65)	(32,994.65)	(24,494.65)	(24,494.65)	(115,153.60)
County contributions	46,500.00	46,500.00	-	-	93,000.00
Increase (decrease) in cash	13,330.35	13,505.35	(24,494.65)	(24,494.65)	(22,153.60)
Cash balance, beginning of period	32,370.27	45,700.62	59,205.97	34,711.32	32,370.27
Cash balance, end of period	\$ 45,700.62	\$ 59,205.97	\$ 34,711.32	\$ 10,216.67	\$ 10,216.67



Highway 79 Corridor FY2025 Proposed Operating Budget Summary

Briefing Presentation

September 11, 2024



- FY2024 Updates
- FY24/25 Operating & Proposed Budget
- Recap of Member Contributions
- Next Steps

Objectives

FY2024 Updates

- ✓ Revenue Adjustments
- ✓ Expense Adjustment
- ✓ Operations and Management changes



FY24 Operating Budget Revisions

Final Assumptions for FY24:

- Continued projected wastewater usage at 4,800 gal/month; no such usage has occurred through 08/31/2024

HIGHWAY 79 CORRIDOR AUTHORITY OPERATIONS As of August 31, 2024			
	FY2024 Budget	FY2024 YTD Actuals	FY2024 Projection
OPERATING REVENUES			
Charges for Water Services	\$ -	\$ -	\$ -
Charges for Wastewater Services	2,240	-	168
TOTAL OPERATING REVENUES	<u>2,240</u>	<u>-</u>	<u>168</u>
OPERATING EXPENSES			
Operating and management services	76,584	64,974	71,584
Other operating expenses	34,954	29,240	30,895
Professional Services	30,000	18,497	20,997
TOTAL OPERATING EXPENSES	<u>141,538</u>	<u>112,712</u>	<u>123,477</u>
NET OPERATING REVENUE (EXPENSE)	(139,298)	(112,712)	(123,309)
NON-OPERATING REVENUE (EXPENSE)			
Operating Grants and Contributions	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>
Increase (decrease) in net position	(19,298)	7,288	(3,309)
Unrestricted Fund Balance - beginning of year	<u>39,129</u>	<u>39,129</u>	<u>39,129</u>
Unrestricted Fund Balance - end of year	<u>\$ 19,831</u>	<u>\$ 46,417</u>	<u>\$ 35,820</u>



FY24/25 Operating & Proposed Budget

FY25 Proposed Operating Budget



	2024 Budgeted	2024 Projected (Revised)	2025 Tentative	FY 2024 vs FY 2025
OPERATING REVENUES				
Charges for Water Services	\$ -	75	\$ 896	\$ 821
Charges for Wastewater Services	2,240	93	1,121	1,028
Bad Debt Expense	-	-	-	-
TOTAL OPERATING REVENUES	2,240	168	2,017	1,849
OPERATING EXPENSES				
Operating and Management Services	76,584	71,584	57,286	(14,298)
Other Operating Expenses	34,954	30,895	31,880	985
Professional Services	30,000	20,997	26,000	5,003
TOTAL OPERATING EXPENSES	141,538	123,477	115,166	(8,311)
NET OPERATING REVENUE (EXPENSE)	(139,298)	(123,309)	(113,149)	10,160
NON-OPERATING REVENUE (EXPENSE)				
Operating Grants and Contributions	120,000	120,000	93,000	(27,000)
Increase (Decrease) in Net Position	(19,298)	(3,309)	(20,149)	(16,840)
Unrestricted Fund Balance - Beginning of Year	39,129	39,129	35,820	3,309
Unrestricted Fund Balance - End of Year	\$ 19,831	\$ 35,820	\$ 15,671	\$ (20,149)

FY2025 Tentative Budget increased by 11.22% or \$13,840 more than FY2024 projections

- A slight increase in revenue
- An increase in O&M Expenditures
- A decrease in Operating Grants & Contributions Revenue.

FY25 Tentative Operating Budget Detail

Assumptions:

- Only Revenue is from doctor's office - currently.
- Water & wastewater expenses expected to be incurred once Dr's office usage begins.
- County's Contribution will be received no later than October 31, 2024.
- Decrease contributions

	2024 Budgeted	2024 Projected (Revised)	2025 Tentative
OPERATING REVENUES			
Charges for Water Services	\$ -	\$ 75	\$ 896
Charges for Wastewater Services	2,240	93	1,121
Total Operating Revenues	2,240	168	2,017
OPERATING EXPENSES			
Operating and management services			
Operations and Maintenance	7,764	8,162	8,196
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Travel & Per Diem	2,400	200	1,200
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Legal Advertising	2,400	1,616	1,000
Miscellaneous	1,500	125	-
Office Supplies	-	1,300	1,800
Dues, Licenses, Fees	175	175	175
Total Other Operating Expenses	34,954	30,895	31,880
Professional Services			
Legal Counsel	30,000	20,997	26,000
TOTAL OPERATING EXPENDITURES	141,538	123,477	115,166
NET OPERATING REVENUE (EXPENSE)	(139,298)	(123,309)	(113,149)
NON-OPERATING REVENUE (EXPENSE)			
Operating Contributions (Counties)	120,000	120,000	93,000
Increase (Decrease) in Net Position	(19,298)	(3,309)	(20,149)
Unrestricted Fund Balance - Beginning of Year	39,129	39,129	35,820
Unrestricted Fund Balance - End of Year	\$ 19,831	\$ 35,820	\$ 15,671

FY25 Tentative Budget - County Contributions Burn Rate

Assumptions:

- Contributions are determined by projecting the cash needed based on budgeted operating revenues and expenses

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Quarter ending	12/31/2024	3/31/2025	6/30/2025	9/30/2025	Total
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Operating expenses					
Operating and maintenance	(14,321.61)	(14,321.61)	(14,321.61)	(14,321.61)	(57,286.44)
Other operating expenses	(12,851.25)	(12,676.25)	(4,176.25)	(4,176.25)	(33,880.00)
Professional services	(6,501.00)	(6,501.00)	(6,501.00)	(6,501.00)	(26,004.00)
Total operating expenses	(33,673.86)	(33,498.86)	(24,998.86)	(24,998.86)	(117,170.44)
Net operating loss	(33,169.65)	(32,994.65)	(24,494.65)	(24,494.65)	(115,153.60)
County contributions	46,500.00	46,500.00	-	-	93,000.00
Increase (decrease) in cash	13,330.35	13,505.35	(24,494.65)	(24,494.65)	(22,153.60)
Cash balance, beginning of period	32,370.27	45,700.62	59,205.97	34,711.32	32,370.27
Cash balance, end of period	\$ 45,700.62	\$ 59,205.97	\$ 34,711.32	\$ 10,216.67	\$ 10,216.67

Recap of Member Contributions



- Tentative FY2025 Budget anticipates a \$3,000 increase for Washington County and decrease of \$30,000 for Holmes County

Authority Members	Fiscal Year								Total
	2019	2020	2021	2022	2023	2024	2025		
Holmes County	\$ 50,000	\$ 50,000	\$ 73,073	\$ 62,500	\$ 60,000	\$ 60,000	\$ 30,000	\$ 385,573	
Washington County	50,000	50,000	73,073	62,500	60,000	60,000	63,000	418,573	
Total	\$ 100,000	\$ 100,000	\$ 146,146	\$ 125,000	\$ 120,000	\$ 120,000	\$ 93,000	\$ 804,146	