



# FY 2026 PROJECTED BUDGET

# FY 2026 Projected Budget

Distribution account	Total	Notes
<b>Income</b>		
4100100 Water Revenue	475,724	*2025 actuals averaged
<b>Total Income</b>	<b>475,724</b>	
<b>Cost of Goods Sold</b>		
5100200 Chemicals	8,760	USW (\$730)
5100400 Lab Fees / Testing	15,876	USW (\$758) + LCRA (\$565)
5100600 Utilities	18,900	SPEC billed via Accenture
<b>Total Cost of Goods Sold</b>	<b>43,536</b>	
<b>Gross Profit</b>	<b>432,188</b>	
<b>Expenses</b>		
6100100 Audited Financials	15,000	Same as previous year
6100200 Bad Debt Expense	23,786	5% of Revenue
6100300 Bank fees & service charges	600	Same as previous year
6100400 Contract Operations	97,499	USW (\$8,125)
6100500 Customer Record Collecting	65,000	USW (\$5,417)
6100600 Depreciation Expense	1,200	Auditors will update w/valuation is complete
6100700 Dues & Subscriptions	2,071	QuickBooks + SimpleTollFree
6100800 Engineering Fees	6,000	Reducing by \$1,000/mth
6100900 Insurance	7,756	2025 actual + 40%
6101000 Legal & accounting services	48,000	Reducing by \$1,000/mth
6101100 Maintenance	14,244	USW (\$1,187)
6101200 Miscellaneous Expense	3,908	Same as previous year
6101300 Office expenses	400	Added
6101400 Postage & Delivery	800	Added
6101500 R&R Fund (10% gross Rev)	23,786	5% of Revenue
6101700 Rent/Posting/Advertising/Website	3,000	Same as previous year
6101900 System Management	60,000	Same as previous year
6102000 Travel	18,000	Same as previous year
6102200 Property and Other Taxes	2,600	Added
<b>Total Expenses</b>	<b>392,450</b>	
<b>Net Operating Income</b>	<b>39,737</b>	
<b>Other Expenses</b>		
COMMUNITIES UNLIMITED	12,658	Estimated Loan Payoff
US WATER	5,600	Estimated Loan Payoff
WFX	33,511	DEBT SERVICES
<b>Total 8000000 Other Expenses</b>	<b>51,769</b>	
<b>Total Other Expenses</b>	<b>51,769</b>	
<b>Net Other Income</b>	<b>-51,769</b>	
<b>Net Income</b>	<b>-12,032</b>	

# FY 2026 Budget Notes

## Overview of 2025 Expense Analysis:

A review of FY 2025 expenses indicates that most categories remained consistent with prior expectations. However, the following notable adjustments were made in preparing the FY 2026 budget:

- **Bad Debt Expense:** Introduced at 5% of net revenue.
- **Insurance:** Increased by 40% compared to the 2025 budget. \*  
*(Too soon to shop new rates as insurance doesn't renew until 03/2026.)*
- **Additional Budgeted Line Items:**
  - Dues & Subscriptions: \$2,071
  - Office Expenses: \$400
  - Postage & Delivery: \$800
  - Property Taxes: \$2,600
  - Depreciation Expenses: \$1,200 (Auditors will update when valuation is completed)
  - R&R: Reduced to 5% of Revenue

## FY 2026 Budget Notes

### **Expense Management Measures to Minimize Future Rate Increases:**

- **USW Proration Adjustment:** The deferred proration for November–March will now be scheduled for FY 2027, easing pressure on the FY 2026 budget.
- **Capital Improvements:** Planned capital investments in 2026 aim to reduce emergency repair needs and stabilize ongoing operational costs.
- **Engineering Fees:** Have been reduced from \$1,500 to \$500 per month.
- **Legal Fees:** Winstead accrual was reduced from \$5,000 to \$4,000 per month.
- **Loans:** This budget projects 2 loans being paid off in June.