



Financial Statement Summary

As of June 30, 2019

Revenues

Year to Date Revenues of \$27,375,000, including North Sumter Utility and Sumter Sanitation, compare favorably to prior year of \$25,802,000 and are at 79% of the annual budget of \$34,475,000. *(as of June 30, 75% of the year has lapsed)*

- Utility Revenue includes water and sanitation fees and has seen a 2% increase over prior year. A 2 ½% increase went into effect for all water customers on October 1, 2018 while there has been no increase in sanitation rates.
- Metered Irrigation revenue has increased over prior year due to a 2 ½% rate increase on October 1, 2018 and higher utilization caused by a lower amount of rainfall this year.
- Miscellaneous income includes lease revenue, Bank of America purchase card and SECO rebates.
- Investment earnings of \$856,000 (\$720,000 realized gains and \$136,000 unrealized gains) compare favorably to prior year earnings of \$510,000 and the annual budgeted earnings of \$305,000.

Expenses

Year to Date operating expenses of \$10,801,000 are greater than prior year expenses of \$9,948,000. Current year spending is at 67% of the amended budgeted expenses of \$16,145,000.

- Management and Other Professional Services increased \$110,000 from prior year due to a budgeted increase in management fees of 8%.
- Utility and Recycle Contract Services includes Jacobs services and Waste Management recycling services. An approximate 4% increase was budgeted in the current year. The variance to prior year is due to the timing of the vendor payments.
- Utility Services includes reuse water purchased from the City of Wildwood. Expenses have remained comparable to last year and are in line with budget.
- Building, Landscape and Other Maintenance has increased \$252,000 over prior year due to repairs being done at several of the water towers (Laurel Manor and Turtle Mound). A budget carryforward and budget reclassifications were processed earlier this year totaling \$302,000.
- Other expenses include equipment rent, chemicals and other operating expenses.
- Capital Outlay budget reflects a carryforward in the amount of \$668,000. Capital Projects include Wet Well Gate replacement, Valve Replacement and Headworks By-Pass.
- Debt Service consists of the annual bond principal payments of \$4,085,000 made on October 1, 2018 and year to date monthly interest payments totaling \$8,492,000.
- A total \$2,438,000 has been transferred to the Committed Renewal and Replacement Fund.

Change in Unrestricted Net Position

Year-to-Date Increase in the Unrestricted Net Position of \$482,000 compares favorably to prior year to date change of \$58,000. By year end, based on the anticipated revenues and expenses through year end, the District will meet the amended budget decrease in Unrestricted Net Position of (\$2,793,000).



Debt Covenants

North Sumter Utility (NSU) has met the Bond covenant requirement on an interim basis and is expected to meet the requirements through the end of the fiscal year.

Sumter Sanitation (SSF) has met the Senior Debt covenant requirement on an interim basis; however, the Subordinate Debt falls below the required ratio on an interim basis. Based on projections, we expect both the Senior Debt and the Subordinate Debt Ratios to also fall below the required covenant at year end. Stantec Consultants prepared a Rate Sufficiency Study and has made recommendations to address the shortfall which will go before a public hearing later this year.

Investment Earnings

The following table outlines the current month and year to date earnings by investment category:

	CFB	FLCLASS	FL PALM	FL-FIT	FLGIT *	LTIP *
<i>* 1 month in arrears</i>						
Current Month	1.89%	2.55%	2.48%	2.59%	5.86%	-37.59%
Year-to-date	1.82%	2.54%	2.48%	2.70%	5.19%	7.48%
Prior FY 2018	1.28%	2.09%	2.07%	N/A	0.48%	14.39%

North Sumter County Utility Dependent District								
Statement of Activity - Proprietary Funds								
For the Nine Months Ending June 30, 2019 (75% of budget year)								
Original Budget	Amended Budget	Budget % used		Year To Date			Prior YTD	Variance
				NSU	SSF	Total		
			REVENUES:					
\$ 24,508,800	\$ 24,508,800	76%	Utilities	\$ 9,322,360	\$ 9,363,970	\$ 18,686,330	\$ 18,337,677	\$ 348,653
9,394,800	9,394,800	81%	Metered Irrigation	7,593,964	-	7,593,964	6,744,276	849,688
266,800	266,800	90%	Miscellaneous Revenue	224,815	14,273	239,088	210,027	29,061
<u>304,950</u>	<u>304,950</u>	<u>281%</u>	Investment Earnings, Realized and Unrealized	<u>709,960</u>	<u>146,108</u>	<u>856,068</u>	<u>509,525</u>	<u>346,543</u>
34,475,350	34,475,350	79%	Total Revenues:	17,851,099	9,524,351	27,375,450	25,801,505	1,573,945
			EXPENSES:					
27,193	27,193	27%	Personnel Services	4,841	2,517	7,358	6,478	880
1,482,229	1,450,164	71%	Management and Other Professional Services	869,701	161,256	1,030,957	920,908	110,049
10,240,082	10,240,082	73%	Utility and Recycle Contract Services	2,061,350	5,418,813	7,480,163	6,962,089	518,074
1,458,389	1,458,389	51%	Utility Services	740,681	-	740,681	739,184	1,497
1,913,204	2,215,517	57%	Building, Landscape and Other Maintenance	469,591	786,643	1,256,234	1,004,010	252,224
<u>753,291</u>	<u>753,291</u>	<u>38%</u>	Other Expenses	<u>261,035</u>	<u>24,296</u>	<u>285,331</u>	<u>315,411</u>	<u>(30,080)</u>
15,874,388	16,144,636	67%	Total Operating Expenses	4,407,199	6,393,525	10,800,724	9,948,080	852,644
1,795,238	2,463,380	44%	Capital Outlay - Infrastructure and FFE	1,077,959	-	1,077,959	911,509	166,450
15,410,281	15,410,281	82%	Debt Service	9,616,336	2,960,748	12,577,084	12,446,384	130,700
<u>3,250,000</u>	<u>3,250,000</u>	<u>75%</u>	Transfer	<u>2,250,000</u>	<u>187,501</u>	<u>2,437,501</u>	<u>2,437,501</u>	-
<u>20,455,519</u>	<u>21,123,661</u>	<u>76%</u>	Total Other Changes	<u>12,944,295</u>	<u>3,148,249</u>	<u>16,092,544</u>	<u>15,795,394</u>	<u>297,150</u>
36,329,907	37,268,297	72%	Total Expenses and Other Changes	<u>17,351,494</u>	<u>9,541,774</u>	<u>26,893,268</u>	<u>25,743,474</u>	<u>1,149,794</u>
\$ (1,854,557)	\$ (2,792,947)		Change in Unreserved Net Position	\$ <u>499,605</u>	\$ <u>(17,423)</u>	\$ <u>482,182</u>	\$ <u>58,031</u>	\$ <u>424,151</u>
			Total Cash and Investments, Net of Bond Funds	\$ <u>29,146,587</u>	\$ <u>3,044,439</u>	\$ <u>32,191,026</u>	\$ <u>29,268,315</u>	\$ <u>2,922,711</u>
			Fund Balance					
			Unassigned	\$ (8,617,445)	\$ (3,293,874)	\$ (11,911,319)	\$ (10,747,312)	
			R and R Restricted	416,334	-	416,334	416,334	
			Committed R and R General	<u>13,035,681</u>	<u>2,337,501</u>	<u>15,373,182</u>	<u>12,123,182</u>	
			Total Fund Balance	\$ <u>4,834,570</u>	\$ <u>(956,373)</u>	\$ <u>3,878,197</u>	\$ <u>1,792,204</u>	\$ <u>2,085,993</u>