



Financial Statement Summary

As of July 31, 2019

Revenues

Year to Date Revenues of \$30,471,000, including North Sumter Utility and Sumter Sanitation, compare favorably to prior year of \$28,734,000 and are 88% of the annual budget of \$34,475,000. *(as of July 31, 83% 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 partially due in part to a 2 ½% rate increase October 1, 2018.
- Miscellaneous income includes lease revenue, Bank of America purchase card and SECO rebates.
- Investment earnings of \$1,103,000 (\$810,000 realized gains and \$293,000 unrealized gains) compare favorably to prior year earnings of \$581,000 and the annual budgeted earnings of \$305,000.

Expenses

Year to Date operating expenses of \$12,053,000 are greater than prior year expenses of \$11,092,000. Current year spending is 75% of the amended budgeted expenses of \$16,145,000.

- Management and Other Professional Services increased \$128,000 from prior year. A budget transfer of \$75,000 was processed in July from Utility and Recycling Services for a Sanitation Revenue Sufficiency Analysis Rate Study and a Solid Waste Management Plan Services Agreement with Jacobs, both unbudgeted items.
- Utility and Recycle Contract Services include 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 Service expense has increased over prior year and is below average spending to date for the budget.
- Building, Landscape and Other Maintenance has increased \$261,000 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 processed earlier this year. Capital Projects include Wet Well Gate replacement, Valve Replacement and Headworks By-Pass. A Budget Amendment was processed in the month of July to fund the new GIS asset management platform.
- 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 \$9,436,000.
- A total \$2,708,000 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 \$903,000 compares favorably to prior year to date change of \$568,000. 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 (\$3,535,000).

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 the Board has approved an 8 ¼% increase effective October 1, 2019 to correct this shortfall.

Investment Earnings

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

<i>* 1 month in arrears</i>	CFB	FLCLASS	FL PALM	FL-FIT	FLGIT *	LTIP *
Current Month	1.89%	2.47%	2.41%	2.59%	-0.47%	49.93%
Year-to-date	1.82%	2.53%	2.48%	2.70%	4.62%	11.89%
Prior FY 2018	1.38%	2.18%	2.15%	2.32%	0.48%	6.48%

North Sumter County Utility Dependent District								
Statement of Activity - Proprietary Funds								
For the Ten Months Ending July 31, 2019 (83% 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	84%	Utilities	\$ 10,266,348	\$ 10,403,475	\$ 20,669,823	\$ 20,307,829	\$ 361,994
9,394,800	9,394,800	90%	Metered Irrigation	8,436,262	-	8,436,262	7,614,658	821,604
266,800	266,800	98%	Miscellaneous Revenue	246,388	15,773	262,161	229,777	32,384
304,950	304,950	362%	Investment Earnings, Realized and Unrealized	933,820	169,020	1,102,840	581,315	521,525
34,475,350	34,475,350	88%	Total Revenues:	19,882,818	10,588,268	30,471,086	28,733,579	1,737,507
EXPENSES:								
27,193	27,193	37%	Personnel Services	6,684	3,474	10,158	6,478	3,680
1,482,229	1,525,164	76%	Management and Other Professional Services	973,727	185,742	1,159,469	1,031,804	127,665
11,265,998	11,234,063	81%	Utility and Recycle Contract Services	2,290,347	6,857,329	9,147,676	8,589,862	557,814
1,458,389	1,458,389	59%	Utility Services	860,445	-	860,445	807,681	52,764
887,288	1,146,536	48%	Building, Landscape and Other Maintenance	531,741	18,804	550,545	289,584	260,961
753,291	753,291	43%	Other Expenses	297,966	26,285	324,251	366,498	(42,247)
15,874,388	16,144,636	75%	Total Operating Expenses	4,960,910	7,091,634	12,052,544	11,091,907	960,637
1,795,238	3,205,103	40%	Capital Outlay - Infrastructure and FFE	1,286,422	-	1,286,422	958,089	328,333
15,410,281	15,410,281	88%	Debt Service	10,349,818	3,170,832	13,520,650	13,407,033	113,617
3,250,000	3,250,000	83%	Transfer	2,500,000	208,334	2,708,334	2,708,334	-
20,455,519	21,865,384	80%	Total Other Changes	14,136,240	3,379,166	17,515,406	17,073,456	441,950
36,329,907	38,010,020	78%	Total Expenses and Other Changes	19,097,150	10,470,800	29,567,950	28,165,363	1,402,587
\$ (1,854,557)	\$ (3,534,670)		Change in Unreserved Net Position	\$ 785,668	\$ 117,468	\$ 903,136	\$ 568,216	\$ 334,920
Total Cash and Investments, Net of Bond Funds								
				\$ 29,878,417	\$ 3,657,531	\$ 33,535,948	\$ 30,599,977	\$ 2,935,971
Fund Balance								
			Unassigned	\$ (8,331,383)	\$ (3,158,984)	\$ (11,490,367)	\$ (10,237,129)	
			R and R Restricted	416,334	-	416,334	416,334	
			Committed R and R General	13,285,681	2,358,334	15,644,015	12,394,015	
			Total Fund Balance	\$ 5,370,632	\$ (800,650)	\$ 4,569,982	\$ 2,573,220	\$ 1,996,762