



## Financial Statement Summary

As of May 31, 2019

### Revenues

Year to Date Revenues of \$24,106,000, including North Sumter Utility and Sumter Sanitation, compare favorably to prior year of \$22,918,000 and are at 70% of budget. *(as of May 31, 67% of the year has lapsed)*

- Utility Revenue includes water and sanitation fees and has seen a 1.7% 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 \$833,000 (\$633,000 realized gains and \$200,000 unrealized gains) compare favorably to prior year earnings of \$390,000 and the annual budgeted earnings of \$305,000.

### Expenses

Year to Date operating expenses of \$9,641,000 are greater than prior year expenses of \$9,037,000. Current year spending is at 60% of the amended budgeted expenses of \$16,145,000.

- Management and Other Professional Services increased \$88,000 from prior year and are in line with budget. This increase is 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.
- Utility Services has increased from prior year due to the timing of the receipt of invoices from City of Wildwood for the purchase of reused water. We have begun to accrue this monthly.
- Building, Landscape and Other Maintenance has increased \$246,000 over prior year due to repairs being done at several of the water towers (Laurel Manor and Turtle Mound). A budget carryforward and 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 \$7,549,000.
- A total \$2,167,000 has been transferred to the Committed Renewal and Replacement Fund.

### Change in Unrestricted Net Position

Year-to-Date Reduction in the Unrestricted Net Position of (\$298,000) compares to the prior year to date reduction of (\$546,000). By year end, based on the anticipated revenues and expenditures 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:

	<b>CFB</b>	<b>FLCLASS</b>	<b>FEITF</b>	<b>FL-FIT</b>	<b>FLGIT</b>	<b>LTIP</b>
<b>Current Month</b>	1.89%	2.59%	2.50%	2.74%	8.96%	-37.62%
<b>Year-to-date</b>	1.81%	2.54%	2.49%	2.71%	5.10%	-0.36%
<b>Prior FY 2018</b>	1.13%	2.00%	1.96%	N/A	3.89%	14.39%

North Sumter County Utility Dependent District								
Statement of Activity - Government Funds								
For the Eight Months Ending May 31, 2019								
Original Budget	Amended Budget	Budget % used		Year To Date			Prior YTD	Variance
				NSU	SSF	Total		
			<b>REVENUES:</b>					
\$ 24,508,800	\$ 24,508,800	68%	Utilities	\$ 8,304,033	\$ 8,318,891	\$ 16,622,924	\$ 16,342,490	\$ 280,434
9,394,800	9,394,800	69%	Metered Irrigation	6,439,288	-	6,439,288	5,994,794	444,494
266,800	266,800	79%	Miscellaneous Revenue	198,633	12,773	211,406	190,319	21,087
<u>304,950</u>	<u>304,950</u>	<u>273%</u>	Investment Earnings, Realized and Unrealized	<u>703,426</u>	<u>129,300</u>	<u>832,726</u>	<u>390,426</u>	<u>442,300</u>
34,475,350	34,475,350	70%	<b>Total Revenues:</b>	15,645,380	8,460,964	24,106,344	22,918,029	1,188,315
			<b>EXPENSES:</b>					
27,193	27,193	22%	Personnel Services	3,991	2,075	6,066	5,833	233
1,482,229	1,450,164	63%	Management and Other Professional Services	774,696	133,589	908,285	820,470	87,815
10,240,082	10,240,082	65%	Utility and Recycle Contract Services	1,832,353	4,824,267	6,656,620	6,388,077	268,543
1,458,389	1,458,389	46%	Utility Services	666,519	-	666,519	664,148	2,371
1,913,204	2,215,517	52%	Building, Landscape and Other Maintenance	458,692	694,778	1,153,470	907,938	245,532
<u>753,291</u>	<u>753,291</u>	<u>33%</u>	Other Expenses	<u>236,499</u>	<u>13,844</u>	<u>250,343</u>	<u>250,084</u>	<u>259</u>
15,874,388	16,144,636	60%	<b>Total Operating Expenses</b>	3,972,750	5,668,553	9,641,303	9,036,550	604,753
1,795,238	2,463,380	39%	Capital Outlay - Infrastructure and FFE	962,849	-	962,849	774,729	188,120
15,410,281	15,410,281	75%	Debt Service	8,882,854	2,750,664	11,633,518	11,485,735	147,783
<u>3,250,000</u>	<u>3,250,000</u>	<u>67%</u>	Transfer	<u>2,000,000</u>	<u>166,668</u>	<u>2,166,668</u>	<u>2,166,668</u>	<u>-</u>
<u>20,455,519</u>	<u>21,123,661</u>	<u>70%</u>	<b>Total Other Changes</b>	<u>11,845,703</u>	<u>2,917,332</u>	<u>14,763,035</u>	<u>14,427,132</u>	<u>335,903</u>
36,329,907	37,268,297	65%	<b>Total Expenses and Other Changes</b>	<u>15,818,453</u>	<u>8,585,885</u>	<u>24,404,338</u>	<u>23,463,682</u>	<u>940,656</u>
\$ (1,854,557)	\$ (2,792,947)		<b>Change in Unreserved Net Position</b>	\$ (173,073)	\$ (124,921)	\$ (297,994)	\$ (545,653)	\$ 247,659
			<b>Total Cash and Investments, Net of Bond Funds</b>	\$ 28,972,001	\$ 3,045,969	\$ 32,017,970	\$ 29,323,885	\$ 2,694,085
			<b>Fund Balance</b>					
			Unassigned	\$ (9,290,126)	\$ (3,401,373)	\$ (12,691,499)	\$ (11,350,996)	
			Committed R and R Restricted	416,334	-	416,334	416,334	
			Committed R and R General	<u>12,785,681</u>	<u>2,316,668</u>	<u>15,102,349</u>	<u>11,852,349</u>	
			<b>Total Fund Balance</b>	\$ 3,911,889	\$ (1,084,705)	\$ 2,827,184	\$ 917,687	\$ 1,909,497