



Preliminary Financial Statement Summary
As of September 30, 2019

Note: Routine analysis of year-end accruals is still in the process and will be finalized with the audit report.

Revenues

Year to Date Revenues of \$36,439,000, including North Sumter Utility and Sumter Sanitation, compare favorably to prior year of \$34,878,000 and are 106% of the annual budget of \$34,475,000. *(as of September 30, 100% of the year has lapsed)*

- Utility Revenue, including water and sanitation fees, increased 2% 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 October 1, 2018 and utilization variances year over year.
- Miscellaneous income includes lease revenue, Bank of America purchase card and SECO rebates.
- Investment earnings of \$1,389,000 (\$1,028,000 realized gains and \$361,000 unrealized gains) compare favorably to prior year earnings of \$901,000 and the annual budgeted earnings of \$305,000.

Expenses

Year to Date operating expenses of \$14,566,000 are greater than prior year expenses of \$13,637,000. Current year spending is 90% of the amended budgeted expenses of \$16,145,000.

- Management and Other Professional Services increased \$141,000 from prior year. A budget transfer of \$75,000 was processed in July for a Sanitation Revenue Sufficiency Analysis Rate Study and a Solid Waste Management Plan Services Agreement with Jacobs, both unbudgeted items. These funds were transferred from Utility and Recycle Contract Services.
- Utility and Recycle Contract Services include Jacobs services and Waste Management recycling services. An approximate 4% increase was budgeted in the current year.
- Utility Service expense has increased slightly over prior year and is below average spending to date for the budget.
- Building, Landscape and Other Maintenance has increased \$378,000 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 Projects include Wet Well Gate replacement, Valve Replacement and Headworks By-Pass. A budget carryforward in the amount of \$668,000 was processed earlier this year; 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 \$11,323,000.
- A total \$3,250,000 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 \$1,693,000 compares favorably to prior year to date change of \$1,069,000.

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. We do not anticipate any change to this as we finalize the financial statements for 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:

| | CFB | FLCLASS | FL PALM | FL-FIT | FLGIT | LTIP |
|----------------------|------------|----------------|--------------------|---------------|--------------|-------------|
| Current Month | 1.53% | 2.21% | 2.26% | 2.39% | -1.39% | 15.35% |
| Year-to-date | 1.78% | 2.49% | 2.45% | 2.63% | 4.51% | 14.53% |
| Prior FY 2018 | 1.43% | 2.22% | 2.14% | 2.56% | 0.00% | 6.48% |



North Sumter County UTILITY Dependent District

| Statement of Activity - Proprietary Funds | | | | | | | | |
|---|-----------------------|---------------|--|----------------------|---------------------|----------------------|----------------------|---------------------|
| For the Twelve Months Ending September 30, 2019 (100% of budget year) | | | | | | | | |
| Preliminary | | | | | | | | |
| Original Budget | Amended Budget | Budget % used | | Year To Date | | | Prior YTD | Variance |
| | | | | NSU | SSF | Total | | |
| REVENUES: | | | | | | | | |
| \$ 24,508,800 | \$ 24,508,800 | 101% | Utilities | \$ 12,192,591 | \$ 12,526,972 | \$ 24,719,563 | \$ 24,262,929 | \$ 456,634 |
| 9,394,800 | 9,394,800 | 107% | Metered Irrigation | 10,014,633 | - | 10,014,633 | 9,244,223 | 770,410 |
| 266,800 | 266,800 | 118% | Miscellaneous Revenue | 297,291 | 18,773 | 316,064 | 469,293 | (153,229) |
| <u>304,950</u> | <u>304,950</u> | <u>455%</u> | Investment Earnings, Realized and Unrealized | <u>1,173,634</u> | <u>215,230</u> | <u>1,388,864</u> | <u>901,456</u> | <u>487,408</u> |
| 34,475,350 | 34,475,350 | 106% | Total Revenues: | 23,678,149 | 12,760,975 | 36,439,124 | 34,877,901 | 1,561,223 |
| EXPENSES: | | | | | | | | |
| 27,193 | 27,193 | 61% | Personnel Services | 10,933 | 5,683 | 16,616 | 8,416 | 8,200 |
| 1,482,229 | 1,517,194 | 94% | Management and Other Professional Services | 1,200,419 | 218,179 | 1,418,598 | 1,277,182 | 141,416 |
| 11,265,998 | 11,292,374 | 97% | Utility and Recycle Contract Services | 2,748,728 | 8,190,390 | 10,939,118 | 10,541,574 | 397,544 |
| 1,458,389 | 1,413,389 | 76% | Utility Services | 1,073,382 | - | 1,073,382 | 1,022,681 | 50,701 |
| 887,288 | 1,153,112 | 63% | Building, Landscape and Other Maintenance | 701,047 | 20,575 | 721,622 | 343,903 | 377,719 |
| <u>753,291</u> | <u>741,374</u> | <u>53%</u> | Other Expenses | <u>366,324</u> | <u>29,889</u> | <u>396,213</u> | <u>444,094</u> | <u>(47,881)</u> |
| 15,874,388 | 16,144,636 | 90% | Total Operating Expenses | 6,100,833 | 8,464,716 | 14,565,549 | 13,637,850 | 927,699 |
| 1,795,238 | 3,205,103 | 48% | Capital Outlay - Infrastructure and FFE | 1,522,981 | - | 1,522,981 | 1,592,599 | (69,618) |
| 15,410,281 | 15,410,281 | 100% | Debt Service | 11,816,782 | 3,591,000 | 15,407,782 | 15,328,331 | 79,451 |
| <u>3,250,000</u> | <u>3,250,000</u> | <u>100%</u> | Transfer | <u>3,000,000</u> | <u>250,000</u> | <u>3,250,000</u> | <u>3,250,000</u> | <u>-</u> |
| <u>20,455,519</u> | <u>21,865,384</u> | <u>92%</u> | Total Other Changes | <u>16,339,763</u> | <u>3,841,000</u> | <u>20,180,763</u> | <u>20,170,930</u> | <u>9,833</u> |
| <u>36,329,907</u> | <u>38,010,020</u> | 91% | Total Expenses and Other Changes | <u>22,440,596</u> | <u>12,305,716</u> | <u>34,746,312</u> | <u>33,808,780</u> | <u>937,532</u> |
| <u>\$ (1,854,557)</u> | <u>\$ (3,534,670)</u> | | Change in Unreserved Net Position | <u>\$ 1,237,553</u> | <u>\$ 455,259</u> | <u>\$ 1,692,812</u> | <u>\$ 1,069,121</u> | <u>\$ 623,691</u> |
| Total Cash and Investments, Net of Bond Funds | | | | | | | | |
| | | | | <u>\$ 30,425,428</u> | <u>\$ 3,026,326</u> | <u>\$ 33,451,754</u> | <u>\$ 30,021,737</u> | <u>\$ 3,430,017</u> |
| Fund Balance | | | | | | | | |
| | | | Unassigned | \$ (7,879,496) | \$ (2,861,146) | \$ (10,740,642) | \$ (9,736,222) | |
| | | | R and R Restricted | 416,334 | - | 416,334 | 416,334 | |
| | | | Committed R and R General | <u>13,785,681</u> | <u>2,400,000</u> | <u>16,185,681</u> | <u>12,935,681</u> | |
| | | | Total Fund Balance | <u>\$ 6,322,519</u> | <u>\$ (461,146)</u> | <u>\$ 5,861,373</u> | <u>\$ 3,615,793</u> | <u>\$ 2,245,580</u> |