



Financial Statement Summary

July 31, 2020

Revenues

Year to Date Revenues of \$37,496,000, including North Sumter Utility, Central Sumter Utility and Sumter Sanitation, compare favorably to prior year revenues of \$30,471,000 and are 87% of the amended budget of \$43,115,000. *(as of July 31, 83% of the year has lapsed)*

- Utility Revenue, including water and sanitation fees, totals \$26,636,000 year to date compared to \$20,670,000 in prior year, an increase of 29%. A 2 ½% increase went into effect for all water customers effective October 1, 2019. There was an 8 ¼% increase in sanitation rates effective October 1, 2019. The sanitation rate increase was made in response to a Sanitation Revenue Sufficiency Analysis Rate Study conducted by the engineering consultant, Stantec. On December 24, NSCUDD purchased the Water and Sewer Operations for Central Sumter Utility. A budget resolution to add Central Sumter Utility operations has been made adding \$5,838,000 or 24% revenue over prior year.
- Metered Irrigation revenue compares favorably to prior year and budget; rainfall through July 2020 continues to trend below the Ocala rainfall average as benchmarked by Arnett Engineering a total 3.5 inches for the year.
- Miscellaneous income consists of lease revenue, Bank of America purchase card, SECO rebates and Developer Contributions from the CSU Purchase. A small reimbursement was received from State FEMA for Hurricane Irma to bring total receipts to \$4,000.
- Investment earnings of \$841,000 (\$515,000 realized and \$326,000 unrealized gains) are less than prior year earnings of \$1,103,000. The annual budgeted investment earnings total \$745,000. The decrease from prior year is due to market conditions related to the Coronavirus Pandemic.

Expenses

Year to Date operating expenses of \$13,973,000 are greater than prior year expenses of \$12,053,000. Current year spending is 76% of the amended budgeted expenses of \$18,429,000. A budget resolution for Central Sumter Utility was processed earlier this year, amending the budget by \$2,059,000 or 4%.

- Management and Other Professional Services are greater than prior year and are 75% of budget. Management fees for NSU and SSF increased a budgeted 10% over prior year.
- Utility and Recycle Contract Services include Jacobs services and Waste Management recycling services. An approximate 5% increase was budgeted for Jacobs' services and an 86% increase in recycling services.
- Other expenses include equipment rent, chemicals and other operating expenses.
- Budgeted Capital Projects include sanitation operations relocation for land and building (\$2,000,000) and water meter change out program (\$841,000).
- Debt Service consists of the annual bond principal payments of \$4,300,000 made on October 1, 2019 and year to date monthly interest payments totaling \$12,098,000 and bond expenses incurred for the CSU purchase and NSU refunding totaling \$1,296,000.
- A total of \$2,500,000 has been transferred to the Committed Renewal and Replacement Fund consistent with prior year.



Change in Unrestricted Net Position

Year-to-Date increase in Unrestricted Net Position of \$2,704,000 compares favorably to prior year to date \$903,000. By year end, based on the anticipated revenues and expenses, the District will meet the budget decrease in Unrestricted Net Position of (\$2,952,000).

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.

Central Sumter Utility (CSU) 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; however, SSF fell slightly below the required Subordinate debt covenant requirement as of July 31. Based on forecasted revenues and expenses through year end, SSF is expected to meet the requirements for the fiscal year ending September 30, 2020.

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	0.00%	0.43%	0.37%	0.67%	4.04%	2.11%
Year-to-date	0.64%	1.35%	1.34%	1.57%	4.19%	-0.94%
Prior FY 2019	1.53%	2.21%	2.26%	2.39%	4.22%	5.33%



**North Sumter County
UTILITY
Dependent District**

**Statement of Activity - Proprietary Funds
For the Ten Months Ending July 31, 2020 (83% of the budget year)**

Original Budget	Amended Budget	Budget % used		Year To Date				Prior YTD	Variance
				NSU	CSU	SSF	Total		
			REVENUES:						
\$ 25,766,918	\$ 31,605,718	84%	Utilities	\$ 10,690,385	\$ 4,660,170	\$ 11,285,237	\$ 26,635,792	\$ 20,669,822	\$ 5,965,970
9,806,000	9,806,000	93%	Metered Irrigation	9,156,558	-	-	9,156,558	8,436,262	720,296
311,000	958,422	90%	Miscellaneous Revenue	206,504	640,800	15,524	862,828	262,162	600,666
<u>713,000</u>	<u>744,500</u>	<u>113%</u>	Investment Earnings, Realized and Unrealized	<u>697,804</u>	<u>35,153</u>	<u>108,085</u>	<u>841,042</u>	<u>1,102,841</u>	<u>(261,799)</u>
36,596,918	43,114,640	87%	Total Revenues:	20,751,251	5,336,123	11,408,846	37,496,220	30,471,087	7,025,133
			EXPENSES:						
20,717	20,717	72%	Personnel Services	10,222	-	4,760	14,982	10,157	4,825
1,579,759	2,019,633	75%	Management and Other Professional Services	1,061,850	212,944	237,317	1,512,111	1,159,468	352,643
12,052,525	13,241,703	80%	Utility and Recycle Contract Services	2,361,743	710,453	7,506,722	10,578,918	9,147,676	1,431,242
1,260,000	1,545,367	69%	Utility Services	872,913	197,576	-	1,070,489	860,445	210,044
359,378	829,103	51%	Building, Landscape and Other Maintenance	305,928	70,750	25,038	401,716	547,382	(145,666)
<u>727,907</u>	<u>772,954</u>	<u>51%</u>	Other Expenses	<u>309,162</u>	<u>59,747</u>	<u>25,785</u>	<u>394,694</u>	<u>327,415</u>	<u>67,279</u>
16,000,286	18,429,477	76%	Total Operating Expenses	4,921,818	1,251,470	7,799,622	13,972,910	12,052,543	1,920,367
3,868,446	5,087,083	12%	Capital Outlay - Infrastructure and FFE	618,232	6,926	-	625,158	1,286,422	(661,264)
15,409,482	19,550,407	91%	Debt Service	11,154,360	3,351,053	3,188,540	17,693,953	13,520,650	4,173,303
<u>3,250,000</u>	<u>3,000,000</u>	<u>83%</u>	Transfer	<u>2,500,000</u>	<u>-</u>	<u>-</u>	<u>2,500,000</u>	<u>2,708,334</u>	<u>(208,334)</u>
22,527,928	27,637,490	75%	Total Other Charges	14,272,592	3,357,979	3,188,540	20,819,111	17,515,406	3,303,705
38,528,214	46,066,967	76%	Total Expenses and Other Charges	19,194,410	4,609,449	10,988,162	34,792,021	29,567,950	5,224,071
<u>\$ (1,931,296)</u>	<u>\$ (2,952,327)</u>		Change in Unreserved Net Position	<u>\$ 1,556,841</u>	<u>\$ 726,674</u>	<u>\$ 420,684</u>	<u>\$ 2,704,199</u>	<u>\$ 903,137</u>	<u>\$ 1,801,062</u>
			Total Cash and Investments, Net of Bond Funds	<u>35,043,997</u>	<u>\$ 2,087,473</u>	<u>\$ 3,972,419</u>	<u>\$ 41,103,889</u>	<u>\$ 33,535,947</u>	<u>\$ 7,567,942</u>
			Fund Balance						
			Unassigned	\$ (8,104,553)	\$ 726,674	\$ (3,245,910)	(10,623,789)	\$ (11,490,368)	
			R and R Restricted	416,334	-	-	416,334	416,334	
			Committed R and R General	16,285,681	-	2,400,000	18,685,681	15,644,015	
			Total Fund Balance	<u>\$ 8,597,462</u>	<u>\$ 726,674</u>	<u>\$ (845,910)</u>	<u>\$ 8,478,226</u>	<u>\$ 4,569,981</u>	<u>\$ 3,908,245</u>