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**DATE:** December 2, 2019  
**TO:** Matt Jordan, General Manager  
**FROM:** Christina Sackett, Chief Financial Officer *CS*  
**SUBJECT:** Financial Statement and Fund Analysis through October 2019 – *Receive and File*

**SUMMARY**

The attached Statements of Revenues and Expenditures summarize Agency financial activity for September and October 2019 on a rate basis. Also included is a true-up report, management statistics and accounts receivable as of October 31, 2019.

**RECOMMENDATION**

Receive and File

**DISCUSSION**

**Financial Statements - Summary of Major Points:**

1. The agency lags in actual expenditures for the Professional Services category due primarily to the normal nature of the billing and review process which takes typically 60 to 90 days. This is adjusted at year end to reflect all actual activity.
2. Electricity and Water Treatment Chemicals appear low because the budgeted amount is spread evenly over the year, but the use of electricity and chemicals are more seasonal.

**Uniform Rate – Statement of Revenue and Expenses**

**Revenue:**

Operating income consists of water sales (fixed and variable components), sales from the Tampa Bypass Canal to the City of Tampa, and the board-approved balance carried forward from the previous year through the Rate Stabilization Fund. Other Income consists routinely of interest income received from investments.

**Expenditures:**

Throughout the year, actual expenditures normally lag behind budgeted expenditures by at least one to two months. This is due to the fact that vendor bills and the subsequent payment of those bills generally lag behind the actual performance of the services by 30 to 45 days. On the other hand, the budgeted expenses are distributed evenly across the 12 months of the fiscal year. When the fiscal year end approaches, the books are held open to allow for all the appropriate activity to be accounted for and shown in the appropriate fiscal year.

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Variable rate expenditures will have seasonal peaks as the agency enters the dry season and begins to use the costlier supply sources. If the drier conditions remain into the summer months, the agency will use more desalinated seawater to meet the increased demands and will draw upon rate stabilization funds to avoid any mid-year rate adjustment.

The “Encumbrance” balance shown on the bottom of the financial statements represents the amount of open purchase orders (committed funds and blanket purchase orders) as of the end of the month, including purchase orders carried forward from the previous year. Although the encumbrance is presented for informational purposes, it gives a projected contractual commitment against current year funds. There are many purchase orders established at the beginning of the year that will be spent through the year and monthly revenue will be collected through the year to offset that expense.

Rate revenue is shown as being earned in level monthly increments and only catches up to the expenditures at year end. Significant encumbrances include Water Treatment Chemicals, Power, Professional Services and Water for Resale. Professional service tasks frequently carry over beyond the end of a fiscal year, in which case the applicable open purchase orders and the associated budget dollars are carried into the next fiscal year to allow for completion of those tasks as mentioned above.

### **Potential Member Year End True-up**

To assist our Members in their planning and budgeting, we also present a monthly schedule that shows the projected true-up adjustment due each September based on the water production to date for the current year. Each member is billed for fixed charges through the year based upon their respective pro-rata share of the **prior** year’s production. As required by the Master Water Supply Contract, each member’s actual contributions are adjusted at year-end to the current year’s budgeted fixed costs, based upon their pro-rata portion of **current** year production. This adjustment is called the true-up. This true-up adjustment results in amounts due to/from each member with no net revenue impact to the agency. It is calculated at the conclusion of each fiscal year, resulting in an invoice or credit to each member in October of each year.

The difference projected on the true-up table is communicated separately to each member government this year on a monthly basis, in addition to this publication, to alert them to this year-end billing potential. This is done to ensure that each member is aware of the up-coming true-up billing and that the member government will have time to take appropriate planning measures for the September 2019 year end.

### **Management Statistics –**

The Management Statistics report provides a summary of Aged Receivables and various statistical data for evaluating the Agency’s performance for the current fiscal year and/or the twelve months ending October 31, 2019.

**TAMPA BAY WATER  
UNIFORM RATE BASIS  
Statement of Revenues and Expenditures  
September 30, 2019**

	Current Month Actual	Current Month Budget	Percent of Budget	\$ Variance	Year to Date Actual	Year to Date Budget	Percent of Budget	\$ Variance
<b>OPERATING REVENUE:</b>								
Operating Grant - SWFWMD	52,391	0	0.00%	52,391	52,391	0	0.00%	52,391
Water Sales - Fixed	11,728,508	11,728,508	100.00%	0	140,742,097	140,742,097	100.00%	0
Water Sales - Variable	2,192,275	2,165,026	101.26%	27,250	25,231,234	25,980,306	97.12%	-749,072
Water Sales - Other	3,500	3,500	100.00%	0	66,855	42,000	159.18%	24,855
Water Sales - Tampa By-Pass Canal	0	0	0.00%	0	146,980	0	0.00%	146,980
Rate Stabilization (Note 1)	397,741	397,741	100.00%	0	11,466,897	4,772,886	240.25%	6,694,011
<b>Total Operating Revenue</b>	<b>14,374,415</b>	<b>14,294,774</b>	<b>100.56%</b>	<b>79,641</b>	<b>177,706,454</b>	<b>171,537,289</b>	<b>103.60%</b>	<b>6,169,165</b>
<b>OPERATING EXPENSES:</b>								
<b>FIXED OPERATING EXPENSE:</b>								
Personnel Services	1,753,244	1,590,045	110.26%	-163,199	16,349,586	19,080,537	85.69%	2,730,951
Materials & Supplies	260,602	217,006	120.09%	-43,596	2,258,319	2,604,071	86.72%	345,752
Members Water Quality costs	4,000	4,000	100.00%	0	48,000	48,000	100.00%	0
Legal Services	38,685	45,417	85.18%	6,732	359,880	545,000	66.03%	185,120
Professional Services	4,115,558	2,978,521	138.17%	-1,137,037	27,213,633	33,542,251	81.13%	6,328,618
Repairs & Other Services	577,367	628,543	91.86%	51,176	5,942,916	7,542,538	78.79%	1,599,622
Rent & Insurance	137,472	171,879	79.98%	34,406	1,683,896	2,062,544	81.64%	378,648
<b>Total Fixed Operating Expense</b>	<b>6,886,928</b>	<b>5,635,410</b>	<b>122.21%</b>	<b>-1,251,518</b>	<b>53,856,229</b>	<b>65,424,941</b>	<b>82.32%</b>	<b>11,568,712</b>
<b>VARIABLE OPERATING EXPENSE:</b>								
Water Treatment Chemicals	1,034,132	906,349	114.10%	-127,783	8,915,227	10,876,185	81.97%	1,960,958
Electricity	1,570,868	1,138,875	137.93%	-431,993	10,378,812	13,666,498	75.94%	3,287,686
Water for Resale	37,762	126,032	29.96%	88,269	538,440	1,512,378	35.60%	973,938
<b>Total Variable Operating Expense</b>	<b>2,642,762</b>	<b>2,171,255</b>	<b>121.72%</b>	<b>-471,507</b>	<b>19,832,479</b>	<b>26,055,061</b>	<b>76.12%</b>	<b>6,222,582</b>
<b>NON-OPERATING INCOME:</b>								
Investment Income	915,224	121,824	751.27%	793,400	7,941,123	1,461,882	543.21%	6,479,241
Miscellaneous	54,041	0	0.00%	54,041	334,252	0	0.00%	334,252
Litigation Recoveries	665	0	0.00%	665	6,476	0	0.00%	6,476
Capital Contributions (Grants)	0	0	0.00%	0	216,623	0	0.00%	216,623
<b>Total Non-Operating Income</b>	<b>969,930</b>	<b>121,824</b>	<b>796.18%</b>	<b>848,106</b>	<b>8,498,474</b>	<b>1,461,882</b>	<b>581.34%</b>	<b>7,036,592</b>
<b>NON-OPERATING EXPENSES:</b>								
Bond Issue Cost	0	0	0.00%	0	0	0	0.00%	0
Interest - Acquisition Credits	330,682	330,682	100.00%	0	3,968,187	3,968,187	100.00%	0
Interest - Bonds	3,104,357	3,104,356	0.00%	0	37,252,276	37,252,276	0.00%	0
<b>Total Non-Operating Expenses</b>	<b>3,435,039</b>	<b>3,435,039</b>	<b>100.00%</b>	<b>0</b>	<b>41,220,463</b>	<b>41,220,463</b>	<b>100.00%</b>	<b>0</b>
<b>Excess of Revenues over Expenditures before Capital Transactions and Reserve Funding</b>	<b>2,379,616</b>	<b>3,174,894</b>	<b>74.95%</b>	<b>-795,278</b>	<b>71,295,756</b>	<b>40,298,706</b>	<b>176.92%</b>	<b>30,997,050</b>
<b>OTHER EXPENDITURES:</b>								
Principal - Acquisition Credits	521,948	521,948	100.00%	0	6,263,370	6,263,370	100.00%	0
Principal - Bonds	2,739,167	2,739,167	100.00%	0	32,870,000	32,870,000	100.00%	0
Capital Expenditures	0	763,773	0.00%	763,773	2,328,687	9,165,280	25.41%	6,836,593
<b>Total Other Expenditures</b>	<b>3,261,114</b>	<b>4,024,888</b>	<b>81.02%</b>	<b>763,774</b>	<b>41,462,057</b>	<b>48,298,650</b>	<b>85.85%</b>	<b>6,836,594</b>
<b>RESERVE FUNDING:</b>								
Renewal & Replacement Reserve Funding (Note 2)	465,162	839,904	0.00%	374,742	5,506,219	10,078,843	0.00%	4,572,624
Renewal & Replacement Reserve Used (Note 3)	-4,665	0	0.00%	4,665	-1,013,595	0	0.00%	1,013,595
Operations & Maintenance Reserve	0	24,075	0.00%	24,075	0	288,898	0.00%	288,898
Rate Stabilization Fund	0	-328,432	0.00%	-328,432	0	-1,741,186	0.00%	-1,741,186
Energy Fund Reserve Funding (Note 2)	39,762	0	0.00%	-39,762	1,403,123	0	0.00%	-1,403,123
Energy Funding Used (Note 3)	0	0	0.00%	0	-579,271	0	0.00%	579,271
Utility Reserve Transfers	0	0	0.00%	0	0	0	0.00%	0
Capital Improvement Funding (Note 2)	31,465	24,324	129.36%	-7,141	355,183	291,883	121.69%	-63,300
Capital Improvement Funding Used (Note 3)	-23,235	-491,933	0.00%	-468,698	-653,919	-5,903,194	0.00%	-5,249,275
<b>Total Reserve Funding</b>	<b>508,489</b>	<b>67,937</b>	<b>748.47%</b>	<b>-440,552</b>	<b>5,017,741</b>	<b>3,015,244</b>	<b>166.41%</b>	<b>-2,002,497</b>
<b>Excess Revenue over Expenditures/ (Expenditures over Revenue) - Rate Basis</b>	<b>-1,389,987</b>	<b>-917,931</b>	<b>0</b>	<b>-472,056</b>	<b>24,815,958</b>	<b>-11,015,188</b>	<b>0</b>	<b>35,831,147</b>
<b>Encumbrances as of 09/30/2019</b>					<b>11,266,924</b>			

**Note 1** - Rate Stabilization actuals reflect budgeted transfe of \$3,618,988 recorded at 1/12 monthly, encumbrance carryover of \$5,842,535 and Board approved used of funds. Budgetary amounts are calculated on a monthly basis.

**Note 2** - Represents retention of interest earned in the Fund.

**Note 3** - Represents use of the Fund for expenditures on board-approved projects as budgeted.

**TAMPA BAY WATER  
UNIFORM RATE BASIS  
Statement of Revenues and Expenditures  
October 31, 2019**

	Current Month Actual	Current Month Budget	Percent of Budget	\$ Variance	Year to Date Actual	Year to Date Budget	Percent of Budget	\$ Variance
<b>OPERATING REVENUE:</b>								
Operating Grant - SWFWMD	0	0	0.00%	0	0	0	0.00%	0
Water Sales - Fixed	11,889,620	11,889,620	100.00%	0	11,889,620	11,889,620	100.00%	0
Water Sales - Variable	2,250,758	2,221,462	101.32%	29,296	2,250,758	2,221,462	101.32%	29,296
Water Sales - Other	3,500	3,500	100.00%	0	3,500	3,500	100.00%	0
Water Sales - Tampa By-Pass Canal	0	32,667	0.00%	-32,667	0	32,667	0.00%	-32,667
Rate Stabilization (Note 1)	10,349,147	480,672	2153.06%	9,868,475	10,349,147	480,672	2153.06%	9,868,475
<b>Total Operating Revenue</b>	<b>24,493,024</b>	<b>14,627,920</b>	<b>167.44%</b>	<b>9,865,105</b>	<b>24,493,024</b>	<b>14,627,920</b>	<b>167.44%</b>	<b>9,865,105</b>
<b>OPERATING EXPENSES:</b>								
<b>FIXED OPERATING EXPENSE:</b>								
Personnel Services	1,099,461	1,605,374	68.49%	505,913	1,099,461	1,605,374	68.49%	505,913
Materials & Supplies	376,966	209,318	180.09%	-167,648	376,966	209,318	180.09%	-167,648
Members Water Quality costs	4,000	4,000	100.00%	0	4,000	4,000	100.00%	0
Legal Services	6,667	49,845	13.37%	43,178	6,667	49,845	13.37%	43,178
Professional Services	470,200	2,955,314	15.91%	2,485,113	470,200	2,955,314	15.91%	2,485,113
Repairs & Other Services	1,087,838	649,870	167.39%	-437,968	1,087,838	649,870	167.39%	-437,968
Rent & Insurance	1,401,864	185,102	757.35%	-1,216,762	1,401,864	185,102	757.35%	-1,216,762
<b>Total Fixed Operating Expense</b>	<b>4,446,995</b>	<b>5,658,821</b>	<b>78.59%</b>	<b>1,211,826</b>	<b>4,446,995</b>	<b>5,658,821</b>	<b>78.59%</b>	<b>1,211,826</b>
<b>VARIABLE OPERATING EXPENSE:</b>								
Water Treatment Chemicals	643,505	1,058,384	60.80%	414,879	643,505	1,058,384	60.80%	414,879
Electricity	22,891	1,129,010	2.03%	1,106,119	22,891	1,129,010	2.03%	1,106,119
Water for Resale	39,411	41,900	94.06%	2,489	39,411	41,900	94.06%	2,489
<b>Total Variable Operating Expense</b>	<b>705,807</b>	<b>2,229,294</b>	<b>31.66%</b>	<b>1,523,487</b>	<b>705,807</b>	<b>2,229,294</b>	<b>31.66%</b>	<b>1,523,487</b>
<b>NON-OPERATING INCOME:</b>								
Investment Income	1,137,535	133,618	851.33%	1,003,917	1,137,535	133,618	851.33%	1,003,917
Miscellaneous	14,217	0	0.00%	14,217	14,217	0	0.00%	14,217
Litigation Recoveries	649	0	0.00%	649	649	0	0.00%	649
Capital Contributions (Grants)	2,873	0	0.00%	2,873	2,873	0	0.00%	2,873
<b>Total Non-Operating Income</b>	<b>1,155,274</b>	<b>133,618</b>	<b>864.61%</b>	<b>1,021,656</b>	<b>1,155,274</b>	<b>133,618</b>	<b>864.61%</b>	<b>1,021,656</b>
<b>NON-OPERATING EXPENSES:</b>								
Bond Issue Cost	0	0	0.00%	0	0	0	0.00%	0
Interest - Acquisition Credits	304,428	304,428	100.00%	0	304,428	304,428	100.00%	0
Interest - Bonds	2,963,193	2,963,193	0.00%	0	2,963,193	2,963,193	0.00%	0
<b>Total Non-Operating Expenses</b>	<b>3,267,621</b>	<b>3,267,621</b>	<b>100.00%</b>	<b>0</b>	<b>3,267,621</b>	<b>3,267,621</b>	<b>100.00%</b>	<b>0</b>
<b>Excess of Revenues over Expenditures before Capital Transactions and Reserve Funding</b>	<b>17,227,875</b>	<b>3,605,802</b>	<b>477.78%</b>	<b>13,622,073</b>	<b>17,227,875</b>	<b>3,605,802</b>	<b>477.78%</b>	<b>13,622,073</b>
<b>OTHER EXPENDITURES:</b>								
Principal - Acquisition Credits	548,202	548,202	100.00%	0	548,202	548,202	100.00%	0
Principal - Bonds	2,881,250	3,298,333	87.35%	-417,083	2,881,250	3,298,333	87.35%	-417,083
Capital Expenditures	238,680	849,194	28.11%	610,514	238,680	849,194	28.11%	610,514
<b>Total Other Expenditures</b>	<b>3,668,132</b>	<b>4,695,729</b>	<b>78.12%</b>	<b>193,430</b>	<b>3,668,132</b>	<b>4,695,729</b>	<b>78.12%</b>	<b>193,430</b>
<b>RESERVE FUNDING:</b>								
Renewal & Replacement Reserve Funding (Note 2)	375,000	0	0.00%	-375,000	375,000	0	0.00%	-375,000
Renewal & Replacement Reserve Used (Note 3)	0	0	0.00%	0	0	0	0.00%	0
Operations & Maintenance Reserve	0	24,075	0.00%	24,075	0	24,075	0.00%	24,075
Rate Stabilization Fund	0	-145,099	0.00%	-145,099	0	-145,099	0.00%	-145,099
Energy Fund Reserve Funding (Note 2)	0	0	0.00%	0	0	0	0.00%	0
Energy Funding Used (Note 3)	0	0	0.00%	0	0	0	0.00%	0
Utility Reserve Transfers	0	0	0.00%	0	0	0	0.00%	0
Capital Improvement Funding (Note 2)	183,333	16,617	1103.30%	-166,716	183,333	16,617	1103.30%	-166,716
Capital Improvement Funding Used (Note 3)	-34,772	-491,933	0.00%	-457,160	-34,772	-491,933	0.00%	-457,160
<b>Total Reserve Funding</b>	<b>523,561</b>	<b>-596,340</b>	<b>-87.80%</b>	<b>-1,119,901</b>	<b>523,561</b>	<b>-596,340</b>	<b>-87.80%</b>	<b>-1,119,901</b>
<b>Excess Revenue over Expenditures/ (Expenditures over Revenue) - Rate Basis</b>	<b>13,036,182</b>	<b>-493,587</b>	<b>0</b>	<b>12,695,602</b>	<b>13,036,182</b>	<b>-493,587</b>	<b>0</b>	<b>12,695,602</b>
<b>Encumbrances as of 10/31/2019</b>					<b>59,404,264</b>			

**Note 1** - Rate Stabilization actuals reflect 1/12 of the approved budget transfer of \$5,768,060, encumbrance carryover of \$6,896,475 and other Board approved used of funds totaling \$2,972,000. Budgetary amounts are calculated on 1/12th of the transfer of \$5,768,060 approved in the FY20 budget.

**Note 2** - Represents retention of interest earned in the Fund.

**Note 3** - Represents use of the Fund for expenditures on board-approved projects as budgeted.

POTENTIAL TRUE UP FOR FY 2020 AS OF 10/31/19

Monthly Demand

MONTH-YEAR	ST PETE	PINELLAS	TAMPA (Morris Br)	HILLSBOROUGH	PASCO	NEW PORT RICHEY	TOTALS		
Oct-19	834.39	1,523.68	0.39	2,152.23	985.53	91.56	5,587.78		
Nov-19							-		
Dec-19							-		
Jan-20							-		
Feb-20							-		
Mar-20							-		
Apr-20							-		
May-20							-		
Jun-20							-		
Jul-20							-		
Aug-20							-		
Sep-20							-		
<b>FY 19 YEAR-END</b>	10,096.45	17,731.28	0.59	23,708.98	10,628.08	1,102.51	63,267.89	173.34	MGD
<b>FY 20 YTD</b>	834.39	1,523.68	0.39	2,152.23	985.53	91.56	5,587.78	180.25	MGD
<b>+ / -</b>	9,262.06	16,207.60	0.20	21,556.75	9,642.55	1,010.95	57,680.11	6.91	MGD

<b>FY20 YTD MGD</b>	26.92	49.15	0.01	69.43	31.79	2.95	180.25		
<b>% of YTD</b>	14.9324%	27.2681%	0.0070%	38.5167%	17.6372%	1.6386%	100.0000%		
<b>FY 19 MGD</b>	27.66	48.58	0.0016	64.96	29.12	3.02	173.34		
<b>% of FY19</b>	15.96%	28.03%	0.00%	37.47%	16.80%	1.74%	100%		
<b>Fixed billed FY20</b>	\$ 22,768,507.52	\$ 39,985,815.02	\$ 1,330.51	\$ 53,466,128.14	\$ 23,967,386.50	\$ 2,486,270.64	\$ 142,675,438.33		
<b>Actual fixed based on % of ytd</b>	\$ 21,304,875.82	\$ 38,904,844.48	\$ 9,958.06	\$ 54,953,909.90	\$ 25,164,005.16	\$ 2,337,844.93	\$ 142,675,438.33		
<b>Potential True-up</b>	\$ (1,463,631.70)	\$ (1,080,970.54)	\$ 8,627.55	\$ 1,487,781.76	\$ 1,196,618.66	(148,425.71)	0.00		

REVIEWED  
  
 11-22-19

## Management Statistics with Aged Accounts Receivable Based on Information Available Month Ending 10/31/2019

1. Aged Accounts Receivable as of October 31, 2019

Acct. Receivable Balance 10/31/19	Current	Past Due Over 30 Days
\$11,474,863.73	\$11,474,863.73	-

2. O&M Labor as a percentage of Controllable O&M costs through October 31, 2019 = 61.8%

3. Inventory Turnover Fiscal Year to Date = 2.7%

Inventory at 10/1/2019	927,523.91
Inventory at 10/31/19	934,424.28
Average	930,974.10
Cost of Inventory Used	25,270.74
Inventory Turnover Year to Date	2.7%

4. Uniform Rate / 1,000 gallons FY 2020 = \$ 2.5590

REVIEWED  
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11-22-19