

**DATE:** February 3, 2020  
**TO:** Matt Jordan, General Manager  
**FROM:** Christina Sackett, Chief Financial Officer *CS*  
**SUBJECT:** Financial Statement and Fund Analysis through December 2019

**SUMMARY**

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

Attachments

**TAMPA BAY WATER  
UNIFORM RATE BASIS  
Statement of Revenues and Expenditures  
November 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	0	0	0.00%	0	0	0	0.00%	0
Water Sales - Fixed	11,889,620	11,889,620	100.00%	0	23,779,240	23,779,240	100.00%	0
Water Sales - Variable	2,127,312	2,221,462	95.76%	-94,150	4,378,069	4,442,923	98.54%	-64,854
Water Sales - Other	3,500	3,500	100.00%	0	7,000	7,000	100.00%	0
Water Sales - Tampa By-Pass Canal	0	32,667	0.00%	-32,667	0	65,333	0.00%	-65,333
Rate Stabilization (Note 1)	480,672	480,672	100.00%	0	10,829,818	961,343	1126.53%	9,868,475
<b>Total Operating Revenue</b>	<b>14,501,103</b>	<b>14,627,920</b>	<b>99.13%</b>	<b>-126,816</b>	<b>38,994,128</b>	<b>29,255,839</b>	<b>133.29%</b>	<b>9,738,288</b>
<b>OPERATING EXPENSES:</b>								
<b>FIXED OPERATING EXPENSE:</b>								
Personnel Services	1,295,375	1,605,374	80.69%	309,999	2,394,835	3,210,748	74.59%	815,912
Materials & Supplies	126,416	201,595	62.71%	75,179	503,381	410,912	122.50%	-92,469
Members Water Quality costs	4,000	4,000	100.00%	0	8,000	8,000	100.00%	0
Legal Services	25,521	49,845	51.20%	24,324	32,187	99,689	32.29%	67,502
Professional Services	1,225,504	2,871,841	42.67%	1,646,337	1,695,704	5,827,154	29.10%	4,131,450
Repairs & Other Services	-579,804	491,166	-118.05%	1,070,970	508,034	1,141,035	44.52%	633,002
Rent & Insurance	115,011	185,102	62.13%	70,090	1,516,875	370,203	409.74%	-1,146,672
<b>Total Fixed Operating Expense</b>	<b>2,212,021</b>	<b>5,408,921</b>	<b>40.90%</b>	<b>3,196,900</b>	<b>6,659,016</b>	<b>11,067,742</b>	<b>60.17%</b>	<b>4,408,725</b>
<b>VARIABLE OPERATING EXPENSE:</b>								
Water Treatment Chemicals	448,615	1,058,384	42.39%	609,769	1,092,120	2,116,767	51.59%	1,024,648
Electricity	779,706	1,129,010	69.06%	349,304	802,598	2,258,020	35.54%	1,455,423
Water for Resale	38,426	41,900	91.71%	3,474	77,837	83,800	92.88%	5,963
<b>Total Variable Operating Expense</b>	<b>1,266,747</b>	<b>2,229,294</b>	<b>56.82%</b>	<b>962,547</b>	<b>1,972,554</b>	<b>4,458,588</b>	<b>44.24%</b>	<b>2,486,033</b>
<b>NON-OPERATING INCOME:</b>								
Investment Income	-484,412	-33,101	1463.46%	-451,311	653,124	100,518	649.76%	552,606
Miscellaneous	16,572	0	0.00%	16,572	30,789	0	0.00%	30,789
Litigation Recoveries	0	0	0.00%	0	649	0	0.00%	649
Capital Contributions (Grants)	-2,873	0	0.00%	-2,873	0	0	0.00%	0
<b>Total Non-Operating Income</b>	<b>-470,712</b>	<b>-33,101</b>	<b>1422.07%</b>	<b>-437,612</b>	<b>684,562</b>	<b>100,518</b>	<b>681.04%</b>	<b>584,044</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	608,857	608,857	100.00%	0
Interest - Bonds	2,963,193	2,963,193	0.00%	0	5,926,386	5,926,386	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>6,535,242</b>	<b>6,535,242</b>	<b>100.00%</b>	<b>0</b>
<b>Excess of Revenues over Expenditures before Capital Transactions and Reserve Funding</b>	<b>7,284,002</b>	<b>3,688,983</b>	<b>197.45%</b>	<b>3,595,018</b>	<b>24,511,877</b>	<b>7,294,785</b>	<b>336.02%</b>	<b>17,217,091</b>
<b>OTHER EXPENDITURES:</b>								
Principal - Acquisition Credits	548,202	548,202	100.00%	0	1,096,403	1,096,403	100.00%	0
Principal - Bonds	2,881,250	3,298,333	87.35%	-417,083	5,762,500	6,596,667	87.35%	-834,167
Capital Expenditures	0	128,067	0.00%	128,067	16,147	256,134	6.30%	239,987
<b>Total Other Expenditures</b>	<b>3,429,451</b>	<b>3,974,602</b>	<b>86.28%</b>	<b>-289,016</b>	<b>6,875,050</b>	<b>7,949,204</b>	<b>86.49%</b>	<b>-594,180</b>
<b>RESERVE FUNDING:</b>								
Renewal & Replacement Reserve Funding (Note 2)	473,972	0	0.00%	-473,972	848,972	0	0.00%	-848,972
Renewal & Replacement Reserve Used (Note 3)	-24,532	0	0.00%	24,532	-24,532	0	0.00%	24,532
Operations & Maintenance Reserve	0	24,075	0.00%	24,075	0	48,150	0.00%	48,150
Rate Stabilization Fund	0	-350,235	0.00%	-350,235	0	-495,333	0.00%	-495,333
Energy Fund Reserve Funding (Note 2)	2,396	-233,865	0.00%	-236,261	2,396	-233,865	0.00%	-236,261
Energy Funding Used (Note 3)	0	96,545	0.00%	96,545	0	96,545	0.00%	96,545
Utility Reserve Transfers	0	0	0.00%	0	0	0	0.00%	0
Capital Improvement Funding (Note 2)	261,749	-4,668,721	-5.61%	-4,930,469	445,082	-4,652,104	-9.57%	-5,097,186
Capital Improvement Funding Used (Note 3)	0	2,576,059	0.00%	2,576,059	-34,772	2,084,126	0.00%	2,118,899
<b>Total Reserve Funding</b>	<b>713,585</b>	<b>-2,556,141</b>	<b>-27.92%</b>	<b>-3,269,726</b>	<b>1,237,146</b>	<b>-3,152,481</b>	<b>-39.24%</b>	<b>-4,389,627</b>
<b>Excess Revenue over Expenditures/ (Expenditures over Revenue) - Rate Basis</b>	<b>3,140,965</b>	<b>2,270,522</b>	<b>0</b>	<b>36,276</b>	<b>16,399,680</b>	<b>2,498,063</b>	<b>0</b>	<b>12,233,284</b>
<b>Encumbrances as of 11/30/2019</b>					<b>60,928,960</b>			

**Note 1** - Rate Stabilization actuals reflect 2/12th 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 2/12th 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.

**TAMPA BAY WATER  
UNIFORM RATE BASIS  
Statement of Revenues and Expenditures  
December 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	35,668,860	35,668,860	100.00%	0
Water Sales - Variable	2,096,473	2,221,462	94.37%	-124,988	6,474,543	6,664,385	97.15%	-189,842
Water Sales - Other	3,500	3,500	100.00%	0	10,500	10,500	100.00%	0
Water Sales - Tampa By-Pass Canal	0	32,667	0.00%	-32,667	0	98,000	0.00%	-98,000
Rate Stabilization (Note 1)	480,672	480,672	100.00%	0	11,310,490	1,442,015	784.35%	9,868,475
Total Operating Revenue	14,470,265	14,627,920	98.92%	-157,655	53,464,392	43,883,759	121.83%	9,580,633
<b>OPERATING EXPENSES:</b>								
<b>FIXED OPERATING EXPENSE:</b>								
Personnel Services	1,396,154	1,605,374	86.97%	209,219	3,790,990	4,816,121	78.71%	1,025,132
Materials & Supplies	160,182	205,456	77.96%	45,274	663,563	616,369	107.66%	-47,195
Members Water Quality costs	4,000	4,000	100.00%	0	12,000	12,000	100.00%	0
Legal Services	27,516	49,845	55.20%	22,329	59,703	149,534	39.93%	89,831
Professional Services	2,525,986	2,913,577	86.70%	387,591	4,221,690	8,740,731	48.30%	4,519,041
Repairs & Other Services	439,223	570,518	76.99%	131,295	947,257	1,711,553	55.34%	764,296
Rent & Insurance	80,718	185,102	43.61%	104,384	1,597,593	555,305	287.70%	-1,042,288
Total Fixed Operating Expense	4,633,779	5,533,871	83.73%	900,092	11,292,795	16,601,613	68.02%	5,308,818
<b>VARIABLE OPERATING EXPENSE:</b>								
Water Treatment Chemicals	946,157	1,058,384	89.40%	112,227	2,038,276	3,175,151	64.19%	1,136,874
Electricity	663,709	1,129,010	58.79%	465,301	1,466,307	3,387,031	43.29%	1,920,723
Water for Resale	39,642	41,900	94.61%	2,258	117,478	125,700	93.46%	8,222
Total Variable Operating Expense	1,649,508	2,229,294	73.99%	579,786	3,622,062	6,687,881	54.16%	3,065,819
<b>NON-OPERATING INCOME:</b>								
Investment Income	372,267	50,259	740.70%	322,008	1,025,390	150,777	680.07%	874,614
Miscellaneous	140,777	0	0.00%	140,777	171,565	0	0.00%	171,565
Litigation Recoveries	19,202	0	0.00%	19,202	19,851	0	0.00%	19,851
Capital Contributions (Grants)	0	0	0.00%	0	0	0	0.00%	0
Total Non-Operating Income	532,245	50,259	1059.01%	481,987	1,216,807	150,777	807.03%	1,066,031
<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	913,285	913,285	100.00%	0
Interest - Bonds	2,963,193	2,963,193	0.00%	0	8,889,578	8,889,579	0.00%	0
Total Non-Operating Expenses	3,267,621	3,267,621	100.00%	0	9,802,863	9,802,864	100.00%	0
<b>Excess of Revenues over Expenditures before Capital Transactions and Reserve Funding</b>	<b>5,451,603</b>	<b>3,647,393</b>	<b>149.47%</b>	<b>1,804,210</b>	<b>29,963,479</b>	<b>10,942,178</b>	<b>273.83%</b>	<b>19,021,301</b>
<b>OTHER EXPENDITURES:</b>								
Principal - Acquisition Credits	548,202	548,202	100.00%	0	1,644,605	1,644,605	100.00%	0
Principal - Bonds	2,881,250	3,298,333	87.35%	-417,083	8,643,750	9,895,000	87.35%	-1,251,250
Capital Expenditures	103,890	128,067	81.12%	24,177	120,038	384,201	31.24%	264,164
Total Other Expenditures	3,533,342	3,974,602	88.90%	-392,906	10,408,392	11,923,806	87.29%	-987,086
<b>RESERVE FUNDING:</b>								
Renewal & Replacement Reserve Funding (Note 2)	425,844	0	0.00%	-425,844	1,274,817	0	0.00%	-1,274,817
Renewal & Replacement Reserve Used (Note 3)	-7,721	0	0.00%	7,721	-32,253	0	0.00%	32,253
Operations & Maintenance Reserve	0	24,075	0.00%	24,075	0	72,225	0.00%	72,225
Rate Stabilization Fund	0	-247,667	0.00%	-247,667	0	-743,000	0.00%	-743,000
Energy Fund Reserve Funding (Note 2)	139,754	-116,933	0.00%	-256,686	142,150	-350,798	0.00%	-492,948
Energy Funding Used (Note 3)	0	48,273	0.00%	48,273	0	144,818	0.00%	144,818
Utility Reserve Transfers	0	0	0.00%	0	0	0	0.00%	0
Capital Improvement Funding (Note 2)	223,357	-2,326,052	-9.60%	-2,549,409	668,439	-6,978,156	-9.58%	-7,646,594
Capital Improvement Funding Used (Note 3)	-6,250	1,042,063	0.00%	1,048,313	-41,022	3,126,189	0.00%	3,167,212
Total Reserve Funding	774,984	-1,576,241	-49.17%	-2,351,224	2,012,130	-4,728,722	-42.55%	-6,740,852
<b>Excess Revenue over Expenditures/ (Expenditures over Revenue) - Rate Basis</b>	<b>1,143,277</b>	<b>1,249,031</b>	<b>0</b>	<b>-939,921</b>	<b>17,542,957</b>	<b>3,747,094</b>	<b>0</b>	<b>11,293,363</b>
<b>Encumbrances as of 12/31/2019</b>					<b>60,953,336</b>			

**Note 1** - Rate Stabilization actuals reflect 3/12<sup>th</sup> 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 3/12<sup>th</sup> 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 12/31/19

REVIEWED  
  
 02-03-20

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	781.95	1,451.02	1.23	2,055.38	903.29	88.44	5,281.31		
Dec-19	791.56	1,429.44	-	1,986.07	908.94	88.74	5,204.75		
Jan-20							-		
Feb-20							-		
Mar-20							-		
Apr-20							-		
May-20							-		
Jun-20							-		
Jul-20							-		
Aug-20							-		
Sep-20							-		
FY 19 YEAR-END	10,096.45	17,731.28	0.59	23,708.98	10,628.08	1,102.51	63,267.89	173.34	MGD
FY 20 YTD	2,407.90	4,404.14	1.62	6,193.68	2,797.76	268.74	16,073.84	174.72	MGD
+ / -	7,688.55	13,327.14	(1.03)	17,515.30	7,830.32	833.77	47,194.05	1.38	MGD

FY20 YTD MGD	26.17	47.87	0.02	67.32	30.41	2.92	174.72
% of YTD	14.9802%	27.3994%	0.0101%	38.5327%	17.4057%	1.6719%	100.0000%
FY 19 MGD	27.66	48.58	0.0016	64.96	29.12	3.02	173.34
% of FY19	15.96%	28.03%	0.00%	37.47%	16.80%	1.74%	100%
Fixed billed FY20	\$ 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
Actual fixed based on % of ytd	\$ 21,373,124.78	\$ 39,092,252.07	\$ 14,379.53	\$ 54,976,658.28	\$ 24,833,619.99	\$ 2,385,403.69	\$ 142,675,438.33
Potential True-up	\$ (1,395,382.74)	\$ (893,562.95)	\$ 13,049.02	\$ 1,510,530.14	\$ 866,233.49	(100,866.95)	0.00

REVIEWED  
  
 02-03-20

## Management Statistics with Aged Accounts Receivable Based on Information Available Month Ending 12/31/2019

1. Aged Accounts Receivable as of December 31, 2019

Acct. Receivable Balance 12/31/19	Current	Past Due Over 30 Days
\$6,228,075.16	\$6,228,075.16	-

2. O&M Labor as a percentage of Controllable O&M costs through December 31, 2019 = 70.7%

3. Inventory Turnover Fiscal Year to Date = 5.5%

Inventory at 10/1/2019	927,668.79
Inventory at 12/31/19	926,636.11
Average	927,152.45
Cost of Inventory Used	51,354.31
Inventory Turnover Year to Date	5.5%

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