



WSSC WATER
DELIVERING THE ESSENTIAL

FY 2020
MONTHLY STATUS REPORT
JANUARY 2020



Interoffice Memorandum

TO: CARLA A. REID
GENERAL MANAGER/CEO

VIA: JOSEPH F. BEACH
DEPUTY GENERAL MANAGER OF ADMINISTRATION

FROM: PATRICIA A. COLIHAN *MAB for PAC*
CHIEF FINANCIAL OFFICER

DATE: MARCH 16, 2020

SUBJECT: MONTHLY STATUS REPORT – JANUARY 2020

Attached is the January Monthly Status Report on the budgetary and fiscal performance of the Commission. The report provides summary information delineating the Commission's current and projected financial status for Fiscal Year 2020 (FY'20). As this is the first year of our new four-tier rate structure, we are closely monitoring the water and sewer use charge revenue streams in order to understand and accurately project any impact on our financial status. At this time, we are not making changes to our projected financial results as presented in the December Monthly Status Report

In previous reports for the sewer operating fund, projected sewer use charge revenue was reduced by 1.1% to begin to recognize an adjustment to the sewer rate calculation based on the last two years' results and additional sewer use charge revenue reductions were projected due to lower than anticipated sewer billing factors and lower projected fee income. The \$12.0 million projected revenue shortfall is expected to be more than offset by \$3.5 million in higher interest income, and lower projected net expenses. Although our All Other expenses are projected to be \$9.9 million higher than budgeted due to ongoing Project Cornerstone stabilization and the holistic sewer rehab work in the Piscataway sewer basin, projected expense decreases of \$13.1 million in debt service, \$4 million in regional sewage disposal, \$4.0 million in salary and wages expenses and other minor adjustments result in a projected year-end fund income of \$4.8 million. In developing the sewer rates for the FY 21 budget, the recovery of an \$8.7 million shortfall was incorporated. Our staff continues to analyze sewer revenues to identify the factors driving the lower than expected revenue.

In the water operating fund, salaries and wages expenses are projected to be \$10.3 million higher than budgeted due to both a budget under-allocation between the water and sewer operating funds and significantly higher overtime expenses in Customer Service and Utility Services. The higher expense is partially offset by \$6.6 million projected reduction in the use of PAYGO. Including some other minor adjustments, the fund is currently projected to show a loss of \$4.4 million. However, we will continue to review expenditure patterns with the various departments and look at other adjustments between now and the end of the year to close the gap.

Overall for the combined water and sewer operating funds, the net projected lower expenses will offset the projected revenue shortfalls. At this point, we are projecting a combined water and sewer operating fund net income of \$0.4 million for the fiscal year.

Capital spending on both sewer reconstruction programs is significantly slower than planned and is tracking close to the FY'19 pace. We anticipate spending only 61% of the capital budget. Due to the slower spending, we've delayed our sewer bond sale until next fall. The delay along with the February 25th bond refunding at lower interest rates resulted in the projected debt service savings in the operating funds.

Fiscal to date water production, at 166.0 MGD, is 0.3% ahead of the five-year average and 1.0% ahead of last year's pace over the same period, primarily due to drought conditions across our service area during the first quarter. Water production for the month of January, at 153.3 MGD, was 4.7 MGD below the five-year average for the month. Water and sewer revenue depend not only on the water produced and ultimately consumed, but also on the average billing rate. Historically, the average billing rate has represented the water and sewer revenue received per thousand gallons of water produced. However, with the change from a 16-step to a 4-step rate structure we anticipate that a number of adjustments to our revenue projections may be required based upon changes in customer use patterns. In previous reports, adjustments to projected sewer use revenue have lowered the average end-of-year combined water and sewer billing rate per thousand gallons produced from the \$10.977 budgeted to the current projected \$10.779.

To increase accountability and ease of budget management of moveable assets by operating departments, a budgeting change was implemented in FY'20 to reflect the full cost of moveable assets to be purchased. The change also required an accounting adjustment removing the \$31.3 million undepreciated balance or net book value of those moveable assets. This approach is fairly standard in governments for management's internal financial statements. No adjustment was required in the GAAP based financial statements that are relied upon by rating agencies and other external parties. Those financial statements continue to present the net book value of all WSSC Water's assets.

The accumulated net revenue at year end is projected to be \$128.4 million (see page 2 of the report), of which \$77.2 million is restricted for our working capital reserve, \$8.0 million is planned for use in the FY'21 budget, and \$18.0 million is projected to be used in the FY'22 through FY'24 budgets, and to maintain the targeted 10% operating reserve.

Other highlights of the January 2020 report are as follows:

Revenues

- Total revenues (all funds) through January were \$462.1 million or 58% of total budgeted.
- Total revenues (all funds) are projected to be \$786.6 million; \$9.7 million less than budgeted.

Expenses

- Total net expenses (all funds) through January were \$424.9 million or 53% of total budgeted.
- Total net expenses (all funds) are projected to be \$787.7 million; \$10.1 million less than budgeted.

Water Production

- Water production through January averaged 166.0 MGD (page 4).

Workyears

- Cumulative workyears through the end of January were 1,680 (page 5).

System Development Charge

- The System Development Charge available account balance through January was \$13.6 million. The account balance is used during the year to fund water and sewer growth-related capital projects (page 13).

I recommend transmittal of the attached report to Prince George's and Montgomery Counties.

**OPERATING FUNDS
CONSOLIDATED STATEMENT OF REVENUES AND EXPENDITURES**

(In Thousands)

| | FY'19 ACTUAL | FY'20 APPROVED BUDGET | FY'19 ACTUAL THRU 1/31/19 | FY'20 ACTUAL THRU 1/31/20 | PROJECTED THRU 6/30/20 |
|--|-------------------------|--------------------------------------|--|--|---------------------------------------|
| REVENUES | | | | | |
| Water Consumption and Sewer Use Charges | \$615,249 | \$658,899 | \$369,975 | \$384,527 | \$646,997 |
| Use of Accumulated Net Revenue | 11,580 | 11,341 | 0 | 0 | 11,341 |
| All Other Revenues | 135,517 | 126,094 | 79,018 | 77,548 | 128,297 |
| TOTAL REVENUES | 762,346 | 796,334 | 448,993 | 462,075 | 786,635 |
| EXPENSES | | | | | |
| Operating Expenses | 469,270 | 466,099 | 246,626 | 254,951 | 478,338 |
| PAYGO | 15,754 | 31,016 | 7,754 | 7,754 | 24,394 |
| Debt Service Expense | 292,656 | 319,883 | 160,306 | 174,574 | 305,276 |
| GROSS EXPENSES | 777,680 | 816,998 | 414,686 | 437,279 | 808,008 |
| Less: Reconstruction Debt Service Offset | (12,500) | (11,600) | (7,291) | (6,767) | (11,600) |
| Less: SDC Debt Service Offset | (5,551) | (4,658) | (2,518) | (3,905) | (5,771) |
| Less: Premium Transfer | 0 | (2,900) | 0 | (1,691) | (2,900) |
| NET EXPENSES | 759,629 | 797,840 | 404,877 | 424,916 | 787,737 |
| NET REVENUE (LOSS) FOR YEAR | \$2,717 | (\$1,506) | \$44,116 | \$37,159 | (\$1,102) |

COMBINED WATER AND SEWER OPERATING FUNDS

(In Thousands)

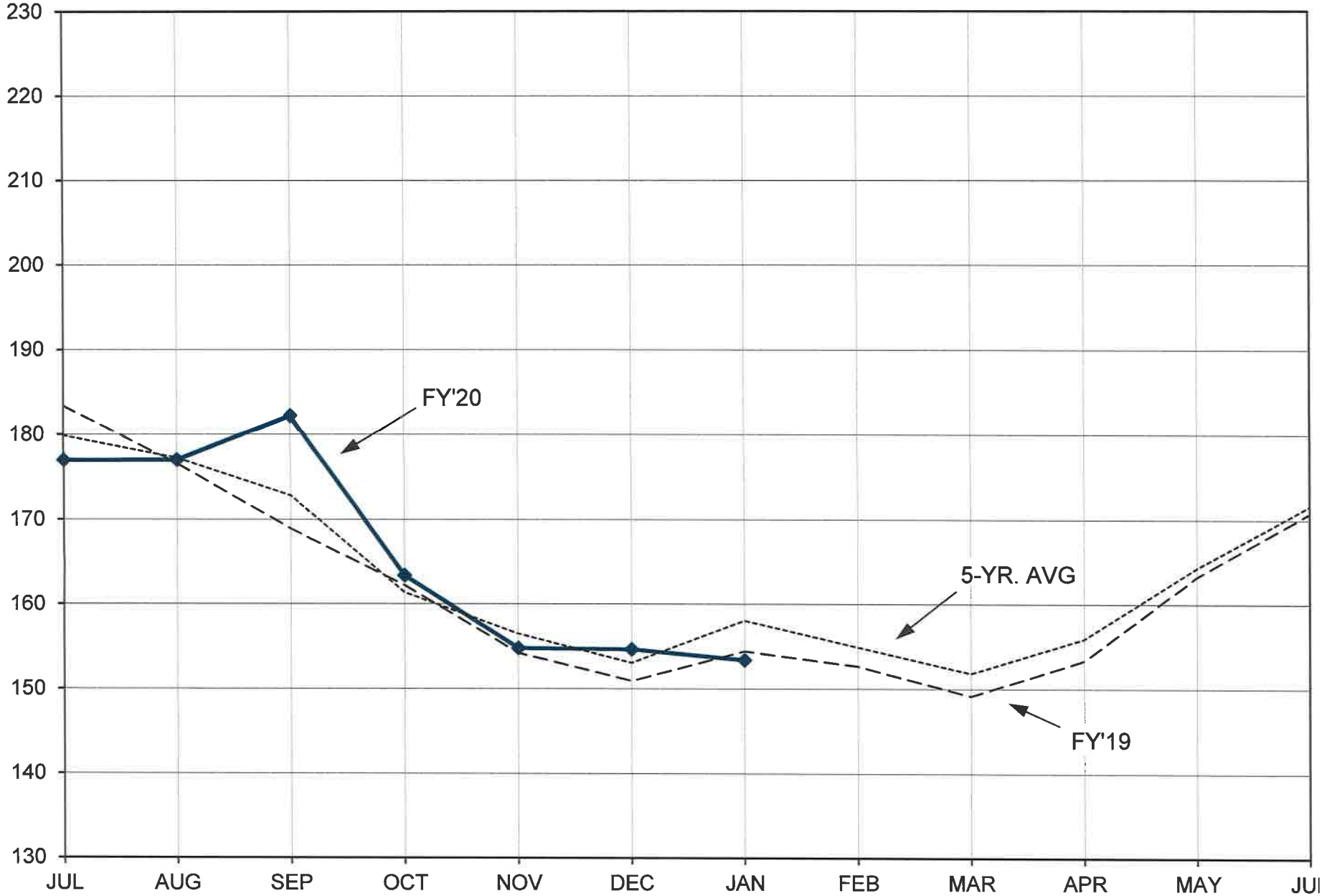
| | FY'19 ACTUAL | FY'20 APPROVED BUDGET | FY'19 ACTUAL THRU 1/31/19 | FY'20 ACTUAL THRU 1/31/20 | PROJECTED THRU 6/30/20 |
|---|------------------|-----------------------------|---------------------------------|---------------------------------|------------------------------|
| REVENUES | | | | | |
| Water Consumption & Sewer Use Charges | \$615,249 | \$658,899 | \$369,975 | \$384,527 | \$646,997 |
| Use of Accumulated Net Revenue | 11,580 | 11,341 | 0 | 0 | 11,341 |
| All Other Revenues | 118,313 | 112,827 | 67,932 | 69,253 | 115,030 |
| TOTAL REVENUES | 745,142 | 783,067 | 437,907 | 453,780 | 773,368 |
| EXPENSES | | | | | |
| Operating Expenses | 467,694 | 464,902 | 245,832 | 254,054 | 477,141 |
| PAYGO | 15,754 | 31,016 | 7,754 | 7,754 | 24,394 |
| Debt Service Expense | 275,385 | 306,307 | 150,877 | 166,332 | 291,700 |
| GROSS EXPENSES | 758,833 | 802,225 | 404,463 | 428,140 | 793,235 |
| Less: Reconstruction Debt Service Offset | (12,500) | (11,600) | (7,291) | (6,767) | (11,600) |
| Less: SDC Debt Service Offset | (5,551) | (4,658) | (2,518) | (3,905) | (5,771) |
| Less: Premium Transfer | 0 | (2,900) | 0 | (1,691) | (2,900) |
| NET EXPENSES | 740,782 | 783,067 | 394,654 | 415,777 | 772,964 |
| NET REVENUE (LOSS) FOR YEAR | \$4,360 | \$0 | \$43,253 | \$38,003 | \$404 |
| ACCUMULATED NET REVENUE - BEGINNING OF YEAR | 179,780 | | | | 139,282 |
| NET REVENUE (LOSS) FOR YEAR | 4,360 | | | | 404 |
| USE OF ACCUMULATED NET REVENUE | (11,580) | | | | (11,341) |
| ACCUMULATED NET REVENUE - END OF YEAR | \$172,560 | | | | \$128,345 * |
| WATER PRODUCED (MGD) | 161.7 | 164.0 | 164.4 | 166.0 | 164.0 |

* Includes Working Capital Reserve of \$77.2 million.

NOTE: Refer to Pages 8 and 9 for details of Water and Sewer Operating Funds.

WATER PRODUCED

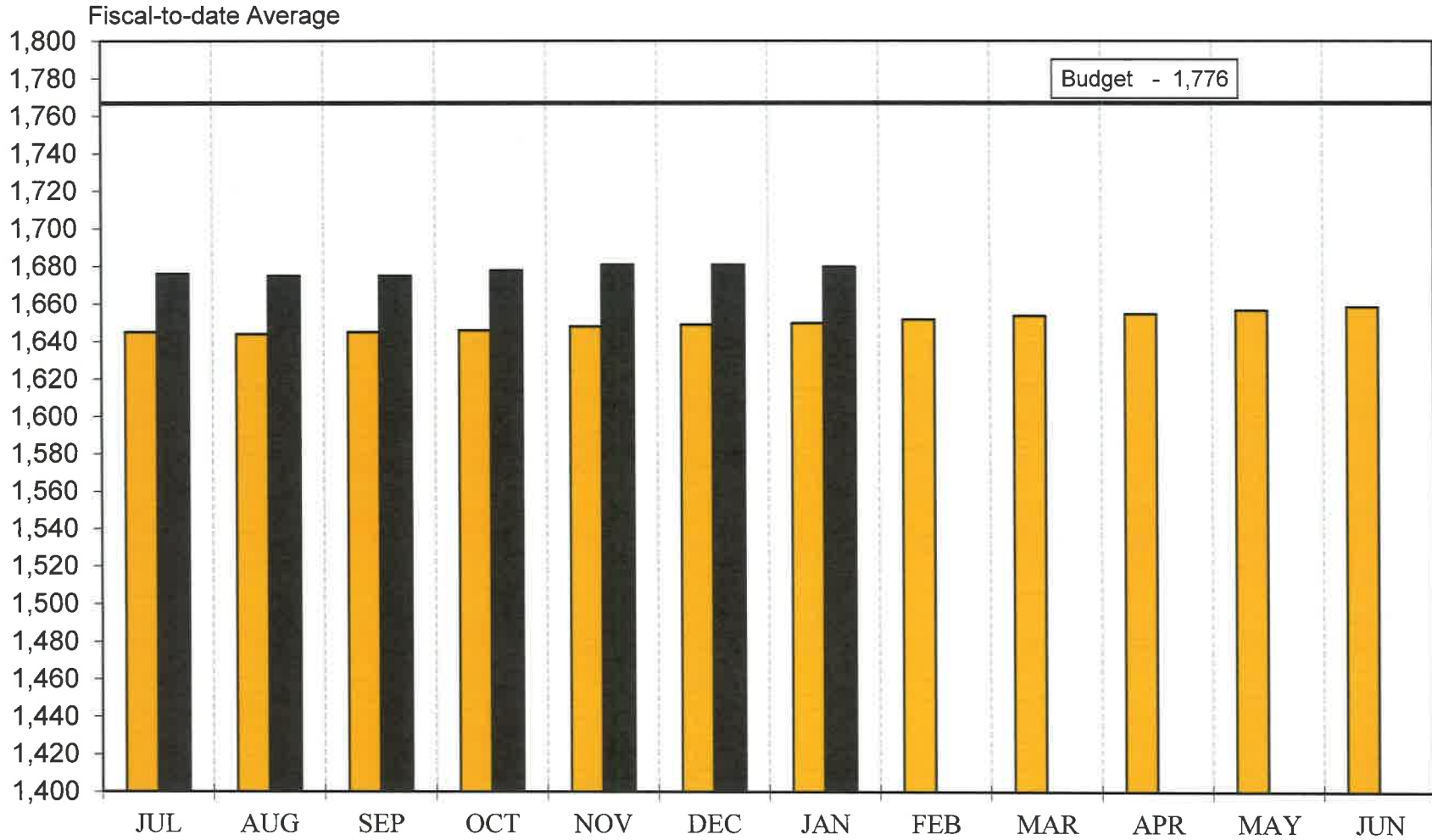
AVERAGE MGD



**FY'20
WATER PRODUCED**

| <u>MONTH</u> | <u>MONTHLY TOTAL (MG)</u> | <u>MONTHLY AVERAGE (MGD)</u> | <u>FY'20 CUMULATIVE AVERAGE (MGD)</u> | <u>FY'19 CUMULATIVE AVERAGE (MGD)</u> |
|--------------|-----------------------------------|--------------------------------------|---|---|
| July | 5,486.601 | 176.987 | 176.987 | 183.372 |
| August | 5,487.857 | 177.028 | 177.007 | 180.013 |
| September | 5,465.412 | 182.180 | 178.694 | 176.384 |
| October | 5,064.006 | 163.355 | 174.828 | 172.812 |
| November | 4,643.343 | 154.778 | 170.897 | 169.161 |
| December | 4,793.293 | 154.622 | 168.155 | 166.087 |
| January | 4,754.568 | 153.373 | 166.024 | 164.404 |
| February | | | | 163.050 |
| March | | | | 161.477 |
| April | | | | 160.675 |
| May | | | | 160.914 |
| June | | | | 161.721 |

ACTUAL WORKYEARS



| | | | | | | | | | | | | |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| ■ FY'19 | 1,645 | 1,644 | 1,645 | 1,646 | 1,648 | 1,649 | 1,650 | 1,652 | 1,654 | 1,655 | 1,657 | 1,659 |
| ■ FY'20 | 1,676 | 1,675 | 1,675 | 1,678 | 1,681 | 1,681 | 1,680 | - | - | - | - | - |

STATEMENT OF CAPITAL FUNDS INCOME AND EXPENDITURES
CAPITAL FUNDS TOTAL

(In Thousands)

| | <u>FY'19 ACTUAL</u> | <u>FY'20 APPROVED BUDGET</u> | <u>FY'19 ACTUAL THRU 1/31/19</u> | <u>FY'20 ACTUAL THRU 1/31/20</u> | <u>PROJECTED THRU 6/30/20</u> |
|-------------------------------------|-------------------------|--------------------------------------|--|--|---------------------------------------|
| <u>GROSS FUNDS AVAILABLE</u> | | | | | |
| Bonds Issued and Cash on Hand | \$353,766 | \$579,823 | | | |
| Anticipated Contributions: | | | | | |
| Federal & State Grants | 995 | 22,291 | | | |
| System Development Charge | 15,000 | 21,716 | | | |
| Other | 7,667 | 14,696 | | | |
| Available for Current Construction | <u>377,428</u> | <u>638,526</u> | | | |
| <u>CAPITAL COSTS</u> | | | | | |
| Salaries & Wages | \$27,293 | \$27,154 | \$16,630 | \$15,776 | \$27,154 |
| Contract Work | 202,735 | 383,332 | 120,230 | 103,637 | 210,000 |
| Consulting Engineers | 51,872 | 58,073 | 21,662 | 18,325 | 45,000 |
| All Other * | 104,895 | 169,967 | 64,270 | 55,735 | 110,000 |
| TOTAL COSTS | <u><u>\$386,795</u></u> | <u><u>\$638,526</u></u> | <u><u>\$222,792</u></u> | <u><u>\$193,473</u></u> | <u><u>\$392,154</u></u> |

*Reflects the transfer of \$2.9 million of Bond Premium to the Water & Sewer Operating funds.

CONSOLIDATED STATEMENT OF OPERATING FUNDS, REVENUES AND EXPENDITURES

(In Thousands)

| | FY'19 ACTUAL | FY'20 APPROVED BUDGET | FY'19 ACTUAL THRU 1/31/19 | FY'20 ACTUAL THRU 1/31/20 | PROJECTED THRU 6/30/20 |
|---|------------------|-----------------------------|---------------------------------|---------------------------------|------------------------------|
| REVENUES | | | | | |
| Water Consumption Charges | \$273,753 | \$280,997 | \$166,599 | \$170,237 | \$280,997 |
| Sewer Use Charges | 341,496 | 377,902 | 203,376 | 214,290 | 366,000 |
| Account Maintenance Fees | 32,116 | 32,296 | 18,751 | 18,526 | 31,471 |
| Infrastructure Investment Fee | 39,278 | 39,331 | 22,993 | 22,557 | 38,359 |
| Front Foot Benefit & House Connection Assessments | 15,809 | 12,507 | 10,396 | 7,828 | 12,507 |
| Plumbing & Inspection Fees | 13,594 | 12,900 | 7,623 | 8,744 | 14,900 |
| Interest Income | 10,433 | 6,000 | 4,753 | 3,498 | 7,500 |
| Rockville Sewer Use | 3,106 | 3,000 | 1,881 | 1,752 | 3,000 |
| Use of Accumulated Net Revenue | 11,580 | 11,341 | 0 | 0 | 11,341 |
| Miscellaneous | 21,181 | 20,060 | 12,621 | 14,643 | 20,560 |
| TOTAL REVENUES | 762,346 | 796,334 | 448,993 | 462,075 | 786,635 |
| EXPENSES | | | | | |
| Salaries & Wages | 125,851 | 130,134 | 73,455 | 79,819 | 136,459 |
| Heat, Light & Power | 19,683 | 19,436 | 11,792 | 9,021 | 19,436 |
| Regional Sewage Disposal | 54,809 | 59,000 | 34,173 | 30,989 | 55,000 |
| All Other | 268,927 | 257,529 | 127,206 | 135,122 | 267,443 |
| PAYGO | 15,754 | 31,016 | 7,754 | 7,754 | 24,394 |
| Debt Service | 292,656 | 319,883 | 160,306 | 174,574 | 305,276 |
| GROSS EXPENSES | 777,680 | 816,998 | 414,686 | 437,279 | 808,008 |
| Less: Reconstruction Debt Service Offset | (12,500) | (11,600) | (7,291) | (6,767) | (11,600) |
| Less: SDC Debt Service Offset | (5,551) | (4,658) | (2,518) | (3,905) | (5,771) |
| Less: Premium Transfer | 0 | (2,900) | 0 | (1,691) | (2,900) |
| NET EXPENSES | 759,629 | 797,840 | 404,877 | 424,916 | 787,737 |
| NET REVENUE (LOSS) FOR YEAR | 2,717 | (<u>\$1,506</u>) | <u>\$44,116</u> | <u>\$37,159</u> | (1,102) |
| ACCUMULATED NET REVENUE - JULY 1 | 228,152 | | | | 173,511 |
| Use of Fund Balance | (24,080) | | | | (22,941) |
| ACCUMULATED NET REVENUE - JUNE 30 | <u>\$206,789</u> | | | | <u>\$149,468</u> |

Note: Details of the Water and Sewer Operating Funds and General Bond Debt Service Fund are on pages 8, 9 & 12, respectively.

WATER OPERATING

(In Thousands)

| | <u>FY'19 ACTUAL</u> | <u>FY'20 APPROVED BUDGET</u> | <u>FY'19 ACTUAL THRU 1/31/19</u> | <u>FY'20 ACTUAL THRU 1/31/20</u> | <u>PROJECTED THRU 6/30/20</u> |
|--|-------------------------|--------------------------------------|--|--|---------------------------------------|
| REVENUES | | | | | |
| Water Consumption Charges | \$273,753 | \$280,997 | \$166,599 | \$170,237 | \$280,997 |
| Account Maintenance Fee | 16,379 | 16,471 | 9,563 | 9,792 | 16,471 |
| Infrastructure Investment Fee | 20,032 | 20,059 | 11,726 | 11,816 | 20,059 |
| Plumbing & Inspection Fees | 7,750 | 7,470 | 4,365 | 5,003 | 8,500 |
| Interest Income | 779 | 2,000 | 79 | (580) | 0 |
| Use of Accumulated Net Revenue | 5,906 | 5,784 | 0 | 0 | 5,784 |
| Miscellaneous | 10,001 | 10,600 | 5,784 | 6,628 | 10,100 |
| TOTAL REVENUES | <u>334,600</u> | <u>343,381</u> | <u>198,116</u> | <u>202,896</u> | <u>341,911</u> |
| EXPENSES | | | | | |
| Salaries & Wages | 69,084 | 63,707 | 40,394 | 43,751 | 74,000 |
| Heat, Light & Power | 11,143 | 10,808 | 6,982 | 5,216 | 10,808 |
| All Other | 135,241 | 131,005 | 64,024 | 67,902 | 131,005 |
| PAYGO | 7,415 | 13,522 | 3,415 | 3,380 | 6,900 |
| Debt Service | 116,317 | 133,216 | 63,294 | 73,240 | 131,700 |
| GROSS EXPENSES | <u>339,200</u> | <u>352,258</u> | <u>178,109</u> | <u>193,489</u> | <u>354,413</u> |
| Less: Reconstruction Debt Service Offset | (4,000) | (4,000) | (2,333) | (2,333) | (4,000) |
| Less: SDC Debt Service Offset | (2,395) | (3,540) | (907) | (2,027) | (2,731) |
| Less: Premium Transfer | 0 | (1,337) | 0 | (779) | (1,337) |
| NET EXPENSES | <u>332,805</u> | <u>343,381</u> | <u>174,869</u> | <u>188,350</u> | <u>346,345</u> |
| NET REVENUE (LOSS) | <u>1,795</u> | <u>\$0</u> | <u>\$23,247</u> | <u>\$14,546</u> | <u>(4,434)</u> |
| ACCUMULATED NET REVENUE - JULY 1 | 36,832 | | | | 15,485 * |
| Use of Fund Balance | (5,906) | | | | (5,784) |
| ACCUMULATED NET REVENUE - JUNE 30 | <u>\$32,721</u> | | | | <u>\$5,267</u> |

*Reflects a decrease in net revenues of \$17,236,000 resulting from prior year adjustments.

SEWER OPERATING

(In Thousands)

| | FY'19 ACTUAL | FY'20 APPROVED BUDGET | FY'19 ACTUAL THRU 1/31/19 | FY'20 ACTUAL THRU 1/31/20 | PROJECTED THRU 6/30/20 |
|--|------------------|-----------------------------|---------------------------------|---------------------------------|------------------------------|
| REVENUES | | | | | |
| Sewer Use Charges | \$341,496 | \$377,902 | \$203,376 | \$214,290 | \$366,000 |
| Account Maintenance Fee | 15,737 | 15,825 | 9,188 | 8,734 | 15,000 |
| Infrastructure Investment Fee | 19,246 | 19,272 | 11,267 | 10,741 | 18,300 |
| Rockville Sewer Use | 3,106 | 3,000 | 1,881 | 1,752 | 3,000 |
| Interest Income | 8,527 | 3,500 | 4,145 | 3,758 | 7,000 |
| Plumbing & Inspection Fees | 5,844 | 5,430 | 3,258 | 3,741 | 6,400 |
| Use of Accumulated Net Revenue | 5,674 | 5,557 | 0 | 0 | 5,557 |
| Miscellaneous | 10,912 | 9,200 | 6,676 | 7,868 | 10,200 |
| TOTAL REVENUES | 410,542 | 439,686 | 239,791 | 250,884 | 431,457 |
| EXPENSES | | | | | |
| Salaries & Wages | 56,016 | 65,968 | 32,634 | 35,584 | 62,000 |
| Heat, Light & Power | 8,540 | 8,628 | 4,810 | 3,805 | 8,628 |
| Regional Sewage Disposal | 54,809 | 59,000 | 34,173 | 30,989 | 55,000 |
| All Other | 132,861 | 125,786 | 62,815 | 66,807 | 135,700 |
| PAYGO | 8,339 | 17,494 | 4,339 | 4,374 | 17,494 |
| Debt Service | 159,068 | 173,091 | 87,583 | 93,092 | 160,000 |
| GROSS EXPENSES | 419,633 | 449,967 | 226,354 | 234,651 | 438,822 |
| Less: Reconstruction Debt Service Offset | (8,500) | (7,600) | (4,958) | (4,434) | (7,600) |
| Less: SDC Debt Service Offset | (3,156) | (1,118) | (1,611) | (1,878) | (3,040) |
| Less: Premium Transfer | 0 | (1,563) | 0 | (912) | (1,563) |
| NET EXPENSES | 407,977 | 439,686 | 219,785 | 227,427 | 426,619 |
| NET REVENUE (LOSS) | 2,565 | \$0 | \$20,006 | \$23,457 | 4,838 |
| ACCUMULATED NET REVENUE - JULY 1 | 142,948 | | | | 123,797 * |
| Use of Fund Balance | (5,674) | | | | (5,557) |
| ACCUMULATED NET REVENUE - JUNE 30 | \$139,839 | | | | \$123,078 |

*Reflects a decrease in net revenues of \$16,042,000 resulting from prior year adjustments.

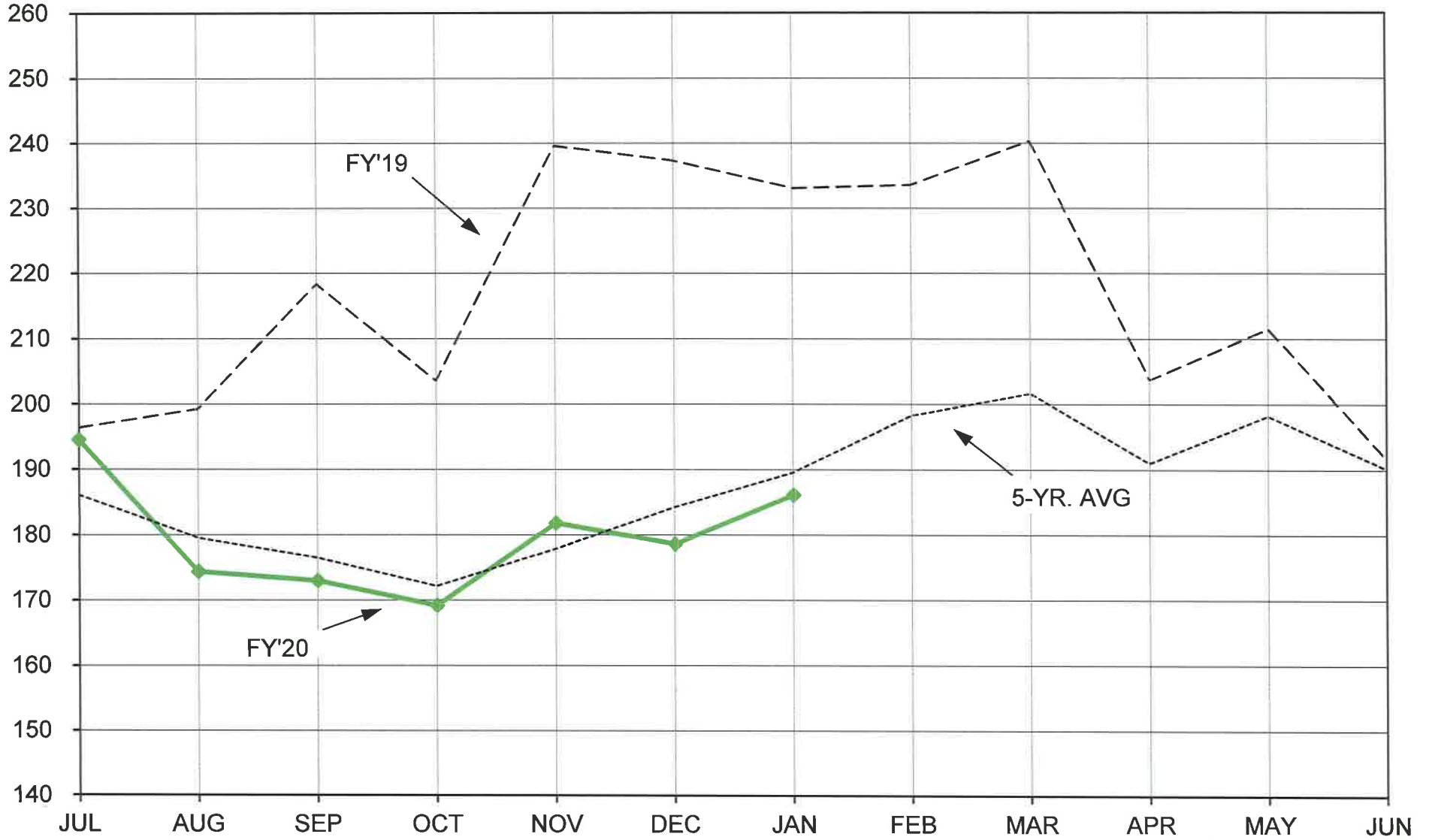
**FY'20
SEWAGE FLOWS**

| MONTH | WSSC PLANTS AVERAGE (MGD) | BLUE PLAINS AVERAGE (MGD) | FY'20 MONTHLY AVERAGE (MGD) | FY'19 MONTHLY AVERAGE (MGD) | FY'20 CUMULATIVE AVERAGE (MGD) |
|--------------|--|--|--|--|---|
| July | 79.40 | 115.10 | 194.50 | 196.36 | 194.50 |
| August | 69.54 | 104.80 | 174.34 | 199.26 | 184.42 |
| September | 62.40 | 110.50 | 172.90 | 218.36 | 180.66 |
| October | 64.32 | 104.80 | 169.12 | 203.58 | 177.75 |
| November | 66.31 | 115.50 | 181.81 | 239.57 | 178.55 |
| December | 70.86 | 107.70 | 178.56 | 237.32 | 178.55 |
| January | 73.11 | 113.00 | 186.11 | 233.11 | 179.64 |
| February | | | | 233.57 | |
| March | | | | 240.32 | |
| April | | | | 203.77 | |
| May | | | | 211.53 | |
| June | | | | 191.58 | |

SEWAGE FLOWS

(INCLUDES BLUE PLAINS)

AVERAGE MGD



GENERAL BOND DEBT SERVICE FUND

(In Thousands)

| | <u>FY'19 ACTUAL</u> | <u>FY'20 APPROVED BUDGET</u> | <u>FY'19 ACTUAL THRU 1/31/19</u> | <u>FY'20 ACTUAL THRU 1/31/20</u> | <u>PROJECTED THRU 6/30/20</u> |
|--|-------------------------|--------------------------------------|--|--|---------------------------------------|
| REVENUES | | | | | |
| Front Foot Benefit & House Connection | | | | | |
| Assessments | \$15,809 | \$12,507 | \$10,396 | \$7,828 | \$12,507 |
| Interest Income | 1,127 | 500 | 529 | 320 | 500 |
| Miscellaneous | 268 | 260 | 161 | 147 | 260 |
| Use of Accumulated Net Revenue | 12,500 | 11,600 | 7,291 | 6,767 | 11,600 |
| Reconstruction Debt Service Offset | (12,500) | (11,600) | (7,291) | (6,767) | (11,600) |
| TOTAL REVENUES | <u>17,204</u> | <u>13,267</u> | <u>11,086</u> | <u>8,295</u> | <u>13,267</u> |
| EXPENSES | | | | | |
| Salaries & Wages | 751 | 459 | 427 | 484 | 459 |
| All Other | 825 | 738 | 367 | 413 | 738 |
| Debt Service | <u>17,271</u> | <u>13,576</u> | <u>9,429</u> | <u>8,242</u> | <u>13,576</u> |
| GROSS EXPENSES | <u>18,847</u> | <u>14,773</u> | <u>10,223</u> | <u>9,139</u> | <u>14,773</u> |
| NET EXPENSES | <u>18,847</u> | <u>14,773</u> | <u>10,223</u> | <u>9,139</u> | <u>14,773</u> |
| NET REVENUE (LOSS) | <u>(1,643)</u> | <u>(\$1,506)</u> | <u>\$863</u> | <u>(\$844)</u> | <u>(1,506)</u> |
| ACCUMULATED NET REVENUE - JULY 1 | 48,372 | | | | 34,229 |
| Use of Fund Balance | <u>(12,500)</u> | | | | <u>(11,600)</u> * |
| ACCUMULATED NET REVENUE - JUNE 30 | <u>\$34,229</u> | | | | <u>\$21,123</u> |

* Reflects transfer of \$11,600,000 for Reconstruction Debt Service from General Bond Debt Service Fund to Water & Sewer Operating Funds.

SYSTEM DEVELOPMENT CHARGE ACCOUNT

(In Thousands)

| | |
|---|------------------------|
| ACCOUNT BALANCE, JULY 1, 2019 | \$10,348 |
| <u>ACCOUNT ADDITIONS:</u> | |
| SDC Revenues, Net | 15,467 |
| Interest Income | <u>153</u> |
| FUNDS AVAILABLE | 25,968 |
| Less MOU Credit Reimbursement | (1,399) |
| <u>TRANSFERRED TO OPERATING FUNDS:*</u> | |
| Water Operating - Debt Service | (2,027) |
| Sewer Operating - Debt Service | (1,878) |
| <u>TRANSFERRED TO BOND FUNDS:</u> | |
| Water Supply Bond | 0 |
| Sewer Disposal Bond | <u>0</u> |
| Account Balance | 20,664 |
| Less Amounts Billed But Not Yet Collected | 0 |
| Less Reserve for MOU Related Reimbursements | <u>(7,064)</u> |
| AVAILABLE ACCOUNT BALANCE, JANUARY 31, 2020 | <u><u>\$13,600</u></u> |

*Transfers to operating funds service debt issued in FY'16, FY'18 & FY'19 and are shown on pages 8 & 9 as SDC Debt Service Offset.