

A large, stylized graphic in the background features a yellow sun with rays, partially obscured by two large, light green leaves. Below the leaves is a light blue, curved shape resembling a wave or a path.

# UTILITY QUARTERLY FINANCIAL UPDATE



**CHARLOTTE COUNTY**  
FLORIDA

# AGENDA

- PRMG Model Recap
- FY18 & Projected FY19 Comparison to model
- Debt
- Historical utility budgets
- Capital funds budget summaries

# PRMG MODEL RECAP

## Combined Water and Wastewater Revenue & Expenditures Summary

Updated for 2-12-19 adopted rates

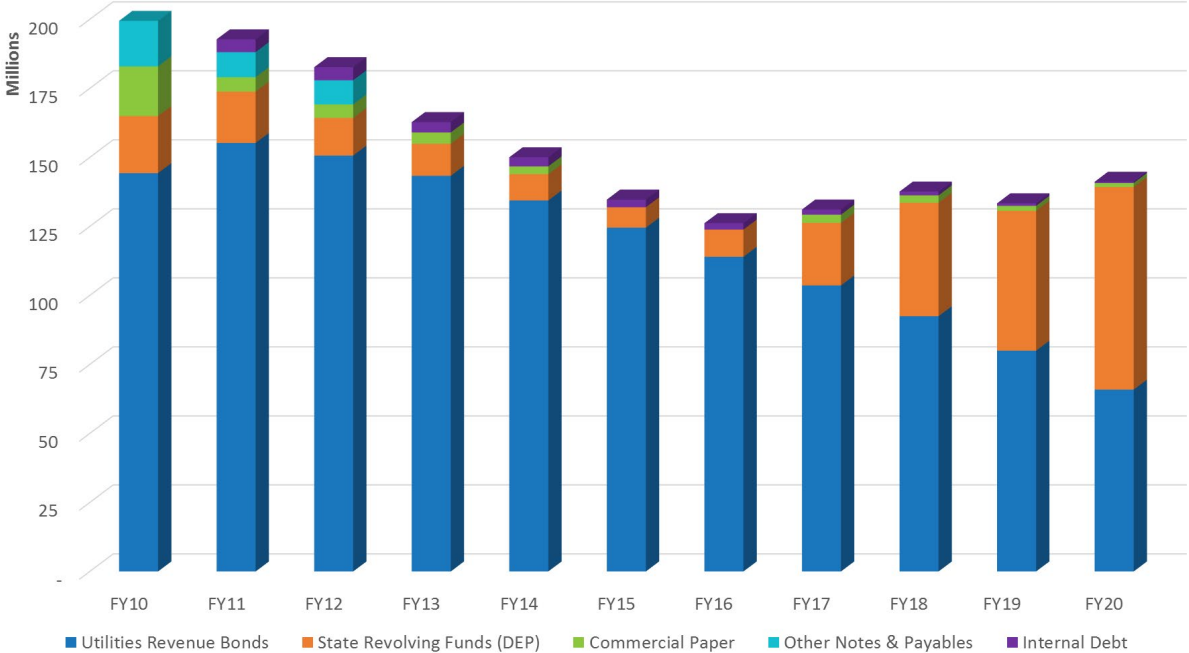
| Description                                 | Projected Fiscal Years Ending September 30, |                           |                              |                              |                            |                            |                              |                             |                             |                             |
|---|---|---------------------------|------------------------------|------------------------------|----------------------------|----------------------------|------------------------------|-----------------------------|-----------------------------|-----------------------------|
|   | 2018  | 2019                      | 2020                         | 2021                         | 2022                       | 2023                       | 2024                         | 2025                        | 2026                        | 2027                        |
| <b>Revenue</b>                              |   |                           |                              |                              |                            |                            |                              |                             |                             |                             |
| Utility Rate Revenues                       | \$ 62,962,339                               | \$ 64,972,011             | \$ 70,673,142                | \$ 76,522,933                | \$ 81,387,891              | \$ 84,342,042              | \$ 86,506,595                | \$ 88,651,825               | \$ 90,778,615               | \$ 91,938,265               |
| Other Operating Revenues                    | 6,567,816                                   | 6,615,365                 | 6,708,555                    | 6,797,289                    | 4,949,829                  | 5,098,785                  | 5,149,773                    | 5,201,271                   | 5,253,284                   | 5,305,817                   |
| Non-operating Revenues                      | 2,896,428                                   | 5,059,970                 | 4,452,016                    | 4,443,980                    | 6,797,760                  | 7,992,260                  | 7,479,581                    | 7,522,721                   | 7,626,742                   | 5,942,702                   |
| <b>Total Revenue</b>                        | <b>\$ 72,426,583</b>                        | <b>\$ 76,647,346</b>      | <b>\$ 81,833,713</b>         | <b>\$ 87,764,202</b>         | <b>\$ 93,135,480</b>       | <b>\$ 97,433,087</b>       | <b>\$ 99,135,949</b>         | <b>\$ 101,375,817</b>       | <b>\$ 103,658,641</b>       | <b>\$ 103,186,784</b>       |
| <b>Expenditure Summary</b>                  |   |                           |                              |                              |                            |                            |                              |                             |                             |                             |
| Operating Expenses                          | \$ 45,241,128                               | \$ 46,285,440             | \$ 48,345,307                | \$ 49,852,343                | \$ 51,299,335              | \$ 55,240,161              | \$ 57,220,828                | \$ 59,274,791               | \$ 61,404,921               | \$ 64,269,579               |
| Debt Service                                | 16,284,527                                  | 17,564,957                | 24,465,735                   | 26,215,615                   | 26,215,605                 | 26,217,747                 | 30,913,720                   | 15,243,446                  | 15,243,445                  | 17,981,220                  |
| Capital Expenditures                        | 11,878,291                                  | 11,309,716                | 10,136,391                   | 10,390,323                   | 11,367,073                 | 10,595,977                 | 10,519,456                   | 10,223,226                  | 10,508,030                  | 10,622,915                  |
| Payments on Internal Loans/Commercial Paper | 864,931                                     | 1,563,326                 | 2,777,417                    | 2,760,890                    | 2,282,938                  | 1,667,938                  | 1,667,938                    | 1,667,938                   | 1,667,938                   | -                           |
| <b>Total Expenditures</b>                   | <b>\$ 74,268,877</b>                        | <b>\$ 76,723,439</b>      | <b>\$ 85,724,850</b>         | <b>\$ 89,219,171</b>         | <b>\$ 91,164,951</b>       | <b>\$ 93,721,823</b>       | <b>\$ 100,321,942</b>        | <b>\$ 86,409,401</b>        | <b>\$ 88,824,334</b>        | <b>\$ 92,873,714</b>        |
| <b>Annual Surplus (Deficiency) - \$</b>     | <b><u>\$ (1,842,294)</u></b>                | <b><u>\$ (76,093)</u></b> | <b><u>\$ (3,891,137)</u></b> | <b><u>\$ (1,454,969)</u></b> | <b><u>\$ 1,970,529</u></b> | <b><u>\$ 3,711,264</u></b> | <b><u>\$ (1,185,993)</u></b> | <b><u>\$ 14,966,416</u></b> | <b><u>\$ 14,834,307</u></b> | <b><u>\$ 10,313,070</u></b> |
| <b>Annual Surplus (Deficiency) - %</b>      | <b>-2.9%</b>                                | <b>-0.1%</b>              | <b>-5.5%</b>                 | <b>-1.9%</b>                 | <b>2.4%</b>                | <b>4.4%</b>                | <b>-1.4%</b>                 | <b>16.9%</b>                | <b>16.3%</b>                | <b>11.2%</b>                |
| Total Projected Reserve Balance             | \$ 27,926,472                               | \$ 30,461,070             | \$ 26,158,713                | \$ 24,257,815                | \$ 26,913,226              | \$ 33,128,228              | \$ 33,295,961                | \$ 49,616,994               | \$ 65,806,491               | \$ 74,598,234               |
| Days of Unrestricted Cash Reserves          | 138   | 145                       | 110                          | 95                           | 105                        | 119                        | 108                          | 196                         | 278                         | 324                         |

# FY18 & PROJECTED FY19 COMPARISON TO MODEL

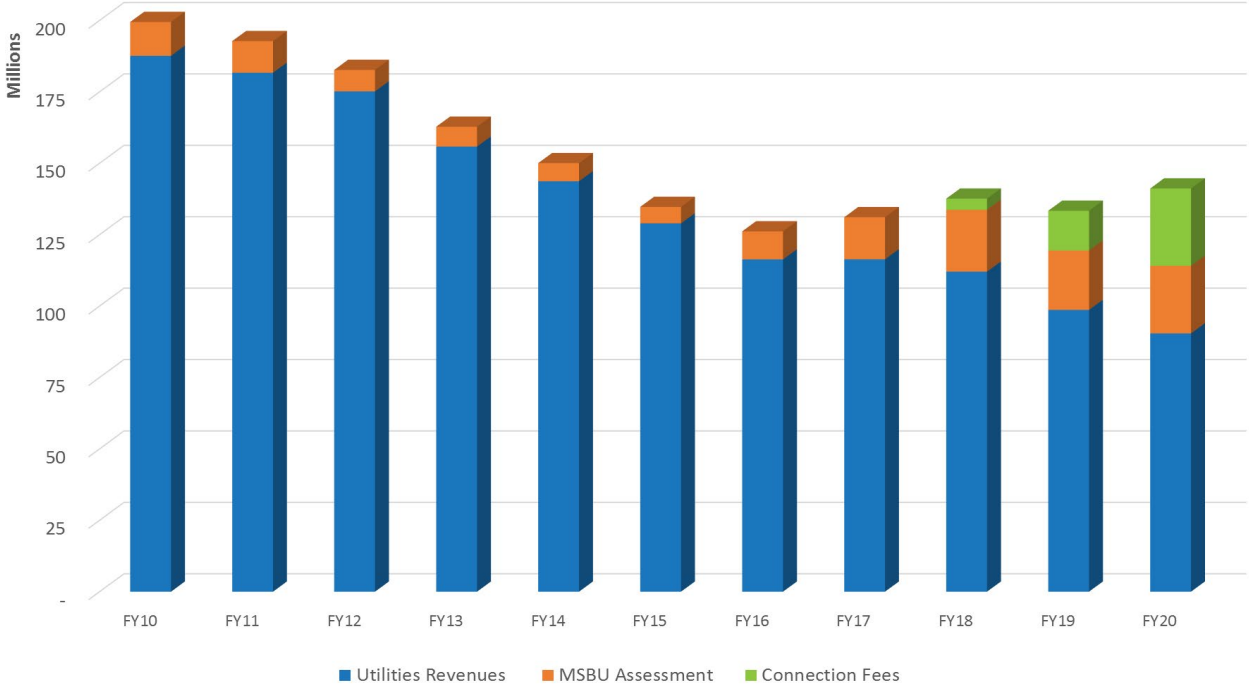
\*As of 6/30/2019

| Revenue                                 | FY18 PRMG          | FY18 Actuals      | Variance           | Revenue                                 | FY19 PRMG         | FY19 Proj         | Variance           |
|---|--------------------|-------------------|--------------------|---|-------------------|-------------------|--------------------|
| Utility Rate Revenues                   | 62,962,339         | 62,518,126        | (444,213)          | Utility Rate Revenues                   | 64,972,011        | 65,619,275        | 647,264            |
| Other Operating Revenues                | 6,567,816          | 8,598,164         | 2,030,348          | Other Operating Revenues                | 6,615,365         | 8,383,363         | 1,767,998          |
| Non-Operating Revenues                  | 2,896,428          | 8,661,945         | 5,765,517          | Non-Operating Revenues                  | 5,059,970         | 11,627,199        | 6,567,229          |
| <b>Total Revenue</b>                    | <b>72,426,583</b>  | <b>79,778,235</b> | <b>7,351,652</b>   | <b>Total Revenue</b>                    | <b>76,647,346</b> | <b>85,629,836</b> | <b>8,982,490</b>   |
| Expenditures                            |                    |                   |                    | Expenditures                            |                   |                   |                    |
| Operating                               | 45,241,128         | 43,556,220        | (1,684,908)        | Operating                               | 46,285,440        | 46,169,124        | (116,316)          |
| Debt Service                            | 16,284,527         | 16,573,232        | 288,705            | Debt Service                            | 17,564,957        | 17,050,300        | (514,657)          |
| Capital:                                | 11,878,291         | 5,040,322         | (6,837,969)        | Capital:                                | 11,309,716        | 4,400,620         | (6,909,096)        |
| Equipment                               | 2,540,935          | 1,788,720         | (752,215)          | Equipment                               | 2,572,940         | 1,659,945         | (912,995)          |
| Rate Subsidized Projects                | 7,737,356          | 1,651,602         | (6,085,754)        | Rate Subsidized Projects                | 7,136,776         | 1,140,675         | (5,996,101)        |
| R&R                                     | 1,600,000          | 1,600,000         | -                  | R&R                                     | 1,600,000         | 1,600,000         | -                  |
| Internal Loans/Commercial Paper         | 864,931            | 462,570           | (402,361)          | Internal Loans/Commercial Paper         | 1,563,326         | 1,384,908         | (178,418)          |
| <b>Total Expenditures</b>               | <b>74,268,877</b>  | <b>65,632,344</b> | <b>(8,636,533)</b> | <b>Total Expenditures</b>               | <b>76,723,439</b> | <b>69,004,952</b> | <b>(7,718,487)</b> |
| <b>Annual Surplus (Deficiency) - \$</b> | <b>(1,842,294)</b> | <b>14,145,891</b> | <b>15,988,185</b>  | <b>Annual Surplus (Deficiency) - \$</b> | <b>(76,093)</b>   | <b>16,624,884</b> | <b>16,700,977</b>  |

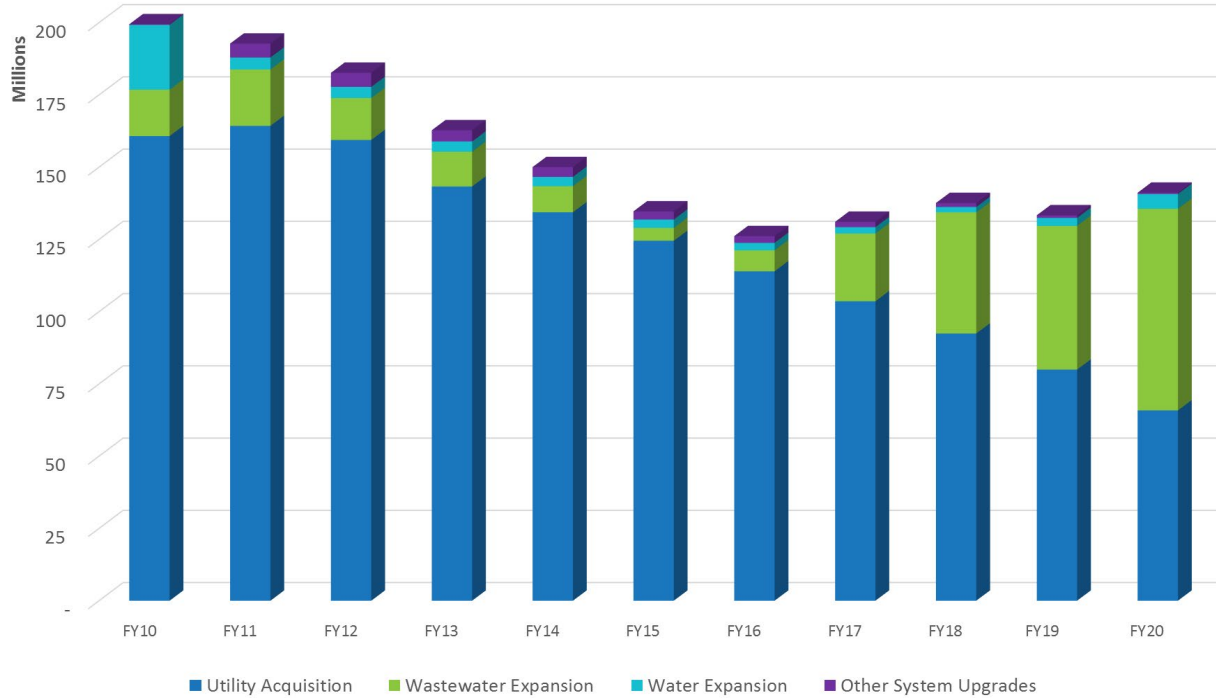
### UTILITY DEBT BY FINANCING MECHANISM



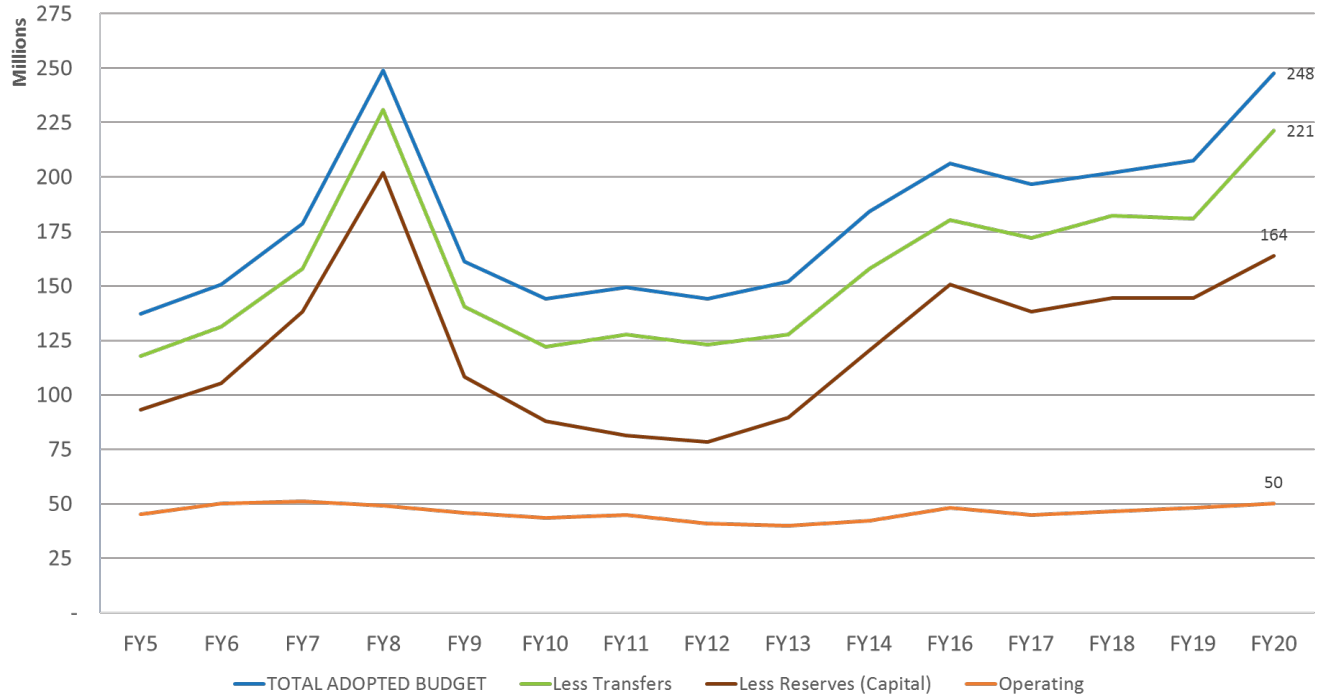
### UTILITY DEBT BY REPAYMENT SOURCE



## UTILITY USES OF DEBT



## Utility Net Amended Budgets (in millions)





# Budget Summaries by Capital Fund

## Wastewater Connection Fee Fund (4032)

### Project Highlights

- Burnt Store WRF Expansion - \$4,200,000
- East Port WRF Expansion - \$30,120,000

### FY20 Budget Detail

|                                 |                     |
|---------------------------------|---------------------|
| Capital Expenditures            | \$40,180,599        |
| Operations (Central & Indirect) | 69,528              |
| Debt Service                    | 3,398,995           |
| Reserves                        | 14,263              |
| <b>Total 4032 Budget</b>        | <b>\$43,663,385</b> |

# Budget Summaries by Capital Fund

## R&R Fund (4034)

### Project Highlights

- Wastewater Force Main Repl Deep Creek - \$4,068,909
- US41 Enterprise to Midway - \$3,854,791
- CMP Projects - \$1,665,000

#### FY20 Budget Detail

|                          |                     |
|--------------------------|---------------------|
| Capital Expenditures     | \$12,041,786        |
| Debt Service             | 1,358,746           |
| Reserves                 | 4,142,831           |
| <b>Total 4034 Budget</b> | <b>\$17,543,363</b> |



# Budget Summaries by Capital Fund

## Construction Fund (4036)

### Project Highlights

- Loveland Grand Master Lift Station - \$12,746,567
- Parkside: Olean/Gertrude/Aaron - \$4,863,247

#### FY20 Budget Detail

|                          |                     |
|--------------------------|---------------------|
| Capital Expenditures     | \$20,981,396        |
| Debt Service             | 467,055             |
| Reserves                 | 0                   |
| <b>Total 4036 Budget</b> | <b>\$21,448,451</b> |

# Budget Summaries by Capital Fund

## Water Connection Fee Fund (4042)

### Project Highlights

- Ingram Potable Water SR771 to Rotonda - \$3,773,539
- Myakka River Water Main & Booster Stn - \$5,272,613

#### FY20 Budget Detail

|                          |                     |
|--------------------------|---------------------|
| Capital Expenditures     | \$11,392,823        |
| Debt Service             | 515,395             |
| Reserves                 | 8,189,926           |
| <b>Total 4042 Budget</b> | <b>\$20,098,144</b> |