

**PEACE RIVER MANASOTA REGIONAL WATER SUPPLY AUTHORITY
BOARD OF DIRECTORS MEETING
June 1, 2022**

**CONSENT AGENDA
ITEM 3**

Mid-Year Financial Status and Semi-Annual Investment Reports for FY 2022

Recommended Action -

Motion to receive and file 'Mid-Year Financial Status Report for FY 2022'.

Motion to receive and file 'Semi-Annual Investment Report' [March 31, 2022].

a. Receive and File Mid-Year Financial Status Report for FY 2022

Mid-Year Financial Status Report for FY 2022 is provided for the Board to receive and file.

b. Receive and File 'Semi-Annual Investment Report' [March 31, 2022]

'Semi-Annual Investment Report' [March 31, 2022] is provided for the Board to receive and file.

Attachments:

Tab A Mid-Year Financial Status Report for FY 2022

Tab B Semi-Annual Investment Report [March 31, 2022]

TAB A
Mid-Year Financial Report for FY 2022

MEMORANDUM

June 1, 2022

TO: Board of Directors
Peace River Manasota Regional Water Supply Authority

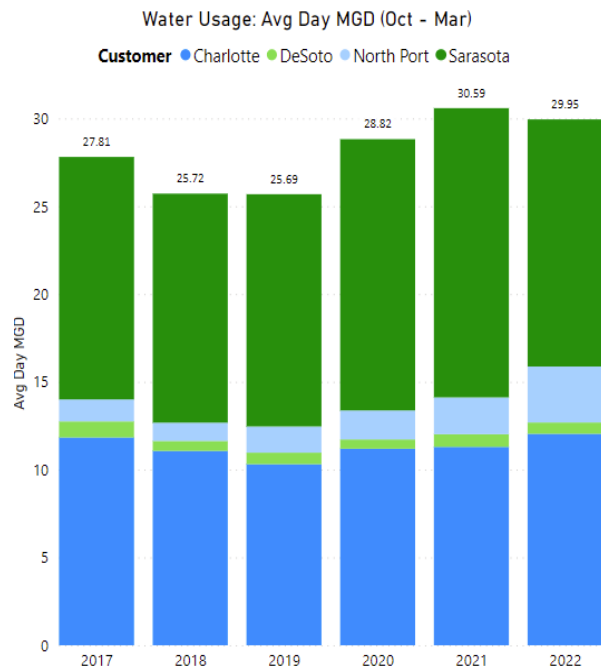
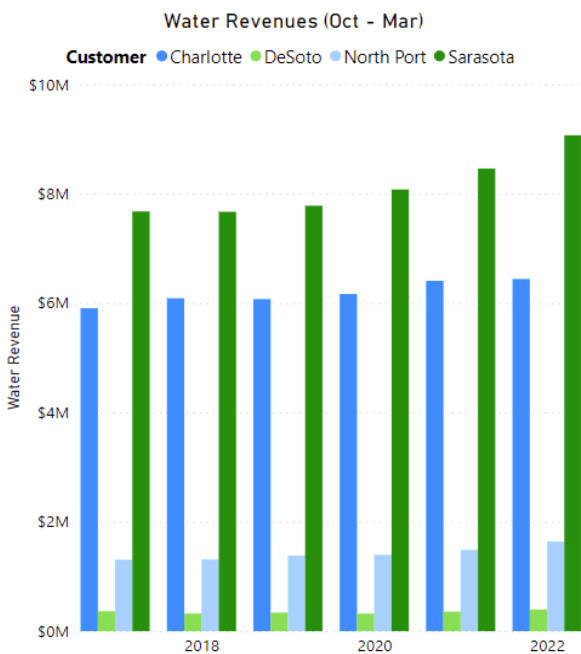
THRU: Mike Coates
Executive Director

FROM: Ann Lee
Finance & Budget Senior Manager

SUBJ: Mid-Year Financial Report for Fiscal Year 2022

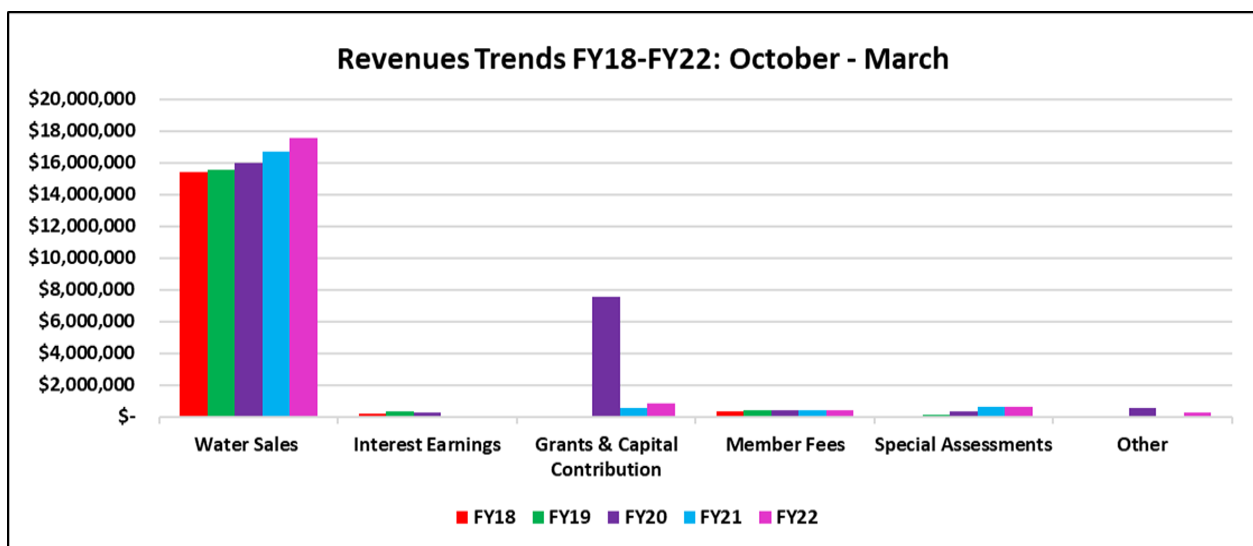
Revenues

As of March 31, 2022, the Authority’s total revenues were \$19.7 million, which is 36% of the \$54.7 million allocated by the approved budget for FY22. Please note that these total revenues are not inclusive of budgeted fund transfers from reserve accounts and carry forward funds, which represent approximately \$11.23 million of the revenues reflected in the FY22 approved budget. Water sale revenues were \$17.54 million, which is 49% of the \$35.77 million budgeted and represents an increase over the water sales from prior year through March 31st of \$834k which is primarily driven by the increased water rates reflected in the FY22 approved budget. In terms of average millions of gallons per day (MGD) of water sold, the Authority’s FY22 (through Mar 31) rolling year to date average is 29.95 MGD compared with a rolling year to date average of 30.59 for FY21 (through Mar 31).



In terms of non-water revenues, the Authority earned just under \$17k in interest earnings, which is a decrease of \$5k from the previous year for the same time period. The Authority has collected \$409k in member fees, \$625k in planning assessments and \$522k of system wide benefit project contributions as budgeted. The Authority has also received \$331k in grant funding (performed on a reimbursement basis) from SWFWMD and the DEP. Other Authority revenues collected through March 31st include \$48k in rental income from our tenants as well as \$223k in miscellaneous revenues, primarily from an alum litigation settlement check received in late February 2022.

The following graphic represents the Authority’s revenues trends on a per revenue stream basis for the last five fiscal years.

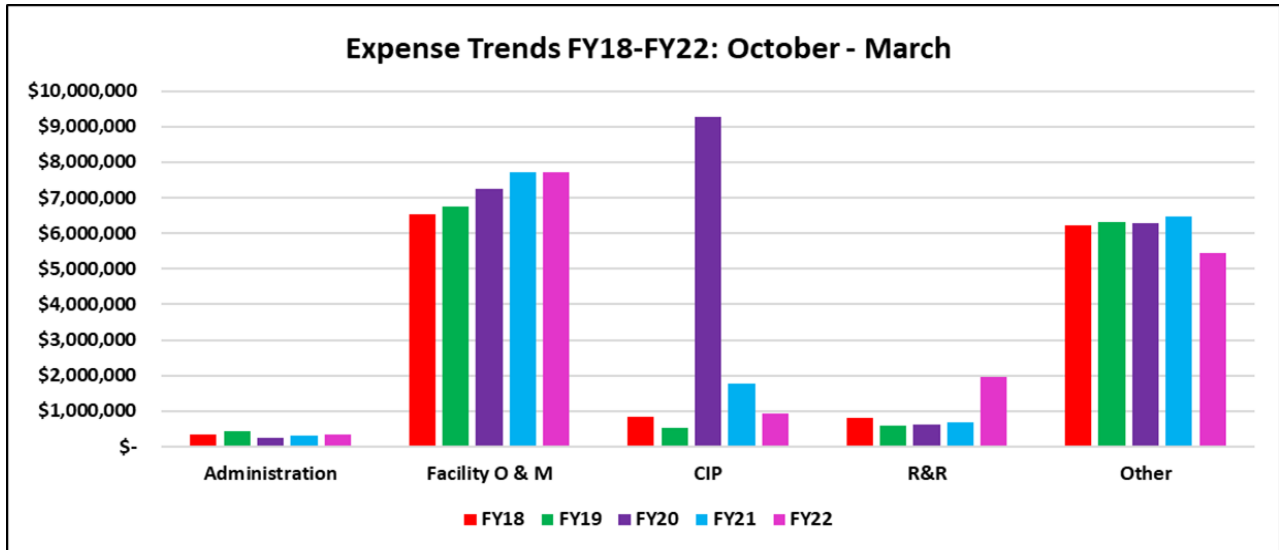


Expenditures

As of March 31, 2022, the Authority’s total expenditures were \$16.4 million, which is 30% of the \$54.7 million allocated by the approved Budget for FY22. Authority administrative expenditures (prior to the fiscal year end facility chargebacks, roughly 60% of the overall expenses) are \$308k, which is 61% of the budgeted amount of \$502k. This amount is \$3.3k more than expenditures incurred in the previous fiscal year for the same time period.

Authority facility expenditures were \$16.076 million, which is 30% of the budgeted amount of \$54.187 million. The FY22 year to date operations and maintenance expenditures were \$7.738 million, which is 37% of the budgeted amount of \$21.05 million and is \$19k more than the expenditures incurred FY21 for the same time period. Capital project expenditures (not inclusive of the feasibility and routing/siting efforts) totaled \$940k of the \$4.975 million budgeted and renewal and replacement project expenditures totaled \$1.97 million of the \$3 million budgeted.

The following graphic represents the Authority’s expense trends for the last five fiscal years.



In summary, the Authority continues to maintain a strong financial position. Budgeted variances are as expected and are generally favorable, especially considering the current state of the economy related to increased material costs and supply chain issues.

If you have any questions, I am at your disposal.

TAB B
Semi Annual Investment Report for March 31, 2022

MEMORANDUM

June 1, 2022

TO: The Board of Directors
Peace River Manasota Regional Water Supply Authority

THRU: Mike Coates
Executive Director

FROM: Ann Lee
Finance & Budget Senior Manager

SUBJ: Semi-Annual Investment Report for March 31, 2022

In accordance with the Authority's investment policy the following is a summary of the Peace River Manasota Regional Water Supply Authority's investments as of March 31, 2022.

As of March 31, 2022, the Authority's portfolio totaled \$28,445,962 compared to \$24,905,905 on September 30, 2021, which is \$3,540,057 more than the last reporting period. This amount is comprised of restricted construction and reserve funds totaling \$20.88 million and unrestricted funds of totaling \$7.57 million. Of the Authority's total portfolio, twenty one (21%) percent of the portfolio is in money market and interest bearing checking accounts and seventy nine (79%) percent of total investments are held at the Florida Prime (SBA).

Through March 31, 2022, the Authority earned \$16,932 in interest from the SBA accounts and bank accounts, which is \$4,955 less than the prior years' interest earnings for the same reporting period. As of March 31, 2022, the Authority was earning interest at a rate of .29% from the SBA and .01% from our bank accounts. Although the Authority interest earnings are currently low, in early March the Fed commenced slowly increasing the interest rate in order to ease inflation and based on their comments, the markets anticipate a federal funds rate of 3% by spring of 2023. Based on their comments as well as market experts, the Authority expects to see increased interest earnings in the near term and for the next year as the SBA's portfolio turns over.

According to the Authority's investment policy, the portfolio must be designed with the goal of annually exceeding the yield rates on the 90 day Treasury Bill. As of March 31, 2022, the 90 day Treasury Bill had a yield rate of .29% and the Authority's portfolio is current on par this benchmark.

The Authority's investment policy has limitations on investments beyond 24 months allowing liquidity for current expansion, new water resource development, and capital improvement projects. Florida Prime maintains an AAAM rating from Standard and Poor's and the fund is entirely liquid. Additional information detailing fund balances and earnings above are attached to this report for your review.

If you have any questions, I am at your disposal.



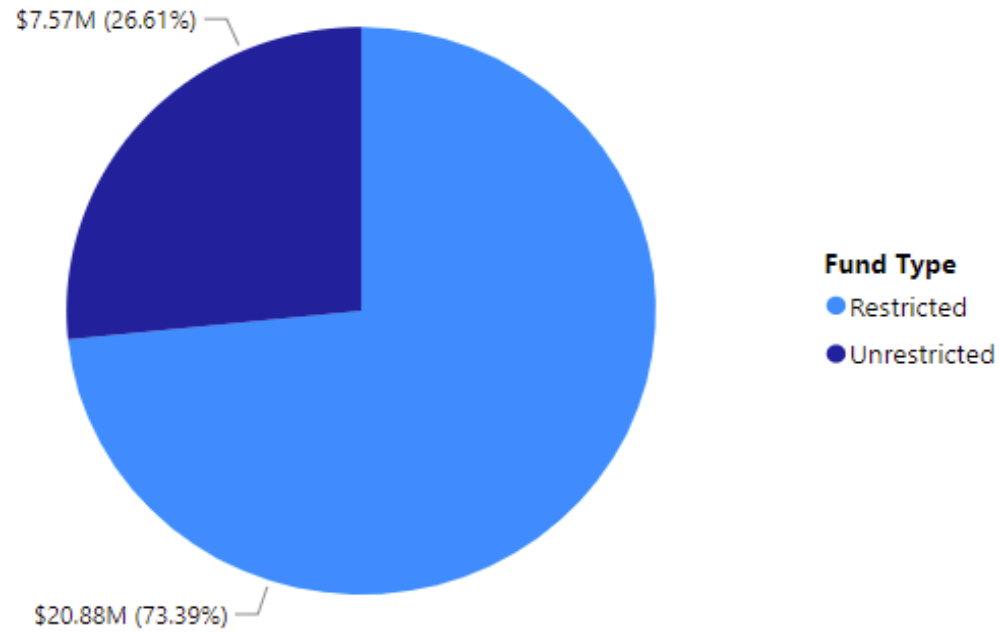
Fund Balance & Investment Reports March 31, 2022

	GENERAL FUND [OPERATIONS]	RENEWAL & REPLACEMENT FUND	RATE STABILIZATION	SINKING FUND	DISASTER RECOVERY RESERVE	UTILITY RESERVE FUND	CONSTRUCTION	SYSTEMWIDE BENEFIT CONSTRUCTION	TOTAL
ACCOUNTS									
PNC - Checking	\$4,996,912						\$1,026,317		\$6,023,229
SBA Account Fund	\$2,573,227	\$2,233,347	\$2,111,746	\$3,517	\$1,001,797	\$11,039,931	\$2,846,525	\$612,643	\$22,422,733
FUND BALANCE	\$7,570,138	\$2,233,347	\$2,111,746	\$3,517	\$1,001,797	\$11,039,931	\$3,872,842	\$612,643	\$28,445,962
Orange Hammock Easement (BOD Approved 4/4/18)	(\$2,000,000)								(\$2,000,000)
ADJUSTED FUND BALANCE	\$5,570,138	\$2,233,347	\$2,111,746	\$3,517	\$1,001,797	\$11,039,931	\$3,872,842	\$612,643	\$26,445,962

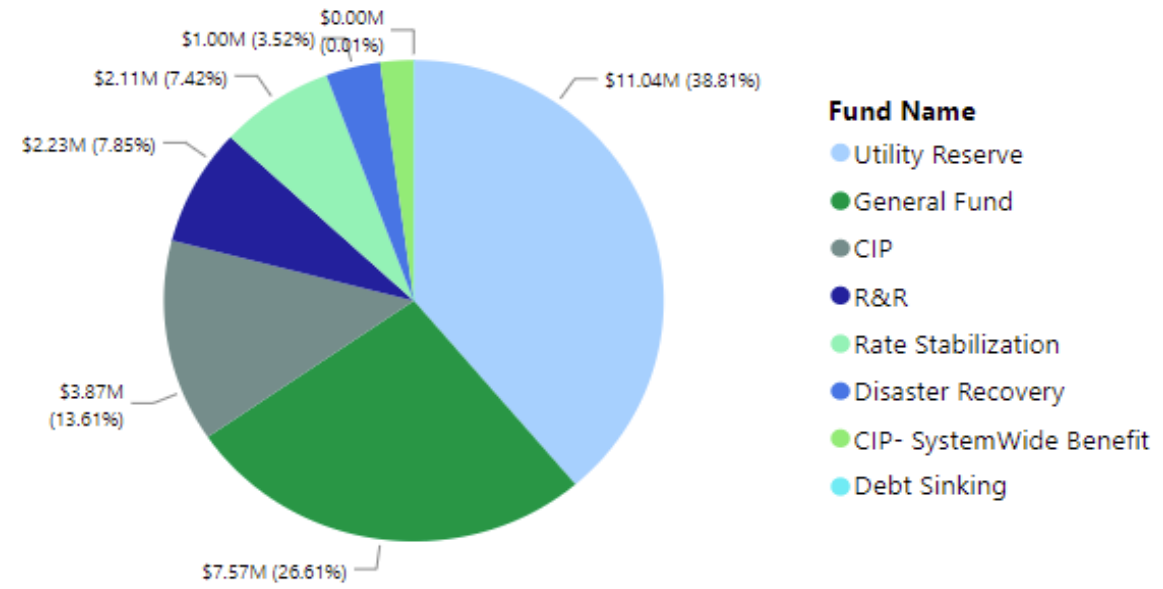
Budget Polices:

- General Fund: Policy to fund an operating reserve within the General Fund with an amount which shall be equal to the average monthly Operations & Maintenance Costs
- R&R Reserve Fund: Policy to maintain a minimum balance of \$2 million at the end of each fiscal year
- Rate Stabilization Fund: Goal to maintain a balance of \$1 million at the end of each fiscal year
- Utility Reserve Fund: Policy to maintain an uncommitted balance of 180 days of budgeted Operations & Maintenance Costs
- Disaster Recovery Reserve: Goal to maintain a balance of \$1 million at the end of each fiscal year

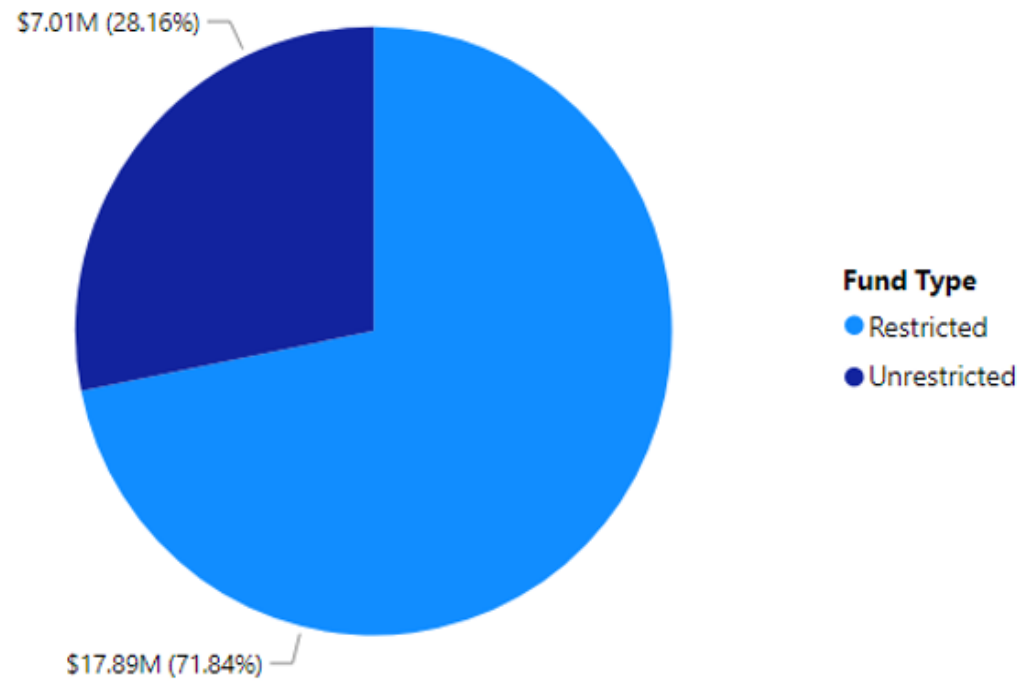
Account Balance by Fund Type: 3/31/22



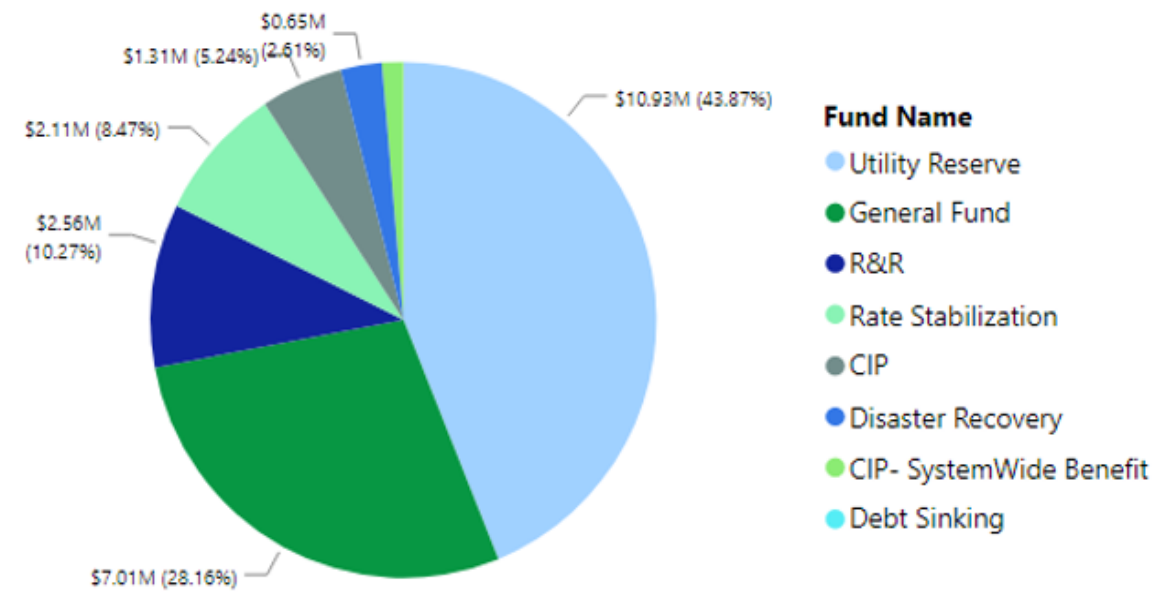
Account Balance by Fund Name: 3/31/22



Account Balance by Fund Type: 9/30/21



Account Balance by Fund Name: 9/30/21



Authority Investment Yields to Benchmark (90 Day TBill) 2018 to Present

● Average of SBA ● Average of 90 Day TBill

