



TOWN OF
HILLSBOROUGH
NORTH CAROLINA

To: Eric Peterson, Manager

From: David McCole, Finance Director *DM*

Ref: February 29, 2024, Water/Sewer Fund Financial Report

Overall Performance:

Revenues were \$1.445 million more than expenditures through February. Last year at this time revenues were \$2.245 million more than expenditures. The decrease in net operating income of \$799,472 over last year at this time can be attributed to an increase in operating expenditures this fiscal year in the amount of \$1.268 million.

Revenues-February:

REVENUES	Budget	FY 23/24 Actual	FY 22/23 Actual	Increase/ (Decrease) over FY 22/23	% Increase/ (Decrease) over FY 22/23 Actual
OPERATING REVENUES					
Water charges	\$ 5,745,200	\$ 3,570,803	\$ 3,480,303	\$ 90,500	2.6%
Sewer charges	5,702,800	3,531,107	3,410,183	120,924	3.5%
System Development fees	117,454	117,078	154,192	(37,114)	-24.1%
Other receipts	249,500	420,207	282,705	137,502	48.6%
Total operating revenues	11,814,954	7,639,195	7,327,383	311,812	4.3%
Non-operating revenues:					
Investment earnings	10,000	411,154	254,882	156,272	61.3%
Total revenues	11,824,954	8,050,349	7,582,265	468,084	6.2%

Revenues are up year over year through February by \$468,084. Water and sewer charges are a combined \$211,424 higher than last year due to the increase in rates in FY 23/24. Investment earnings are up year over year in the amount of \$156,272. The increase in interest revenue is the result of an increase in intertest rates by the Federal Reserve to bring down inflation. Other receipts are higher year over year through February due to miscellaneous revenues in the amount of \$103,172.

Expenditures-February:

				Increase/ (Decrease) over FY 22/23	% Increase/ (Decrease) over FY 22/23 Actual
EXPENDITURES	Budget	FY 23/24 Actual	FY 22/23 Actual		
Administration of Enterprise	\$ 3,034,460	\$ 1,999,178	\$ 1,639,998	\$ 359,180	21.9%
Utilities Administration	1,101,010	465,120	396,737	68,383	17.2%
Billing and Collections	874,595	544,414	469,111	75,303	16.1%
Water Treatment Plant	1,945,286	891,245	645,183	246,062	38.1%
West Fork Eno Reservoir	923,615	333,315	331,683	1,632	0.5%
Water Distribution	1,540,300	638,585	626,427	12,158	1.9%
Wastewater Collection	1,977,742	845,543	477,975	367,568	76.9%
Wastewater Treatment Plant	2,602,280	887,932	750,662	137,270	18.3%
Total expenditures	13,999,288	6,605,332	5,337,776	1,267,556	23.7%

Expenditures are up year over year in the amount of \$1.268 million. Wastewater Collections is up year over year through February in the amount of \$367,568 due to an increase capital outlay in the amount of \$270,185. Much of the increase of the Administration of Enterprise are the service charges in the amount of \$341,224. Most of the increase in Water Treatment Plant expenditures year over year are due to sludge removal in the amount of \$86,208 and capital equipment in the amount of \$89,200. Wastewater Treatment Plant expenditures are up year over year due to the increase in personnel cost in the amount of \$88,121.

Other Financing Sources (Uses) February:

				Increase/ (Decrease) over FY 22/23
OTHER FINANCING (USES)	Budget	FY 23/24 Actual	FY 22/23 Actual	
Transfer to Water/Sewer CR	\$ (117,454)	\$ (117,454)		\$ (117,454)
Transfer to Water Treatment Plant	(90,000)	(90,000)		(90,000)
Transfer to Water Distribution Project	(1,264,984)	(1,264,984)		(1,264,984)
Transfer to Wastewater Collection Project	(2,307,798)	(2,307,797)		(2,307,797)
Transfer from WFER-Carrstore/Mill Creek Road Project	284,167	284,167		284,167
Transfer from ARPA Funds		2,022,647		2,022,647
Total other financing uses	(3,496,069)	(1,473,421)	-	(1,473,421)

The increase in transfers to and from other funds is due to nothing being budgeted last year.