

New Palestine, Indiana

Proposed 2024 Wastewater Revenue Bonds

Jarrold Hall, Partner

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KROHN
— ASSOCIATES —
CPAS AND CONSULTANTS

Wastewater and Stormwater Rates

- Wastewater and Stormwater rates and charges are flat fees
 - Current wastewater rates were adopted on May 16, 2018
 - Residential bill = \$67.00
 - Current stormwater rates were adopted May 18, 2016
 - Residential bill = \$5.00
- Per Indiana Code, Utility Rates SHALL BE SUFFICIENT to cover:
 - Cash Operation & Maintenance Expenses
 - Debt Service on Bonds & Other Indebtedness
 - Depreciation and/or Allowance for Replacements & Improvements

Historical Financial Information

<u>STATEMENTS OF SELECTED FINANCIAL INFORMATION</u>		
<u>ARISING FROM CASH TRANSACTIONS</u>		
AS OF		
	<u>12/31/2023</u>	<u>12/31/2022</u>
UTILITY PLANT IN SERVICE	<u>\$ 13,844,963</u>	<u>\$ 12,927,664</u>
CASH & INVESTMENT:		
OPERATION AND MAINTENANCE FUND	\$ 1,357,574	\$ 1,053,441
BOND AND INTEREST FUND	108,297	97,942
DEBT SERVICE RESERVE FUND	243,503	228,383
IMPROVEMENT FUND	834,563	1,159,012
STORMWATER FUND	<u>80,056</u>	<u>121,407</u>
TOTAL CASH & INVESTMENT	<u>\$ 2,623,993</u>	<u>\$ 2,660,185</u>
LONG-TERM DEBT:		
SEWAGE WORKS REVENUE BONDS OF 2017	<u>\$ 2,779,532</u>	<u>\$ 2,939,532</u>

Historical Financial Information

Statement of Cash Receipts and Disbursements

For the Twelve Months Ended



	12/31/2023	12/31/2022
OPERATING RECEIPTS:		
WASTEWATER COLLECTION FEES	\$ 1,633,725	\$ 1,471,665
STORMWATER COLLECTION FEES	102,976	93,134
PENALTIES	26,014	20,945
TOTAL OPERATING RECEIPTS	1,762,715	1,585,744
OPERATING DISBURSEMENTS:		
OPERATION AND MAINTENANCE:		
SALARIES AND WAGES	291,968	249,101
FUEL AND POWER PURCHASED	92,142	107,794
CHEMICALS AND TESTING	47,848	9,381
SLUDGE REMOVAL	53,790	40,970
REPAIRS AND MAINTENANCE	64,859	92,747
MATERIALS AND SUPPLIES	68,478	51,443
OTHER	60,694	32,506
GEM PLANT RENTAL	13,500	13,500
ADMINISTRATIVE AND GENERAL:		
OFFICE SALARIES	79,380	70,017
OFFICE RENT	30,000	27,500
OFFICE SUPPLIES AND EXPENSE	16,198	19,307
INSURANCE	102,262	116,921
CONTRACTUAL SERVICES	45,881	61,171
EMPLOYEE BENEFITS	58,211	56,129
TOTAL OPERATING DISBURSEMENTS	1,025,211	948,487
NET OPERATING RECEIPTS	737,504	637,257
NON-OPERATING RECEIPTS		
INTEREST INCOME	39,167	5,244
CONNECTION & AVAILABILITY FEES	243,881	574,291
OTHER	79,346	40,807
TOTAL NON-OPERATING RECEIPTS	362,394	620,342
NON-OPERATING DISBURSEMENTS		
BOND - PRINCIPAL	160,000	160,000
BOND - INTEREST	58,791	62,027
BAN - PRINCIPAL	-	950,000
BAN - INTEREST	-	16,105
PLANT REPL. AND IMPROVEMENTS	917,299	72,328
TOTAL NON-OPERATING DISBURSEMENTS	1,136,090	1,260,460
INCREASE (DECREASE) IN CASH	(36,192)	(2,861)
BEGINNING CASH BALANCE	2,660,185	2,663,046
ENDING CASH BALANCE	\$ 2,623,993	\$ 2,660,185

Pro Forma Operating Disbursements

	TEST YEAR ENDED 12/31/2023	ADJUSTMENTS	PRO FORMA AMOUNT
OPERATION AND MAINTENANCE:			
SALARIES AND WAGES	\$ 291,968	\$ 46,021 (1)	\$ 337,989
FUEL AND POWER PURCHASED	92,142	14,524 (1)	106,666
CHEMICALS AND TESTING	47,848	(22,848) (2)	25,000
SLUDGE REMOVAL	53,790	(3,790) (2)	50,000
REPAIRS AND MAINTENANCE	64,859	5,141 (2)	70,000
MATERIALS AND SUPPLIES	68,478	10,794 (1)	79,272
OTHER	60,694	(10,694) (3)	50,000
GEM PLANT RENTAL	13,500	- (2)	13,500
ADMINISTRATIVE AND GENERAL:			
OFFICE SALARIES	79,380	12,512 (1)	91,892
OFFICE RENT	30,000	- (2)	30,000
OFFICE SUPPLIES AND EXPENSE	16,198	2,553 (1)	18,751
INSURANCE	102,262	16,119 (1)	118,381
CONTRACTUAL SERVICES	45,881	19,119 (2)	65,000
EMPLOYEE BENEFITS	58,211	9,176 (1)	67,387
TOTAL OPERATING DISBURSEMENTS	\$ 1,025,211	\$ 98,627	\$ 1,123,838

(1) ASSUMES A 5.0% ANNUAL INFLATIONARY FACTOR FOR THREE YEARS.

(2) BASED ON THREE YEAR HISTORICAL DISBURSEMENTS.

(3) PER MANAGEMENT RECOMMENDATION.

Sources and Uses of Funds

	SCENARIO 1	SCENARIO 2
ESTIMATED USES OF FUNDS:		
CONSTRUCTION COSTS:		
WWTP PROJECT	\$ 18,123,445	\$ 18,123,445
TOTAL ACQUISITION AND CONSTRUCTION COSTS	18,123,445	18,123,445
ADMINISTRATIVE AND COSTS OF ISSUANCE:		
ENGINEERING:		
DESIGN	1,706,792	1,706,792
FLOW METERING AND HYDRAULIC MODELING	90,103	90,103
LAND SURVEY	55,092	55,092
CONSTRUCTION INSPECTION	731,676	731,676
OTHER	328,061	328,061
ASSET MANAGEMENT PLAN	55,220	55,220
LEGAL, FINANCIAL, ADMINISTRATIVE AND CONTINGENCY	233,200	233,200
TOTAL ADMINISTRATIVE AND COSTS OF ISSUANCE	3,200,144	3,200,144
TOTAL ESTIMATED USES OF FUNDS	\$ 21,323,589	\$ 21,323,589
ESTIMATED SOURCES OF FUNDS:		
PAR AMOUNT OF BONDS	\$ 16,750,000	\$ 19,750,000
AMERICAN RESCUE PLAN FUNDS	573,589	573,589
TOWN FUNDS ON HAND	1,000,000 (1)	1,000,000 (1)
SRF PRINCIPAL FORGIVENESS LOAN	3,000,000	-
TOTAL ESTIMATED SOURCES OF FUNDS	\$ 21,323,589	\$ 21,323,589
(1) AS OF 12/31/2023 \$565,804 HAS BEEN SPENT FROM THE IMPROVEMENT FUND.		

		SCENARIO 1	SCENARIO 2
PROJECTED RECEIPTS:	Grant Funding:	\$3,000,000	\$0
TEST YEAR WASTEWATER RECEIPTS		\$ 1,633,725	\$ 1,633,725
ADJUSTMENT: ANNUALIZE DECEMBER 2023 EDUS		71,631	71,631
ADJUSTMENT: EDUS UNDER CONSTRUCTION (1)		325,620	325,620
PROPOSED SEWER RATE INCREASE		507,744	751,461
TEST YEAR STORMWATER RECEIPTS		102,976	102,976
ADJUSTMENT: ANNUALIZE DECEMBER 2023 EDUS		2,444	2,444
PENALTIES		26,014	26,014
INTEREST INCOME		39,167	39,167
TOTAL PROJECTED RECEIPTS		2,709,321	2,953,038
PROJECTED CASH OPERATION AND MAINTENANCE DISBURSEMENTS		1,123,838	1,123,838
RECEIPTS AVAILABLE FOR DEBT SERVICE		\$ 1,585,483	\$ 1,829,200
ANNUAL DEBT SERVICE			
MAXIMUM ANNUAL DEBT SERVICE ON 2017 BONDS		223,600	223,600
ANNUAL DEBT SERVICE ON PROPOSED 2024 BONDS		1,041,257	1,227,751
TOTAL COMBINED ANNUAL DEBT SERVICE		\$ 1,264,857	\$ 1,451,351
PROPOSED RATE INCREASE		25.0%	37.0%
	CURRENT		
RESIDENTIAL USER BILL	\$ 67.00	\$ 83.75	\$ 91.79

(1) ASSUMES EDUS FROM THE FOLLOWING DEVELOPMENTS:		DEVELOPMENT IMPACTS	
Willow Ridge - Subdivision	68	\$ 86.43	\$ 93.80
Becovic Development	282	\$ 94.47	\$ 103.18
Ashton Acres - Senior Living Facility	55	\$ 85.76	\$ 93.47
Total	405	\$ 99.83	\$ 109.21

Bond Feasibility Summary

Questions??