

UTILITY RATE INCREASE ANALYSIS

| | <u>Total</u> | <u>Water</u> | <u>Sewer</u> |
|--|-----------------|-----------------|-----------------|
| <u>2007 Budget</u> | | | |
| Appropriations: | | | |
| Salaries | \$ 1,368,063.00 | \$ 957,644.10 | \$ 410,418.90 |
| Other Expense | \$ 4,182,875.00 | \$ 3,092,865.00 | \$ 1,090,010.00 |
| Capital Outlay | \$ 200,000.00 | \$ 140,000.00 | \$ 60,000.00 |
| PERS | \$ 58,100.00 | \$ 40,670.00 | \$ 17,430.00 |
| Social Security | \$ 106,000.00 | \$ 73,260.00 | \$ 32,740.00 |
| Unemployment | \$ 2,000.00 | \$ 1,350.00 | \$ 650.00 |
| Debt Service | \$ 2,942,700.00 | \$ 1,618,485.00 | \$ 1,324,215.00 |
| | <hr/> | <hr/> | <hr/> |
| | \$ 8,859,738.00 | \$ 5,924,274.10 | \$ 2,935,463.90 |
| Revenue: | | | |
| Surplus | \$ 550,000.00 | \$ 295,000.00 | \$ 255,000.00 |
| Miscellaneous | \$ 1,400,000.00 | \$ 982,000.00 | \$ 418,000.00 |
| Reserve for Utility Capital | \$ 54,000.00 | \$ 37,800.00 | \$ 16,200.00 |
| | <hr/> | <hr/> | <hr/> |
| | \$ 2,004,000.00 | \$ 1,314,800.00 | \$ 689,200.00 |
| Rents Required | \$ 6,855,738.00 | \$ 4,609,474.10 | \$ 2,246,263.90 |
| | <hr/> | <hr/> | <hr/> |
| | \$ 8,859,738.00 | \$ 5,924,274.10 | \$ 2,935,463.90 |
| Anticipated as Revenue in 2007 Budget: | | | |
| Rents | \$ 3,648,900.00 | | |
| Additional Rents | \$ 3,206,838.00 | | |
| | <hr/> | | |
| Total Anticipated from Rents | \$ 6,855,738.00 | | |

SCHEDULE OF UTILITY REVENUES AND EXPENDITURES
1998 TO 2007

| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | Unaudited 2006 | Budgeted 2007 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| REVENUES: | | | | | | | | | | |
| Fund Balance Anticipated | 750,000.00 | 390,000.00 | 485,000.00 | 970,000.00 | 1,000,000.00 | 1,000,000.00 | 1,204,000.00 | 2,889,174.00 | 3,005,455.00 | 604,000.00 |
| Rents | 2,690,588.00 | 3,252,802.04 | 3,225,963.56 | 3,607,177.10 | 3,253,430.90 | 3,339,514.78 | 3,347,499.89 | 3,244,674.50 | 3,684,039.34 | 3,648,900.00 |
| Additional Rents | | | | | | | | | | 3,206,838.00 |
| Connection Fees | 526,081.72 | 222,803.69 | 156,494.68 | 528,298.80 | 4,452,205.35 | 998,507.40 | 1,755,110.19 | 1,351,406.38 | 951,050.87 | 850,000.00 |
| Interest on Investments | 227,784.40 | 173,893.89 | 229,448.19 | 113,806.64 | 94,512.34 | 52,576.87 | 73,824.81 | 258,408.71 | 380,838.51 | 465,000.00 |
| Construction Fees | 359,723.90 | 500,235.54 | 116,267.00 | 895,053.11 | 1,024,863.83 | 754,979.20 | 296,890.41 | 402,629.74 | 20,212.51 | 20,000.00 |
| Other Miscellaneous Revenue | 91,419.10 | 113,278.69 | 90,276.85 | 80,498.56 | 50,494.85 | 50,597.91 | 44,500.44 | 53,577.34 | 65,761.55 | 65,000.00 |
| Reserve to Pay Debt | | 34,065.00 | 500,000.00 | 460,000.00 | 165,000.00 | 921.00 | 5,500.00 | | | |
| Sale of Assets | | | | | | | | | | |
| Grants | | | | | | | | 445,550.00 | | |
| | <u>3,895,587.12</u> | <u>4,297,078.85</u> | <u>4,318,450.28</u> | <u>5,685,835.21</u> | <u>9,040,507.27</u> | <u>5,197,097.16</u> | <u>5,483,325.54</u> | <u>5,756,244.67</u> | <u>5,101,902.78</u> | <u>8,255,738.00</u> |
| | 4,645,597.12 | 4,687,078.85 | 4,803,450.28 | 6,655,835.21 | 10,040,507.27 | 6,197,097.16 | 6,687,325.54 | 8,645,418.67 | 8,107,357.78 | 8,859,738.00 |
| EXPENDITURES: | | | | | | | | | | |
| Salaries and Wages | 678,725.48 | 706,331.12 | 738,121.79 | 728,304.72 | 799,110.32 | 898,619.01 | 1,051,085.37 | 1,269,426.17 | 1,487,386.87 | 1,368,063.00 |
| Other Expenses | 1,174,121.29 | 959,103.50 | 1,291,639.47 | 1,323,910.15 | 1,476,784.24 | 1,587,302.95 | 2,293,614.17 | 2,955,557.73 | 3,044,122.35 | 4,182,875.00 |
| Capital Improvements | 189,888.60 | 30,105.00 | | 50,000.00 | 70,911.10 | 80,524.35 | 42,133.41 | 1,120,781.75 | 173,540.99 | 200,000.00 |
| Debt Service: | | | | | | | | | | |
| Principal | 1,099,433.97 | 1,077,080.75 | 1,152,111.05 | 1,295,619.05 | 1,396,021.19 | 1,500,178.65 | 1,572,582.60 | 1,705,699.49 | 1,796,760.01 | 1,846,100.00 |
| Interest | 953,354.57 | 956,430.53 | 968,091.59 | 982,409.39 | 996,292.42 | 989,949.22 | 948,132.29 | 1,165,198.07 | 1,090,999.10 | 1,096,600.00 |
| Public Employee Retirement System | | | 3,500.00 | | | | | 9,190.40 | 32,503.20 | 58,100.00 |
| Unemployment Insurance | 1,901.04 | 3,500.00 | 3,500.00 | 2,765.72 | 3,843.23 | 5,509.47 | 2,268.21 | 3,000.00 | 3,000.00 | 2,000.00 |
| Overexpenditure of PY Appropriation | | 69,433.97 | | | | | | | | |
| Emergency | | | | | | | | | | |
| Social Security | 52,111.97 | 54,086.86 | 56,465.90 | 55,715.31 | 61,131.94 | 69,419.87 | 93,253.77 | 95,016.54 | 290,000.00 | 106,000.00 |
| | <u>4,149,536.92</u> | <u>3,856,071.75</u> | <u>4,209,929.80</u> | <u>4,438,744.34</u> | <u>4,804,094.44</u> | <u>5,131,503.52</u> | <u>6,003,079.82</u> | <u>8,323,870.15</u> | <u>8,029,332.81</u> | <u>8,859,738.00</u> |
| | 496,060.20 | 831,007.10 | 593,520.48 | 2,217,090.87 | 5,236,412.83 | 1,065,593.64 | 684,245.72 | 321,548.52 | 78,024.97 | - |
| Excess Revenues Over (Under) Expenditures | | | | | | | | | | |
| Timing Differences: | | | | | | | | | | |
| Appropriation Reserves-Current | (422,891.62) | (330,923.50) | (209,622.84) | (379,684.10) | (255,751.57) | (66,897.62) | (283,556.28) | (215,501.41) | (108,381.30) | |
| Appropriation Reserves-Prior | 156,179.88 | 331,665.80 | 203,798.40 | 165,918.81 | 326,435.02 | 196,493.88 | 27,736.51 | 169,334.22 | 73,425.88 | |
| Other Miscellaneous Items | | | (10,967.45) | 2,326.21 | (6,420.99) | 135,307.63 | (6,398.45) | 12,701.92 | | |
| Deferred Charges to Succeeding Budget | 69,433.97 | | | | | | | 290,000.00 | | |
| Adjusted Excess Revenues Over (Under) Expenditures | 298,782.43 | 831,749.20 | 576,729.59 | 2,005,651.79 | 5,300,675.29 | 1,330,497.33 | 422,027.50 | 578,083.25 | 43,089.55 | - |
| Fund Balance Beginning | 915,448.00 | 464,230.43 | 905,979.63 | 997,709.22 | 2,033,361.01 | 6,334,036.30 | 6,664,533.63 | 5,882,561.13 | 3,596,470.38 | - |
| | 1,214,230.43 | 1,295,979.63 | 1,482,709.22 | 3,003,361.01 | 7,334,036.30 | 7,664,533.63 | 7,086,561.13 | 6,460,644.38 | 3,639,539.93 | - |
| Less Fund Balance Utilized | 750,000.00 | 390,000.00 | 485,000.00 | 970,000.00 | 1,000,000.00 | 1,000,000.00 | 1,204,000.00 | 2,864,174.00 | 2,988,455.00 | - |
| Fund Balance Ending | <u>464,230.43</u> | <u>905,979.63</u> | <u>997,709.22</u> | <u>2,033,361.01</u> | <u>6,334,036.30</u> | <u>6,664,533.63</u> | <u>5,882,561.13</u> | <u>3,596,470.38</u> | <u>651,084.93</u> | <u>-</u> |

SCHEDULE OF MAJOR OTHER EXPENSES

| | ACTUAL | | | | | | % CHANGE 2001 to 2006 ACTUAL | BUDGETED 2007 | % CHANGE 2001 ACTUAL TO 2007 BUDGETED |
|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------------------------|------------------|---|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | | | |
| Distribution System | \$ 36,768.52 | \$ 52,227.67 | \$ 45,037.51 | \$ 80,242.81 | \$ 196,524.85 | \$ 199,148.11 | 442% | \$ 150,000.00 | 308% |
| Group Insurance | 389,619.96 | 380,431.36 | 619,264.31 | 1,028,983.48 | 1,279,553.21 | 1,485,719.29 | 281% | 1,810,000.00 | 365% |
| Collection System | 28,155.99 | 66,966.59 | 31,773.87 | 36,717.52 | 67,653.92 | 81,469.44 | 189% | 100,000.00 | 255% |
| Chemicals | 19,465.67 | 107,287.40 | 51,923.83 | 86,347.48 | 57,343.41 | 53,102.67 | 173% | 90,000.00 | 362% |
| Legal | 28,556.04 | 32,971.69 | 27,713.99 | 57,600.75 | 74,508.26 | 58,296.34 | 104% | 75,000.00 | 163% |
| Other Insurance | 131,694.69 | 112,958.80 | 107,861.00 | 190,131.15 | 235,304.75 | 263,000.00 | 100% | 280,675.00 | 113% |
| Purchase of Water | | | | | | | | 600,000.00 | 100% |
| Billing Service Contract | 67,810.78 | 66,296.84 | 78,109.70 | 135,726.33 | 106,867.53 | - | 58% | - | -100% |
| Electric | 231,343.72 | 257,936.77 | 250,393.68 | 313,431.15 | 318,006.23 | 363,329.42 | 57% | 445,000.00 | 92% |
| Engineering | 111,491.25 | 165,125.00 | 84,523.00 | 147,141.00 | 113,852.00 | 161,923.75 | 45% | 150,000.00 | 35% |
| | \$ 1,044,906.62 | \$ 1,242,202.12 | \$ 1,296,600.89 | \$ 2,076,321.67 | \$ 2,449,614.16 | \$ 2,665,989.02 | 155% | \$ 3,700,675.00 | 254% |