

VILLAGE OF VICKSBURG (MICHIGAN) WATER FUND

CASH FLOW ANALYSIS

| | | <u>2017/18</u> | <u>2018/19</u> | <u>2019/20</u> | <u>2020/21</u> |
|---|-----------------|---------------------------|------------------------|-------------------------|--------------------------|
| Rate revenue increase assumption over previous year | | | 3.50% | 3.50% | 3.50% |
| Rate revenues | | \$453,000 | \$468,855 | \$485,265 | \$502,249 |
| Other revenues | | 15,500 | 15,500 | 15,500 | 15,500 |
| Total revenues | | <u>468,500</u> | <u>484,355</u> | <u>500,765</u> | <u>517,749</u> |
| | Increase | | | | |
| Less: Total operating expenditures | 2.00% | <u>(292,800)</u> | <u>(298,656)</u> | <u>(304,629)</u> | <u>(310,722)</u> |
| Net operating revenue | | 175,700 | 185,699 | 196,136 | 207,027 |
| Less: Current debt service payments | | (55,406) | (59,756) | (58,881) | (57,831) |
| Estimated cash-funded capital improvements | | (270,000) | (48,960) | - | (169,793) |
| Estimated debt service #1 2019/20 Bonds [1] | | | | (21,400) | (60,500) |
| Net cash flow | | <u><u>(\$149,706)</u></u> | <u><u>\$76,983</u></u> | <u><u>\$115,855</u></u> | <u><u>(\$81,097)</u></u> |
| Cash & investments | \$950,285 | \$800,579 | \$877,561 | \$993,416 | \$912,319 |
| Typical homeowner's bill (assumes 13,500 gallons/quarter) | | \$61.35 | \$63.48 | \$65.70 | \$68.00 |

[1] Estimated debt service payments on a \$1,369,000 40-year bond issue at the current USDA intermediate rate (3.125%).