

TOWN OF DILLSBORO MUNICIPAL WATER UTILITY

2025 RATE STUDY

April 14, 2025

DILLSBORO MUNICIPAL WATER UTILITY

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ACCOUNTANT'S COMPILATION REPORT

Derek Walker, Town Manager
and Members of the Town Council
Town of Dillsboro Municipal Water Utility
13030 Executive Drive
Dillsboro, Indiana 47018

April 14, 2025

In connection with the proposed rate adjustments in the Town of Dillsboro Municipal Water Utility's schedule of rates and charges, we have, at your request, compiled this rate study report. The purpose of this report is to consider a new schedule of water rates and charges and should not be used for any other purpose.

The pro forma financial information, which is based on the results of operations for the twelve months ended December 31, 2024, is prepared for the purpose of showing the estimated financial effects on the Dillsboro Water Utility's revenue requirements for an adjustment in rates and charges for service and other changes that may be reasonably fixed, known or measured. We have not audited or reviewed the accompanying pro forma information and, accordingly, do not express an opinion or provide any form of assurance on the pro forma information. This report was compiled by us, with assumptions provided by management or obtained from other sources. The actual results achieved may vary from the pro forma information and the variations may be material. We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Management is responsible for the accompanying financial statements which comprise the statements of selected financial information arising from cash transactions as of December 31, 2024, 2023 and 2022, and the related statements of cash receipts and disbursements for the years then ended in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The supplementary information contained on pages 4-9 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, conclusion, nor provide any assurance on such information.

Management has elected to omit substantially all the disclosures ordinarily included in the financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about Dillsboro Water Utility's selected financial information arising from cash transactions and cash receipts and disbursements. Accordingly, the financial statements are not designed for those who are not informed on such matters.

O.W. Krohn & Associates LLP

O. W. Krohn & Associates LLP

TOWN OF DILLSBORO
MUNICIPAL WATER UTILITY

HISTORICAL FINANCIAL STATEMENTS

DILLSBORO MUNICIPAL WATER UTILITY

COMPARATIVE STATEMENTS OF SELECTED FINANCIAL INFORMATION ARISING FROM CASH TRANSACTIONS AS OF

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>
Gross Water Utility Capital Assets*	<u>\$ 1,884,980</u>	<u>\$ 1,656,485</u>	<u>\$ 1,221,498</u>
Cash and Investments:			
Operating Fund	\$ 117,939	\$ 78,806	\$ 7,823
Bond and Interest Fund	54,560	53,200	39,920
Debt Service Reserve Fund	40,461	24,619	9,573
Customer Deposit Fund	<u>48,312</u>	<u>47,089</u>	<u>45,021</u>
Total Cash and Investments	<u>\$ 261,272</u>	<u>\$ 203,714</u>	<u>\$ 102,337</u>
Long-Term Debt			
Revenue Bonds of 2022A	\$ 401,000	\$ 421,000	\$ 441,000
Revenue Bonds of 2022B	<u>841,000</u>	<u>865,000</u>	<u>887,000</u>
Total Long-Term Debt	<u>\$ 1,242,000</u>	<u>\$ 1,286,000</u>	<u>\$ 1,328,000</u>

*Per Gateway records online.

DILLSBORO MUNICIPAL WATER UTILITY

COMPARATIVE STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS FOR THE TWELVE MONTHS ENDED

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>
Operating Receipts:			
Metered Sales (Net of Sales Tax)	\$ 567,278	\$ 592,268	\$ 558,422
Total Operating Receipts	<u>567,278</u>	<u>592,268</u>	<u>558,422</u>
Operating Disbursements:			
Salaries and Wages	160,456	165,818	163,434
Employee Benefits	75,955	67,461	75,102
Purchased Water	107,806	115,971	122,744
Office Supplies	8,865	9,974	10,604
Materials and Supplies	65,582	76,529	105,381
Contractual Services	-	-	-
Testing	1,277	1,525	1,740
Liability Insurance	10,670	12,246	4,467
Utility Receipts Tax	-	325	3,933
Miscellaneous	1,091	4,987	572
Total Operating Disbursements	<u>431,702</u>	<u>454,836</u>	<u>487,977</u>
Net Operating Receipts	<u>135,576</u>	<u>137,432</u>	<u>70,445</u>
Non-Operating Receipts/(Disbursements):			
Interest Income	3,916	2,773	449
Refunds and Reimbursements	2,877	14,655	20,841
Bond Principal	(44,000)	(42,000)	-
Bond Interest	(26,359)	(16,151)	(972)
Net Customer Deposits	1,223	2,068	2,983
Capital Outlays	(20,960)	-	(19,551)
Tap Fees	5,285	2,600	6,500
Total Non-Operating Receipts/(Disbursements)	<u>(78,018)</u>	<u>(36,055)</u>	<u>10,250</u>
Increase (Decrease) in Cash and Investments	57,558	101,377	80,695
Beginning Cash and Investments	<u>203,714</u>	<u>102,337</u>	<u>21,642</u>
Ending Cash and Investments	<u>\$ 261,272</u>	<u>\$ 203,714</u>	<u>\$ 102,337</u>

See Accountant's Compilation Report

TOWN OF DILLSBORO
MUNICIPAL WATER UTILITY

SUPPLEMENTARY INFORMATION

DILLSBORO MUNICIPAL WATER UTILITY

SCHEDULE OF AMORTIZATION OF \$401,000 OUTSTANDING WATERWORKS
REVENUE BONDS OF 2022A

DATED DATE: APRIL 13, 2022

<u>PAYMENT DATE</u>	<u>PRINCIPAL BALANCE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PERIOD TOTAL</u>	<u>BOND YEAR TOTAL</u>
1/1/2025	\$ 401,000	2.00%	\$ 10,000	\$ 4,010.00	\$ 14,010.00	\$ 14,010.00
7/1/2025	391,000	2.00%	10,000	3,910.00	13,910.00	
1/1/2026	381,000	2.00%	10,000	3,810.00	13,810.00	27,720.00
7/1/2026	371,000	2.00%	10,000	3,710.00	13,710.00	
1/1/2027	361,000	2.00%	10,000	3,610.00	13,610.00	27,320.00
7/1/2027	351,000	2.00%	10,000	3,510.00	13,510.00	
1/1/2028	341,000	2.00%	10,000	3,410.00	13,410.00	26,920.00
7/1/2028	331,000	2.00%	11,000	3,310.00	14,310.00	
1/1/2029	320,000	2.00%	11,000	3,200.00	14,200.00	28,510.00
7/1/2029	309,000	2.00%	11,000	3,090.00	14,090.00	
1/1/2030	298,000	2.00%	11,000	2,980.00	13,980.00	28,070.00
7/1/2030	287,000	2.00%	11,000	2,870.00	13,870.00	
1/1/2031	276,000	2.00%	11,000	2,760.00	13,760.00	27,630.00
7/1/2031	265,000	2.00%	11,000	2,650.00	13,650.00	
1/1/2032	254,000	2.00%	11,000	2,540.00	13,540.00	27,190.00
7/1/2032	243,000	2.00%	11,000	2,430.00	13,430.00	
1/1/2033	232,000	2.00%	11,000	2,320.00	13,320.00	26,750.00
7/1/2033	221,000	2.00%	11,000	2,210.00	13,210.00	
1/1/2034	210,000	2.00%	11,000	2,100.00	13,100.00	26,310.00
7/1/2034	199,000	2.00%	12,000	1,990.00	13,990.00	
1/1/2035	187,000	2.00%	12,000	1,870.00	13,870.00	27,860.00
7/1/2035	175,000	2.00%	12,000	1,750.00	13,750.00	
1/1/2036	163,000	2.00%	12,000	1,630.00	13,630.00	27,380.00
7/1/2036	151,000	2.00%	12,000	1,510.00	13,510.00	
1/1/2037	139,000	2.00%	12,000	1,390.00	13,390.00	26,900.00
7/1/2037	127,000	2.00%	12,000	1,270.00	13,270.00	
1/1/2038	115,000	2.00%	12,000	1,150.00	13,150.00	26,420.00
7/1/2038	103,000	2.00%	12,000	1,030.00	13,030.00	
1/1/2039	91,000	2.00%	13,000	910.00	13,910.00	26,940.00
7/1/2039	78,000	2.00%	13,000	780.00	13,780.00	
1/1/2040	65,000	2.00%	13,000	650.00	13,650.00	27,430.00
7/1/2040	52,000	2.00%	13,000	520.00	13,520.00	
1/1/2041	39,000	2.00%	13,000	390.00	13,390.00	26,910.00
7/1/2041	26,000	2.00%	13,000	260.00	13,260.00	
1/1/2042	13,000	2.00%	13,000	130.00	13,130.00	26,390.00
TOTALS			<u>\$ 401,000</u>	<u>\$ 75,660.00</u>	<u>\$ 476,660.00</u>	<u>\$ 476,660.00</u>

See Accountant's Compilation Report

DILLSBORO MUNICIPAL WATER UTILITY

SCHEDULE OF AMORTIZATION OF \$841,000 OUTSTANDING WATERWORKS
REVENUE BONDS OF 2022B

DATED DATE: APRIL 13, 2022

<u>PAYMENT DATE</u>	<u>PRINCIPAL BALANCE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PERIOD TOTAL</u>	<u>BOND YEAR TOTAL</u>
1/1/2025	\$ 841,000	2.10%	\$ 12,000	\$ 8,830.50	\$ 20,830.50	\$ 20,830.50
7/1/2025	829,000	2.10%	12,000	8,704.50	20,704.50	
1/1/2026	817,000	2.10%	13,000	8,578.50	21,578.50	42,283.00
7/1/2026	804,000	2.10%	13,000	8,442.00	21,442.00	
1/1/2027	791,000	2.10%	13,000	8,305.50	21,305.50	42,747.50
7/1/2027	778,000	2.10%	13,000	8,169.00	21,169.00	
1/1/2028	765,000	2.10%	13,000	8,032.50	21,032.50	42,201.50
7/1/2028	752,000	2.10%	13,000	7,896.00	20,896.00	
1/1/2029	739,000	2.10%	13,000	7,759.50	20,759.50	41,655.50
7/1/2029	726,000	2.10%	13,000	7,623.00	20,623.00	
1/1/2030	713,000	2.10%	13,000	7,486.50	20,486.50	41,109.50
7/1/2030	700,000	2.10%	13,000	7,350.00	20,350.00	
1/1/2031	687,000	2.10%	14,000	7,213.50	21,213.50	41,563.50
7/1/2031	673,000	2.10%	14,000	7,066.50	21,066.50	
1/1/2032	659,000	2.10%	14,000	6,919.50	20,919.50	41,986.00
7/1/2032	645,000	2.10%	14,000	6,772.50	20,772.50	
1/1/2033	631,000	2.10%	15,000	6,625.50	21,625.50	42,398.00
7/1/2033	616,000	2.10%	15,000	6,468.00	21,468.00	
1/1/2034	601,000	2.10%	15,000	6,310.50	21,310.50	42,778.50
7/1/2034	586,000	2.10%	15,000	6,153.00	21,153.00	
1/1/2035	571,000	2.10%	15,000	5,995.50	20,995.50	42,148.50
7/1/2035	556,000	2.10%	15,000	5,838.00	20,838.00	
1/1/2036	541,000	2.10%	15,000	5,680.50	20,680.50	41,518.50
7/1/2036	526,000	2.10%	16,000	5,523.00	21,523.00	
1/1/2037	510,000	2.10%	16,000	5,355.00	21,355.00	42,878.00
7/1/2037	494,000	2.10%	16,000	5,187.00	21,187.00	
1/1/2038	478,000	2.10%	16,000	5,019.00	21,019.00	42,206.00
7/1/2038	462,000	2.10%	16,000	4,851.00	20,851.00	
1/1/2039	446,000	2.10%	17,000	4,683.00	21,683.00	42,534.00
7/1/2039	429,000	2.10%	17,000	4,504.50	21,504.50	
1/1/2040	412,000	2.10%	16,000	4,326.00	20,326.00	41,830.50
7/1/2040	396,000	2.10%	17,000	4,158.00	21,158.00	
1/1/2041	379,000	2.10%	17,000	3,979.50	20,979.50	42,137.50
7/1/2041	362,000	2.10%	18,000	3,801.00	21,801.00	
1/1/2042	344,000	2.10%	18,000	3,612.00	21,612.00	43,413.00
7/1/2042	326,000	2.10%	31,000	3,423.00	34,423.00	
1/1/2043	295,000	2.10%	32,000	3,097.50	35,097.50	69,520.50
7/1/2043	263,000	2.10%	32,000	2,761.50	34,761.50	
1/1/2044	231,000	2.10%	32,000	2,425.50	34,425.50	69,187.00
7/1/2044	199,000	2.10%	33,000	2,089.50	35,089.50	
1/1/2045	166,000	2.10%	33,000	1,743.00	34,743.00	69,832.50
7/1/2045	133,000	2.10%	33,000	1,396.50	34,396.50	
1/1/2046	100,000	2.10%	33,000	1,050.00	34,050.00	68,446.50
7/1/2046	67,000	2.10%	33,000	703.50	33,703.50	
1/1/2047	34,000	2.10%	34,000	357.00	34,357.00	68,060.50
TOTALS			<u>\$ 841,000</u>	<u>\$ 242,266.50</u>	<u>\$ 1,083,266.50</u>	<u>\$ 1,083,266.50</u>

See Accountant's Compilation Report

DILLSBORO MUNICIPAL WATER UTILITY

SCHEDULE OF COMBINED DEBT SERVICE

<u>PAYMENT DATE</u>	<u>2022A Bonds</u>	<u>2022B Bonds</u>	<u>COMBINED DEBT SERVICE</u>	<u>BOND YEAR TOTAL</u>
1/1/2025	\$ 14,010.00	\$ 20,830.50	\$ 34,840.50	\$ 34,840.50
7/1/2025	13,910.00	20,704.50	34,614.50	
1/1/2026	13,810.00	21,578.50	35,388.50	70,003.00
7/1/2026	13,710.00	21,442.00	35,152.00	
1/1/2027	13,610.00	21,305.50	34,915.50	70,067.50
7/1/2027	13,510.00	21,169.00	34,679.00	
1/1/2028	13,410.00	21,032.50	34,442.50	69,121.50
7/1/2028	14,310.00	20,896.00	35,206.00	
1/1/2029	14,200.00	20,759.50	34,959.50	70,165.50
7/1/2029	14,090.00	20,623.00	34,713.00	
1/1/2030	13,980.00	20,486.50	34,466.50	69,179.50
7/1/2030	13,870.00	20,350.00	34,220.00	
1/1/2031	13,760.00	21,213.50	34,973.50	69,193.50
7/1/2031	13,650.00	21,066.50	34,716.50	
1/1/2032	13,540.00	20,919.50	34,459.50	69,176.00
7/1/2032	13,430.00	20,772.50	34,202.50	
1/1/2033	13,320.00	21,625.50	34,945.50	69,148.00
7/1/2033	13,210.00	21,468.00	34,678.00	
1/1/2034	13,100.00	21,310.50	34,410.50	69,088.50
7/1/2034	13,990.00	21,153.00	35,143.00	
1/1/2035	13,870.00	20,995.50	34,865.50	70,008.50
7/1/2035	13,750.00	20,838.00	34,588.00	
1/1/2036	13,630.00	20,680.50	34,310.50	68,898.50
7/1/2036	13,510.00	21,523.00	35,033.00	
1/1/2037	13,390.00	21,355.00	34,745.00	69,778.00
7/1/2037	13,270.00	21,187.00	34,457.00	
1/1/2038	13,150.00	21,019.00	34,169.00	68,626.00
7/1/2038	13,030.00	20,851.00	33,881.00	
1/1/2039	13,910.00	21,683.00	35,593.00	69,474.00
7/1/2039	13,780.00	21,504.50	35,284.50	
1/1/2040	13,650.00	20,326.00	33,976.00	69,260.50
7/1/2040	13,520.00	21,158.00	34,678.00	
1/1/2041	13,390.00	20,979.50	34,369.50	69,047.50
7/1/2041	13,260.00	21,801.00	35,061.00	
1/1/2042	13,130.00	21,612.00	34,742.00	69,803.00
7/1/2042	-	34,423.00	34,423.00	
1/1/2043	-	35,097.50	35,097.50	69,520.50
7/1/2043	-	34,761.50	34,761.50	
1/1/2044	-	34,425.50	34,425.50	69,187.00
7/1/2044	-	35,089.50	35,089.50	
1/1/2045	-	34,743.00	34,743.00	69,832.50
7/1/2045	-	34,396.50	34,396.50	
1/1/2046	-	34,050.00	34,050.00	68,446.50
7/1/2046	-	33,703.50	33,703.50	
1/1/2047	-	34,357.00	34,357.00	68,060.50
TOTALS	<u>\$ 476,660.00</u>	<u>\$ 1,083,266.50</u>	<u>\$ 1,559,926.50</u>	<u>\$ 1,559,926.50</u>

See Accountant's Compilation Report

DILLSBORO MUNICIPAL WATER UTILITY

SCHEDULE OF DOLLARS, GALLONS AND CUSTOMERS BILLED BY USER CLASS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2024

	Dollars Billed					
	Residential	Commercial	Municipal	Multi-Family	Public Fire	Total
January, 2024	\$ 38,654	\$ 3,988	\$ 84	\$ 1,015	\$ -	\$ 43,741
February	38,525	4,746	516	1,093	-	44,880
March	35,925	4,228	121	852	32	41,158
April	40,263	4,574	136	850	32	45,855
May	42,246	4,167	183	1,024	111	47,731
June	47,076	4,425	519	626	183	52,829
July	39,969	3,674	252	619	32	44,546
August	45,610	5,198	912	935	32	52,687
September	39,952	4,292	1,149	994	32	46,419
October	38,763	5,224	698	981	32	45,698
November	40,090	5,365	744	1,074	32	47,305
December	40,124	4,978	772	900	32	46,806
Total	<u>\$ 487,197</u>	<u>\$ 54,859</u>	<u>\$ 6,086</u>	<u>\$ 10,963</u>	<u>\$ 550</u>	<u>\$ 559,655</u>
Percent	<u>87.05%</u>	<u>9.80%</u>	<u>1.09%</u>	<u>1.96%</u>	<u>0.10%</u>	<u>100.00%</u>

	Gallons Billed					
	Residential	Commercial	Municipal	Multi-Family	Public Fire	Total
January, 2024	2,574,408	296,900	17,300	76,330	-	2,964,938
February	2,574,383	406,150	55,660	86,590	-	3,122,783
March	2,300,035	348,930	16,800	61,840	320	2,727,925
April	2,745,045	365,970	24,040	62,030	800	3,197,885
May	2,922,636	318,260	29,220	77,750	8,740	3,356,606
June	3,344,095	350,890	43,140	22,700	14,690	3,775,515
July	2,677,429	277,440	33,780	19,520	220	3,008,389
August	3,242,774	423,420	102,880	70,940	430	3,840,444
September	2,671,633	323,440	102,050	73,690	350	3,171,163
October	2,580,775	449,400	83,760	72,710	410	3,187,055
November	2,730,741	472,480	91,160	82,260	280	3,376,921
December	2,734,767	414,960	86,030	65,740	310	3,301,807
Total	<u>33,098,721</u>	<u>4,448,240</u>	<u>685,820</u>	<u>772,100</u>	<u>26,550</u>	<u>39,031,431</u>
Percent	<u>84.79%</u>	<u>11.40%</u>	<u>1.76%</u>	<u>1.98%</u>	<u>0.07%</u>	<u>100.00%</u>

	Customer Count					
	Residential	Commercial	Municipal	Multi-Family	Public Fire	Total
January, 2024	775	25	2	8	-	810
February	775	25	2	8	-	810
March	781	25	2	8	1	817
April	779	25	2	8	1	815
May	780	24	2	8	1	815
June	779	24	2	8	1	814
July	779	24	2	8	1	814
August	781	24	2	8	1	816
September	786	25	2	8	1	822
October	785	25	2	8	1	821
November	785	25	2	8	1	821
December	782	25	2	8	1	818
Average	<u>781</u>	<u>25</u>	<u>2</u>	<u>8</u>	<u>1</u>	<u>816</u>

DILLSBORO MUNICIPAL WATER UTILITY

ANALYSIS OF PURCHASED WATER FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2024

<u>Billing Month</u>	<u>Net Gallons Purchased*</u>	<u>Total Dollars Billed</u>	<u>Average Cost Per 1,000 Gal.</u>
January, 2024	4,069,000	\$ 10,501.48	\$3.00
February	3,191,000	8,253.80	\$3.00
March	3,089,000	7,992.68	\$3.00
April	2,806,000	7,268.20	\$3.00
May	4,475,000	11,540.84	\$3.00
June	3,789,000	9,777.00	\$3.00
July	3,893,000	10,050.92	\$3.00
August	3,627,000	9,369.96	\$3.00
September	3,387,000	8,755.56	\$3.00
October	3,094,000	8,005.48	\$3.00
November	2,912,000	7,539.56	\$3.00
December	<u>3,695,000</u>	<u>9,544.04</u>	\$3.00
Total	<u><u>42,027,000</u></u>	<u><u>\$ 108,599.52</u></u>	

*Per Aurora Purchased Water Bills.

See Accountant's Compilation Report

DILLSBORO MUNICIPAL WATER UTILITY

CALCULATION OF LINE LOSS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2024

<u>Billing Month</u>	<u>Total Gallons Purchased*</u>	<u>Total Gallons Billed</u>	<u>Variance</u>
January, 2024	3,584,500	2,964,938	619,562
February	3,707,000	3,122,783	584,217
March	3,224,000	2,727,925	496,075
April	3,498,500	3,197,885	300,615
May	3,306,500	3,356,606	(50,106)
June	3,718,000	3,775,515	(57,515)
July	3,939,000	3,008,389	930,611
August	3,597,500	3,840,444	(242,944)
September	3,716,500	3,171,163	545,337
October	3,615,000	3,187,055	427,945
November	3,430,000	3,376,921	53,079
December	<u>3,360,500</u>	<u>3,301,807</u>	<u>58,693</u>
Total	<u><u>42,697,000</u></u>	<u><u>39,031,431</u></u>	<u><u>3,665,569</u></u>
		Line Loss	<u><u>8.6%</u></u>

*Per Town's Monthly Operations Report. Varies to purchased bills due to alignment of read dates.

See Accountant's Compilation Report

TOWN OF DILLSBORO
MUNICIPAL WATER UTILITY

PRO FORMA FINANCIAL INFORMATION

DILLSBORO MUNICIPAL WATER UTILITY

SCHEDULE OF PRO FORMA OPERATING DISBURSEMENTS BASED ON THE TEST YEAR ENDED DECEMBER 31, 2024

	<u>Test Year</u>	<u>Adjustments</u>	<u>Pro Forma</u>	
Pro Forma Operating Disbursements:				
Salaries and Wages	\$ 160,456	\$ 14,879	\$ 175,335	(1)
Employee Benefits	75,955	7,043	82,998	(1)
Purchased Water	107,806	7,194	115,000	(2)
Office Supplies	8,865	3,135	12,000	(2)
Materials and Supplies	65,582	4,418	70,000	(2)
Contractual Services	-	20,000	20,000	(2)
Testing	1,277	723	2,000	(2)
Liability Insurance	10,670	989	11,659	(1)
Miscellaneous	<u>1,091</u>	<u>3,909</u>	<u>5,000</u>	(2)
Total Pro Forma Operating Disbursements	<u><u>\$ 431,702</u></u>	<u><u>\$ 62,290</u></u>	<u><u>\$ 493,992</u></u>	

(1) Assumes an annual increase of 3.00% every year for three years.

(2) Allowances based on historical disbursements.

DILLSBORO MUNICIPAL WATER UTILITY
SCHEDULE OF CAPITAL ASSET REPLACEMENT

<u>Capital Projects / Asset Replacement</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Water Storage Tank Improvements (75,000 Gallons)	\$ -	\$ -	\$ -	\$ -	\$ 400,000
Water Main Replacement	-	-	-	-	1,112,000
Machinery, Equipment and Vehicles	-	-	-	-	300,000
Unanticipated Capital Outlays	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Annual Asset Replacement	<u><u>\$ 10,000</u></u>	<u><u>\$ 10,000</u></u>	<u><u>\$ 10,000</u></u>	<u><u>\$ 10,000</u></u>	<u><u>\$ 1,822,000</u></u>

Annual Depreciation Allowance **\$ 372,400**

See Accountant's Compilation Report

DILLSBORO MUNICIPAL WATER UTILITY

SCHEDULE OF PRO FORMA REVENUE REQUIREMENTS
BASED ON THE TEST YEAR ENDED DECEMBER 31, 2024

	<u>Test Year</u>	<u>Option 1 Pay-Go Funding</u>	<u>Option 2 Bond Issue</u>
Pro Forma Revenue Requirements:			
Pro Forma Operating Disbursements (1)	\$ 431,702	\$ 493,992	\$ 493,992
Debt Service on Outstanding Revenue Bonds (2)	70,359	70,166	70,166
Debt Service on Proposed Revenue Bonds (3)	-	-	56,415
Debt Service Reserve Funding (4)	14,271	14,271	25,554
Additional Depreciation Funding (5)	<u>50,946</u>	<u>45,500</u>	<u>45,500</u>
Total Pro Forma Revenues Required	<u>567,278</u>	<u>623,929</u>	<u>691,627</u>
Pro Forma Revenues:			
Test Year Metered Revenues	<u>567,278</u>	<u>567,278</u>	<u>567,278</u>
Total Pro Forma Revenues Available	<u>567,278</u>	<u>567,278</u>	<u>567,278</u>
Revenue Shortfall	<u>\$ -</u>	<u>\$ 56,651</u>	<u>\$ 124,349</u>
Approximate Increase in Current Rates and Charges		<u>10.0%</u>	<u>21.9%</u>
Minimum Residential Bill (2,500 gallons)	<u>\$ 32.28</u>	<u>\$ 35.85</u>	<u>\$ 39.75</u>
Average Residential Bill (4,000 gallons)	<u>\$ 52.16</u>	<u>\$ 57.36</u>	<u>\$ 63.60</u>
Debt Service Coverage	<u>192.7%</u>	<u>185.2%</u>	<u>156.1%</u>

(1) See page 10 for detailed operating disbursements.

(2) Equal to the combined debt service on outstanding Waterworks Revenue Bonds of 2022A and 2022B.

(3) Annual debt service on proposed bonds to fund anticipated capital improvements. Assumes \$750,000 bonds at 4.25%, amortized over 20 years.

(4) Monthly transfers are required from Operating Fund to Debt Service Reserve Fund. Final transfer scheduled for April, 2027. Additional transfers will be needed if the Town issues more bonds.

(5) Assumes annual depreciation allowance.

DILLSBORO MUNICIPAL WATER UTILITY

SCHEDULE OF CURRENT AND PROPOSED WATER RATES AND CHARGES

			<u>Current (1)</u>	<u>Option 1 Pay-Go Funding 10.0%</u>	<u>Option 2 Bond Issue 21.9%</u>
<u>Metered Flow Rates (per 1,000 gallons):</u>					
First	5,000	Gallons	\$ 13.04	\$ 14.34	\$ 15.90
Next	10,000	Gallons	12.16	13.38	14.82
Next	20,000	Gallons	11.16	12.28	13.60
Next	40,000	Gallons	10.25	11.28	12.49
Next	75,000	Gallons	9.35	10.29	11.40
Over	100,000	Gallons	8.71	9.58	10.62

Monthly Minimum Charges:

<u>Meter Size</u>		<u>Minimum Gallons</u>			
5/8 or 3/4	Inch Meter	2,500	\$ 32.28	\$ 35.85	\$ 39.75
1	Inch Meter		57.39	63.13	69.96
1 1/2	Inch Meter		87.14	95.85	106.22
2	Inch Meter		147.27	162.00	179.52
3	Inch Meter		383.80	422.18	467.85
4	Inch Meter		743.26	817.59	906.03

Fire Protection (Charge per Annum):

Hydrant/Sprinkler Rental	\$ 217.62
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		<u>Current (2)</u>
<u>Meter Deposits:</u>		
<u>Owners</u>		
Customer Deposit	\$ 85.00	
Transfer Fee	10.00	
Reconnect Fee	25.00	
<u>Renters</u>		
Customer Deposit	\$ 100.00	
Transfer Fee	10.00	
Reconnect Fee	25.00	
<u>Commercial/Business</u>		
Customer Deposit	\$ 125.00	
Transfer Fee	10.00	
Reconnect Fee	25.00	
Additional Reconnect Fee (After Business Hours)	\$ 100.00	

Connection/Tap Fees:

<u>Meter Size</u>		
5/8	Inch Meter	\$ 1,300.00
5/8	Inch Meter or Greater (More than 100 Ft.)	\$1,300 Plus Incurred Costs

- (1) Per Ordinance No. 2022-3-1.
 (2) Per Ordinance No. 2021-9-23.