



FINANCIAL ANALYSIS

Stormwater Utility Funding

COMPONENTS OF FINANCIAL ANALYSIS

O&M budget

Capital Improvement Plan

CIP funding plan

Debt service payments, if any

Multi-year forecast of customers and
billing units

Rate calculation

Cash flow forecast

Fund balances

Debt coverage (if using revenue debt)

EXAMPLE FINANCIAL ANALYSIS — O&M BUDGET

Operating Expenses	
Salaries - Fulltime	\$150,000
Salaries - Overtime	\$10,000
Salaries - Seasonal	\$2,000
Social Security	\$12,393
Insurance	\$37,500
Travel/Training/Dues	\$2,000
Engineering Services	\$10,000
Fuel	\$16,000
Vehicle & Equipment Maintenance	\$20,000
Storm sewer maintenance	\$35,000
Culvert maintenance	\$15,000
Catch basin maintenance	\$12,000
Administrative Expenses	
Administrative and General Salaries	\$80,000
Accounting	\$6,000
Office Supplies	\$3,000
Permit Fees	\$10,000
Insurance	\$11,000
Rents	\$5,000
Utilities	\$5,000
Computer Related Expenses	\$5,000
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Total Operation and Maintenance	\$446,893

EXAMPLE FINANCIAL ANALYSIS – CAPITAL IMPROVEMENT PROGRAM

	Year 1	Year 2	Year 3	Year 4	Year 5
Stormwater Pond Construction				\$50,000	\$80,000
Storm Sewer Replacement/Upsizing		\$75,000			
New Streetsweeper			\$200,000		
Stormwater Pond Dredging	\$20,000	\$35,000	\$25,000	\$40,000	\$55,000
Stormwater Portion of Street Reconstruction	\$25,000	\$400,000	\$300,000	\$200,000	\$105,000
Total	\$45,000	\$510,000	\$525,000	\$290,000	\$240,000
Debt Financing	\$0	\$400,000	\$500,000	\$200,000	\$200,000
Cash Financing	\$45,000	\$110,000	\$25,000	\$90,000	\$40,000

EXAMPLE FINANCIAL ANALYSIS — DEBT SERVICE

		Year 1	Year 2	Year 3	Year 4	Year 5
Existing Debt Service						
Interest Rate	2.75%					
Principal		\$21,274	\$21,859	\$22,460	\$23,077	\$23,712
Interest		\$11,562	\$10,977	\$10,376	\$9,759	\$9,124
Total Payment		\$32,836	\$32,836	\$32,836	\$32,836	\$32,836
Year End Balance		\$399,176	\$377,317	\$354,858	\$331,780	\$308,068
New Debt Issuances						
Year 2 Issuance						
Interest Rate	3.25%					
Principal				\$14,512	\$14,983	\$15,470
Interest				\$13,000	\$12,528	\$12,041
Total Payment				\$27,512	\$27,512	\$27,512
Year End Balance			\$400,000	\$385,488	\$370,505	\$355,035
Year 3 Issuance						
Interest Rate	3.50%					
Principal					\$17,681	\$18,299
Interest					\$17,500	\$16,881
Total Payment					\$35,181	\$35,181
Year End Balance				\$500,000	\$482,319	\$464,020
TOTALS						
Total Principal Payments		\$21,274	\$21,859	\$36,971	\$55,741	\$64,374
Total Interest Payments		\$11,562	\$10,977	\$23,376	\$39,787	\$45,547
Total Payments		\$32,836	\$32,836	\$60,347	\$95,528	\$109,920
Total Outstanding Balance		\$399,176	\$777,317	\$1,240,346	\$1,384,605	\$1,320,231

EXAMPLE FINANCIAL ANALYSIS — CUSTOMERS & BILLING UNITS

	Current	Year 1	Year 2	Forecast:		
				Year 3	Year 4	Year 5
Single-Family Residential						
No. Customers	6,500	6,550	6,600	6,650	6,700	6,750
ERUs	6,000.0	6,046.2	6,092.3	6,138.5	6,184.6	6,230.8
ERUs per Customer	0.9	0.9	0.9	0.9	0.9	0.9
Duplex Residential						
No. Customers	500	505	510	515	520	525
ERUs	750.0	757.5	765.0	772.5	780.0	787.5
ERUs per Customer	1.5	1.5	1.5	1.5	1.5	1.5
Multi-Family						
No. Customers	120	121	122	123	124	125
ERUs	480.0	484.0	488.0	492.0	496.0	500.0
ERUs per Customer	4.0	4.0	4.0	4.0	4.0	4.0
Commercial						
No. Customers	200	205	210	215	220	225
ERUs	1400.0	1435.0	1470.0	1505.0	1540.0	1575.0
ERUs per Customer	7.0	7.0	7.0	7.0	7.0	7.0
Industrial						
No. Customers	50	50	50	50	50	50
ERUs	500.0	500.0	500.0	500.0	500.0	500.0
ERUs per Customer	10.0	10.0	10.0	10.0	10.0	10.0
Governmental						
No. Customers	15	15	15	15	15	15
ERUs	150.0	150.0	150.0	150.0	150.0	150.0
ERUs per Customer	10.0	10.0	10.0	10.0	10.0	10.0
Total Customers	7,385	7,446	7,507	7,568	7,629	7,690
Total ERUs	9,280	9,373	9,465	9,558	9,651	9,743

EXAMPLE FINANCIAL ANALYSIS — RATE CALCULATIONS

Revenue Requirements

O&M	\$446,893
Capital Outlay	\$45,000
Debt Service	\$32,836
Total	\$524,729
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ERUs	9,280
Calculated Rate per ERU	\$56.54
Proposed Rate per ERU	\$60.00
Revenues at Proposed Rates	\$556,800

EXAMPLE FINANCIAL ANALYSIS — CASH FLOW FORECAST

	Year 1	Year 2	Year 3	Year 4	Year 5
Inflation Rate		1.0%	1.0%	1.0%	1.0%
Rate Increase		5.0%	5.0%	5.0%	5.0%
Rate per ERU	\$60.00	\$63.00	\$66.00	\$69.00	\$72.00
Cash Inflows					
User Charges	\$556,800	\$590,477	\$624,710	\$659,499	\$694,844
Penalties	\$500	\$500	\$500	\$500	\$500
Interest Earnings	\$0	\$228	\$207	\$796	\$900
Transfer from General Fund					
Total Inflows	\$557,300	\$591,205	\$625,417	\$660,796	\$696,245
Cash Outflows					
O&M	\$446,893	\$451,362	\$455,876	\$460,434	\$465,039
Capital Outlay	\$45,000	\$110,000	\$25,000	\$90,000	\$40,000
Debt Service	\$32,836	\$32,836	\$60,347	\$95,528	\$109,920
Total Outflows	\$524,729	\$594,198	\$541,223	\$645,962	\$614,959
Cash Flow	\$32,571	(\$2,993)	\$84,194	\$14,833	\$81,286
Beginning Fund Balance	\$0	\$32,571	\$29,579	\$113,773	\$128,606
Ending Fund Balance	\$32,571	\$29,579	\$113,773	\$128,606	\$209,892