

Memo

To: Diana Miller, Perry Park Water and Sanitation District
From: James A. Mann, Senior Vice President/Principal
Cc:
Date: December 5, 2019
Subject: 2019 Financial Management Plan Update

Ehlers has been requested to update the Financial Management Plan (FMP) to reflect a view of the future operations and fiscal health of the District. In working towards an updated FMP, we have utilized the audited figures from 2018, estimated year-end figures for 2019, 2020 budgeted numbers and projected future revenue and expenditure increases. We also evaluated the overall Capital Improvement Plan that was provided.

Capital Improvement Plan

The 2020 Capital Improvement Plan (CIP) includes projects and years identified through 2029, which previously expenditures after 2026 had been lumped into a single non-specific timeframe. A summary of the capital improvement plan is depicted on the following page.

The plan represents an \$10,398,154 planned expenditure in 2019 dollars through 2029. For the purposes of our planning, we have assumed a conservative 3.00% annual construction cost increase to arrive at a \$12,339,180 future dollar total cost of the project expense.

We note that the CIP does not include any projects in years 2025-2028, which is somewhat anomalous, however may be accurate in terms of projects that the District needs to accomplish throughout. As an example, we would assume that the District's mapping costs would continue at least in some form after 2023 with annual maintenance of the District's maps.

The water portion of the CIP includes the bulk of the overall projects of just over \$8.5 M. Major initiatives included are the Sageport WTP improvements a redundant tank, development of a raw water storage reservoir, and a west-east pipeline.

The sewer portion of the CIP represents a much smaller portion of the CIP at just under \$1.7 M. Major initiatives include lift station and treatment plant improvements.

Projects	Estimated	Budget	Projected									Total
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	
CAPITAL EQUIPMENT												
System Mapping	50,000	20,000	20,000	20,000	20,000	-	-					130,000
Vehicle Replacement	-	-	-	-	-	-	-					-
WATER PROJECTS												
Dakota Well Replacement	3,654				500,000							503,654
Gove Ditch Weir	10,000	55,000										65,000
Sageport WTP Improvements	500,000	1,000,000	-	-	-	-	-					1,500,000
Increase Well Pumping Capacity Sageport WTP	151,342	-	-	-	-	-	-					151,342
Redundant Tank Site	8,180	10,000	-	-	1,000,000	-	-					1,018,180
Country Club Drive Water Line Loop	125	-	-	-	-	-	-					125
Echo Hills Tank Water Line Loop	-	-	-	-	-	675,000	-					675,000
Apache Drive/Hog John Water Line Loop	-	-	-	-	585,000	-	-					585,000
Valve at Echo Hills Tank	-	25,000	-	-	-	-	-					25,000
Glen Grove WTP Evaluation	-	-	-	-	-	-	-					-
Glen Grove WTP Improvements	-	-	-	-	-	-	-					-
PRV Vault Improvements	446											446
Raw Water Storage Reservoir											2,000,000	2,000,000
West to East Pipeline and Pump Station											2,000,000	2,000,000
SEWER PROJECTS												
Bannock Lift Station Improvements	7,698	-	-	-	-	-	-					7,698
Boreas Lift Station Improvements	-	-	-	-	500,000	-	-					500,000
Waucondah WWTP Evaluation	-	-	-	-	-	-	-					-
Waucondah WWTP Improvements	-	-	-	500,000	-	-	-					500,000
Sageport WWTP Fencing	-	-	-	-	-	-	-					-
Sageport WWTP Improvements	176,709	-	-	500,000	-	-	-					676,709
MAINLINE EXTENSIONS												
Bannock Drive LID (50/50 Split)		30,000										30,000
Poncho Road LID (50/50 Split)		30,000										30,000
Actual CIP (2019 Dollars)	908,154	1,170,000	20,000	1,020,000	2,605,000	675,000	-	-	-	-	4,000,000	10,398,154
Project Cost Inflation	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Projected Project Cost	908,154	1,205,100	21,218	1,114,582	2,931,950	782,510	-	-	-	-	5,375,666	12,339,180

As with the previous iteration of the plan, we have estimated the 2030-2031 capital expenditures to be the average of the 10 years prior (2020-2029), which equates to approximately \$1.1 M in future dollars. Similarly, to the remaining portion of the plan we indexed 2031 by 3.00%.

Operational Aspects

In the original planning process, recommendations were made and subsequently removed to increase the levy for purposes of paying debt service. The decision was made at that time by the District to pay for the operations and debt service through user rates.

We have noted that within the model, the District is relying on growth and development to provide positive cash flows for the District. The growth and development related revenues represent approximately 18% of the operational expenditures of the District.

To generate adequate cash for the operations of the District, provide adequate funds for capital projects and to ensure that reserves meet the minimum working capital threshold, Ehlers evaluated necessary rate increases considering attempting to maintain “ending cash” on a relatively stable, if not increasing trajectory. To accomplish the maintenance of ending cash, the District would need to implement larger periodic rate increases than shown in the previous model.

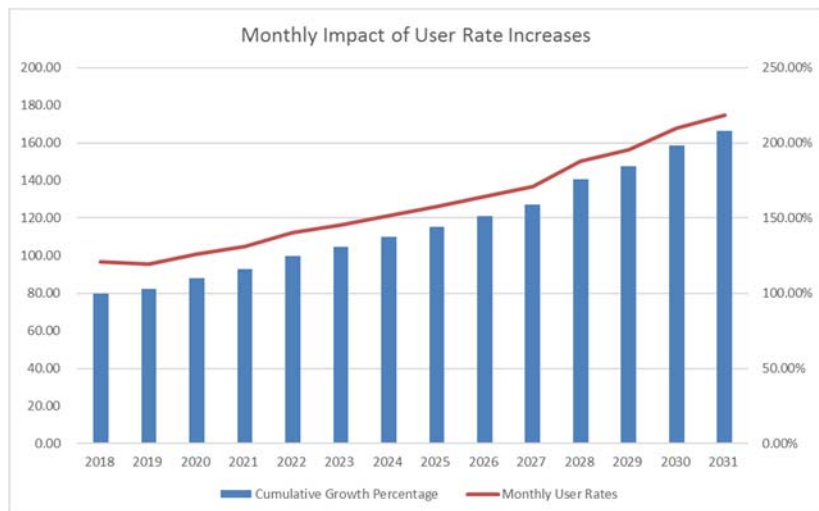
The model attached includes increases in the main rates for sewer and water services ranging from 5.00% to 10.50% depending on the year. The larger increases in rates coincide with

borrowings. We are recommending a higher than normal rate increase in 2020 of 7.00% to meet the cash flow needs of the District. The overall rate growth projection is shown on the chart below:

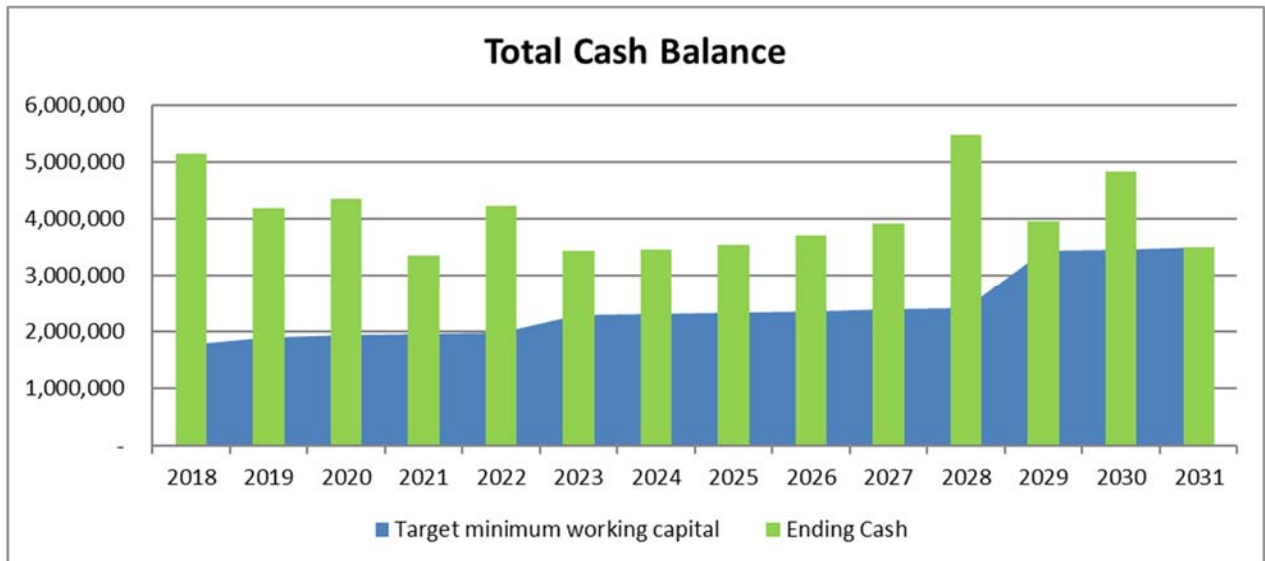
Fiscal Year	Actual	Estimated	Budgeted	Future Projections										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1 Rates Inflation - Water	0.00%	3.00%	7.00%	5.00%	7.50%	5.00%	5.00%	5.00%	5.00%	5.00%	10.50%	5.00%	7.50%	5.00%
2 Rates Inflation - Sewer	0.00%	3.00%	7.00%	5.00%	7.50%	5.00%	5.00%	5.00%	5.00%	5.00%	10.50%	5.00%	7.50%	5.00%
3 Rates Inflation - Capital Improvement Fees	0.00%	0.00%	0.00%	0.00%	15.00%	0.00%	0.00%	0.00%	0.00%	0.00%	20.00%	0.00%	15.00%	0.00%
4 Fee Inflation - Tap Charges	2.50%	2.50%	7.00%	4.00%	7.50%	4.00%	4.00%	4.00%	4.00%	4.00%	7.50%	4.00%	4.00%	4.00%
5 Fee Inflation - Development Fees	2.50%	0.00%	7.00%	4.00%	7.50%	4.00%	4.00%	4.00%	4.00%	4.00%	7.50%	4.00%	4.00%	4.00%
6 Fee Inflation - Water Availability Fees	2.00%	2.00%	7.00%	4.00%	7.50%	4.00%	4.00%	4.00%	4.00%	4.00%	7.50%	4.00%	4.00%	4.00%
7 Fee Inflation - Sewer Availability Fees	2.00%	2.00%	7.00%	4.00%	7.50%	4.00%	4.00%	4.00%	4.00%	4.00%	7.50%	4.00%	4.00%	4.00%
8 Revenue growth assumption - Specific Ownership/Other	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
9 Investment income yield	1.25%	2.26%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

The impact of the above on the average user is depicted on the graph below. As you will note, throughout the course of the plan, the funding necessary to meet the operational needs, capital needs and cash reserve liquidity will require the overall rate structure to increase approximately 208% over the course of the planning period (2020-2031).

The net impact to the average user (a home with a value of approximately \$570,000 and 5,000 gallons use) will be approximately \$78.25 per month. The increase includes larger periodic increases for the Capital Improvement Fees, Tap Fees, and Development Fees. The plan does not contemplate increasing the mill levy.



The chart on the next page shows the starting and ending cash positions for the District. You will note that we show capital borrowings in years 2022, 2028 and 2030 based on the current view of the capital plan. Due to the nature of the capital expenditures being larger and based on the type of projects being financed in the 2022 and 2028 borrowings, we did utilize 20-year amortizations in those years.



In our modeling, we have attempted to maintain the ending cash position to meet the targeted minimum cash requirements of the District, which are defined as six months operating expenses plus next years debt service, plus \$750,000.

Summary/Recommendations

While the District is generally on sound financial footing based on historic growth and development, that footing may be eroded over time based on that continued growth and development within the District. The continued growth and development may be impacted by a variety of factors that are out of the control of the District but would have major implications on the financial health of the district.

While this plan is a departure from past plans in that larger periodic increases are included, the increases are meant to ensure that the District remains on sound financial footing. As we mentioned earlier, the annual expenditures rely on approximately 18% of funding through growth and development one-time fees. In a manner that would be most secure for the District, ideally the District would not rely on the one-time revenues to operate on an annual basis. In order to accomplish that, additional rate revenue of approximately \$440,000 would need to be generated.

There are multiple ways for the District to accomplish either the elimination of the reliance on the one-time money, or reduce the reliance, that would involve larger rate increases and/or an increase in the mill levy. The impact of this endeavor would be an additional \$30/month on the average user's bill.

The benefit of increasing user rates would be the ability to cash finance future projects more readily as the one-time revenues from growth and development would be available for those projects rather than being used to offset current operations.

Perry Park Water and Sanitation District - Financial Management Plan

Water System - Capital Improvement Program

Projects	Estimated	Budget	Projected									Total
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	
CAPITAL EQUIPMENT												
System Mapping	50,000	20,000	20,000	20,000	20,000	-	-					130,000
Vehicle Replacement	-	-	-	-	-	-	-					-
WATER PROJECTS												
Dakota Well Replacement	3,654				500,000							503,654
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Increase Well Pumping Capacity Sageport WTP	151,342	-	-	-	-	-	-	-	-	-	-	151,342
Redundant Tank Site	8,180	10,000	-	-	1,000,000	-	-	-	-	-	-	1,018,180
Country Club Drive Water Line Loop	125	-	-	-	-	-	-	-	-	-	-	125
Echo Hills Tank Water Line Loop	-	-	-	-	-	675,000	-	-	-	-	-	675,000
Apache Drive/Hog John Water Line Loop	-	-	-	-	585,000	-	-	-	-	-	-	585,000
Valve at Echo Hills Tank	-	25,000	-	-	-	-	-	-	-	-	-	25,000
Glen Grove WTP Evaluation	-	-	-	-	-	-	-	-	-	-	-	-
Glen Grove WTP Improvements	-	-	-	-	-	-	-	-	-	-	-	-
PRV Vault Improvements	446											446
Raw Water Storage Reservoir											2,000,000	2,000,000
West to East Pipeline and Pump Station											2,000,000	2,000,000
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Boreas Lift Station Improvements	-	-	-	-	500,000	-	-	-	-	-	-	500,000
Waucondah WWTP Evaluation	-	-	-	-	-	-	-	-	-	-	-	-
Waucondah WWTP Improvements	-	-	-	500,000	-	-	-	-	-	-	-	500,000
Sageport WWTP Fencing	-	-	-	-	-	-	-	-	-	-	-	-
Sageport WWTP Improvements	176,709	-	-	500,000	-	-	-	-	-	-	-	676,709
MAINLINE EXTENSIONS												
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Actual CIP (2019 Dollars)	908,154	1,170,000	20,000	1,020,000	2,605,000	675,000	-	-	-	-	4,000,000	10,398,154
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Projected Project Cost	908,154	1,205,100	21,218	1,114,582	2,931,950	782,510	-	-	-	-	5,375,666	12,339,180

Perry Park Water and Sanitation District - Financial Management Plan

Financials - Comprehensive

Fiscal Year	Actual	Estimated	Budgeted			Future Projections									
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
1 Rates Inflation - Water	0.00%	3.00%	7.00%	5.00%	7.50%	5.00%	5.00%	5.00%	5.00%	5.00%	10.50%	5.00%	7.50%	5.00%	
2 Rates Inflation - Sewer	0.00%	3.00%	7.00%	5.00%	7.50%	5.00%	5.00%	5.00%	5.00%	5.00%	10.50%	5.00%	7.50%	5.00%	
3 Rates Inflation - Capital Improvement Fees	0.00%	0.00%	0.00%	0.00%	15.00%	0.00%	0.00%	0.00%	0.00%	0.00%	20.00%	0.00%	15.00%	0.00%	
4 Fee Inflation - Tap Charges	2.50%	2.50%	7.00%	4.00%	7.50%	4.00%	4.00%	4.00%	4.00%	4.00%	7.50%	4.00%	4.00%	4.00%	
5 Fee Inflation - Development Fees	2.50%	0.00%	7.00%	4.00%	7.50%	4.00%	4.00%	4.00%	4.00%	4.00%	7.50%	4.00%	4.00%	4.00%	
6 Fee Inflation - Water Availability Fees	2.00%	2.00%	7.00%	4.00%	7.50%	4.00%	4.00%	4.00%	4.00%	4.00%	7.50%	4.00%	4.00%	4.00%	
7 Fee Inflation - Sewer Availability Fees	2.00%	2.00%	7.00%	4.00%	7.50%	4.00%	4.00%	4.00%	4.00%	4.00%	7.50%	4.00%	4.00%	4.00%	
8 Revenue growth assumption - Specific Ownership/Other	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	
9 Investment income yield	1.25%	2.26%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
10 Expense growth	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	
11 Property Tax Increase	0.00%	5.83%	14.83%	0.59%	2.59%	0.58%	2.59%	0.58%	2.58%	0.57%	2.57%	0.56%	2.57%	0.56%	
12 Beginning net assets	24,063,331	24,026,366	23,650,790	23,210,983	22,715,668	22,249,079	21,701,656	21,228,691	20,841,156	20,553,908	20,357,607	20,254,570	19,723,742	19,353,272	
13															
14 Operating Revenues															
15 Water sales	808,028	762,000	720,000	762,718	827,143	876,083	927,849	982,601	1,040,509	1,101,751	1,227,619	1,299,694	1,408,667	1,491,171	
16 Sewer charges	477,962	479,000	479,000	507,278	549,977	582,362	616,610	652,826	691,123	731,618	815,000	862,640	934,745	989,259	
17 Connection and Inspection Charges	21,700	16,500	14,350	14,494	14,638	14,785	14,933	15,082	15,233	15,385	15,539	15,694	15,851	16,010	
18 Administrative Fees	28,713	25,500	25,500	25,755	26,013	26,273	26,535	26,801	27,069	27,339	27,613	27,889	28,168	28,450	
19 Total Operating Revenues	1,336,403	1,283,000	1,238,850	1,310,245	1,417,771	1,499,502	1,585,926	1,677,310	1,773,934	1,876,094	2,085,771	2,205,917	2,387,431	2,524,889	
20															
21 Operating Expenses															
22 Salaries and Payroll Taxes	123,615	124,318	127,500	130,688	133,955	137,304	140,736	144,255	147,861	151,557	155,346	159,230	163,211	167,291	
23 Outside Operations Labor	378,000	393,120	400,982	411,007	421,282	431,814	442,609	453,674	465,016	476,642	488,558	500,772	513,291	526,123	
24 Repairs and Maintenance	143,146	225,000	230,625	236,391	242,300	248,358	254,567	260,931	267,454	274,141	280,994	288,019	295,219	302,600	
25 Utilities	233,975	210,000	210,000	215,250	220,631	226,147	231,801	237,596	243,536	249,624	255,865	262,261	268,818	275,538	
26 General Operations	307,210	353,505	387,710	397,403	407,338	417,521	427,959	438,658	449,625	460,865	472,387	484,197	496,302	508,709	
27 Depreciation	719,721	778,039	756,415	766,649	828,514	827,200	803,566	780,607	758,304	736,638	869,182	875,399	882,371	890,102	
28 General and Administrative Expenses	385,243	546,679	564,344	578,453	592,914	607,737	622,930	638,503	654,466	670,828	687,598	704,788	722,408	740,468	
29 Total Operating Expenses	2,290,910	2,630,661	2,677,576	2,735,839	2,846,934	2,896,080	2,924,168	2,954,224	2,986,261	3,020,295	3,209,930	3,274,666	3,341,619	3,410,832	
30															
31 Net Operations	(954,507)	(1,347,661)	(1,438,726)	(1,425,594)	(1,429,163)	(1,396,578)	(1,338,242)	(1,276,914)	(1,212,328)	(1,144,201)	(1,124,159)	(1,068,749)	(954,188)	(885,943)	
32 Non-operating revenues (expenses)															
33 Property Taxes	364,831	386,108	443,371	445,991	457,558	460,230	472,135	474,861	487,112	489,894	502,501	505,338	518,311	521,205	
34 Specific Ownership Tax	40,213	38,019	31,500	31,815	32,133	32,454	32,779	33,107	33,438	33,772	34,110	34,451	34,796	35,144	
35 Tap Fee	211,200	121,800	109,500	81,250	87,425	91,000	94,575	98,150	102,375	106,275	114,400	119,275	123,825	129,025	
36 Development/Core Fee	173,050	173,050	173,050	138,177	148,252	154,102	159,952	166,127	172,302	179,452	192,127	199,602	207,402	215,202	
37 Capital Improvement Fees	129,273	127,500	127,500	127,500	146,625	146,625	146,625	146,625	146,625	146,625	175,950	175,950	202,343	202,343	
38 Water and Sewer Availability Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
39 Interest income	26,644	116,256	100,000	86,754	66,849	84,308	68,512	69,182	70,889	73,937	78,259	109,467	78,899	96,541	
40 Interest and fiscal charges expense	(61,984)	(80,648)	(76,001)	(71,208)	(66,268)	(209,565)	(199,300)	(188,674)	(177,661)	(172,055)	(166,225)	(696,162)	(671,856)	(646,578)	
41 Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
42 Miscellaneous revenue (expense)	34,315	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	
43 Capital contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
44 Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
45 Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
46 Total non-operating revenue (expenses)	917,542	972,085	998,920	930,279	962,574	849,155	865,277	889,379	925,080	947,900	1,021,121	537,921	583,719	642,880	
47															
48 Net increase (decrease) in resources	(36,965)	(375,576)	(439,807)	(495,315)	(466,589)	(547,423)	(472,965)	(387,535)	(287,248)	(196,301)	(103,037)	(530,828)	(370,469)	(243,063)	
49															
50 Ending net assets	24,026,366	23,650,790	23,210,983	22,715,668	22,249,079	21,701,656	21,228,691	20,841,156	20,553,908	20,357,607	20,254,570	19,723,742	19,353,272	19,110,210	

Perry Park Water and Sanitation District - Financial Management Plan

Financials - Comprehensive

Fiscal Year	Actual	Estimated	Budgeted		Future Projections									
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1 Rates Inflation - Water	0.00%	3.00%	7.00%	5.00%	7.50%	5.00%	5.00%	5.00%	5.00%	5.00%	10.50%	5.00%	7.50%	5.00%
2 Rates Inflation - Sewer	0.00%	3.00%	7.00%	5.00%	7.50%	5.00%	5.00%	5.00%	5.00%	5.00%	10.50%	5.00%	7.50%	5.00%
3 Rates Inflation - Capital Improvement Fees	0.00%	0.00%	0.00%	0.00%	15.00%	0.00%	0.00%	0.00%	0.00%	0.00%	20.00%	0.00%	15.00%	0.00%
4 Fee Inflation - Tap Charges	2.50%	2.50%	7.00%	4.00%	7.50%	4.00%	4.00%	4.00%	4.00%	4.00%	7.50%	4.00%	4.00%	4.00%
5 Fee Inflation - Development Fees	2.50%	0.00%	7.00%	4.00%	7.50%	4.00%	4.00%	4.00%	4.00%	4.00%	7.50%	4.00%	4.00%	4.00%
6 Fee Inflation - Water Availability Fees	2.00%	2.00%	7.00%	4.00%	7.50%	4.00%	4.00%	4.00%	4.00%	4.00%	7.50%	4.00%	4.00%	4.00%
7 Fee Inflation - Sewer Availability Fees	2.00%	2.00%	7.00%	4.00%	7.50%	4.00%	4.00%	4.00%	4.00%	4.00%	7.50%	4.00%	4.00%	4.00%
8 Revenue growth assumption - Specific Ownership/Other	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
9 Investment income yield	1.25%	2.26%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
10 Expense growth	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
11 Property Tax Increase	0.00%	5.83%	14.83%	0.59%	2.59%	0.58%	2.59%	0.58%	2.58%	0.57%	2.57%	0.56%	2.57%	0.56%
51 CIP Funding														
52 Purchase of Capital Assets	(2,730,855)	(1,205,100)	(21,218)	(1,114,582)	(2,931,950)	(782,510)	-	-	-	-	(5,375,666)	(1,086,796)	(1,119,400)	(1,152,982)
53 Borrowing Proceeds	2,717,439	-	-	-	3,600,000	-	-	-	-	-	6,500,000	-	2,300,000	-
54 Cost of Issuance	(67,439)	-	-	-	110,000	-	-	-	-	-	200,000	-	70,000	-
55 Total Bond Amount	2,650,000	-	-	-	3,710,000	-	-	-	-	-	6,700,000	-	2,370,000	-
56 Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57 Revolving Loan Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58 Payment of interfund loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-
59 Bond principal repayment	(168,500)	(143,000)	(147,500)	(152,000)	(157,000)	(287,088)	(297,072)	(307,755)	(318,645)	(324,250)	(330,079)	(786,136)	(810,441)	(835,718)
60														
61 Beginning Cash	4,634,585	5,135,425	4,189,788	4,337,679	3,342,431	4,215,405	3,425,584	3,459,113	3,544,430	3,696,841	3,912,928	5,473,328	3,944,967	4,827,027
62 Add net operations (line 31)	(954,507)	(1,347,661)	(1,438,726)	(1,425,594)	(1,429,163)	(1,396,578)	(1,338,242)	(1,276,914)	(1,212,328)	(1,144,201)	(1,124,159)	(1,068,749)	(954,188)	(885,943)
63 Add back depreciation (line 27)	719,721	778,039	756,415	766,649	828,514	827,200	803,566	780,607	758,304	736,638	869,182	875,399	882,371	890,102
64 Add net non-operating (line 46)	917,542	972,085	998,920	930,279	962,574	849,155	865,277	889,379	925,080	947,900	1,021,121	537,921	583,719	642,880
65 Add capital and bond principal (lines 52-53, 56-59)	(181,916)	(1,348,100)	(168,718)	(1,266,582)	511,050	(1,069,598)	(297,072)	(307,755)	(318,645)	(324,250)	794,256	(1,872,933)	370,159	(1,988,700)
66 Net change in balance sheet items	-	-	-	-	-	-	-	-	-	-	-	-	-	-
67 Other investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
68 Ending Cash	5,135,425	4,189,788	4,337,679	3,342,431	4,215,405	3,425,584	3,459,113	3,544,430	3,696,841	3,912,928	5,473,328	3,944,967	4,827,027	3,485,367
69 Ending net assets	24,026,366	23,650,790	23,210,983	22,715,668	22,249,079	21,701,656	21,228,691	20,841,156	20,553,908	20,357,607	20,254,570	19,723,742	19,353,272	19,110,210
70														
71 Target minimum working capital	1,766,079	1,899,959	1,934,082	1,957,803	1,982,477	2,281,093	2,306,673	2,333,237	2,360,285	2,388,133	2,416,678	3,431,932	3,461,921	3,492,661
72 Actual working capital-cash balance	5,135,425	4,189,788	4,337,679	3,342,431	4,215,405	3,425,584	3,459,113	3,544,430	3,696,841	3,912,928	5,473,328	3,944,967	4,827,027	3,485,367
73 Over (Under) target working capital	3,369,346	2,289,829	2,403,597	1,384,628	2,232,928	1,144,490	1,152,440	1,211,193	1,336,556	1,524,795	3,056,650	513,035	1,365,105	(7,294)
74														
75														
76 Beginning Accumulated Depreciation	15,551,123	16,316,601	17,094,640	17,851,055	18,617,704	19,446,219	20,273,419	21,076,984	21,857,591	22,615,895	23,352,533	24,221,714	25,097,113	25,979,484
77 Depreciation														
78 Purchased assets	765,478	778,039	756,415	766,649	828,514	827,200	803,566	780,607	758,304	736,638	869,182	875,399	882,371	890,102
79 Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
80 Total Depreciation	765,478	778,039	756,415	766,649	828,514	827,200	803,566	780,607	758,304	736,638	869,182	875,399	882,371	890,102
81 Ending Accumulated Depreciation	16,316,601	17,094,640	17,851,055	18,617,704	19,446,219	20,273,419	21,076,984	21,857,591	22,615,895	23,352,533	24,221,714	25,097,113	25,979,484	26,869,586
82 Capital replacement reserve as a percent of ending accumulated depreciation	31.5%	24.5%	24.3%	18.0%	21.7%	16.9%	16.4%	16.2%	16.3%	16.8%	22.6%	15.7%	18.6%	13.0%

Perry Park Water and Sanitation District - Financial Management Plan

Tax Levy Impact & Service Area Calculations

Fiscal Year	Actual	Estimated	Projected											
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Assessed Value	67,714,110	68,775,917	78,975,953	79,442,686	81,502,940	81,979,054	84,099,510	84,585,194	86,767,438	87,262,884	89,508,542	90,013,946	92,324,683	92,840,246
Operating Mill Levy	380,147	386,108	443,371	445,991	457,558	460,230	472,135	474,861	487,112	489,894	502,501	505,338	518,311	521,205
Debt Service Mill Levy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Tax Levy	380,147	386,108	443,371	445,991	457,558	460,230	472,135	474,861	487,112	489,894	502,501	505,338	518,311	521,205
Total Tax Levy Growth (%)	3.56%	1.57%	14.83%	0.59%	2.59%	0.58%	2.59%	0.58%	2.58%	0.57%	2.57%	0.56%	2.57%	0.56%
Operating Mills	5.614	5.614	5.614	5.614	5.614	5.614	5.614	5.614	5.614	5.614	5.614	5.614	5.614	5.614
Debt Service Mills	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Mills	5.614	5.614	5.614	5.614	5.614	5.614	5.614	5.614	5.614	5.614	5.614	5.614	5.614	5.614
Total Mill Rate Increase (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Growth In Assessed Value														
Growth of existing tax base	3.56%	0.00%	2.00%	0.00%	2.00%	0.00%	2.00%	0.00%	2.00%	0.00%	2.00%	0.00%	2.00%	0.00%
Number of new homes per year	13	13	13	13	13	13	13	13	13	13	13	13	13	13
New homes on service available lots	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Service available lots	230	227	176	173	170	167	164	161	158	155	152	149	146	143
Water Customers	1,437	1,450	1,463	1,476	1,489	1,502	1,515	1,528	1,541	1,554	1,567	1,580	1,593	1,606
Sewer Customers	1,142	1,152	1,162	1,172	1,182	1,192	1,202	1,212	1,222	1,232	1,242	1,252	1,262	1,272
Growth of new home value per year	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Median value of new homes	571,256	576,969	582,738	588,566	594,451	600,396	606,400	612,464	618,588	624,774	631,022	637,332	643,706	650,143
Increased actual value due to new homes	7,426,328	7,500,591	7,575,597	7,651,353	7,727,867	7,805,145	7,883,197	7,962,029	8,041,649	8,122,066	8,203,286	8,285,319	8,368,172	8,451,854
Assessment rate	7.20%	6.10%	6.10%	6.10%	6.10%	6.10%	6.10%	6.10%	6.10%	6.10%	6.10%	6.10%	6.10%	6.10%
Increased assessed value due to new homes	534,696	457,536 -15.28%	462,111	466,733	471,400	476,114	480,875	485,684	490,541	495,446	500,400	505,404	510,459	515,563
Tax Levy Calculations														
Levy Increase (%)	3.56%	1.57%	14.83%	0.59%	2.59%	0.58%	2.59%	0.58%	2.58%	0.57%	2.57%	0.56%	2.57%	0.56%
Tax on Median Valued Home (\$)	234.41	195.63	199.54	199.56	203.55	203.57	207.64	207.66	211.82	211.84	216.07	216.10	220.42	220.44
Tax Increase on Median Valued Home (\$)	5.28	(38.78)	3.91	0.02	3.99	0.02	4.07	0.02	4.15	0.02	4.24	0.02	4.32	0.02
Tax Increase on Median Valued Home (%)	2.30%		2.00%	0.01%	2.00%	0.01%	2.00%	0.01%	2.00%	0.01%	2.00%	0.01%	2.00%	0.01%

Perry Park Water and Sanitation District - Financial Management Plan

Monthly Rate and Tax Impact on Average User (5,000 gallons/month and an estimated \$576,969 home value)

Fiscal Year	Projected	Estimated Budgeted		Projected										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Residential														
Base Rates and Fees														
Water Base Rate	25.00	26.25	28.09	29.49	31.70	33.29	34.95	36.70	38.54	40.46	44.71	46.95	50.47	52.99
Capital Improvement Fee	7.50	7.85	7.85	7.85	9.03	9.03	9.03	9.03	9.03	9.03	10.83	10.83	12.46	12.46
Sewer Base Rate	34.50	36.25	38.79	40.73	43.78	45.97	48.27	50.68	53.22	55.88	61.74	64.83	69.69	73.18
Total Base Rates and Fees	67.00	70.35	74.73	78.07	84.51	88.29	92.25	96.41	100.78	105.37	117.29	122.61	132.62	138.63
Metered Water 5,000 gallons	10.00	10.50	11.24	11.80	12.68	13.32	13.98	14.68	15.41	16.19	17.88	18.78	20.19	21.20
Total Base Rates, Fees and Metered Water	77.00	80.85	85.96	89.87	97.19	101.60	106.23	111.09	116.19	121.55	135.17	141.39	152.81	159.82
Property Taxes														
Operating Mill Levy	19.53	16.30	16.63	16.63	16.96	16.96	17.30	17.31	17.65	17.65	18.01	18.01	18.37	18.37
Debt Service Mill Levy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Property Taxes	19.53	16.30	16.63	16.63	16.96	16.96	17.30	17.31	17.65	17.65	18.01	18.01	18.37	18.37
Total Monthly Costs	96.53	97.15	102.59	106.50	114.16	118.57	123.53	128.40	133.85	139.21	153.18	159.40	171.18	178.19

