Village of Bloomingdale
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MEMORANDUM

Date: **April 2, 2015**

To: **Pietro Scalera, Village Administrator**

From: **Gary L. Szott, Finance Director/Treasurer** GS

Subject: **Water & Sewer Fund 5-Year Forecast**

Issue: Annually and coincident with the Village's annual budget process, the Water & Sewer Fund's (the "Fund") 5-Year Forecast (the "Forecast") is updated for the purpose of assessing the Fund's financial position and the ability of water and sewer rates to support the Fund's activities. The Forecast and its format, provides the structure to measure the Fund's fiscal objectives of:

1. Generate income from operations, before depreciation, of $200,000.

2. Maintain an operating reserve (i.e. - working capital) equal to 25% of Total Operating Expenses.

3. Maintain a 1:1 ratio of functional rates to functional operating expenses.

4. Follow a "pay-as-you-go" or cash financing approach for capital projects and debt service.

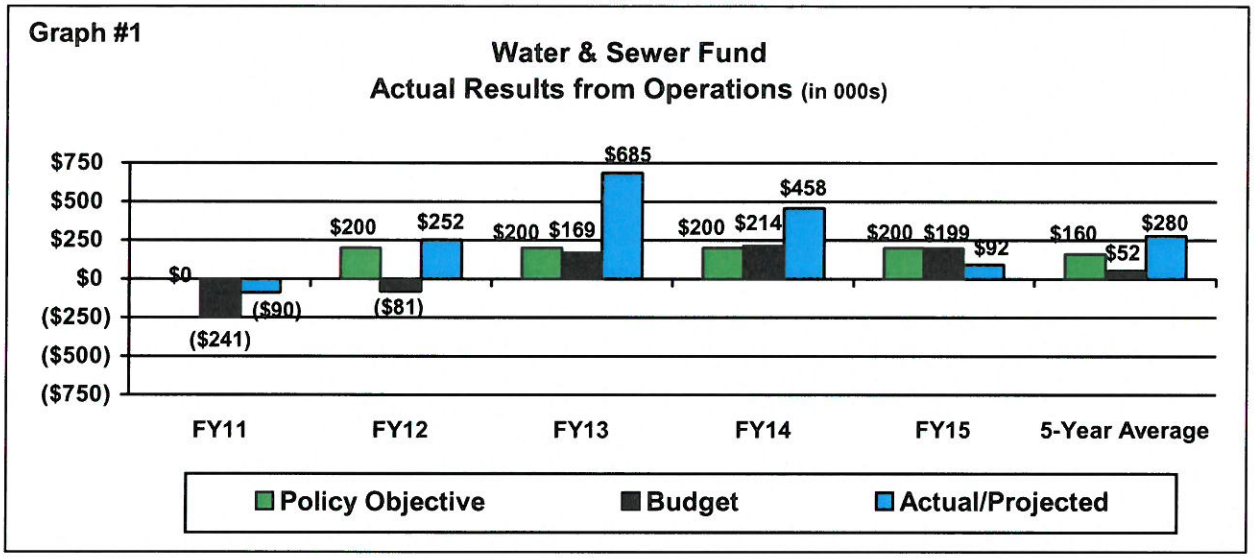
Ultimately, the Forecast provides the guidance for determining and establishing water and sewer rates.

Analysis:

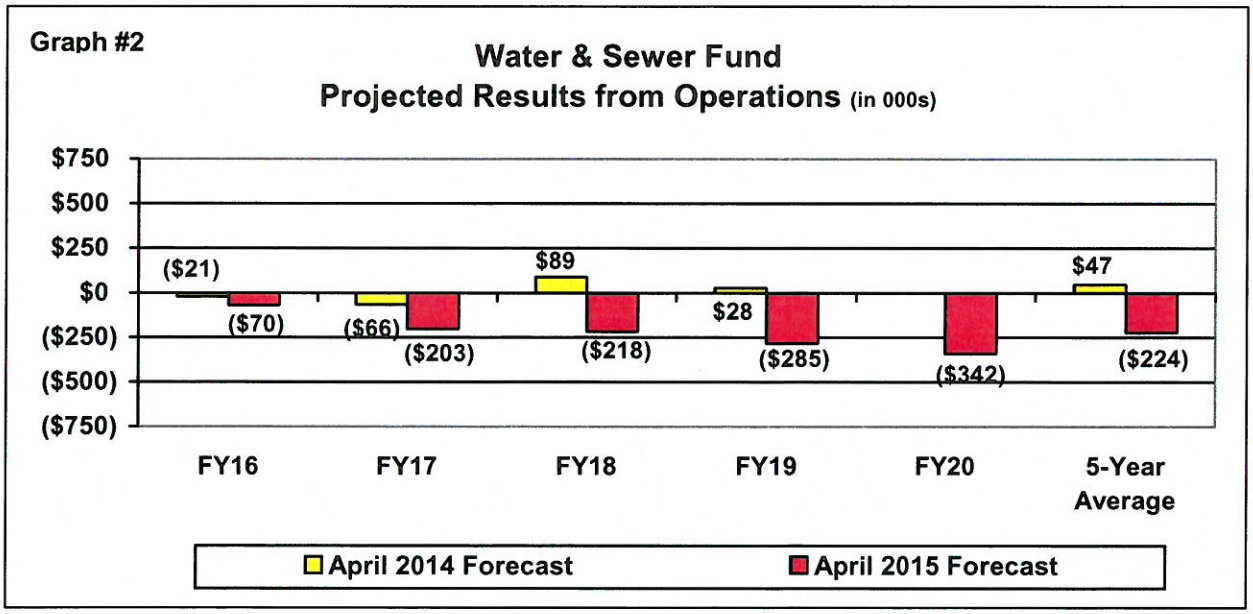
Fiscal Objective #1 – Generate income from Operations of $200,000

The Fund's fiscal objective is to generate income from operations, before depreciation, of $200,000. This objective was established in FY12 after years of practicing an objective of operating, before depreciation, at "break-even". Looking back at the past five (5) fiscal years (FY11 through FY15) the Fund has or will generate an annual average of $280,000

of income from operations, before depreciation. Graph #1 provides an illustration of how the Fund has performed, relative to this objective, for the past five (5) fiscal years.



The Fund's proposed FY16 Budget, as revised, is projected to generate a net loss, before depreciation, of $69,910 which does not achieve the fiscal objective. The net loss includes revisions to the proposed budget discussed later in this correspondence. Looking forward at the next five (5) fiscal years (FY16 through FY20) it is projected that the Fund will achieve an average annual operating loss, before depreciation, of $224,000. Graph #2 illustrates this and includes a comparison to the April 2014 projection for perspective.



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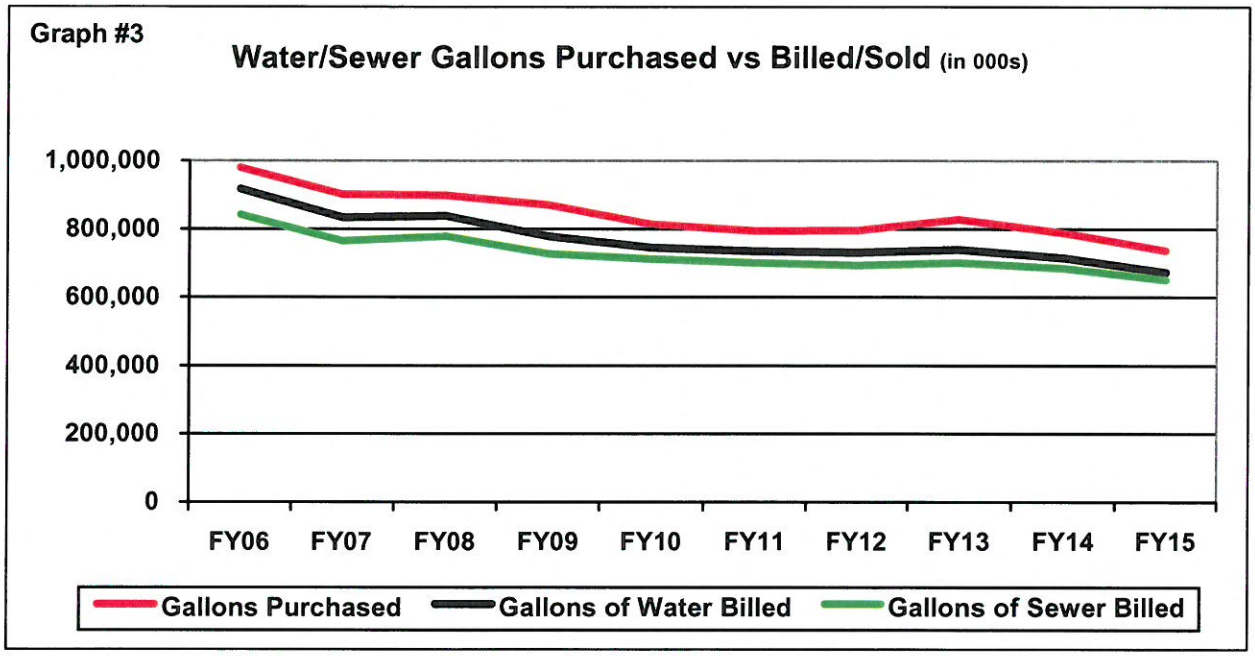
Water & Sewer Fund 5-Year Forecast

The deteriorating financial performance and the disparity to the prior year's Forecast is primarily attributable to declining water consumption. Over the past five fiscal years, the average annual gallons of water billed has declined 2% but in the past two years (FY14 and FY15) the average annual gallons of water billed has declined by 5%. Graph #3 reflects a multi-year history of gallons of water purchased and gallons of water and sewer billed/sold. The decline in consumption and hence billings translates into net average annual water and sewer rate revenue of approximately $194,000 per year.



To arrive at the summary conclusions presented in the graphs above and to prepare the detailed financial schedules found later in this correspondence, the following data, assumptions and methodology was used.

1. The FY11 through FY14 amounts are audited, actual amounts.

2. The FY15 amounts are staff's estimates or projections of the current fiscal year end revenues and expenses.

3. The FY16 amounts are the same amounts that are in the proposed FY16 Budget with a few revisions. FY16 revenue estimates are compiled by Finance and reflect current and future known water and sewer rates applied to a historical 5-year average amount of water and sewer gallons billed (i.e. – sold) to customers. FY16 operating expense estimates are compiled by Village Services and reflect the needs of the Fund for the twelve (12) month period beginning May 1, 2015.

The revisions include:

A. Increase the late fee revenue budget by $10,000.
B. Decrease the costs associated with amounts paid to the DuPage Water Commission (DWC) to reflect the DWC's proposed rate structure change by $23,115.
C. Decrease the mainline water valve and fire hydrant replacement programs' budgets by a total of $10,000.
D. Defer $31,000 of repairs to Garden Avenue until FY17.

These budgetary revisions are reflected in the Forecast and similar revisions will be made to the proposed FY16 budget prior to its approval.

4. FY17 through FY20 revenues, more specifically rate revenue, are forecasted using the current water and sewer rates applied to the five (5) year average annual gallons of water sold to customers.

5. FY17 through FY20 operating expenses, excluding water costs, are projected by using FY16 as the "base" year and then adding an average annual increase of 1.00%; however, the Fund's actual experience over the past five (5) fiscal years has been an average annual decrease in operating expenses of approximately 0.85%. Actual increases of specific costs, line items or categories may vary.

6. The DuPage Water Commission (DWC) does not increase the cost of water (i.e. – the rate that the DWC charges the Village) through FY20.

7. The Village does not increase water or sewer rates charged to Village utility customers through FY20.

Fiscal Objective #2 – Maintain a 25% Operating Reserve –

A targeted operating reserve or working capital amount equal to 25% of Total Operating Expenses (3 months or 90 days of operating expenses) has been established to provide for the delivery of ongoing services, short-term cash flow disparities, unbudgeted and unexpected system repairs or equipment replacements and other unforeseen events.

Operating reserves or working capital is not intended to and does not provide "permanent" funding for operating expenses or capital projects. The purpose of operating reserves is to allow for the day-to-day activities of the Fund to continue in an orderly manner without regard to the ebbs and flows of the receipt of revenues and the payment of operating expenses.

Maintaining a 25% operating reserve or working capital balance is a reasonable and responsible level given the characteristics of the Water & Sewer Fund. In support of this policy, the Government Finance Officers Association (GFOA) has stated that 90 days is a "baseline" level of working capital for an Enterprise Fund. GFOA recommends that, under no conditions, the target for working capital be less than 45 days of annual operating expenses.

In April 2014, it was projected that the Fund would end FY14 with operating reserves of 90 days or 25% and this was achieved. For FY15, it is projected that the Fund will again achieve a 90 day or 25% operating reserve.

In FY16, the Fund is projected to attain a 49 day or 14% operating reserve. Last year it was projected that operating reserves would be depleted in FY16. Looking forward, the Fund is projected to operate with an average annual loss, before depreciation, of $224,000 and operating reserves will be required to pay for day-to-day expenses causing the operating reserves to be depleted in early FY17.

Fiscal Objective #3 – 1:1 Ratio –

The Fund strives to achieve a 1:1 ratio or allocation of water rate revenues to water function operating expenses and sewer rate revenues to sewer function operating expenses.

Over the past five (5) fiscal years (FY11through FY15) water rate revenue has exceeded water function expenses by an annual average of approximately $144,000 and sewer rate revenue has exceeded sewer function expenses by an annual average of approximately $136,000.

Over the next five (5) fiscal years (FY16 through FY20), it is projected that water rate revenue will be less than water function expenses by an annual average of approximately $69,000 and sewer rate revenue will be less than sewer function expenses by an annual average of approximately $155,000.

It can be reasonably stated that the Fund has met, and is projected to continue to meet, this objective.

Fiscal Objective #4 – "Pay-as-you-go" financing for Capital Projects and Debt Service –

Certain, specific system revenues or inflows are committed to pay for capital projects and debt service. They are:

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Water & Sewer Fund 5-Year Forecast

	Specific System Revenue/Inflow	Committed to Pay for...
1	Sewer tap-on fees	Debt Service – 2008 IEPA Loan WRF FPA Phase 1
2	$600,000 annual contribution from the Home Rule Sales Tax Fund	Debt Service – 2008 IEPA Loan WRF FPA Phase 1
3	27¢/1,000 gallons of the total sewer rate of $4.46/1,000 gallons	Debt Service – 2011 IEPA Loan WRF FPA Phase 2A
4	Water tap-on fees	Capital Projects
5	18¢/1,000 gallons of the total water rate of $7.15/1,000 gallons	Capital Projects
6	5¢/1,000 gallons of the total sewer rate of $4.46/1,000 gallons	Capital Projects
7	Proceeds from the sale of assets (i.e. – vehicles and equipment)	Capital Projects
8	Grant proceeds	Capital Projects

In June 2003, the Village Board approved committing all future sewer tap-on fees and an annual $600,000 contribution of home rule sales taxes toward the debt service payments of the 2008 IEPA Loan. The 2008 IEPA Loan was required to complete the water reclamation facility's (WRF) facility plan amendment (FPA) Phase 1 project. As of April 30, 2015, it is projected that the Fund will have accumulated approximately $4.37 million from these revenue sources which is committed to pay future annual debt service payments of the 2008 IEPA Loan. These accumulated monies plus future, projected annual revenues from the committed sources are expected to be sufficient to pay the 2008 IEPA Loan's annual debt service of $799,262 through to its retirement in FY29.

In May 2009, the Village Board approved a series of sewer rate increases, the revenue from which is committed toward the annual debt service payments of the 2011 IEPA Loan. Today, $0.27/1,000 gallons of the total sewer rate of $4.46/1,000 gallons is committed to pay the 2011 IEPA Loan's debt service. The 2011 IEPA Loan was required to complete the WRF's FPA Phase 2A project. As of April 30, 2015, it is projected that the Fund will have accumulated approximately $375,000 from this revenue source which is committed to pay future annual debt service payments of the 2011 IEPA Loan. These accumulated monies plus future, projected annual revenues from the committed rate revenue is expected to be sufficient to pay the 2011 IEPA Loan's annual debt service of approximately $272,000 through FY19. Thereafter, absent the commitment of another source of revenue, an additional sewer rate increase of approximately 11¢/1,000 gallons is projected to be needed in FY20 to provide for the remainder of the Phase 2A debt service payments through to its retirement in FY32. Last year's 5-Year Forecast projected a 9¢/1,000 gallons sewer rate increase that would have been required in FY21.

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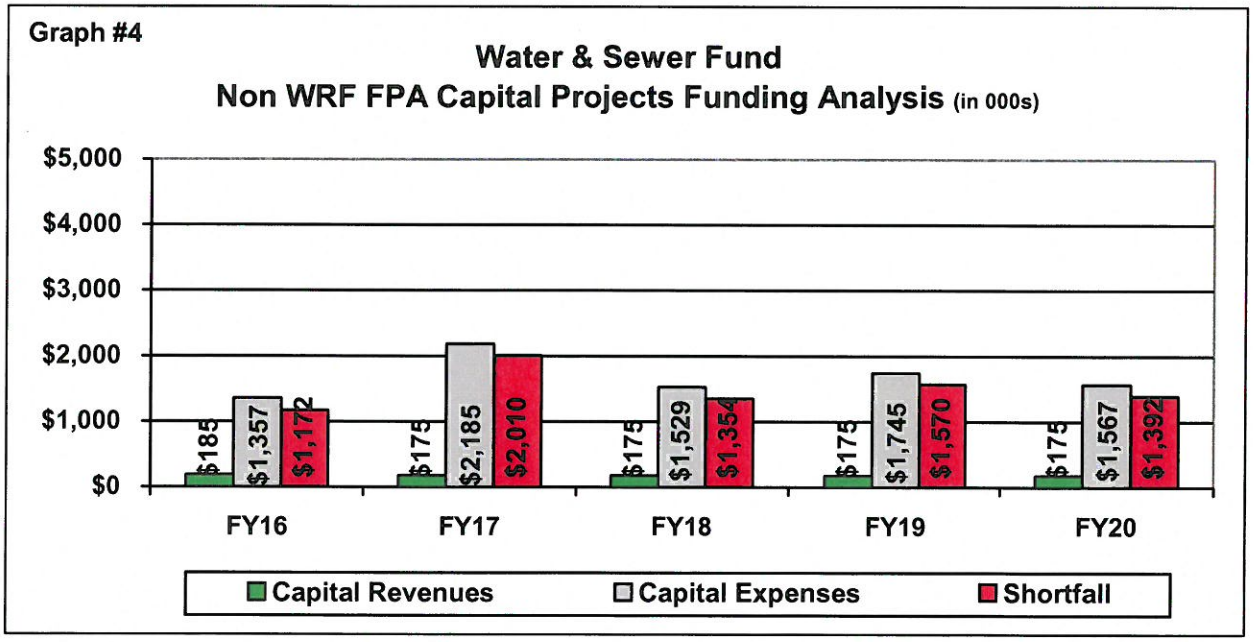
Water & Sewer Fund 5-Year Forecast

Beginning in FY13, the Village Board approved an 18¢/1,000 gallons water rate increase and a 5¢/1,000 gallons sewer rate increase for the purpose of generating revenue to be used to pay for capital projects other than the WRF's FPA upgrade and expansion projects. The combined 23¢/1,000 gallons of water/sewer rate has produced average, annual revenue of $157,000 over the three year period FY13 – FY15. In addition to this rate revenue, any new water tap-on fees, proceeds from the sale of any assets, grants and "excess" cash generated from operations are committed to pay for capital projects other than the WRF's FPA projects. Since the beginning of FY13, average, annual capital project costs, excluding the WRF's FPA projects, have been $129,000. As of April 30, 2015, it is projected that the Fund will have accumulated approximately $104,000 which is committed to pay for non-WRF FPA capital projects.

The Fund's FY16 Capital Improvement Plan (CIP) indicates that over the next five fiscal years (FY16 through FY20), the average, annual cost of scheduled capital projects, excluding the WRF's FPA projects, to be $1.38 million. The commitment to and timing of each of the projects is critical to the financing of the projects and has a significant impact on this Forecast. Should the Village decide to pursue all of the projects as scheduled, it is projected that there will be an average annual funding shortfall in excess of $1.20 million through FY20. Furthermore, the final two principal payments of the 2009 General Obligation (GO) Refunding bonds, totaling $1.46 million, do not have a dedicated or committed funding source. This increases the average annual funding shortfall to $1.50 million.

The following graph illustrates the non WRF FPA capital projects' revenues, expenses (including 2009 GO debt service payments) and funding shortfalls for FY16 through FY20.



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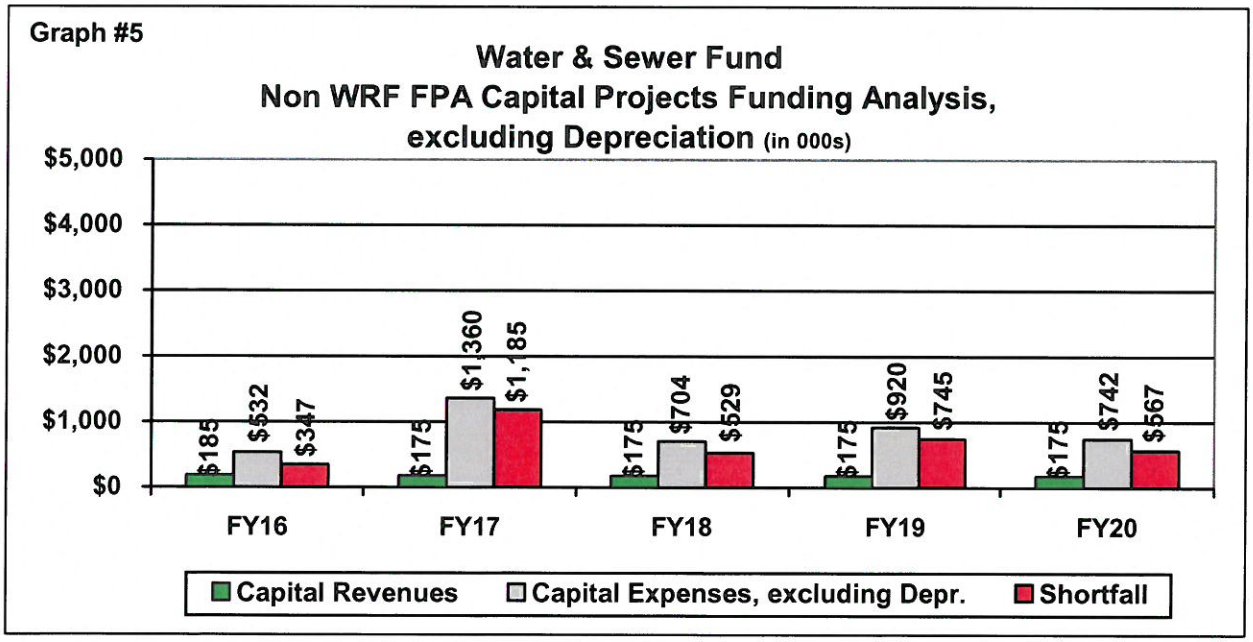
There are two (2) projects contained in the CIP that require additional explanation. They are titled, "Distribution – Water Main Improvements" and "Collection – Sanitary Sewer Main Improvements". These are not actual "construction" projects. These are "projects" that represent the gradual use and deterioration of the "system" (i.e. - water and sewer mains) commonly referred to as depreciation. Depreciation is a method or a systematic and rationale means to recognize the wear and tear of an asset because of its use by current customers augmented by the lapse of time, eventually resulting into the expiration of the service life of that asset.

As the water and sewer system ages, the likelihood that, in any given year, major repairs or replacement of a portion of the system increases. By including these two (2) "projects" in this report, it is recognized that, annually, the Fund needs to plan for major repair or replacement costs of approximately $825,000 and hence, should be generating or recovering that amount through a source of revenue. Currently, the Fund is not recovering these "costs". To do so would require both a water and a sewer rate increase of approximately 55¢/1,000 gallons for a total, combined rate increase of $1.10/1,000 gallons.

The following graph illustrates the capital projects' revenues, expenses, excluding depreciation and funding shortfalls for FY16 through FY20. The average annual funding shortfall is $675,000.



In the past, the Fund has followed a "pay-as-you-go" funding approach to pay for capital projects and debt service as it had significant "excess" cash balances. "Excess" cash balances are those amounts that are not committed to or needed for other purposes such as operations, operating reserves (i.e. - working capital), debt service or other capital projects. As of April 30, 2015, "excess" cash balances are projected to be approximately $337,000. Projecting forward through FY20, "excess" cash balances are estimated to be $0 as early as FY16.

Any significant new water tap-on fees are not projected to occur during the period FY16 – FY20 and proceeds from the sale of any assets or grants are expected to be negligible. Additionally, it is not expected that any meaningful operating income/surplus will occur that would generate "excess" cash that could be made available for capital projects (see Graph #2). Therefore, continuing a "pay-as-you-go" financing approach for capital projects is not possible given the number and costs of the projects contained in the CIP unless additional revenue sources are identified or scheduling and timing of the projects is modified.

The scheduling and timing of projects will be prioritized and made part of the FY17 budget process in an effort to release some of the stress being placed on the Fund. In FY16, one action to release stress on the Fund would be to transfer $720,000, or the equivalent of the 2009 G.O. bond principal payment due December 30, 2016, from the Home Rule Sales Tax Fund to the Water & Sewer Fund. Combined, these two actions could avoid a similar transfer being needed in FY17 and the 2009 G.O. bonds will be retired, or completely repaid, in FY17. If this transfer is made it would reduce the FY16 shortfall from $1.17 million to $452,000. Additionally, operating reserves would increase to 78 days or 22% of operating expenses.

From another perspective, if the transfer is made, the $347,000 funding shortfall that is reflected in graph #5 for FY16, which excludes the depreciation "projects" component, would be completely eliminated and a $373,000 capital projects funding surplus would be created which could then be used to strengthen the operating reserves to 78 days or 22%.

In order to be able to pursue the capital projects as scheduled in the CIP, and because "pay-as-you-go" financing is not possible, the Village may need to become a frequent issuer of debt. However, prior to issuing any new debt, it is recommended that a specific, reliable revenue source that will enable all debt service payments to be made when due and on time be identified and approved.

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Water & Sewer Fund 5-Year Forecast

Summary of Fiscal Objectives –

As previously stated, the purpose of this Forecast is to assess the Fund's financial position through the measurement of how it has performed and how it is projected to perform against its multiple fiscal objectives. The conclusions reached are summarized as follows:

1. The Fund achieved the fiscal objective of **generating income, before depreciation, of $200,000** over the past five (5) fiscal years (FY11 through FY15) although the Fund is not projected to achieve the objective in FY16. Further, it is projected that the Fund will not achieve this fiscal objective over the next five (5) fiscal years (FY16 through FY20).

2. The Fund has been able to maintain **operating reserves (i.e. - working capital)** equal to 25% of Total Operating Expenses through FY15. It is projected operating reserves will fall to 14% of Total Operating Expenses or 49 days in FY16 and then be completely depleted in FY17.

3. The Fund has achieved a **revenue to expense ratio**, by function, of 1:1 over the past five (5) fiscal years, and it is projected that, generally, it will achieve a 1:1 ratio over the next five (5) fiscal years.

4. The Fund has been able to maintain a **"pay-as-you-go" financing** approach for capital expenses, with limited exception, over the past five (5) fiscal years (FY11 through FY15). It is projected that the Fund will not be able to continue to maintain this financing approach over the next five (5) fiscal years (FY16 through FY20) as "excess" cash will be depleted in FY17 and no significant, additional revenues are expected.

Additional Considerations –

The Village has sixteen (16) accounts that are connected to the sewer system but not the water system. As such, these accounts do not have a water meter to measure consumption. Utility bills for these "sewer only" accounts are billed a flat rate charge that is equivalent to 16,000 gallons of consumption each billing period. This gallon equivalent has been in place since at least 1994 and believed to be equivalent to the average bi-monthly residential consumption at that time of 16,000 gallons. Today the average bi-monthly residential consumption is approximately 12,000 gallons. It is recommended that the flat rate charge be changed to the equivalent of 6,000 gallons of consumption per month. The reduction in sewer revenue is approximately $1,700 per year.

The formula to calculate a customer's utility bill is extremely simple and transparent – rate times gallons of water/sewer used. The Village does have a minimum bill or charge that is

equivalent to the consumption of 5,000 gallons each billing period regardless of whether the customer uses 5,000 gallons of water. This minimum bill is intended to cover the other costs of operations that exist that are in addition to the cost of water that is purchased from the DWC. Over the past couple years and what seems to be more frequently as of late, customers that do not use 5,000 gallons per billing period do not feel they should have to pay "as-if" they used that much water. Therefore, in light of the fact that consumption is declining, it may be an appropriate time to restructure the formula used to calculate the bill amount and eliminate the minimum bill and replace it with a "base or maintenance" charge in addition to a "consumption" charge for both the water function and the sewer function.

Lastly, the average residential bi-monthly bill is approximately $150 and this amount is likely to increase as operating costs increase. The Village commits significant resources to its billing and collection activities by, among other efforts, sending approximately 53,000 bills and collection notices (i.e. – reminder and final notices) each year which costs approximately $40,000 when postage is included. It is suggested that the Village study the impacts of converting from billing each account every other month to billing each account every month to determine if there are any operational efficiencies or cost savings.

Recommendation: It is respectfully recommended the following actions be taken:

1. Revise the FY16 budget to reflect the following changes:

    A. Decrease the DWC expenses by $23,115 to reflect the DWC rate restructuring.
    B. Decrease the mainline water value and fire hydrant replacement programs by a total of $10,000.
    C. Defer $31,000 of repairs to Garden Avenue.
    D. Increase the budget for Late Fees to $110,000 from $100,300 to better reflect trend history.
    E. Include a transfer of $720,000 from the Home Rule Sales Tax Fund to the Water & Sewer Fund.

2. Analyze the timing of CIP projects scheduled for FY17 through FY20 to determine the absolute need and timing of each project in order to better understand and plan for the financing options for each project.

3. Revise the unmetered sewer charges to reflect a flat rate sewer charge that is equivalent to 6,000 gallons of consumption per month.

4. Restructure the rate formula to reflect a "base" or "maintenance" fee and a "consumption" fee for both water and sewer rates.

5. Study the impacts of converting from billing accounts every other month (bi-monthly billing) to billing every account every month to determine if there are any operational efficiencies or cost savings.

VILLAGE OF BLOOMINGDALE
WATER & SEWER FUND 5-YEAR FORECAST
SUMMARY OF OPERATING REVENUES AND EXPENSES

04/02/15

		[A] (audited) FY 04/30/14	[B] (budget) FY 04/30/15	[C] (EOY) FY 04/30/15	[D] (budget) FY 04/30/16	[E] (forecast) FY 04/30/17	[F] (forecast) FY 04/30/18	[G] (forecast) FY 04/30/19	[H] (forecast) FY 04/30/20	SOURCE, COMMENTS or ASSUMPTIONS
	OPERATING REVENUES									
[1]	Water/Sewer Rate Revenue	7,804,080	8,498,340	7,876,340	8,629,000	8,540,800	8,540,800	8,540,800	8,540,800	Known rates; 5 Yr Ave gallons billed;
[2]	Late Fees, Meter Fees, etc.	163,209	150,355	157,780	169,220	169,220	169,220	169,220	169,220	
[3]	Interest Income	37,863	50,000	37,390	50,000	65,000	41,000	22,000	10,000	1% Yield assumption FY17-FY20
[4]	Miscellaneous	39,306	21,035	55,450	22,000	22,000	22,000	24,000	24,000	Well Agreement, FEMA grant, IRMA
[5]	**TOTAL OPERATING REVENUES**	8,044,458	8,719,730	8,126,960	8,870,220	8,797,020	8,773,020	8,756,020	8,744,020	
	OPERATING & DEBT EXPENSES									
	Operating Expenses:									
[6]	Finance	177,634	183,260	174,390	253,785	256,300	258,900	261,500	264,100	5-Yr Ave change - (.85%); FY17-FY20 1%
[7]	Source of Supply	701,132	679,350	582,300	654,650	661,200	667,800	674,500	681,200	5-Yr Ave change - (.85%); FY17-FY20 1%
[8]	DWC O&M Costs	2,767,889	3,373,000	3,109,650	3,846,050	3,846,050	3,846,050	3,846,050	3,846,050	Known DWC rates; 5 Yr Ave gals purch
[9]	DWC Fixed Costs	203,708	203,150	203,150	0	0	0	0	0	
[10]	Distribution System	1,115,671	1,276,020	1,180,175	1,284,880	1,297,700	1,310,700	1,323,800	1,337,000	5-Yr Ave change - (.85%); FY17-FY20 1%
[11]	Sanitary Collection System	735,490	810,045	797,005	861,185	900,800	878,800	887,600	896,500	5-Yr Ave change - (.85%); FY17-FY20 1%
[12]	Water Reclamation Facility	1,785,348	1,916,100	1,908,710	1,980,775	2,000,600	2,020,600	2,040,800	2,061,200	5-Yr Ave change - (.85%); FY17-FY20 1%
[13]	**Total Operating Expenses**	7,486,872	8,440,925	7,955,380	8,881,325	8,962,650	8,982,850	9,034,250	9,086,050	
[14]	**OPERATING NET INCOME (LOSS) BEFORE DEBT SERVICE EXPENSES**	557,586	278,805	171,580	(11,105)	(165,630)	(209,830)	(278,230)	(342,030)	
	Debt Service Expenses:									
[15]	2009 GO Refunding Bond - Interest	99,414	79,315	79,505	58,805	30,005	0	0	0	2009 GO Bond - retired in FY17
[16]	Operating Transfers Out	0	0	0	0	0	0	0	0	
[17]	**Total Debt Service Expenses**	99,414	79,315	79,505	58,805	30,005	0	0	0	
[18]	**TOTAL OPERATING & DEBT SERVICE EXPENSES**	7,586,286	8,520,240	8,034,885	8,940,130	8,992,655	8,982,850	9,034,250	9,086,050	
[19]	**OPERATING NET INCOME (LOSS) BEFORE DEPRECIATION**	**458,172**	**199,490**	**92,075**	**(69,910)**	**(195,635)**	**(209,830)**	**(278,230)**	**(342,030)**	**FISCAL OBJECTIVE Generate income of $200,000**
[20]	Depreciation Expense	1,741,014	0	1,742,000	1,742,000	1,742,000	1,742,000	1,742,000	1,742,000	
[21]	**OPERATING NET INCOME (LOSS)**	(1,282,842)	199,490	(1,649,925)	(1,811,910)	(1,937,635)	(1,951,830)	(2,020,230)	(2,084,030)	

VILLAGE OF BLOOMINGDALE
WATER & SEWER FUND 5-YEAR FORECAST
SUMMARY OF CAPITAL PROJECT REVENUES AND EXPENSES

04/02/15

	[A] (audited) FY 04/30/14	[B] (budget) FY 04/30/15	[C] (EOY) FY 04/30/15	[D] (budget) FY 04/30/16	[E] (forecast) FY 04/30/17	[F] (forecast) FY 04/30/18	[G] (forecast) FY 04/30/19	[H] (forecast) FY 04/30/20	SOURCE, COMMENTS or ASSUMPTIONS
CAPITAL REVENUES									
[1] Sewer Rate Revenue - FPA Phase 2A (5/1/09)	184,826	190,620	173,000	185,000	184,086	184,086	184,086	184,086	27¢ Committed to Debt Service
[2] Water Rate Revenue - capital projects (6/1/12)	128,668	133,740	122,000	130,000	128,517	128,517	128,517	128,517	18¢ Committed to Water capital projects
[3] Sewer Rate Revenue - capital projects (6/1/12)	34,227	35,300	32,000	34,000	34,090	34,090	34,090	34,090	5¢ Committed to Sewer capital projects
[4] Operating Transfers In - from HR Sales Tax	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	Committed to FPA Phase 1 Debt Svc
[5] Operating Transfers In - from HR Sales Tax	670,000	690,000	690,000	0	0	0	0	0	Committed to 2009 GO Debt Svc
[6] Tap-On Fees - Water	3,420	10,000	3,420	19,120	10,000	10,000	10,000	10,000	
[7] Tap-On Fees - Sewer	31,800	40,000	10,600	124,800	40,000	40,000	40,000	40,000	Committed to FPA Phase 1 Debt Svc
[8] FPA Phase 2A - IEPA Loan Proceeds	0	0	0	0	0	0	0	0	Committed to FPA Phase 2A Construction
[9] FPA Phase 2B - IEPA Loan Proceeds (FY20)	0	0	0	0	0	0	0	6,696,000	Committed to FPA Phase 2B Construction
[10] FPA Phase 3 - Loan Proceeds (FY21)	0	0	0	0	0	0	0	0	Committed to FPA Phase 3 Construction
[11] FPA Phase 4 - Loan Proceeds (FY22)	0	0	0	0	0	0	0	0	Committed to FPA Phase 4 Construction
[12] Grants	0	0	0	0	0	0	0	0	
[13] Gain on Sale of Assets and other	0	5,000	14,210	2,000	2,000	2,000	2,000	2,000	
[14] **TOTAL CAPITAL REVENUES**	1,652,941	1,704,660	1,645,230	1,094,920	998,693	998,693	998,693	7,694,693	
CAPITAL EXPENSES									
[15] Capital Projects - non WRF FPA & Major Mtc	37,358	388,110	296,425	637,200	1,444,630	1,528,540	1,744,935	1,566,680	FY16 CIP less Major Mtc w/exceptions
Capital Projects - WRF FPA	0	0	0	0	0	0	560,000	6,880,000	FY16 CIP - WRF FPA projects
Debt Service -									
[16] 2009 GO Refunding Bond - Principal	670,000	690,000	690,000	720,000	740,000	0	0	0	2009 GO Bond - retired in FY17
[17] FPA Phase 1 - 2008 IEPA Loan - P & I	799,262	799,265	799,265	799,265	799,265	799,265	799,265	799,265	WRF FPA Phase 1 - retired in FY29
[18] FPA Phase 2A - 2011 IEPA Loan P & I	264,386	256,795	271,980	271,985	271,985	271,985	271,985	271,985	WRF FPA Phase 2A - retired in FY32
[19] FPA Phase 2B - IEPA Loan P & I	0	0	0	0	0	0	0	0	WRF FPA Phase 2B - begin in FY21
[20] FPA Phase 3 - Loan P & I	0	0	0	0	0	0	0	0	WRF FPA Phase 3 - begin in FY22
[21] FPA Phase 4 - Loan P & I	0	0	0	0	0	0	0	0	WRF FPA Phase 4 - begin in FY23
[22] **TOTAL CAPITAL EXPENSES**	1,771,006	2,134,170	2,057,670	2,428,450	3,255,880	2,599,790	3,376,185	9,517,930	
EXCESS/(DEFICIENCY) OF CAPITAL									**FISCAL OBJECTIVE**
[23] **REVENUES OVER CAPITAL EXPENSES**	**(118,065)**	**(429,510)**	**(412,440)**	**(1,333,530)**	**(2,257,187)**	**(1,601,097)**	**(2,377,492)**	**(1,823,237)**	**"Pay-as-you-go" Financing**

VILLAGE OF BLOOMINGDALE
WATER & SEWER FUND 5-YEAR FORECAST
SUMMARY OF CASH BALANCES

04/02/15

SUMMARY OF ACTIVITY	[A] (audited) FY 04/30/14	[B] (budget) FY 04/30/15	[C] (EOY) FY 04/30/15	[D] (budget) FY 04/30/16	[E] (forecast) FY 04/30/17	[F] (forecast) FY 04/30/18	[G] (forecast) FY 04/30/19	[H] (forecast) FY 04/30/20	SOURCE, COMMENTS or ASSUMPTIONS
[1] **BEGINNING CASH BALANCE**	7,627,956	7,509,891	7,509,891	7,189,526	6,506,086	4,053,264	2,242,337	(413,385)	Prior year's ending balance
OPERATING NET INCOME (LOSS)									
[2] **BEFORE DEPRECIATION**	458,172	199,490	92,075	(69,910)	(195,635)	(209,830)	(278,230)	(342,030)	See Part 1, Row 17
EXCESS/(DEFICIENCY) OF CAPITAL									
[3] **REVENUES OVER CAPITAL EXPENSES**	(118,065)	(429,510)	(412,440)	(613,530)	(2,257,187)	(1,601,097)	(2,377,492)	(1,823,237)	See Part 2, Row 22
[4] **NET CHANGE from Operations & Capital**	340,106	(230,020)	(320,365)	(683,440)	(2,452,822)	(1,810,927)	(2,655,722)	(2,165,267)	**Annual Impact to Cash Balance**
[5] **ENDING CASH BALANCE**	**7,509,891**	**7,279,871**	**7,189,526**	**6,506,086**	**4,053,264**	**2,242,337**	**(413,385)**	**(2,578,652)**	Row 1 + Row 4
ALLOCATION OF ENDING CASH BALANCE									
	90	90	90	78	0	0	0	0	**# of days working capital**
	25%	25%	25%	22%	0%	0%	0%	0%	**% of working capital**
[6] **COMMITTED**									
[7] Operating Reserves/Working Capital	1,896,572	2,130,060	2,008,721	1,927,608	0	0	0	0	**25% of Total Operating Expenses**
[8] WRF FPA Phase 1 - 2008 IEPA Loan	4,554,036	4,394,771	4,365,371	4,290,906	4,131,641	3,972,376	3,813,111	3,653,846	cumulative; beg bal + rev less debt svc
[9] WRF FPA Phase 2A - 2011 IEPA Loan	473,537	407,362	374,557	287,572	199,673	111,774	23,875	(64,024)	cumulative; beg bal + rev less debt svc
[10] Capital Projects other than WRF FPA	228,758	24,688	103,963	0	0	0	0	0	cumulative; beg bal + rev less capital projcts
[11] **Total Committed**	7,152,903	6,956,881	6,852,612	6,506,086	4,331,314	4,084,150	3,836,986	3,589,822	
[12] **"EXCESS" AVAILABLE FOR CAPITAL**	356,988	322,990	336,914	0	(278,050)	(1,841,812)	(4,250,370)	(6,168,473)	
[13] **ENDING CASH BALANCE**	**7,509,891**	**7,279,871**	**7,189,526**	**6,506,086**	**4,053,264**	**2,242,337**	**(413,385)**	**(2,578,652)**	