



Finance and Administration
A

Village of Bloomingdale
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MEMORANDUM

Date: April 7, 2016

To: Pietro Scalera, Village Administrator

From: Gary L. Szott, Finance Director/Treasurer
Allen L. Altic, Assistant Finance Director AA

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 guidance for determining and establishing water and sewer rates.

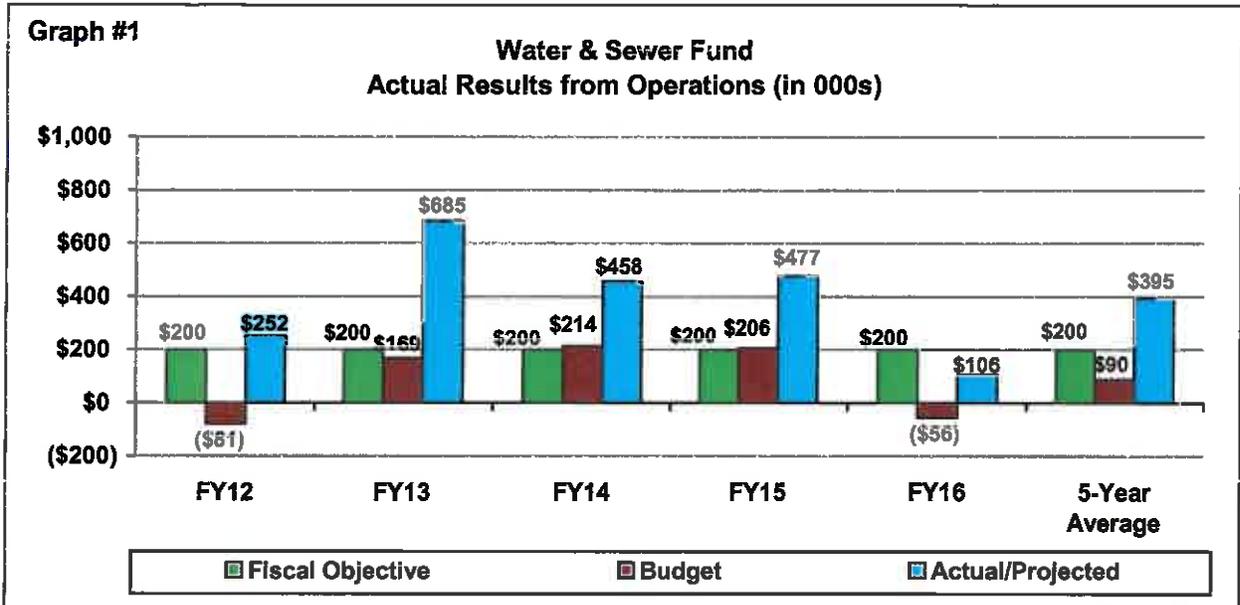
Analysis:

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

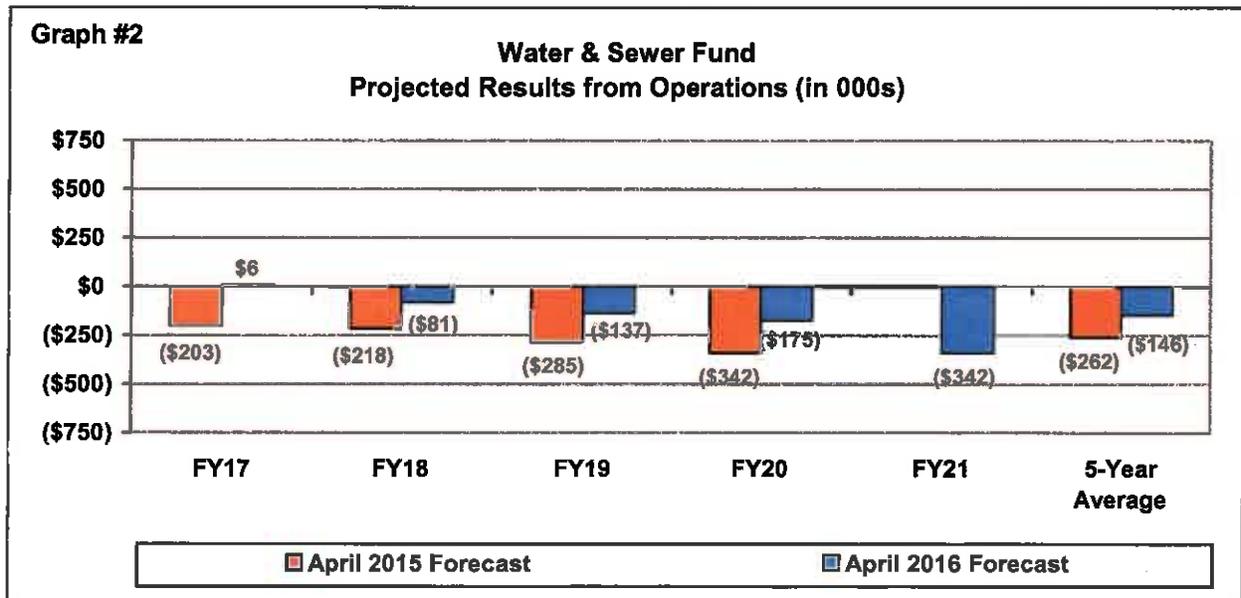
The Fund's fiscal objective is to generate income from operations, before depreciation, of \$200,000. Looking at the past five (5) fiscal years (FY12 through FY16) the Fund generated an average annual income from operations, before depreciation of \$395,000. During this same time period, the average annual budgeted income from operations, before depreciation, was approximately \$90,000. Graph #1 provides an illustration of how

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 Water & Sewer Fund 5-Year Forecast

the Fund has performed, relative to the objective and budget, for the past five (5) fiscal years.



The Fund's proposed FY17 Budget is projected to generate net income, before depreciation, of \$5,968 which does not achieve the fiscal objective. This is contrary to the statement made in the Introduction section of the proposed FY17 Budget that the Fund is achieving the fiscal objective. The statement made in the Budget overlooked that certain rate revenue is committed to capital and debt service needs and was inadvertently included in operating revenue. Looking forward at the next five fiscal years (FY17 through FY21) the Fund will achieve an average annual operating loss, before depreciation, of \$146,000. Graph #2 illustrates this and includes a comparison to the April 2015 projection for perspective.



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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 methodologies were used.

1. The FY12 through FY15 amounts are actual, audited amounts. The FY16 End-of-Year and FY17 Budget amounts represent the amounts that are in the proposed FY17 Budget.
2. The FY18 through FY21 Forecast amounts represent projections made by staff based upon trend history, and other knowledge, vision or cautious perspective of what is occurring now or what may be reasonably expected to occur. Rate revenue is forecasted using the current water and sewer rates applied to the five year historical average annual gallons of water sold to customers. Operating expenses, excluding water costs, are projected by using FY17 as the "base" year and then adding an average annual increase of 1.54% which is the Fund's five year trend history. Actual expense activity and specific line items or categories may vary.
3. The cost of water that the Village is charged by the DuPage Water Commission (DWC) remains stable, in total, through FY21. The DWC's current rate is \$4.85 per 1,000 gallons of water purchased. The DWC's proposed FY17 Budget reflects a rate of \$4.80 per 1,000 gallons. Additional discussion regarding this 5¢ rate reduction can be found later in this correspondence.
4. The Village does not change the water or sewer rates charged to Village utility customers through FY21.

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.

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In April 2015, it was projected that the Fund would end FY15 with operating reserves of 90 days or 25% and this was achieved. For FY16, it is projected that the Fund will again achieve a 90 day or 25% operating reserve.

in FY17, the Fund is projected to again achieve its goal of a 90 day or 25% operating reserve. Thereafter, operating reserves are projected to dip to 69 days or 19% in FY18, recover to achieve 90 days or 25% in FY19 and then in FY20, operating reserves will be depleted as operating deficits mount and capital outlays continue.

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 fiscal years (FY12 through FY16) water rate revenue has exceeded water function expenses by an annual average of approximately \$268,000 and sewer rate revenue has exceeded sewer function expenses by an annual average of approximately \$127,000.

Over the next five fiscal years (FY17 through FY21), it is projected that water rate revenue will exceed water function expenses by an annual average of approximately \$12,000 and sewer rate revenue will be less than sewer function expenses by an annual average of approximately \$158,000.

This fiscal objective has been achieved over the past five years and looking forward it will be achieved in respect to water operations but not sewer operations.

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

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

	Specific Revenues or Inflows	Capital Project and Debt Service
1	Sewer tap-on fees	WRF FPA Phase 1 - 2008 IL EPA Loan
2	\$600,000 annual contribution from the Home Rule Sales Tax Fund	WRF FPA Phase 1 – 2008 IL EPA Loan
3	27¢/1,000 gallons of the total sewer rate of \$4.46/1,000 gallons	WRF FPA Phase 2A - 2011 IL EPA Loan

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Specific Revenues or Inflows		Capital Project and Debt Service
4	Water tap-on fees	Capital Projects
5	18¢/1,000 gallons of the total water rate of \$7.92/1,000 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

Since June 2003, the Fund has been generating monies from the above noted revenues and inflows and using it to pay the annual debt service requirements associated with the 2008 IL EPA loan. The loan was required to complete the water reclamation facility's (WRF) facility plan amendment (FPA) Phase 1 project. As of April 30, 2016, it is projected that the Fund will have accumulated approximately \$4.86 million to eventually be used to repay the loan. These accumulated monies plus future, projected annual revenues from the committed sources are expected to be sufficient to pay the loan's annual debt service of \$799,262 through to its retirement in FY29.

Since May 2009, the Fund has been generating monies from the above noted revenue and using it to pay the annual debt service requirements associated with the 2011 IL EPA loan. The loan was required to complete the WRF's FPA Phase 2A project. As of April 30, 2016, it is projected that the Fund will have accumulated approximately \$280,000 to eventually be used to repay the loan. These accumulated monies plus future, projected annual revenues from the committed rate revenue is expected to be sufficient to repay the loan only through FY19. Thereafter, another source of revenue or inflow will need to be identified in order to generate the monies needed to pay the loan's annual debt service of \$271,980 through to its retirement in FY32. To generate sufficient revenue from sewer rates, an approximate 20¢ per 1,000 gallon sewer rate increase would be needed in FY20 and another 11¢ per 1,000 gallon sewer rate increase would be needed in FY24 to repay the loan through to its retirement.

Since June 2012, the Fund has been generating revenue from the above noted sources and using it to pay for non-WRF FPA related capital projects. Through FY16, approximately \$622,000 of revenue has been generated and \$1.14 million of non-WRF FPA related capital projects have been completed. The difference between the revenues that have generated and the projects that have been completed have been addressed by using "excess" cash primarily generated from operations. "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.

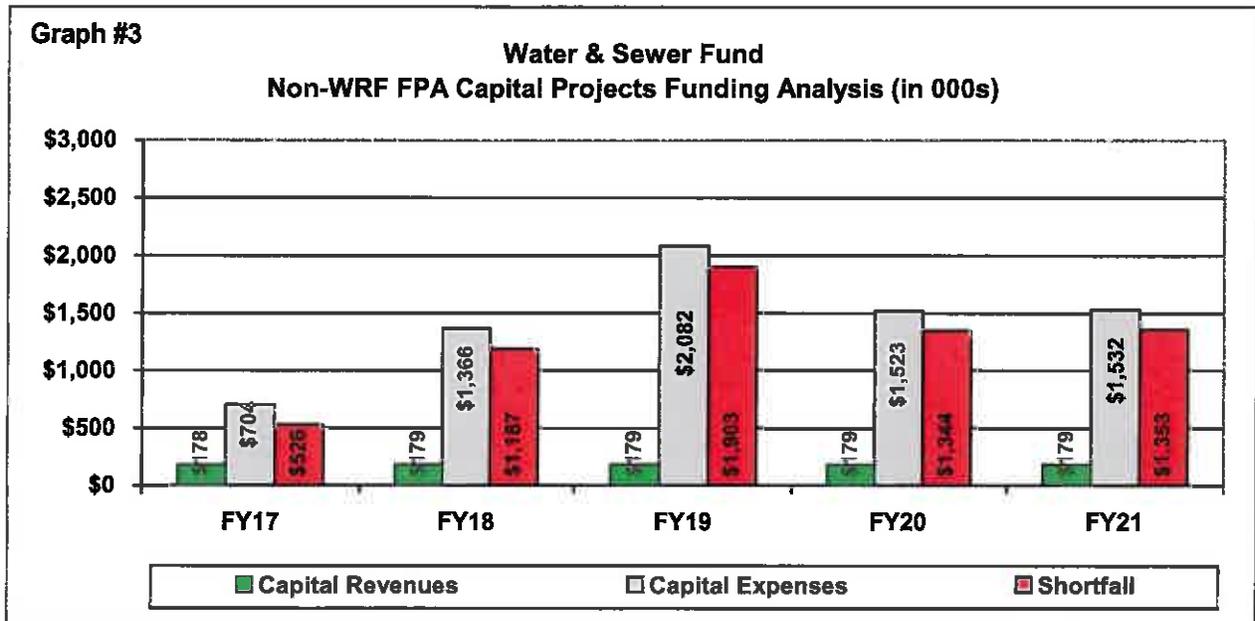
As of April 30, 2016, it is projected that the "excess" cash available for non-WRF FPA related capital projects will be approximately \$627,000. The proposed FY17 Budget

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projects that \$178,000 of revenue will be generated from that portion of water and sewer rates committed to capital projects. When this amount is added to the projected “excess” cash, an estimated \$805,000 will be available to fund the \$704,000 of non-WRF FPA related capital projects reflected in the proposed FY17 Budget.

Looking forward to FY18 and after adjusting operating reserves to the target level of 25%, it is projected that \$22,000 of “excess” cash will be available for non-WRF FPA related capital projects. This amount when added to the estimated annual capital project rate revenue of approximately \$179,000 will not be able to sustain a “pay as you go” approach for funding non-WRF FPA capital projects without eroding operating reserves or other committed monies. Therefore and given the Fund’s projected non-WRF FPA capital projects as contained in the proposed FY17 Capital Improvement Plan (CIP), the Fund will be required to alter its “pay as you go” financing approach for capital outlays or alter its CIP unless additional revenues or inflows are identified. Possible additional revenues could come from water and sewer rate increases or contributions from other Funds such as the Home Rule Sales Tax Fund or Community Relations & Events Fund.

The Fund’s CIP indicates that over the next five fiscal years (FY17 through FY21), the average, annual cost of scheduled capital projects, excluding the WRF’s FPA projects, to be \$1.44 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 \$1.26 million through FY21. The following graph illustrates the non-WRF FPA capital projects’ revenues, expenses, and funding shortfall.



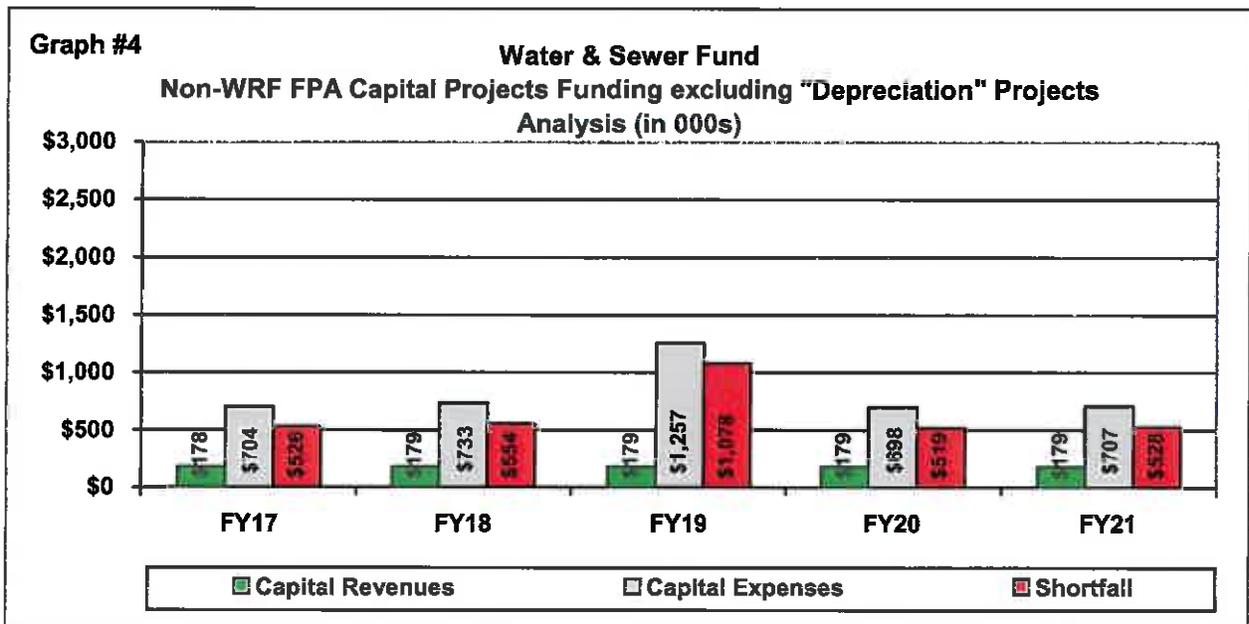
There are two projects contained in the CIP that require additional explanation. They are titled, “Distribution – Water Main Improvements” and “Collection – Sanitary Sewer Main

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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 "projects" in this report, it is recognized that, annually, the Fund should plan for major repair or replacement costs of approximately \$777,000 and hence, should be generating or recovering that amount through a source of revenue. Currently, the Fund is not recovering these "costs" and to do so would require a rate increase of approximately \$1.14 per 1,000 gallons (57¢ per 1,000 gallons to each the water rate and the sewer rate).

If these two projects are removed from the Fund's CIP, the average, annual CIP cost, excluding the WRF's FPA projects, is approximately \$820,000, and the average annual funding shortfall is approximately \$641,000 through FY21. The following graph illustrates this modified scenario.



As graphs #3 and #4 illustrate, continuing a "pay-as-you-go" financing approach for capital projects is not possible given the Fund's CIP unless additional revenues or inflows are identified or the scheduling and timing of projects is modified. In order to generate sufficient revenue from water and sewer rates, an increase of 92¢ per 1,000 gallons would be required to generate the annual shortfall of approximately \$641,000, which would equate to a 7% rate increase. Phasing-in the rate increase over multiple years to achieve a 2-3% annual rate of increase could also be considered, as well as a combination

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approach of a rate increase and a contribution from the Home Rule Sales Tax Fund or Community Relations & Events Fund.

Yet another option is to become a more frequent issuer of debt with the proceeds from the debt being used to fund capital projects. While this approach could provide funding for capital projects a specific, reliable revenue source that will enable all debt service payments to be made when due and on time would need to be identified and approved. The revenue source would likely take the form of a water and/or sewer rate increase or contributions from other Funds or a combination thereof.

There is one WRF FPA related project in the CIP that will require debt financing. The project is the Phase 2B improvements scheduled to occur in FY19 and FY20 that has an estimated cost of \$7.44 million. The Forecast incorporates debt financing in the form of a 20 year general obligation bond with annual debt service payments of approximately \$520,000 beginning in FY21. A specific, reliable revenue source will need to be identified in order to generate monies to repay the debt. If that revenue source is sewer rate revenue an increase of 76¢ per 1,000 gallons would be needed, which would equate to a 17% rate increase.

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 fiscal years (FY12 through FY16); however, it is not projected to achieve the objective over the next five fiscal years (FY17 through FY21).
2. The Fund has maintained, or will be able to maintain, **operating reserves (i.e. - working capital)** equal to 25% of Total Operating Expenses through FY19. It is projected operating reserves will be depleted and be at 0% beginning in FY20.
3. The Fund achieved a **revenue to expense ratio**, by function, of 1:1 for the past five fiscal years (FY12 through FY16). It is projected that the water function will be able to continue to achieve this objective through FY21; however the sewer function will not be able to achieve the objective.
4. The Fund has been able to maintain a **"pay-as-you-go" financing** approach for capital expenses, with some exception, over the past five fiscal years (FY12 through FY16). It is projected that the Fund will not be able to continue to maintain this financing approach over the next five fiscal years (FY17 through FY21), and "excess" cash will be depleted in FY18.

Additional Considerations –

As previously mentioned, the DWC's proposed FY17 Budget includes a water rate decrease of 5¢ per 1,000 gallons. Should this be approved by the DWC Board, the Village's water cost would decrease by approximately \$39,000. Based on the above information pertaining to the Fund's CIP and the required monies necessary to pay for the projects, it is recommended that the Village maintain its existing water rates at \$7.92 per 1,000 gallons for residential customers and \$8.88 per 1,000 gallons for non-residential customers and allocate the \$39,000 of revenue that will be generated from the 5¢ DWC rate decrease to the Fund's capital needs.

The Village has approximately sixteen utility accounts that are connected to the sewer system but not the water system. These accounts do not have a water meter to measure consumption but pursuant to Village Code are assessed a flat rate charge that is equivalent to the use of 16,000 gallons of water each billing period. This gallon equivalent has been in place since at least 1994 and is believed to have been equivalent to the average bi-monthly residential consumption at that time. 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; 12,000 gallons bi-monthly. The reduction in sewer revenue is approximately \$1,700 per year.

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

1. The Village Board review this Water & Sewer Fund 5-Year Forecast, and the information contained herein, to gain an understanding of the current and future financial position of the Fund.
2. Contingent on the DWC reducing the water rate that the DWC charges the Village for the purchase of water, reallocate the rate reduction from water operating revenue to capital project purposes.
3. Change the unmetered sewer charge to reflect a flat rate sewer charge that is equivalent to 6,000 gallons of consumption per month; 12,000 gallons bi-monthly.
4. The Village Board be prepared to address the financing needs of the Fund's CIP for implementation no later than May 2017.

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

04/07/16

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	
	(audited)	(budget)	(EOY)	(budget)	(forecast)	(forecast)	(forecast)	(forecast)	SOURCE, COMMENTS
	FY	FY	FY	FY	FY	FY	FY	FY	or ASSUMPTIONS
OPERATING REVENUES	04/30/15	04/30/16	04/30/17	04/30/18	04/30/19	04/30/20	04/30/21		
[1] Water/Sewer Rate Revenue	8,013,853	8,628,520	8,283,520	8,532,378	8,544,100	8,544,100	8,544,100	8,544,100	Known rates; 5 Yr Ave gallons billed;
[2] Late Fees, Meter Fees, etc.	174,775	168,920	196,185	174,805	173,930	173,930	173,930	173,930	5-year average
[3] Interest Income	52,226	50,000	30,675	50,000	72,000	64,000	110,000	24,000	1% Yield assumption FY18-FY21
[4] Miscellaneous	61,521	21,200	85,060	75,905	35,600	37,600	35,600	37,600	Indian Lakes Well license and IRMA surplus
[5] TOTAL OPERATING REVENUES	8,302,375	8,868,640	8,595,440	8,833,088	8,825,630	8,819,630	8,863,630	8,779,630	
OPERATING & DEBT EXPENSES									
Operating Expenses:									
[6] Finance	175,668	253,585	262,275	271,930	276,100	280,300	284,600	289,000	5-Yr Ave change - 1.54% applied to FY18-FY21
[7] Source of Supply	580,410	650,950	738,260	779,785	791,800	804,000	816,400	829,000	5-Yr Ave change - 1.54% applied to FY18-FY21
[8] DWC O&M Costs	3,091,872	3,846,050	3,439,800	3,645,720	3,645,720	3,645,720	3,645,720	3,645,720	Known DWC rates; 5 Yr Ave gals purch
[9] DWC Fixed Costs	203,148	0	0	0	0	0	0	0	
[10] Distribution System	1,116,895	1,278,980	1,258,005	1,252,630	1,271,900	1,291,500	1,311,400	1,331,600	5-Yr Ave change - 1.54% applied to FY18-FY21
[11] Sanitary Collection System	732,350	856,485	815,375	795,650	838,900	820,800	833,400	846,200	5-Yr Ave change - 1.54% applied to FY18-FY21
[12] Water Reclamation Facility	1,845,635	1,979,475	1,917,090	2,051,000	2,082,500	2,114,500	2,147,000	2,180,000	5-Yr Ave change - 1.54% applied to FY18-FY21
[13] Total Operating Expenses	7,745,978	8,865,525	8,430,805	8,796,715	8,906,920	8,956,820	9,038,520	9,121,520	
OPERATING NET INCOME (LOSS)									
[14] BEFORE DEBT SERVICE EXPENSE:	556,397	3,115	164,635	36,373	(81,290)	(137,190)	(174,890)	(341,890)	
Debt Service Expenses:									
[15] 2009 GO Refunding Bond Interest	79,501	58,805	58,805	30,405	0	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	79,501	58,805	58,805	30,405	0	0	0	0	
TOTAL OPERATING & DEBT									
[18] SERVICE EXPENSES	7,825,479	8,924,330	8,489,610	8,827,120	8,906,920	8,956,820	9,038,520	9,121,520	
OPERATING NET INCOME (LOSS)									
[19] BEFORE DEPRECIATION	476,896	(55,690)	105,830	5,968	(81,290)	(137,190)	(174,890)	(341,890)	FISCAL OBJECTIVE Generate income of \$200,000
[20] Depreciation Expense	1,680,295	0	1,681,000	1,681,000	1,681,000	1,681,000	1,681,000	1,681,000	
[21] OPERATING NET INCOME (LOSS)	(1,203,399)	(55,690)	(1,575,170)	(1,675,032)	(1,762,290)	(1,818,190)	(1,855,890)	(2,022,890)	

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

04/07/16

	[A] (audited)	[B] (budget)	[C] (%OY)	[D] (budget)	[E] (forecast)	[F] (forecast)	[G] (forecast)	[H] (forecast)	
	FY 04/30/15	FY 04/30/16	FY 04/30/17	FY 04/30/18	FY 04/30/19	FY 04/30/20	FY 04/30/21		SOURCE, COMMENTS or ASSUMPTIONS
CAPITAL REVENUES									
[1] Sewer Rate Revenue - FPA Phase 2A (5/1/09)	175,621	185,220	174,517	185,649	185,649	185,649	185,649	185,649	27% Committed to Debt Service
[2] Water Rate Revenue - capital projects (6/1/12)	120,936	129,960	119,744	127,594	127,594	127,594	127,594	127,594	18% Committed to Water capital projects
[3] Sewer Rate Revenue - capital projects (6/1/12)	32,522	34,300	32,318	34,379	34,379	34,379	34,379	34,379	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	690,000	720,000	720,000	740,000	0	0	0	0	Committed to 2009 GO Debt Svc
[6] Tap-On Fees - Water	25,650	19,120	53,540	13,420	15,000	15,000	15,000	15,000	
[7] Tap-On Fees - Sewer	217,300	124,800	485,480	71,800	50,000	50,000	50,000	50,000	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 - Loan Proceeds (FY20)	0	0	0	0	7,440,000	0	0	0	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] Gain on Sale of Assets and other	14,711	2,000	500	2,500	2,500	2,500	2,500	2,500	Committed to non-WRF FPA projects
[13] TOTAL CAPITAL REVENUES	1,876,734	1,815,400	2,186,099	1,775,342	1,015,122	8,455,122	1,015,122	1,015,122	
CAPITAL EXPENSES									
[14] Capital Projects - non WRF FPA	260,333	637,200	441,285	704,000	1,366,390	2,081,875	1,522,850	1,531,745	FY17 CIP less Major Maintenance
Capital Projects - WRF FPA	0	0	0	0	0	560,000	6,880,000	0	FY17 CIP - WRF FPA Phase 2B
Debt Service -									
[15] 2009 GO Refunding Bond - Principal	690,000	720,000	720,000	740,000	0	0	0	0	2009 GO Bond - retired in FY17
[16] 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
[17] FPA Phase 2A - 2011 IEPA Loan P & I	271,980	271,980	271,980	271,980	271,980	271,980	271,980	271,980	WRF FPA Phase 2A - retired in FY32
[18] FPA Phase 2B - Loan P & I	0	0	0	0	0	0	0	520,385	WRF FPA Phase 2B - begin in FY21
[19] FPA Phase 3 - Loan P & I	0	0	0	0	0	0	0	0	WRF FPA Phase 3 - begin in FY22
[20] FPA Phase 4 - Loan P & I	0	0	0	0	0	0	0	0	WRF FPA Phase 4 - begin in FY23
[21] TOTAL CAPITAL EXPENSES	2,021,576	2,428,445	2,232,530	2,515,245	2,437,635	3,713,120	9,474,095	3,123,375	
EXCESS/(DEFICIENCY) OF CAPITAL									
[22] REVENUES OVER CAPITAL EXPENSE:	(144,842)	(613,045)	(46,431)	(739,903)	(1,422,513)	4,742,002	(8,458,973)	(2,108,252)	FISCAL OBJECTIVE "Pay-as-you-go" Financing

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

04/07/16

SUMMARY OF ACTIVITY	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	SOURCE, COMMENTS or ASSUMPTIONS
	(audited)	(budget)	(EOY)	(budget)	(forecast)	(forecast)	(forecast)	(forecast)	
	FY 04/30/15	FY 04/30/16	FY 04/30/17	FY 04/30/18	FY 04/30/19	FY 04/30/20	FY 04/30/21		
[1] BEGINNING CASH BALANCE	7,495,758	7,827,812	7,827,812	7,887,211	7,887,211	6,383,409	10,988,221	2,354,358	Prior year's ending balance
OPERATING NET INCOME (LOSS)									
[2] BEFORE DEPRECIATION	476,896	(55,690)	105,830	5,968	(81,290)	(137,190)	(174,890)	(341,890)	See Part 1, Row 17
EXCESS/(DEFICIENCY) OF CAPITAL									
[3] REVENUES OVER CAPITAL EXPENSES	(144,842)	(613,045)	(46,431)	(739,903)	(1,422,513)	4,742,002	(8,458,973)	(2,108,252)	See Part 2, Row 22
[4] NET CHANGE from Operations & Capital	332,054	(668,735)	59,399	(733,935)	(1,503,803)	4,604,812	(8,633,863)	(2,450,143)	Annual Impact to Cash Balance
[5] ENDING CASH BALANCE	7,827,812	7,159,077	7,887,211	7,153,276	6,383,409	10,988,221	2,354,358	(95,784)	Row 1 + Row 4

ALLOCATION OF ENDING CASH BALANCE

	90	90	90	90	69	90	0	0	# of days working capital % of working capital
	25%	25%	25%	25%	19%	25%	0%	0%	
[6] COMMITTED									
[7] Operating Reserves/Working Capital	1,956,370	2,231,083	2,122,403	2,206,780	1,694,797	2,239,205	0	0	25% of Total Operating Expenses
[8] WRF FPA Phase 1 - 2008 IEPA Loan	4,572,074	4,479,571	4,858,289	4,730,824	4,581,559	4,432,294	4,283,029	4,133,764	cumulative; beg bal + rev less debt svc
[9] WRF FPA Phase 2A - 2011 IEPA Loan	377,177	386,777	279,714	193,383	107,052	20,721	(65,610)	(151,941)	cumulative; beg bal + rev less debt svc
[10] Capital Projects other than WRF FPA	107,334	0	0	0	0	0	0	0	cumulative; beg bal + rev less capital pro
[11] Total Committed	7,012,955	7,097,430	7,260,406	7,130,987	6,383,409	6,692,220	4,217,419	3,981,823	
[12] "EXCESS" AVAILABLE FOR CAPITAL	814,857	61,647	626,806	22,289	0	4,296,001	(1,863,061)	(4,077,608)	
[13] ENDING CASH BALANCE	7,827,812	7,159,077	7,887,211	7,153,276	6,383,409	10,988,221	2,354,358	(95,784)	

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

04/07/16

	[A] (audited) FY 04/30/15	[B] (budget) FY 04/30/16	[C] (EOY) FY 04/30/17	[D] (budget) FY 04/30/18	[E] (forecast) FY 04/30/19	[F] (forecast) FY 04/30/20	[G] (forecast) FY 04/30/21	[H] (forecast) FY 04/30/21	SOURCE, COMMENTS or ASSUMPTIONS
SUMMARY									
WATER FUNCTION									
[1] Rate revenues	5,466,596	5,950,141	5,813,211	5,892,212	5,898,012	5,885,223	5,881,222	5,910,562	
[2] Operating expenses	5,080,159	5,902,773	5,567,203	5,814,100	5,847,470	5,881,370	5,915,820	5,950,820	
Excess/(Deficiency) of Water Revenues									
[3] Over/(Under) Water Expenses	386,437	47,369	246,009	78,112	50,542	3,853	(34,598)	(40,258)	Average Excess FY12 through FY16 \$268,293
SEWER FUNCTION									
[4] Rate revenues	2,835,779	2,918,499	2,782,229	2,940,875	2,927,618	2,934,407	2,982,408	2,869,068	
[5] Operating expenses	2,745,320	3,021,558	2,922,408	3,013,020	3,059,450	3,075,450	3,122,700	3,170,700	
Excess/(Deficiency) of Sewer Revenues									
[6] Over/(Under) Water Expenses	90,459	(103,059)	(140,179)	(72,145)	(131,832)	(141,043)	(140,292)	(301,632)	Average Excess FY12 through FY16 \$127,296
OPERATING NET INCOME (LOSS)									
[7] BEFORE DEBT SERVICE EXPENSES	476,896	(55,690)	105,830	5,968	(81,290)	(137,190)	(174,890)	(341,890)	Same as Part 1 - Row 19

DETAIL									
OPERATING REVENUES									
[8] Water -	65.84%	67.09%	67.63%	66.62%	66.68%	66.68%	66.68%	66.68%	
[9] Water Rate Revenue	5,276,622	5,789,040	5,602,256	5,684,406	5,697,489	5,697,489	5,697,489	5,697,489	Known rates; 5 Yr Ave gals billed
[10] Other Operating Revenue Allocation	189,974	161,101	210,956	207,806	200,523	187,734	183,733	213,073	Prorata allocation based on rate revenue
[11] Total Water Rate Revenues	5,466,596	5,950,141	5,813,211	5,892,212	5,898,012	5,885,223	5,881,222	5,910,562	
	ok								
[12] Sewer -	34.16%	32.91%	32.37%	33.38%	33.32%	33.32%	33.32%	33.32%	
[13] Sewer Rate Revenue	2,737,231	2,839,480	2,681,264	2,847,972	2,846,611	2,846,611	2,846,611	2,846,611	Known rates; 5 Yr Ave gals billed
[14] Other Operating Revenue Allocation	98,548	79,019	100,964	92,904	81,007	87,796	135,797	22,457	Prorata allocation based on rate revenue
[15] Total Sewer Rate Revenues	2,835,779	2,918,499	2,782,229	2,940,875	2,927,618	2,934,407	2,982,408	2,869,068	
[16] TOTAL OPERATING REVENUES	8,302,375	8,868,640	8,595,440	8,833,088	8,825,630	8,819,630	8,863,630	8,779,630	Same as Part 1 - Row 5

OPERATING & DEBT EXPENSES									
[17] Water -									
[18] Finance	87,834	126,793	131,138	135,965	138,050	140,150	142,300	144,500	
[19] Source of Supply	580,410	650,950	738,260	779,785	791,800	804,000	816,400	829,000	
[20] DWC O&M Costs	3,091,872	3,846,050	3,439,800	3,645,720	3,645,720	3,645,720	3,645,720	3,645,720	
[21] DWC Fixed Costs	203,148	0	0	0	0	0	0	0	
[22] Distribution System	1,116,895	1,278,980	1,258,005	1,252,630	1,271,900	1,291,500	1,311,400	1,331,600	
[23] Debt Service & Transfers Out	0	0	0	0	0	0	0	0	
[24] Total Water Operating Expenses	5,080,159	5,902,773	5,567,203	5,814,100	5,847,470	5,881,370	5,915,820	5,950,820	
[25] Sewer -									
[26] Finance	87,834	126,793	131,138	135,965	138,050	140,150	142,300	144,500	
[27] Sanitary Collection System	732,350	856,485	815,375	795,650	838,900	820,800	833,400	846,200	
[28] Water Reclamation Facility	1,845,635	1,979,475	1,917,090	2,051,000	2,082,500	2,114,500	2,147,000	2,180,000	
[29] Debt Service	79,501	58,805	58,805	30,405	0	0	0	0	
[30] Total Sewer Operating Expenses	2,745,320	3,021,558	2,922,408	3,013,020	3,059,450	3,075,450	3,122,700	3,170,700	
TOTAL OPERATING & DEBT									
[31] SERVICE EXPENSES	7,825,479	8,924,330	8,489,610	8,827,120	8,906,920	8,956,820	9,038,520	9,121,520	Same as Part 1 - Row 18