Finance and Administration

A

Village of Bloomingdale

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MEMORANDUM

Date: April 13, 2017

To: Pietro Scalera, Village Administrator

From: Gary L. Szott, Finance Director/Treasurer

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.

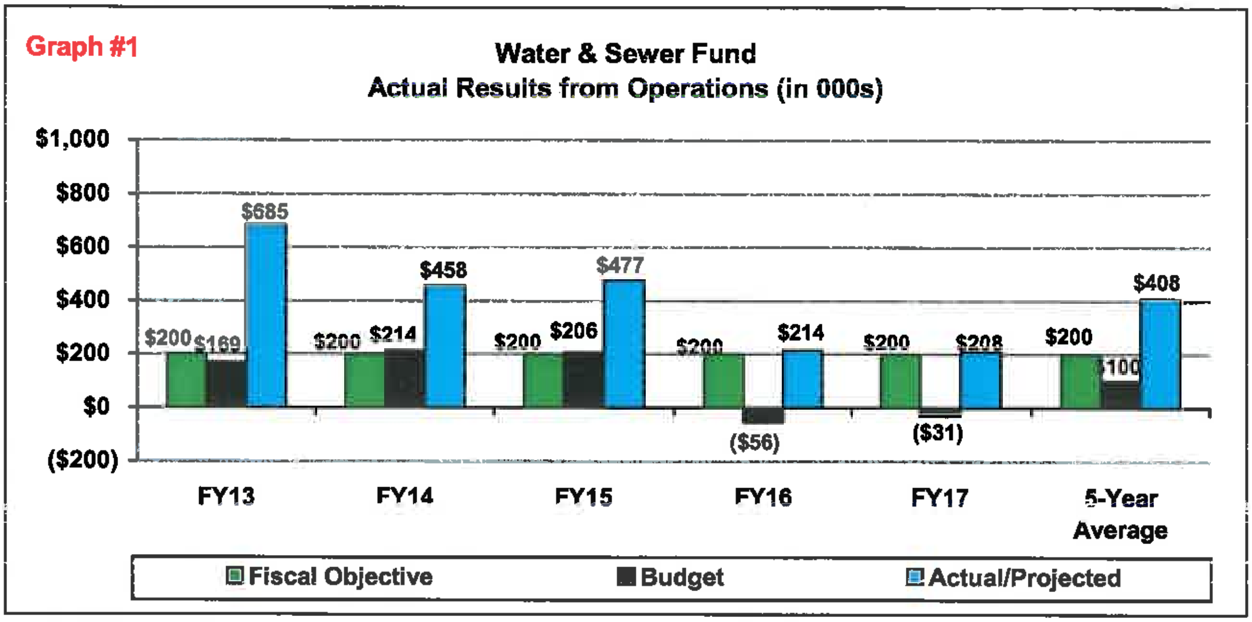
4. Follow a "pay-as-you-go" or cash financing approach for capital projects and debt service.

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

Analysis:

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

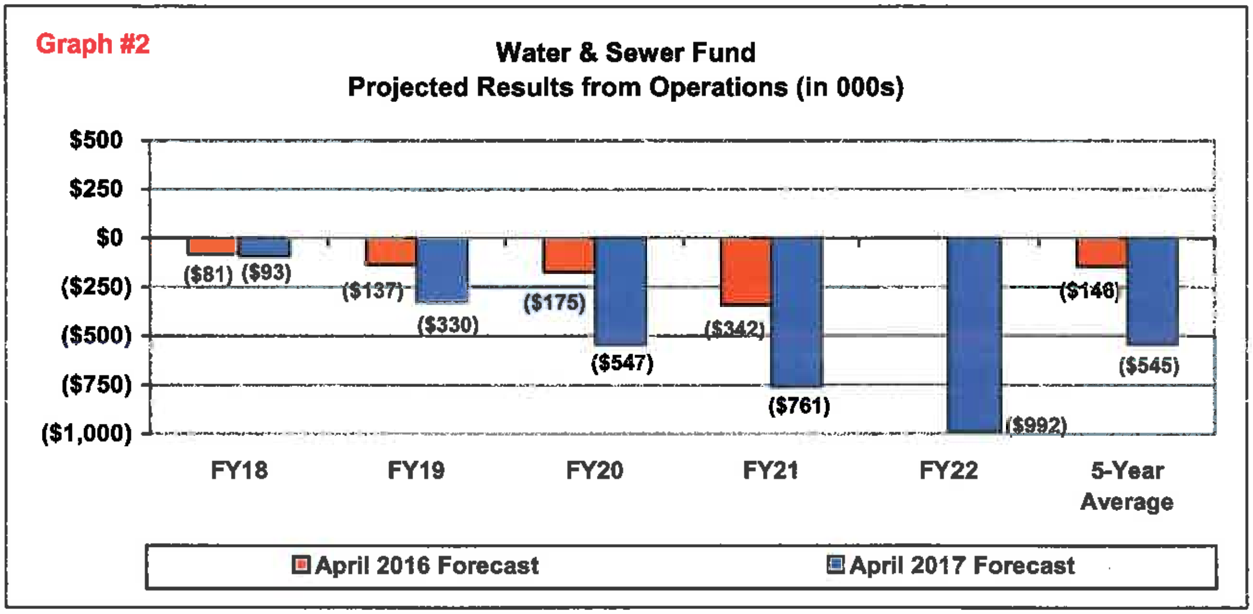
The Fund's fiscal objective is to generate income from operations, before depreciation, of $200,000. Looking at the past five (5) fiscal years (FY13 through FY17) the Fund will have generated an average annual income from operations, before depreciation, of $408,000. During this same time period, the average annual budgeted income from operations, before depreciation, was approximately $100,000. Graph #1 provides an illustration of how the Fund has performed, relative to the objective and budget, for the past five (5) fiscal years.



The Fund's proposed FY18 Budget is projected to generate a net loss, before depreciation, of $93,180. Looking forward at the next five fiscal years (FY18 through FY22) the Fund will achieve an average annual operating loss, before depreciation, of $545,000. Graph #2 illustrates this and includes a comparison to the April 2016 projection, for perspective.

Driving the deterioration in the Fund's projected performance from a 5-year average annual deficit of $146,000 in April 2016 to a 5-year average annual deficit of $545,000 in April 2017 - a $399,000 change - are three primary factors. The first is that the Fund's five year average expense trend increased from 1.54% in last year's Forecast to 2.29% in this year's Forecast. This is contributing, on average, approximately $83,000 each year to the increased 5-year average annual loss projection. The second is that annual water cost increases are expected from the DuPage Water Commission (DWC) as a result of the City of Chicago increasing the rates charged to the DWC. This year's Forecast includes 2% annual water cost increases in FY19 through FY22, whereas last year's Forecast did not include any increases. This is contributing, on average, approximately $151,000 each year to the 5-year average annual loss projection. The third is that there are three major maintenance projects in FY18 totaling approximately $87,000. These specific projects are expected to be "one-time" projects and not recurring year-after-year; however, from a conservative perspective the amount is being kept in the Forecast to potentially address future unknown major maintenance projects.

To position the Fund to be able to achieve its target objective, at a minimum, water rates would need to be increased each year in direct coordination with the water cost rate increases that are expected from the City of Chicago, beginning in FY18. Further, any additional operating rate increases would allow the Fund to adjust to general expense increases, including those related to labor costs.



To arrive at the summary conclusions presented in graphs #1 and #2 and to prepare the detailed financial schedules found later in this correspondence, the following data, assumptions and methodologies were used.

1. The FY13 through FY16 amounts are actual, audited amounts. The FY17 and FY18 amounts represent the amounts that are in the proposed FY18 Budget.

2. The FY19 through FY22 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 based upon reliable information. 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. No growth in customers has been assumed. Operating expenses, excluding water costs, are projected by using FY18 as the "base" year and then adding an average annual increase of 2.29% which is the Fund's five year expense trend history. Last year, the Fund's expenses were increasing at an average annual rate of 1.54%. Actual expense activity and specific line items or categories may vary.

3. The FY18 water costs, or the cost of water that the Village is charged by the DuPage Water Commission (DWC), reflects no change to the rate of $4.80 per 1,000 gallons of water purchased.

Subsequent to the compilation and release of the proposed FY18 Budget, the DWC's FY18 tentative budget was received. It included an 8¢, or 1.67%, increase in the cost of water from $4.80 to $4.88 per 1,000 gallons of water purchased. The DWC is anticipating this increase from the City of Chicago and it is based on the change in the CPI for the period December 2015 to December 16. The FY19 through FY22 Forecast includes annual water cost increases of 2% each year through FY22. Last year, the Forecast included no water cost changes.

4. The water or sewer rates charged to Village utility customers remains stable through FY22. While no operating rate increases are reflected in the financial schedules that are part of this report, operating rate increases will be required as a result of the anticipated increases that the City of Chicago will be assessing to the DWC and which will be passed on to the Village by the DWC.

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 2016, it was projected that the Fund would end FY16 with operating reserves of 90 days or 25% and it did. For FY17, it is projected that the Fund will again achieve a 90 day or 25% operating reserve. The Forecast projects that in FY18, the Fund will again achieve its goal of a 90 day or 25% operating reserve. Thereafter, operating reserves are projected to be depleted in FY20 as operating deficits occur and capital outlays continue without sufficient revenues or inflows to support them.

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 (FY13 through FY17) water rate revenue has exceeded water function expenses by an annual average of approximately $323,000 and sewer rate revenue has exceeded sewer function expenses by an annual average of approximately $85,000.

Over the next five fiscal years (FY18 through FY22), it is projected that water rate revenue will be less than water function expenses by an annual average of approximately $301,000 and sewer rate revenue will be less than sewer function expenses by an annual average of approximately $243,000.

This fiscal objective has been achieved over the past five years, within reason and is expected to be achieved over the next five years, again, within reason.

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

Historically, the Village has attempted to fund capital projects and related annual debt service payments by matching, committing or dedicating certain, specific revenues or inflows to a specific project or debt payment. Following is a summary of each project and the status of the funding that each one faces.

Project #1 – WRF FPA Phase 1/2008 IL EPA Loan - consists of the annual debt service payments associated with the 2008 IL EPA loan. The loan was required to construct the water reclamation facility's (WRF) facility plan amendment (FPA) Phase 1 project. Since June 2003, sewer tap on fees and an annual $600,000 allocation of home rule sales tax has been used to pay the annual debt service payments. As of April 30, 2017, 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.

The Fund has been able to accumulate $4.86 million primarily due to sewer tap on fees being collected sooner, or at a more rapid pace, than anticipated in the original financing plan established in FY04. In FY04 a total of $4.77milion of sewer tap on fees from known or anticipated development was budgeted for the project. Through FY17, it is projected that $4.66 million of sewer tap on fees will have been collected, leaving a balance of $112,392 to be collected through FY29 or the life of the loan.

As a result, the Village has an opportunity to revise the annual allocation of home rule sales tax from $600,000 ending in FY25 to $362,200 ending in FY28. The total amount of home rule sales tax ($3.62 million) allocated to the project would not change; just the number of years in which an allocation is made – from nineteen years to twenty-two years. This action would in no way impact the ability to make the required annual principal and interest payments of the loan, provided the remaining $112,392 of sewer tap on fees are collected prior to FY29; it would relieve some of the burden or stress currently being placed on the Home Rule Sales Tax Fund; and it would provide flexibility to avoid a sewer rate increase related to Project #2. The revised annual allocation would be effective beginning in FY19.

Project #2 – WRF FPA Phase 2A/2011 IL EPA Loan - consists of the annual debt service payments associated with the 2011 IL EPA loan. The loan was required to construct the WRF's FPA Phase 2A project. Since May 2009, 27¢ per 1,000 gallons, or 6%, of the total $4.46 sewer rate has been generating monies to pay the annual debt service payments. As of April 30, 2017, it is projected that the Fund will have accumulated approximately $191,000 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 through sewer rates, an approximate 13¢ per 1,000 gallon, or 3%, sewer rate increase would be needed in FY20. This would generate additional annual revenues of approximately $89,000 to be used to repay the loan through to its retirement, provided there are no significant changes to the number of gallons of sewer billed.

An alternative to the approximate 13¢ per 1,000 gallon, or 3%, sewer rate increase as mentioned in Project #1, would be to allocate $89,000 of home rule sales tax monies each year to this project beginning in FY19 and continuing through FY31. This new annual allocation would be effective beginning in FY19 and total $1.16 million over thirteen years. This would generate the additional annual revenues of approximately $89,000 to be used to repay the loan through to its retirement, provided there are no significant changes to the number of gallons of sewer billed.

Project #3 – Non WRF FPA Related Capital Projects - consists of non-WRF FPA related capital projects as identified in the FY18 CIP. A number of revenue sources are committed to pay for these projects including:

1. 18¢ per 1,000 gallons, or 2%, of the total $7.92 residential/$8.88 non-residential water rate (since June 2012)
2. 5¢ per 1,000 gallons, or 1%, of the total $4.46 sewer rate (since June 2012)
3. 5¢ per 1,000 gallons, or less than 1%, of the total $7.92 residential/$8.88 non-residential water rate (since May 2016)
4. Water tap-on fees
5. Sewer tap-on fees (projected to begin in FY20)
6. Gain on sale of assets and Other revenues
7. An allocation of home rule sales tax (ceased in FY17)

These revenue sources are projected to generate approximately $242,000 annually during the period FY18 through FY22. The non-WRF FPA related capital projects, as identified in the FY18 CIP, are projected to average $734,000 during this same time period. As such, there is a projected average annual shortfall of $492,000.

When a shortfall occurs in any given year the Fund's "excess" cash has been used to pay for the projects. Through FY17, approximately $989,000 of revenue has been generated from the committed revenue sources yet there has been approximately $1.68 million of non-WRF FPA related capital projects completed. As such, the difference of $691,000 has been paid by using "excess" cash. "Excess" cash balances are those amounts that have been generated in and accumulated from prior years' but had not been specifically committed to operations, operating reserves (i.e. - working capital), debt service or other capital projects. As of April 30, 2017, it is projected that the "excess" cash balances will be approximately $402,000.

Given the April 30, 2017 projected "excess" cash balances of $402,000 and the projected average annual shortfall of $492,000, "excess" cash balances will be depleted as soon as FY19. To avoid the annual shortfall and the depletion of "excess" cash, an approximate 6% increase to both the water (26¢) and sewer (13¢) rates would be required effective May 1, 2017. Alternatively, a review and revision to the scheduling/timing of the required projected capital projects could be performed to match project costs to the available revenues. Additionally, a combination of these two actions could occur as well as making contributions from other Funds or implementing other revenue sources.

In the absence of any action, the Fund will deplete its "excess" cash, including its operating reserves. This would then require the non-WRF FPA related capital projects to be deferred or foregone.

Project #4 – Grit Screening/Removal/Loan or Bond - consists of the annual debt service payments associated with a loan or bond that would be required to complete the WRF's grit screening and removal project that is scheduled to begin in FY19. The project would upgrade the grit screening/removal system, address operational and maintenance issues, and assist to comply with effluent standards. Annual debt service payments are estimated to be $472,000 and begin in FY21. No revenue sources have been committed to this project and no monies have been accumulated. To generate sufficient revenue through sewer rates, an approximate 69¢ per 1,000 gallon, or 15%, sewer rate increase would be needed in FY21 to generate sufficient annual revenues to be used to repay the loan through to its retirement, provided there are no significant changes to the number of gallons of sewer billed.

Project #5 – WRF FPA Phase 2B/Loan or Bond - consists of the annual debt service payments associated with a loan or bond that would be required to construct the WRF's FPA Phase 2B project that is scheduled to begin in FY21. The project will expand the dry weather flow system to accommodate growth in customers, address effluent standards and decrease energy consumption. Annual debt service payments are estimated to be $613,000 and begin in FY23. No revenue sources have been committed to this project and no monies have been accumulated. To generate sufficient revenue through sewer rates, an approximate 89¢ per 1,000 gallon, or 20%, sewer rate increase would be needed in FY23 to generate sufficient annual revenues to be used to repay the loan through to its retirement, provided there are no significant changes to the number of gallons of sewer billed.

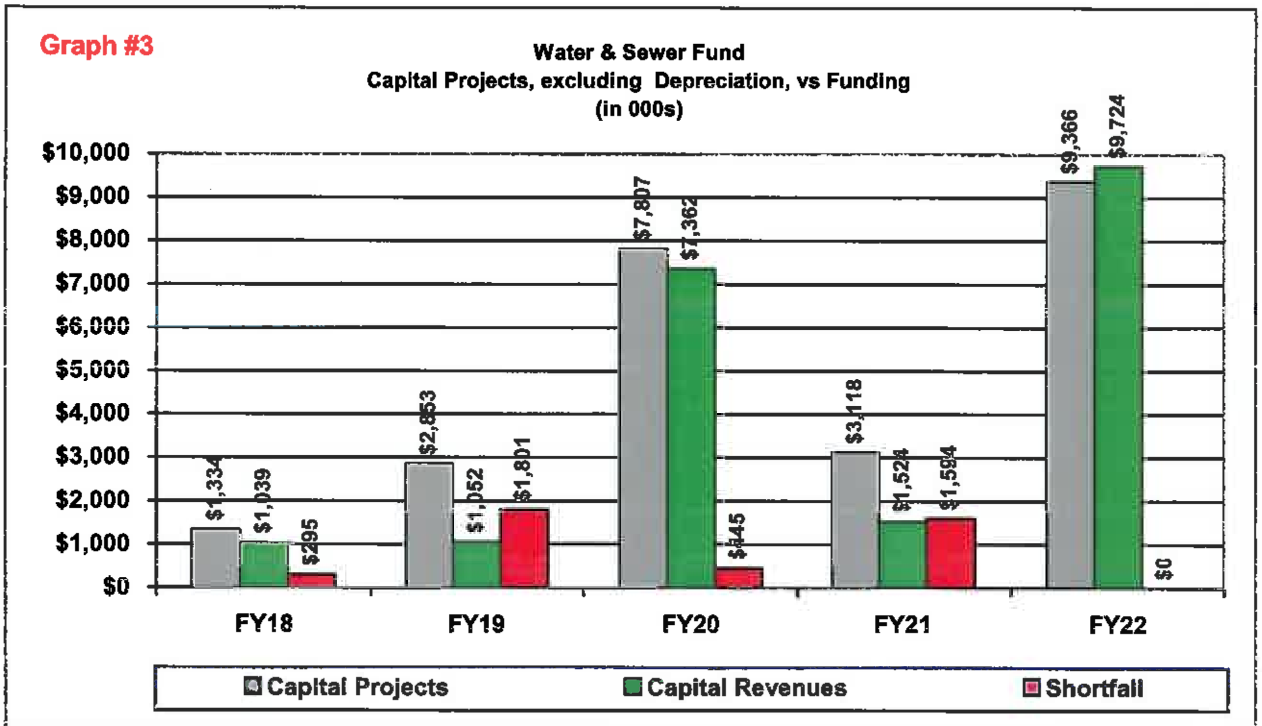
One of the reasons that this project would be needed is to accommodate growth in customers. This growth would be expected to generate water and sewer tap on fees as well as additional sewer rate revenue that could be used to service the associated debt and potentially reduce any necessary sewer rate increase. At this time, the project is not needed and any projections of the additional revenues too nebulous. Due to the magnitude of the project, it is included in the Forecast for planning purposes.

Project #6 – WRF FPA Phase 3 & 4 - consists of WRF FPA related construction projects – Phase 3 and 4. The projects are projected to occur outside, or beyond, the scope of this Forecast (i.e. – in FY23 or beyond). No additional information is available at this time. Due to the magnitude of the projects, they are included in the Forecast for planning purposes.

Project #7 – Depreciation - consists of the annual depreciation, or systematic and rationale use or consumption of the water and sewer system's infrastructure, most notably the water and sewer mains (the "system"). This project recognizes and represents the gradual use and deterioration of the "system" (i.e. - water and sewer mains). Depreciation is a method or 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 in the expiration of the service life of that asset. Over time and as the existing system ages it will eventually need to be replaced and the cost of replacement or rehabilitation, for even a small component or length, can be significant. The annual cost or depreciation is estimated to be $825,000. No revenue sources have been committed to this project and no monies have been accumulated. To generate sufficient revenue through water and sewer rates, an approximate $1.16 per 1,000 gallon, or 9%, water (76¢) and sewer (40¢) rate increase would be needed in FY19 to generate sufficient annual revenues to offset the depreciation, provided there are no significant changes to the number of gallons of water and sewer billed.

In summary, continuing a "pay-as-you-go" financing approach for capital projects is not possible given the Fund's current and projected CIP unless additional revenues or inflows are identified or the scheduling and timing of projects is modified significantly. Graph #3 on the following page illustrates the capital projects' annual requirements, funding, and shortfall. Table that follows provides perspective on when each rate increase would need to be put in place, the amount and percentage of each increase and its purpose or reason. Other revenue sources could also be accessed to relieve some of the burden from the users of the system.

Yet another option to pay for capital projects 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 the necessary funding, 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.



Effective Date	FY	Water/ Sewer	Increase* %	Increase* $	Purpose/Reason
6/1/17	FY18	water	2%	$0.17	City of Chicago/DWC water cost increase
6/1/17	FY18	w & s	3%	$0.20	Project #3 – Non-WRF FPA related capital projects
6/1/18	FY19	water	2%	$0.17	City of Chicago/DWC water cost increase
6/1/19	FY20	water	2%	$0.17	City of Chicago/DWC water cost increase
6/1/20	FY21	water	2%	$0.17	City of Chicago/DWC water cost increase
6/1/20	FY21	sewer	15%	$0.69	Project #4 – Grit screening/removal capital project
6/1/21	FY22	water	2%	$0.17	City of Chicago/DWC water cost increase
6/1/22	FY23	sewer	20%	$0.89	Project #5 – WRF FPA Phase 2B capital project
unknown		sewer	unknown		Project #6 – WRF FPA Phase 3 and 4 capital projects
unknown		w & s	9%	$1.16	Project #7 - Depreciation

* - the percentage and dollar increases are based upon current rates and are per 1,000 gallons billed

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,** on an average annual basis, over the past five fiscal years (FY13 through FY17); however, it is not projected to achieve the objective over the next five fiscal years (FY18 through FY22).

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 FY18. It is projected operating reserves will decline to 23 days or 6% in FY19, and then be depleted beginning in FY20.

3. The Fund achieved a **revenue to expense ratio**, by function, of 1:1 for the past five fiscal years (FY13 through FY17) and it is projected the Fund will achieve the objective over the next five fiscal years (FY18 through FY22).

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 (FY13 through FY17). It is projected that the Fund will not be able to continue to maintain this financing approach over the next five fiscal years (FY18 through FY22), and "excess" cash will be depleted in FY19.

Recommendation: It is respectfully recommended the Village Board review the Water & Sewer Fund 5-Year Forecast to gain an understanding of the current and future financial position of the Fund.

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

04/13/17

		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	
		(audited)	(budget)	(EOY)	(budget)	(forecast)	(forecast)	(forecast)	(forecast)	
		FY	FY		FY	FY	FY	FY	FY	SOURCE, COMMENTS
	OPERATING REVENUES	04/30/16	04/30/17		04/30/18	04/30/19	04/30/20	04/30/21	04/30/22	or ASSUMPTIONS
1	Water/Sewer Rate Revenue	8,266,327	8,493,378	8,361,878	8,516,370	8,508,700	8,508,700	8,508,700	8,508,700	5 Yr Ave gallons billed & known rates
2	Late Fees, Meter Fees, etc.	194,847	174,805	201,725	177,860	179,000	179,000	179,000	179,000	5-year average
3	Interest Income	58,794	50,000	57,985	70,000	72,000	51,000	41,000	17,000	1% Yield assumption FY19-FY22
4	Miscellaneous	85,247	75,905	104,045	60,270	21,600	23,600	21,600	21,600	Indian Lakes Well license and IRMA surplus
5	**TOTAL OPERATING REVENUES**	8,605,215	8,794,088	8,725,633	8,824,500	8,781,300	8,762,300	8,750,300	8,726,300	
	OPERATING & DEBT EXPENSES									
	Operating Expenses:									
6	Finance	275,027	271,930	260,505	269,080	275,300	281,600	288,100	294,700	5-Yr Ave change - 2.29% applied to FY19-FY22
7	Source of Supply	770,567	798,225	753,050	852,560	872,100	892,100	912,600	933,500	5-Yr Ave change - 2.29% applied to FY19-FY22
8	DWC O&M Costs	3,500,313	3,645,720	3,439,800	3,672,000	3,745,400	3,820,300	3,896,700	3,974,600	5 Yr Ave gals purch & annual CPI increases (2.00%)
9	Distribution System	1,216,242	1,257,530	1,231,685	1,275,565	1,304,800	1,334,700	1,365,300	1,396,600	5-Yr Ave change - 2.29% applied to FY19-FY22
10	Sanitary Collection System	768,812	795,650	750,885	801,835	820,200	839,000	858,300	878,000	5-Yr Ave change - 2.29% applied to FY19-FY22
11	Water Reclamation Facility	1,830,706	2,055,900	2,051,425	2,046,640	2,093,600	2,141,600	2,190,700	2,241,000	5-Yr Ave change - 2.29% applied to FY19-FY22
12	**Total Operating Expenses**	8,361,667	8,824,955	8,487,350	8,917,680	9,111,400	9,309,300	9,511,700	9,718,400	
	OPERATING NET INCOME (LOSS)									
13	**BEFORE DEBT SERVICE EXPENSES**	243,548	(30,867)	238,283	(93,180)	(330,100)	(547,000)	(761,400)	(992,100)	
	Debt Service Expenses:									
14	2009 GO Refunding Bond - Interest	29,722	30,405	30,405	0	0	0	0	0	2009 GO Bond - retired in FY17
15	Operating Transfers Out	0	0	0	0	0	0	0	0	
16	**Total Debt Service Expenses**	29,722	30,405	30,405	0	0	0	0	0	
	TOTAL OPERATING & DEBT									
17	**SERVICE EXPENSES**	8,391,389	8,855,360	8,517,755	8,917,680	9,111,400	9,309,300	9,511,700	9,718,400	
	OPERATING NET INCOME (LOSS)									**FISCAL OBJECTIVE**
18	**BEFORE DEPRECIATION**	**213,826**	**(61,272)**	**207,878**	**(93,180)**	**(330,100)**	**(547,000)**	**(761,400)**	**(992,100)**	**Generate income of $200,000**
19	Depreciation Expense	1,666,236	0	1,681,000	0	0	0	0	0	
20	**OPERATING NET INCOME (LOSS)**	(1,452,410)	(61,272)	(1,473,122)	(93,180)	(330,100)	(547,000)	(761,400)	(992,100)	

VILLAGE OF BLOOMINGDALE
WATER & SEWER FUND 5-YEAR FORECAST
SUMMARY OF CAPITAL PROJECTS' INFLOWS & OUTFLOWS BY PROJECT

04/13/17

	"PROJECT"	[A] (audited) FY 04/30/16	[B] (budget) FY 04/30/17	[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 04/30/22	SOURCE, COMMENTS or ASSUMPTIONS
	Project #1 - WRF FPA Phase 1 -									
	Inflow -									
1	Tap-On Fees - Sewer	421,350	71,800	262,305	40,000	40,000	32,400	0	0	Committed to FPA Phase 1 Debt Svc (FY20)
2	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 Service
3	Total Inflow	1,021,350	671,800	862,305	640,000	640,000	632,400	600,000	600,000	
	Outflow -									
4	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
5	Annual Net Project Activity	222,088	(127,465)	63,040	(159,265)	(159,265)	(166,865)	(199,265)	(199,265)	
6	Beginning Balance	4,572,074	4,794,162	4,794,162	4,857,202	4,697,937	4,538,672	4,371,807	4,172,542	
7	Ending Balance	4,794,162	4,666,697	4,857,202	4,697,937	4,538,672	4,371,807	4,172,542	3,973,277	
	Project #2 - WRF FPA Phase 2A -									
	Inflow -									
8	Sewer Rate Revenue - FPA Phase 2A (5/1/09)	174,161	185,649	184,000	184,000	185,649	185,649	185,649	185,649	27¢ Committed to FPA Phase 2A Debt Svc
9	Operating Transfers In - from HR Sales Tax	0	0	0	0	0	0	0	0	Committed to FPA Phase 2A Debt Service
10	Total Inflow	174,161	185,649	184,000	184,000	185,649	185,649	185,649	185,649	
	Outflow -									
11	FPA Phase 2A - 2011 IEPA Loan P & I	271,981	271,980	271,980	271,980	271,980	271,980	271,980	271,980	WRF FPA Phase 2A - retired in FY32
12	Annual Net Project Activity	(97,820)	(86,331)	(87,980)	(87,980)	(86,331)	(86,331)	(86,331)	(86,331)	Revenue source to repay Loan TBD (~ 3% or
13	Beginning Balance	377,177	279,357	279,357	191,377	103,397	17,066	(69,265)	(155,596)	13¢ sewer rate increase needed)
14	Ending Balance	279,357	193,026	191,377	103,397	17,066	(69,265)	(155,596)	(241,927)	

VILLAGE OF BLOOMINGDALE
WATER & SEWER FUND 5-YEAR FORECAST
SUMMARY OF CAPITAL PROJECTS' INFLOWS & OUTFLOWS BY PROJECT

04/13/17

	"PROJECT"	[A] (audited) FY 04/30/16	[B] (budget) FY 04/30/17	[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 04/30/22	SOURCE, COMMENTS or ASSUMPTIONS
	Project #3 - Non-WRF FPA related Capital Projects -									
	Inflow -									
15	Water Rate Revenue - capital projects (6/1/12)	119,505	127,594	127,800	127,980	127,594	127,594	127,594	127,594	18¢ Committed to non-WRF FPA cap projects
16	Sewer Rate Revenue - capital projects (6/1/12)	32,252	34,379	34,027	34,100	34,379	34,379	34,379	34,379	5¢ Committed to non-WRF FPA cap projects
17	Water Rate Revenue - capital projects (5/1/16)	0	39,000	35,500	35,550	35,443	35,443	35,443	35,443	5¢ (DWC) Committed to non-WRF FPA project
18	Tap-On Fees - Water	49,020	13,420	28,485	10,000	15,000	15,000	15,000	15,000	Committed to non-WRF FPA capital projects
19	Tap-On Fees - Sewer	0	0	0	0	0	7,600	40,000	40,000	Committed to non-WRF FPA capital projects
20	Gain on Sale of Assets and Other	25,461	2,500	23,985	7,500	14,331	14,331	14,331	14,331	Committed to non-WRF FPA capital projects
21	Operating Transfers In - from HR Sales Tax	720,000	740,000	740,000	0	0	0	0	0	Committed to 2009 GO Debt Service
22	Total Inflow	946,237	956,893	989,797	215,130	226,747	234,347	266,747	266,747	
	Outflow -									
23	Capital Projects - non WRF FPA	476,226	718,940	798,545	263,000	1,401,675	805,750	1,014,880	183,200	FY18 CIP less Major Mtc & Depreciation
24	2009 GO Refunding Bond - Principal	720,000	740,000	740,000	0	0	0	0	0	2009 GO Debt - retired in FY17
25	Annual Net Project Activity	(249,989)	(502,047)	(548,748)	(47,870)	(1,174,928)	(571,403)	(748,133)	83,547	
26	Beginning Balance	(142,656)	(392,645)	(392,645)	(941,393)	(989,263)	(2,164,191)	(2,735,594)	(3,483,727)	
27	Ending Balance	(392,645)	(894,692)	(941,393)	(989,263)	(2,164,191)	(2,735,594)	(3,483,727)	(3,400,180)	
	Project #4 - WRF Grit Screening/Removal -									
	Inflow -									
28	Grit Screening/Removal - Bond Proceeds (FY20	0	0	0	0	0	6,310,000	0	0	Committed to Grit Screen/Remove Constr.
29	Revenue source TBD to repay Bond	0	0	0	0	0	0	471,507	471,507	Revenue source to repay Loan TBD (~ 15% or 69¢ sewer rate increase needed)
	Outflow -									
30	Capital Projects - Grit Screening/Removal	0	0	0	0	380,000	5,930,000	0	0	FY18 CIP - Grit Screening/Removal
31	Grit Screening/Removal - Bond P & I	0	0	0	0	0	0	471,507	471,507	Grit Screening/Removal - retired in FY40
32	Annual Net Project Activity	0	0	0	0	(380,000)	380,000	0	0	
33	Beginning Balance	0	0	0	0	0	(380,000)	0	0	
34	Ending Balance	0	0	0	0	(380,000)	0	0	0	

VILLAGE OF BLOOMINGDALE
WATER & SEWER FUND 5-YEAR FORECAST
SUMMARY OF CAPITAL PROJECTS' INFLOWS & OUTFLOWS BY PROJECT

04/13/17

	"PROJECT"	[A] (audited) FY 04/30/16	[B] (budget) FY 04/30/17	[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 04/30/22	SOURCE, COMMENTS or ASSUMPTIONS
	Project #5 - WRF FPA Phase 2B -									
	Inflow -									
35	FPA Phase 2B - Loan Proceeds (FY20)	0	0	0	0	0	0	0	8,200,000	Committed to FPA Phase 2B Construction
36	Revenue source TBD to repay Loan	0	0	0	0	0	0	0	0	Revenue source to repay Loan TBD (~ 20% or 89¢ sewer rate increase needed)
	Outflow -									
37	Capital Projects - WRF FPA	0	0	0	0	0	0	560,000	7,640,000	FY18 CIP - WRF FPA Phase 2B
38	FPA Phase 2B - Loan P & I	0	0	0	0	0	0	0	0	WRF FPA Phase 2B - retired in FY42
39	Annual Net Project Activity	0	0	0	0	0	0	(560,000)	560,000	
40	Beginning Balance	0	0	0	0	0	0	0	(560,000)	
41	Ending Balance	0	0	0	0	0	0	(560,000)	0	
	Project #6 - WRF FPA Phase 3 & 4 -									
	Inflow -									
42	WRF FPA Phase 3 - Loan Proceeds	0	0	0	0	0	0	0	0	Committed to FPA Phase 3 Construction
43	Revenue source TBD to repay Loan	0	0	0	0	0	0	0	0	Revenue source TBD to repay Loan
44	WRF FPA Phase 4 - Loan Proceeds	0	0	0	0	0	0	0	0	Committed to FPA Phase 4 Construction
45	Revenue source TBD to repay Loan	0	0	0	0	0	0	0	0	Revenue source TBD to repay Loan
	Outflow -									
46	Capital Projects - WRF FPA Phase 3	0	0	0	0	0	0	0	0	WRF FPA Phase 3
47	FPA Phase 3 - Loan P & I	0	0	0	0	0	0	0	0	WRF FPA Phase 3 - retired in FYXX
48	Capital Projects - WRF FPA Phase 4	0	0	0	0	0	0	0	0	WRF FPA Phase 4
49	FPA Phase 4 - Loan P & I	0	0	0	0	0	0	0	0	WRF FPA Phase 4 - retired in FYXX
50	Annual Net Project Activity	0	0	0	0	0	0	0	0	
51	Beginning Balance	0	0	0	0	0	0	0	0	
52	Ending Balance	0	0	0	0	0	0	0	0	

VILLAGE OF BLOOMINGDALE
WATER & SEWER FUND 5-YEAR FORECAST
SUMMARY OF CAPITAL PROJECTS' INFLOWS & OUTFLOWS BY PROJECT

	"PROJECT"	[A] (audited) FY 04/30/16	[B] (budget) FY 04/30/17	[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 04/30/22	SOURCE, COMMENTS or ASSUMPTIONS
	Summary of Capital Projects' Available Cash Balances -									
	EXCESS/(DEFICIENCY) OF CAPITAL									**FISCAL OBJECTIVE**
53	**REVENUES OVER CAPITAL EXPENSES**	(125,721)	(715,843)	(573,688)	(295,115)	(1,800,524)	(444,599)	(1,593,729)	357,951	**"Pay-as-you-go" Financing**
54	**Beginning Balance - All Projects**	4,806,595	4,680,874	4,680,874	4,107,186	3,812,071	2,011,547	1,566,948	(26,781)	
55	**Ending Balance - All Projects**	4,680,874	3,965,031	4,107,186	3,812,071	2,011,547	1,566,948	(26,781)	331,170	
	Project #7 - Depreciation -									
	Inflow -									
56	None	0	0	0	0	0	0	0	0	
	Outflow -									
57	Depreciation of WS infrastructure	656,323	0	656,323	656,323	825,100	825,100	825,100	825,100	FY18 CIP - Depreciation of WS Infrastructure
58	Annual Net Project Activity	(656,323)	0	(656,323)	(656,323)	(825,100)	(825,100)	(825,100)	(825,100)	
59	Beginning Balance	(20,675,159)	(21,331,482)	(21,331,482)	(21,987,805)	(22,644,128)	(23,469,228)	(24,294,328)	(25,119,428)	
60	Ending Balance	(21,331,482)	(21,331,482)	(21,987,805)	(22,644,128)	(23,469,228)	(24,294,328)	(25,119,428)	(25,944,528)	

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

04/13/17

		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	
		(audited)	(budget)	(EOY)	(budget)	(forecast)	(forecast)	(forecast)	(forecast)	
		FY	FY		FY	FY	FY	FY	FY	SOURCE, COMMENTS
	CAPITAL REVENUES	04/30/16	04/30/17		04/30/18	04/30/19	04/30/20	04/30/21	04/30/22	or ASSUMPTIONS
1	Sewer Rate Revenue - FPA Phase 2A (5/1/09)	174,161	185,649	184,000	184,000	185,649	185,649	185,649	185,649	27¢ Committed to Debt Service
2	Water Rate Revenue - capital projects (6/1/12)	119,505	127,594	127,800	127,980	127,594	127,594	127,594	127,594	18¢ Committed to non-WRF capital projects
3	Sewer Rate Revenue - capital projects (6/1/12)	32,252	34,379	34,027	34,100	34,379	34,379	34,379	34,379	5¢ Committed to non-WRF capital projects
4	Water Rate Revenue - capital projects (5/1/16)	0	39,000	35,500	35,550	35,443	35,443	35,443	35,443	5¢ (DWC) Committed to non-WRF projects
5	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 Service
6	Operating Transfers In - from HR Sales Tax	720,000	740,000	740,000	0	0	0	0	0	Committed to 2009 GO Debt Service
7	Tap-On Fees - Water	49,020	13,420	28,485	10,000	15,000	15,000	15,000	15,000	Committed to non-WRF FPA projects
8	Tap-On Fees - Sewer	421,350	71,800	262,305	40,000	40,000	40,000	40,000	40,000	Committed to FPA Phase 1 Debt Svc (FY20)
9	Grit Screening/Removal - Bond Proceeds (FY2(	0	0	0	0	0	6,310,000	0	0	Committed to Grit Screen/Remove Constr.
10	Grit Revenue source TBD to repay Loan	0	0	0	0	0	0	471,507	471,507	Committed to Grit Screen/Remove Bond P&I
11	FPA Phase 2B - Loan Proceeds (FY20)	0	0	0	0	0	0	0	8,200,000	Committed to FPA Phase 2B Construction
12	FPA Phase 2B Rev source TBD to repay Loan	0	0	0	0	0	0	0	0	Committed to FPA Phase 2B Loan P & I
13	FPA Phase 3 - Loan Proceeds	0	0	0	0	0	0	0	0	Committed to FPA Phase 3 Construction
14	FPA Phase 4 - Loan Proceeds	0	0	0	0	0	0	0	0	Committed to FPA Phase 4 Construction
15	Gain on Sale of Assets and other	25,461	2,500	23,985	7,500	14,331	14,331	14,331	14,331	Committed to non-WRF FPA capital projects
16	**TOTAL CAPITAL REVENUES**	2,141,748	1,814,342	2,036,102	1,039,130	1,052,396	7,362,396	1,523,903	9,723,903	
	CAPITAL EXPENSES									
17	Capital Projects - non WRF FPA	476,226	718,940	758,545	263,000	1,401,675	805,750	1,014,880	183,200	FY18 CIP less Major Mtc & Depreciation
18	Capital Projects - Depreciation projects	0	0	0	0	0	0	0	0	FY18 CIP - Instrastructure Depreciation
19	Capital Projects - Grit Screening/Removal	0	0	0	0	380,000	5,930,000	0	0	FY18 CIP - Grit Screening/Removal
20	Capital Projects - WRF FPA	0	0	0	0	0	0	560,000	7,640,000	FY18 CIP - WRF FPA Phase 2B
21	Debt Service -									
22	2009 GO Refunding Bond - Principal	720,000	740,000	740,000	0	0	0	0	0	2009 GO Bond - retired in FY17
23	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
24	FPA Phase 2A - 2011 IEPA Loan P & I	271,981	271,980	271,980	271,980	271,980	271,980	271,980	271,980	WRF FPA Phase 2A - retired in FY32
24	Grit Screening/Removal - Bond P & I	0	0	0	0	0	0	471,507	471,507	Grit Screening/Removal - retired in FY40
26	FPA Phase 2B - Loan P & I	0	0	0	0	0	0	0	0	WRF FPA Phase 2B - retired in FY42
27	FPA Phase 3 - Loan P & I	0	0	0	0	0	0	0	0	WRF FPA Phase 3
28	FPA Phase 4 - Loan P & I	0	0	0	0	0	0	0	0	WRF FPA Phase 4
29	**TOTAL CAPITAL EXPENSES**	2,267,469	2,530,185	2,609,790	1,334,245	2,852,920	7,806,995	3,117,632	9,365,952	
30	**EXCESS/(DEFICIENCY) OF CAPITAL REVENUES OVER CAPITAL EXPENSES**	(125,721)	(715,843)	(573,688)	(295,115)	(1,800,524)	(444,599)	(1,593,729)	357,951	**FISCAL OBJECTIVE "Pay-as-you-go" Financing**

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

04/13/17

	SUMMARY OF ACTIVITY	[A] (audited) FY 04/30/16	[B] (budget) FY 04/30/17	[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 04/30/22	SOURCE, COMMENTS or ASSUMPTIONS
1	**BEGINNING CASH BALANCE**	7,857,269	7,945,373	7,945,373	7,579,563	7,191,268	5,060,644	4,069,045	1,713,916	Prior year's ending balance
	OPERATING NET INCOME (LOSS)									
2	**BEFORE DEPRECIATION**	213,826	(61,272)	207,878	(93,180)	(330,100)	(547,000)	(761,400)	(992,100)	
	EXCESS/(DEFICIENCY) OF CAPITAL									
3	**REVENUES OVER CAPITAL EXPENSES**	(125,721)	(715,843)	(573,688)	(295,115)	(1,800,524)	(444,599)	(1,593,729)	357,951	
4	**NET CHANGE from Operations & Capital**	88,104	(777,115)	(365,810)	(388,295)	(2,130,624)	(991,599)	(2,355,129)	(634,149)	**Annual Impact to Cash Balance**
5	**ENDING CASH BALANCE**	**7,945,373**	**7,168,258**	**7,579,563**	**7,191,268**	**5,060,644**	**4,069,045**	**1,713,916**	**1,079,767**	

ALLOCATION OF ENDING CASH BALANCE

		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	
		90	90	90	90	20	0	0	0	**# of days working capital**
		25%	25%	25%	25%	6%	0%	0%	0%	**% of working capital**
6	**COMMITTED**									
7	Operating Reserves/Working Capital	2,097,847	2,213,840	2,129,439	2,229,420	504,906	0	0	0	**25% of Total Operating Expenses**
8	WRF FPA Phase 1 - 2008 IEPA Loan	4,794,162	4,666,697	4,857,202	4,697,937	4,538,672	4,379,407	4,220,142	4,060,877	cumulative; beg bal plus rev less debt svc
9	WRF FPA Phase 2A - 2011 IEPA Loan	279,357	193,026	191,377	103,397	17,066	(69,265)	(155,596)	(241,927)	cumulative; beg bal plus rev less debt svc
10	Capital Projects other than WRF FPA	0	0	0	0	0	0	0	0	cumulative; beg bal + rev less cap projects
11	**Total Committed**	7,171,366	7,073,563	7,178,018	7,030,754	5,060,644	4,310,142	4,064,546	3,818,950	
12	**"EXCESS" AVAILABLE FOR CAPITAL**	774,007	94,695	401,545	160,514	0	(241,097)	(2,350,630)	(2,739,182)	
13	**ENDING CASH BALANCE**	**7,945,373**	**7,168,258**	**7,579,563**	**7,191,268**	**5,060,644**	**4,069,045**	**1,713,916**	**1,079,767**	