## CITY OF BUCHANAN (MICHIGAN) WATER FUND

## COMPARATIVE DETAIL OF OPERATING EXPENSES

		Fiscal Year Ended							
		6/30/2020	6/30/2021 6/30/2022		6/30/2023	Test Year	Multiplier		
		(Per Client							
Dept. 591.	000 - Water Maintenance & Operation								
706.001	Salaries - Full Time	\$260,158	\$225,805	\$286,027	\$302,204	\$302,204	3.0%		
706.002	Salaries - Overtime	15,300	14,811	27,235	21,400	21,400	3.0%		
706.005	Salaries - Part Time	7,879	-	1,421	10,700	10,700	3.0%		
715.000	Fringe Benefits	138,664	139,065	138,293	200,064	200,064	3.0%		
716.000	Pension Exp-GASB 68	-	(41,258)	2,106		-	0.0%		
728.000	Office Supplies	2,486	1,148	2,045	2,500	2,500	2.0%		
730.000	Postage	4,972	2,568	6,441	5,000	5,000	2.0%		
743.000	Chemicals	5,006	4,665	10,192	5,000	5,000	2.0%		
751.000	Gas and Oil	2,764	3,641	4,557	3,500	3,500	2.0%		
756.000	Miscellaneous Supplies	1,013	3,299	1,430	1,600	1,600	2.0%		
768.000	Uniforms	650	872	521	900	900	2.0%		
802.000	Accounting Support	2,290	2,359	22,163	9,671	9,671	2.0%		
807.000	Audit	10,500	7,500	8,500	10,500	10,500	2.0%		
818.000	Contractual	18,592	29,641	28,807	20,000	20,000	2.0%		
853.000	Telephone, Internet, Cable	3,303	3,218	3,859	3,000	3,000	2.0%		
864.000	Conferences and Workshops	235	361	1,510	1,800	1,800	2.0%		
873.000	Travel & Car Allowance	167	-	-	400	400	2.0%		
912.000	Fire & Liability Insurance	12,702	14,610	14,806	13,972	13,972	2.0%		
916.000	Annual Permit Fee	1,339	1,300	3,340	3,000	3,000	2.0%		
920.000	USDA Grant	21,764	100	-		-	0.0%		
921.000	Utilities	37,316	26,656	44,011	27,000	27,000	2.0%		
927.000	Wellhead Protection Program	3,752	3,460	-	7,350	7,350	2.0%		
931.000	Maintenance - Buildings	7,554	1,537	3,216	6,000	6,000	2.0%		
933.000	Maintenance - Equipment	4,668	4,246	5,780	5,000	5,000	2.0%		
934.000	Maint Office Equipment	20,344	412	287	500	500	2.0%		
937.000	Meteres - Hydrants - Fittings	28,232	11,080	15,747	28,000	28,000	2.0%		
938.000	Maintenance - System	21,312	11,892	11,879	12,000	12,000	2.0%		
939.000	Maintenance - Vehicle	2,283	2,180	2,032	2,000	2,000	2.0%		
943.000	Equipment Rental	-	-	75	750	750	2.0%		
960.000	Education and Training	915	1,115	250	1,500	1,500	2.0%		
961.000	Medical Exams	461	419	113	250	250	2.0%		
962.000	Miscellaneous	1,371	1,532	919	1,500	1,500	2.0%		
963.000	Property Taxes	5,578	5,578	5,578	5,578	5,578	2.0%		
968.001	Depreciation	-	-	-	- [1]	-	0.0%		
970.001	Capital Outlay	-	-	-	- [2]	-	0.0%		
970.026	Equipment Reserve Expenditures	18,032	-	-	-	-	0.0%		
976.000	Building Reserve Expenditures	2,733	-	-	-	-	0.0%		
	-								
	Total Water Operating Expenses	\$664,334	\$483,811	\$653,140	\$712,639	\$712,639			

[1] Depreciation is removed from this section of the report. This item is addressed later in the report

[2] Capital outlay has been removed from this section of the report. This item is discussed later in the report.

## CITY OF BUCHANAN (MICHIGAN) WATER FUND

## CASH FLOW ANALYSIS

Increases City         Pre Year           City         Meter Equivalents         2,025         5,203         5,224         5,224         5,224         5,224         5,224         5,214         5,214         5,214         5,214         5,214         5,214         5,214         5,214         5,214         5,214         5,214         5,2		2021/22		2022/23	2023/24	2024/25	2025/26	2026/27
City         Image: city <th< th=""><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th></th<>								
Inter Equivalents         2,025	1		Per Year					
Ready-to-Serve Rate         \$15.22         \$800%         \$15.30         \$16.52         \$17.85         \$19.27         \$20.82           Billable Flow (1,000 gal)         \$7,103         \$7,100         \$200         \$230         \$241,24         \$241,24         \$241,24         \$244,24         \$244,24         \$244,24         \$244,24         \$244,24         \$244,24         \$244,46         \$244,54         \$244,54	2	2.025		2 025	2.025	2.025	2.025	2.025
Bilable Flow (1,000 gal)         \$7,103	1	)	8.00%	· · ·	,	,	,	,
Commodity Charge (1,000 gal)         \$5.67         8.00%         \$5.75         \$6.21         \$6.71         \$7.25         \$7.83           Township         230 <td></td> <td></td> <td>8.00%</td> <td></td> <td></td> <td></td> <td></td> <td></td>			8.00%					
Township       230		,	8.00%	· · ·	· · ·	,	,	,
Mere Equivalents         230		φ5.07	0.0070	φ5.15	ψ0.21	ψ0.71	ψ1.25	ψ1.05
Ready-to-Serve Rate         \$17,74         8.00%         \$17,82         \$19,25         \$20,79         \$22,45         \$24,44           Billable Flow (1,000 gal)         \$5,65         8.00%         \$5,73         \$57,27         \$5,755         \$84,48         \$9,846           Commodity Charge (1,000 gal)         \$5,65         8.00%         \$5,73         \$57,27         \$5,755         \$84,88         \$9,16           Typical City homeowner's monthly bill (assumes 4,000 gallons/month)         \$38,30         \$41,36         \$44,69         \$48,27         \$52,14           Ready-to-Serve Charge         \$369,846         \$371,790         \$401,533         \$433,656         \$468,348         \$505,816           Commodity Charge         \$30,873         \$50,842         \$49,183         \$53,118         \$57,367         \$6,913           Ready-to-Serve Charge         \$36,986         \$371,790         \$440,153         \$433,656         \$468,348         \$505,816           Commodity Charge         \$65,476         \$66,247         \$71,810         \$73,77         \$1,957         \$1,281,296         \$1,380,935           Less: Total Operating Revenues         \$1,017,731         \$1,024,079         \$1,103,141         \$1,188,775         \$1,281,296         \$1,380,935           Less: Total Operating Re	1	230		230	230	230	230	230
Billable Flow (1,000 gal)         9,846         9,			8.00%					
Commodity Charge (1,000 gal)         \$6.65         8.00%         \$6.73         \$7.27         \$7.85         \$8.48         \$9.16           Typical City homeowner's monthly bill (assumes 4,000 gallons/month)         \$37.90         \$38.30         \$41.36         \$44.69         \$48.27         \$52.14           Revenue City Ready-to-Serve Charge Commodity Charge         \$369,846         \$371,790         \$401,533         \$433,656         \$468,348         \$505,816           Commodity Charge         493,874         500,842         \$40,910         \$584,461         631,497         682,016           Township         8eady-to-Serve Charge         48,962         49,183         \$3,118         \$77,367         61,957         66,913           Commodity Charge         0.047         65,476         66,264         71,580         77,291         83,494         90,189           Other         0.017,731         1,024,079         1,103,141         1,188,775         1,281,296         1,380,935           Less: Total Operating Expenditures         (653,140)         (712,639)         (732,235)         (752,384)         (773,101)         (794,402)           Net Operating Revenue         364,591         311,440         370,906         436,391         508,195         586,533           Less: C			0.0070					
I (assume's 4,000 gallons/month)         Revenue City Ready-to-Serve Charge       \$369,846       \$371,790       \$401,533       \$433,656       \$468,348       \$505,816         Commodity Charge       493,874       500,842       \$40,910       \$84,461       631,497       682,016         Township Ready-to-Serve Charge       48,962       49,183       53,118       \$77,291       83,494       90,189         Other       0       66,264       71,580       77,291       83,494       90,189         Other       0       36,000       36,000       36,000       36,000       36,000       36,000         Miscellaneous       39,573       36,000		· · · · · ·	8.00%					· · · ·
(assume's 4,000 gallons/month)         Revenue         City         Ready-to-Serve Charge       \$369,846       \$371,790       \$401,533       \$433,656       \$468,348       \$505,816         Commodity Charge       493,874       \$500,842       \$40,910       \$84,461       631,497       682,016         Township       Ready-to-Serve Charge       48,962       49,183       \$53,118       \$77,367       61,957       66,913         Commodity Charge       65,476       66,264       71,580       77,291       83,494       90,189         Other       Miscellaneous       39,573       36,000       36,000       36,000       36,000       36,000         Total Revenues       1,017,731       1,024,079       1,103,141       1,188,775       1,281,296       1,380,935         Less: Total Operating Revenue       364,591       311,440       370,906       436,391       508,195       586,533         Less: Current Debt Service Payments       (118,875)       (12,500)       (119,000)       (121,500)       (13,333)       (273,500)       (23,333)       (23,333)       (23,333)       (23,333)       (23,333)       (23,000)       (29,000)       (29,000)       (29,000)       (29,000)       (29,000)       (29,000)	Typical City homeowner's monthly bill	\$37.90		\$38.30	\$41.36	\$44.69	\$48.27	\$52.14
City Ready-to-Serve Charge         \$3369,846         \$371,790         \$401,533         \$433,656         \$468,348         \$505,816           Township Ready-to-Serve Charge         48,962         49,183         53,118         573,67         61,957         66,913           Township Ready-to-Serve Charge         65,476         66,264         71,580         77,291         83,494         90,189           Other         39,573         36,000         36,303         36,333         36,333								
Ready-to-Serve Charge         \$369,846         \$371,790         \$401,533         \$433,656         \$468,348         \$505,816           Commodity Charge         493,874         500,842         540,910         584,461         631,497         682,016           Township         Ready-to-Serve Charge         48,962         49,183         53,118         57,367         61,957         66,913           Commodity Charge         65,476         66,264         71,580         77,291         83,494         90,189           Other         39,573         36,000         36,533         Less:	Revenue							
Commodity Charge         493,874         500,842         540,910         584,461         631,497         682,016           Township         Ready-to-Serve Charge         48,962         49,183         53,118         57,367         61,957         66,913           Commodity Charge         65,476         66,264         71,580         77,291         83,494         90,189           Other         0         39,573         36,000 <td>City</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	City							
Township Ready-to-Serve Charge Commodity Charge       48,962 65,476       49,183 66,264       53,118 71,580       57,367 77,291       61,957 83,494       66,913 90,189         Other       Miscellaneous Total Revenues       39,573 1,017,731       36,000 1,024,079       36,000 1,103,141       36,000 1,188,775       36,000 1,281,296       36,000 36,000       36,000 33,333       33,333 33,333       <						. ,	\$468,348	1 ,
Ready-to-Serve Charge Commodity Charge         48,962         49,183         53,118         57,367         61,957         66,913           Other         65,476         66,264         71,580         77,291         83,494         90,189           Other         Miscellaneous Total Revenues         39,573         36,000		493,874		500,842	540,910	584,461	631,497	682,016
Commodity Charge         65,476         66,264         71,580         77,291         83,494         90,189           Other         Miscellaneous         39,573         36,000         36,003         36,000	1							
Other         39,573         36,000 </td <td></td> <td>· · · · · ·</td> <td></td> <td>,</td> <td></td> <td>,</td> <td>,</td> <td>,</td>		· · · · · ·		,		,	,	,
Miscellaneous Total Revenues       39,573 1,017,731       36,000 1,024,079       36,000 1,103,141       36,000 1,188,775       36,000 1,380,935         Less: Total Operating Expenditures       (653,140)       (712,639)       (732,235)       (752,384)       (773,101)       (794,402)         Net Operating Revenue       364,591       311,440       370,906       436,391       508,195       586,533         Less: Current Debt Service Payments Estimated Cash-Funded Capital Improvements [1]       -       -       (33,333)       (275,900)       (33,333)       (33,333)         Wheel Loader Payments (water portion)       (2,900)       <		65,476		66,264	71,580	77,291	83,494	90,189
Total Revenues       1,017,731       1,024,079       1,103,141       1,188,775       1,281,296       1,380,935         Less: Total Operating Expenditures       (653,140)       (712,639)       (732,235)       (752,384)       (773,101)       (794,402)         Net Operating Revenue       364,591       311,440       370,906       436,391       508,195       586,533         Less: Current Debt Service Payments       (118,875)       (121,500)       (119,000)       (121,500)       (118,875)       (121,250)         Estimated Cash-Funded Capital Improvements [1]       -       -       (33,333)       (275,900)       (33,333)       (33,333)         Wheel Loader Payments (water portion)       (2,900)       (2,900)       (2,900)       (2,900)       (2,900)       (2,900)       (2,900)       (2,900)       (2,900)       (2,900)       (2,900)       (2,900)       (2,900)       (2,900)       (2,900)       (2,9000)       (209,000) <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>								
Less: Total Operating Expenditures       (653,140)       (712,639)       (732,235)       (773,101)       (794,402)         Net Operating Revenue       364,591       311,440       370,906       436,391       508,195       586,533         Less: Current Debt Service Payments       (118,875)       (121,500)       (119,000)       (121,500)       (118,875)       (121,250)         Estimated Cash-Funded Capital Improvements [1]       -       -       (33,333)       (275,900)       (33,333)       (33,333)         Wheel Loader Payments (water portion)       (2,900)				,		,		
Net Operating Revenue       364,591       311,440       370,906       436,391       508,195       586,533         Less: Current Debt Service Payments       (118,875)       (121,500)       (119,000)       (121,500)       (118,875)       (121,250)         Estimated Cash-Funded Capital Improvements [1]       -       -       (33,333)       (275,900)       (33,333)       (33,333)         Wheel Loader Payments (water portion)       (2,900)       (2	Total Revenues	1,017,731		1,024,079	1,103,141	1,188,775	1,281,296	1,380,935
Less: Current Debt Service Payments       (118,875)       (121,500)       (119,000)       (121,500)       (118,875)       (121,250)         Estimated Cash-Funded Capital Improvements [1]       -       -       (33,333)       (275,900)       (33,333)       (33,333)         Wheel Loader Payments (water portion)       (2,900)	Less: Total Operating Expenditures	(653,140)		(712,639)	(732,235)	(752,384)	(773,101)	(794,402)
Estimated Cash-Funded Capital Improvements [1]       -       -       (33,333)       (275,900)       (33,333)       (33,333)         Wheel Loader Payments (water portion)       (2,900)       (2	Net Operating Revenue	364,591		311,440	370,906	436,391	508,195	586,533
Estimated Cash-Funded Capital Improvements [1]       -       -       (33,333)       (275,900)       (33,333)       (33,333)         Wheel Loader Payments (water portion)       (2,900)       (2	Less: Current Debt Service Payments	(118,875)		(121,500)	(119,000)	(121,500)	(118,875)	(121,250)
Estimated Debt Service #1 2023 DPW Bonds [2]       -       -       (105,000)       (104,000)       (103,000)       (102,000)         Estimated Debt Service #2 2023 USDA Bonds [3]       -       -       (42,000)       (209,000)       (209,000)       (209,000)         Estimated Debt Service #3 2023 USDA Bonds [4]       -       -       (33,000)       (165,000)       (165,000)       (165,000)         Net Cash Flow       \$242,816       \$187,040       \$35,673       (\$441,909)       (\$123,913)       (\$46,950)         Cash & Investments       \$1,600,776       \$1,787,816       \$1,823,489       \$1,381,580       \$1,257,667       \$1,210,717         Less: Estimated Debt Service Reserve [5]       -       -       (37,400)       (74,800)       (112,200)       (149,600)		-		-				
Estimated Debt Service #2 2023 USDA Bonds [3]       -       -       (42,000)       (209,000)       (209,000)         Estimated Debt Service #3 2023 USDA Bonds [4]       -       -       (33,000)       (165,000)       (165,000)       (165,000)         Net Cash Flow       \$242,816       \$187,040       \$335,673       (\$441,909)       (\$123,913)       (\$46,950)         Cash & Investments       \$1,600,776       \$1,787,816       \$1,823,489       \$1,381,580       \$1,257,667       \$1,210,717         Less: Estimated Debt Service Reserve [5]       -       -       (37,400)       (74,800)       (112,200)       (149,600)	Wheel Loader Payments (water portion)	(2,900)		(2,900)	(2,900)	(2,900)	(2,900)	(2,900)
Estimated Debt Service #3 2023 USDA Bonds [4]       -       (33,000)       (165,000)       (165,000)       (165,000)         Net Cash Flow       \$242,816       \$187,040       \$35,673       (\$441,909)       (\$123,913)       (\$46,950)         Cash & Investments       \$1,600,776       \$1,787,816       \$1,823,489       \$1,381,580       \$1,257,667       \$1,210,717         Less: Estimated Debt Service Reserve [5]       -       -       (37,400)       (74,800)       (112,200)       (149,600)	Estimated Debt Service #1 2023 DPW Bonds [2]	-		-	(105,000)	(104,000)	(103,000)	(102,000)
Net Cash Flow       \$242,816       \$187,040       \$35,673       (\$441,909)       (\$123,913)       (\$46,950)         Cash & Investments       \$1,600,776       \$1,787,816       \$1,823,489       \$1,381,580       \$1,257,667       \$1,210,717         Less: Estimated Debt Service Reserve [5]       -       (37,400)       (74,800)       (112,200)       (149,600)	Estimated Debt Service #2 2023 USDA Bonds [3]	-		-	(42,000)	(209,000)	(209,000)	(209,000)
Cash & Investments         \$1,600,776         \$1,787,816         \$1,823,489         \$1,381,580         \$1,257,667         \$1,210,717           Less: Estimated Debt Service Reserve [5]         -         -         (37,400)         (74,800)         (112,200)         (149,600)	Estimated Debt Service #3 2023 USDA Bonds [4]			-	(33,000)	(165,000)	(165,000)	(165,000)
Less: Estimated Debt Service Reserve [5] (37,400) (112,200) (149,600)	Net Cash Flow	\$242,816		\$187,040	\$35,673	(\$441,909)	(\$123,913)	(\$46,950)
Less: Estimated Debt Service Reserve [5] - (37,400) (112,200) (149,600)	Cash & Investments	\$1,600,776		\$1,787,816	\$1,823,489	\$1,381,580	\$1,257,667	\$1,210,717
	Less: Estimated Debt Service Reserve [5]			-				
	Unrestricted and Cash Investments	\$1,600,776		\$1,787,816				

[1] Includes USDA Letter of Conditions stated Repair, Replacement and Improvement (RRI) requirement of \$33,333 per year.

[2] Estimated portion of the overall bond issue payable from the Water Fund.

[3] Estimated debt service payments based on a \$6,000,000 40-year USDA bond issue at the Letter of Conditions interest rate of 1.375%.

[4] Estimated debt service payments based on a \$4,738,000 40-year USDA bond issue at the Letter of Conditions interest rate of 1.375%.
[5] Accumulated, includes both 2023 USDA Bonds.