

CITY OF THE VILLAGE OF DOUGLAS (MICHIGAN) WATER FUND

COMPARATIVE STATEMENT OF NET POSITION

	As Of		
	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>
	(-----Per Audit-----)		
Assets			
Cash	<u>\$527,424</u>	<u>\$295,555</u>	<u>\$37,540</u>
Liabilities			
Liabilities - payables	<u>\$58,374</u>	<u>\$1,241</u>	<u>\$1,028</u>
Fund Balances			
Restricted for capital improvements	<u>469,050</u>	<u>294,314</u>	<u>36,512</u>
Total Liabilities and Net Position	<u>\$527,424</u>	<u>\$295,555</u>	<u>\$37,540</u>

CITY OF THE VILLAGE OF DOUGLAS (MICHIGAN) WATER FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Fiscal Year Ended		
	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>
	(-----Per Audit-----)		
Operating Revenues			
Charges for services - Connection fees	\$45,575	\$74,000	\$49,075
Investment return and rentals	23,173	935	-
Total operating revenues	<u>68,748</u>	<u>74,935</u>	<u>49,075</u>
Operating Expenses			
Public works	42,151	69,671	70,041
Capital outlay	57,378	-	236,836
Total operating expenses	<u>99,529</u>	<u>69,671</u>	<u>306,877</u>
Net operating income (loss)	<u>(30,781)</u>	<u>5,264</u>	<u>(257,802)</u>
Other Financing Sources (Uses)			
Transfers out	<u>-</u>	<u>(180,000)</u>	<u>-</u>
Change in net position	(30,781)	(174,736)	(257,802)
Net position, beginning of year	<u>499,831</u>	<u>469,050</u>	<u>294,314</u>
Net position, end of year	<u><u>\$469,050</u></u>	<u><u>\$294,314</u></u>	<u><u>\$36,512</u></u>

CITY OF THE VILLAGE OF DOUGLAS (MICHIGAN) WATER FUND

COMPARATIVE DETAIL OF OPERATING EXPENSES

	Fiscal Year Ended				Test Year	Multiplier
	6/30/2021	6/30/2022	6/30/2023	6/30/2024		
	(-----Per Client-----)					
Expenditures						
806.000 Contractual Engineering	\$69,671	\$70,041	\$88,800	\$20,000	\$20,000	3.0%
974.000 Construction	-	236,836	540,000	447,359 [1]	-	0.0%
995.101 Transfer out GF	180,000	-	-	-	-	0.0%
Salaries, Wages, & Benefits	-	-	-	-	5,000	3.0%
Total Water Operating Expenses	\$249,671	\$306,877	\$628,800	\$467,359	\$25,000	

[1] Lead Service Line Replacement is removed from this section of the report. This item is addressed later in the report.

CITY OF THE VILLAGE OF DOUGLAS (MICHIGAN) WATER FUND

SCHEDULE OF ESTIMATED CAPITAL IMPROVEMENTS

User Rate Supported Capital Improvements										
Project Name/Description	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Lead Water Service Inventory		\$500,000								
Lead Water Service Replacement	\$104,000	108,200	\$112,500	\$117,000	\$121,700	\$126,500	\$131,600	\$136,900	\$142,300	\$148,000
Center WM Repl. From Ferry to E. of Blue Star & St Peters WM Aband. from Center to St Peters		1,687,900								
Lakeside WM Replacement from May to Lakeshore			550,100							
Chestnut WM Repl. From Union to Main; Spring WM Repl. From Chestnut to Lawn					584,000					
Lakeshore WM Replacement from Center to South City Limits								831,400		
Lakeshore WM Repl. From Center to Campbell; Campbell WM Repl. From Lakeshore to McVea								2,219,700		
Total User Rate Supported Capital Improvements:	\$104,000	\$2,296,100	\$662,600	\$117,000	\$705,700	\$126,500	\$131,600	\$3,188,000	\$142,300	\$148,000
Cash Funded:	\$104,000	\$608,200	\$112,500	\$117,000	\$705,700	\$126,500	\$131,600	\$136,900	\$142,300	\$148,000
Bond Funded:	-	2,238,000 [1]	-	-	-	-	-	3,051,100 [2]	-	-

Note: These capital improvement estimates were inflated by 4% every year.

[1] Includes 2024/25 and 2025/26 capital improvements.

[2] Includes 2030/31 capital improvements.

Special Assessment Supported Capital Improvements										
Project Name/Description	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Fremont WM from Ferry to Lebarre; Lebarre WM Repl. from Fremont to Center		\$682,800								
Felkers WM			\$1,013,400							
Crest and Riverview Water Main									\$1,990,400	
Mountain Ash WM Replacement										\$1,261,700
Total Special Assessment Supported Capital Improvements:	-	\$682,800	\$1,013,400	-	-	-	-	-	\$1,990,400	\$1,261,700

Note: These capital improvement estimates were inflated by 4% every year.

CITY OF THE VILLAGE OF DOUGLAS (MICHIGAN) WATER FUND

CASH FLOW ANALYSIS

	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Increases Per Year	2029/30	2030/31
	July - Dec.	Jan. - June								
Assumptions										
Meter Equivalent Units (MEU) Billed	1,749	1,749	1,749	1,749	1,749	1,749	1,749		1,749	1,749
MEU Charge (monthly)	-	\$15.00	\$18.00	\$21.00	\$24.00	\$27.00	\$30.00	\$1.00	\$31.00	\$32.00
<i>Typical homeowner's monthly bill</i>										
Charges from City	-	\$15.00	\$18.00	\$21.00	\$24.00	\$27.00	\$30.00		\$31.00	\$32.00
Charges from KLSWA	\$25.40	25.40	26.16	26.95	27.76	28.59	29.45		30.33	31.24
Total typical homeowner's monthly water bill (assumes 4,500 gallons/month)	\$25.40	\$40.40	\$44.16	\$47.95	\$51.76	\$55.59	\$59.45		\$61.33	\$63.24
Revenue										
MEU Charge	-	\$157,410	\$377,784	\$440,748	\$503,712	\$566,676	\$629,640		\$650,628	\$671,616
Connection Fees	\$30,000	-	-	-	-	-	-		-	-
DWAM Grant	329,687	-	-	-	-	-	-		-	-
Transfer In - General Fund	100,000	-	275,000	100,000	80,000	60,000	40,000		20,000	-
Total Revenues	459,687	157,410	652,784	540,748	583,712	626,676	669,640		670,628	671,616
Less: Total Operating Expenditures	(233,680)	(233,680)	(30,750)	(36,673)	(42,773)	(49,056)	(50,528)		(52,043)	(53,605)
Net Operating Revenue	226,008	(76,270)	622,034	504,076	540,939	577,620	619,112		618,585	618,011
Less: Estimated Cash-Funded Capital Improvements	(104,000)	-	(608,200)	(112,500)	(117,000)	(705,700)	(126,500)		(131,600)	(136,900)
Estimated Debt Service #1 2024/25 Open Market Bonds [1]	-	-	(55,000)	(180,000)	(180,000)	(180,000)	(180,000)		(180,000)	(180,000)
Estimated Debt Service #2 2030/31 Open Market Bonds [2]	-	-	-	-	-	-	-		-	(255,000)
Net Cash Flow	\$122,008	(\$76,270)	(\$41,166)	\$211,576	\$243,939	(\$308,080)	\$312,612		\$306,985	\$46,111
Cash & Investments	\$18,770	\$140,778	\$64,508	\$23,342	\$234,918	\$478,857	\$170,777		\$790,374	\$836,486

[1] Estimated debt service payments based on \$2,238,000 20-year open market bond issue at an estimated interest rate.

[2] Estimated debt service payments based on \$3,051,100 20-year open market bond issue at an estimated interest rate.