

**CITY OF HARTFORD (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-----)		
<b>Assets</b>			
Current assets:			
Cash equivalents & deposits	\$26,847	\$27,279	\$100,062
Investments	126,288	153,317	131,586
Accounts receivable	56,223	81,458	70,835
Due from other funds	1,425	1,425	1,425
Prepaid expense	2,516	2,516	3,588
Total current assets	<u>213,299</u>	<u>265,995</u>	<u>307,496</u>
Noncurrent assets:			
Capital assets non depreciable	8,620	8,620	184,275
Capital assets depreciable, net of accumulated depreciation	2,706,495	2,719,923	2,594,407
Total noncurrent assets	<u>2,715,115</u>	<u>2,728,543</u>	<u>2,778,682</u>
 Total Assets	 <u>\$2,928,414</u>	 <u>\$2,994,538</u>	 <u>\$3,086,178</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$1,412	\$10,813	\$8,176
Due to other funds	-	1,500	1,500
Accrued interest	581	220	-
Customer deposit	24,300	27,391	27,728
Current portion of long-term debt	43,612	27,758	-
Total current liabilities	<u>69,905</u>	<u>67,682</u>	<u>37,404</u>
Noncurrent liabilities:			
Long-term debt	28,049	291	-
 Total Liabilities	 <u>97,954</u>	 <u>67,973</u>	 <u>37,404</u>
<b>Net Position</b>			
Net investment in capital assets	2,643,454	2,700,494	2,778,682
Unrestricted	187,006	226,071	270,092
 Total Net Position	 <u>2,830,460</u>	 <u>2,926,565</u>	 <u>3,048,774</u>
 Total Liabilities and Net Position	 <u>\$2,928,414</u>	 <u>\$2,994,538</u>	 <u>\$3,086,178</u>

**CITY OF HARTFORD (MICHIGAN) WATER FUND**

**COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

	<b>Fiscal Year Ended</b>		
	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>
	(------Per Audit-----)		
<b>Operating Revenues</b>			
State grants	-	\$162,137	\$175,583
Charges for services	\$357,147	380,679	361,444
Penalties	11,117	10,351	11,887
Rentals	26,910	24,840	23,040
Miscellaneous	3,914	2,101	10,844
Total operating revenues	<u>399,088</u>	<u>580,108</u>	<u>582,798</u>
<b>Operating Expenses</b>			
Salaries and wages	36,074	32,537	33,543
Payroll taxes	2,413	2,225	2,330
Benefits	20,601	15,997	13,960
Postage	2,860	2,821	2,297
Supplies	9,798	23,974	17,260
Contractual services	7,658	10,751	12,582
Professional fees	2,100	3,000	5,000
Telephone	1,900	1,667	1,674
Utilities	16,825	16,837	18,475
Repairs and maintenance	19,820	26,465	9,950
Rental	60,139	53,390	56,074
Insurance and bonds	3,598	3,908	4,036
Deferred compensation	2,095	1,831	1,889
Administrative fee	53,000	55,000	60,000
Capital outlay	-	6,405	-
Miscellaneous	3,844	4,080	836
Subtotal	<u>242,725</u>	<u>260,888</u>	<u>239,906</u>
Depreciation expense	137,329	146,529	139,772
Total operating expenses	<u>380,054</u>	<u>407,417</u>	<u>379,678</u>
Net operating income (loss)	<u>19,034</u>	<u>172,691</u>	<u>203,120</u>
<b>Non-Operating Revenues (Expenses)</b>			
Unrealized loss on investments	2,556	(1,584)	(14,049)
Interest income	3,607	3,282	3,401
Interest expense	(2,933)	(1,284)	-
Total non-operating revenues (expenses)	<u>3,230</u>	<u>414</u>	<u>(10,648)</u>
Gain (loss) before transfers	22,264	173,105	192,472
<b>Other Financing Sources (Uses)</b>			
Transfers out	-	(77,000)	(70,263)
Change in net position	22,264	96,105	122,209
Net position, beginning of year	<u>2,808,196</u>	<u>2,830,460</u>	<u>2,926,565</u>
Net position, end of year	<u>\$2,830,460</u>	<u>\$2,926,565</u>	<u>\$3,048,774</u>

**CITY OF HARTFORD (MICHIGAN) WATER FUND**

**COMPARATIVE DETAIL OF OPERATING EXPENSES**

		<b>Fiscal Year Ended</b>			<b>Test Year</b>	<b>Multiplier</b>
		<b>6/30/2021</b>	<b>6/30/2022</b>	<b>6/30/2023</b>		
		(-----Per Client-----)				
<b>Department 541 - Iron Removal Plant Operations</b>						
702.000	Salary	\$16,286	\$17,076	\$20,000	\$20,000	3.0%
703.000	Salaries - Overtime	213	217	3,000	3,000	3.0%
704.000	Deferred Comp	955	984	7,000	7,000	3.0%
714.000	Fringe Benefits	7,629	6,722	9,000	9,000	3.0%
715.000	Employer's FICA	1,127	1,201	1,500	1,500	3.0%
730.000	Operating Supplies	10,283	9,796	18,000	18,000	3.0%
810.000	Administration Fee	12,000	15,000	16,000	16,000	3.0%
818.000	Contractual Services	3,923	7,094	3,500	3,500	3.0%
851.000	Telephone	1,525	1,674	1,700	1,700	3.0%
921.000	Electric	8,131	9,875	12,000	12,000	4.0%
923.000	Heat	974	1,637	12,000	12,000	4.0%
930.000	Repairs/Maintenance	13,371	7,061	2,500	2,500	3.0%
943.000	Equipment Rental	27,859	29,097	7,500	7,500	3.0%
960.000	Insurance and Bonds	1,428	1,487	1,000	1,000	3.0%
968.000	Depreciation Expense	-	-	- [1]	-	0.0%
<b>Total Department 541 Expenses</b>		<b>105,704</b>	<b>\$108,921</b>	<b>114,700</b>	<b>114,700</b>	
<b>Department 560 - Water Distribution System</b>						
702.000	Salary	15,076	15,883	27,000	27,000	3.0%
703.000	Salaries - Overtime	962	367	4,000	4,000	3.0%
704.000	Deferred Comp	876	905	-	-	0.0%
714.000	Fringe Benefits	7,629	6,722	17,000	17,000	3.0%
715.000	Employer's FICA	1,098	1,129	2,177	2,177	3.0%
721.000	Workers Compensation	739	516	1,500	1,500	3.0%
729.000	Postage	2,821	2,297	-	-	0.0%
730.000	Operating Supplies	12,140	7,464	12,000	12,000	3.0%
801.000	Audit Fees	3,000	5,000	6,000	6,000	3.0%
810.000	Administration Fee	43,000	45,000	47,000	47,000	3.0%
818.000	Contractual Services	166,633	5,488	5,000	5,000	3.0%
820.001	DWAM grant Expenditures	1,733	-	-	-	0.0%
826.000	Legal Services	-	-	1,000	1,000	3.0%
851.000	Telephone	142	-	500	500	3.0%
861.000	Travel Expense	-	-	500	500	3.0%
920.000	Publishing	-	-	500	500	3.0%
921.000	Electric	6,566	6,963	5,000	5,000	4.0%
930.000	Repairs/Maintenance	13,094	2,889	20,000	20,000	4.0%
943.000	Equipment Rental	25,531	26,977	36,000	36,000	3.0%
956.000	Miscellaneous	735	755	500	500	3.0%
958.000	Training Fund	83	83	1,500	1,500	3.0%
959.000	Membership Fees	95	-	-	-	0.0%
960.000	Insurance and Bonds	2,480	2,549	4,000	4,000	3.0%
968.000	Depreciation Expense	-	-	- [1]	-	0.0%
972.001	Capital Outlay	-	-	- [2]	-	0.0%
991.000	Debt Service - Principal	-	-	-	-	0.0%
992.000	Debt Service - Interest	-	-	-	-	0.0%
992.001	1999 Water & Sewer Bonds	398	-	-	-	0.0%
997.000	Paying Agent	125	-	- [3]	-	0.0%
<b>Total Department 570 Expenses</b>		<b>304,955</b>	<b>130,986</b>	<b>191,177</b>	<b>191,177</b>	
<b>Department 996 - Operating Transfer</b>						
972.000	Transfer - Capital Improvement	77,000	50,000	- [2]	-	0.0%
999.468	Transfer to CDBG Fund	-	-	10,000 [3]	-	0.0%
<b>Total Department 996 Expenses</b>		<b>77,000</b>	<b>50,000</b>	<b>10,000</b>	<b>-</b>	
<b>Total Water Operating Expenses</b>		<b>\$487,659</b>	<b>\$289,907</b>	<b>\$315,877</b>	<b>\$305,877</b>	

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

[2] These expenses are removed from this section of the report. This item is addresses later in the report.

[3] Adjusted per client

**CITY OF HARTFORD (MICHIGAN) WATER FUND**

**CASH FLOW ANALYSIS**

	<u>2022/23</u>	<u>One-Time Increases</u>	<u>2023/24</u>	<u>2024/25</u>	<u>Increases Per Year</u>	<u>2025/26</u>
Assumptions						
City Metered:						
Customer Count	960		960	960		960
Service Ready Fee (monthly)	\$5.92	\$1.00	\$6.92	\$7.92	\$0.30	\$8.22
Billable Flow (1,000 gal)	50,880		50,880	50,880		50,880
Commodity Charge (per 1,000 gal)	\$2.45	\$0.45	\$2.90	\$3.35	\$0.15	\$3.50
Non-City Metered (1.5x city rates):						
Customer Count	81		81	81		81
Service Ready Fee (monthly)	\$8.88		\$10.38	\$11.88		\$12.33
Billable Flow (1,000 gal)	11,401		11,401	11,401		11,401
Commodity Charge (per 1,000 gal)	\$3.68		\$4.35	\$5.03		\$5.25
Customer Count	1,041		1,041	1,041		1,041
Water Improvement Project Fee (monthly)	\$6.00	0.00%	\$6.00	\$6.00	0.00%	\$6.00
<i>Typical City homeowner's monthly bill (assumes 4,500 gallons/month)</i>	\$22.95		\$25.97	\$29.00		\$29.97
Revenue						
City Metered:						
Service Ready Fee Revenue	\$68,198		\$79,718	\$91,238		\$94,694
Commodity Revenue	124,655		147,551	170,446		178,078
Non-City Metered:						
Service Ready Fee Revenue	8,631		10,089	11,547		11,985
Commodity Revenue	41,897		49,593	57,288		59,853
Water Improvement Project Revenue	74,952		74,952	74,952		74,952
Other Revenues	39,742		39,742	39,742		39,742
Total Revenues	<u>358,076</u>		<u>401,645</u>	<u>445,214</u>		<u>459,305</u>
Less: Total Operating Expenditures	<u>(315,877)</u>		<u>(315,543)</u>	<u>(325,519)</u>		<u>(335,815)</u>
Net Operating Revenue	42,199		86,102	119,695		123,490
Less: Estimated Cash-Funded Capital Improvements	<u>(52,000)</u>		<u>(181,250)</u>	<u>(50,000)</u>		<u>(50,000)</u>
Net Cash Flow	<u>(\$9,801)</u>		<u>(\$95,148)</u>	<u>\$69,695</u>		<u>\$73,490</u>
<i>Cash &amp; Investments</i>	\$231,649	\$221,847	\$126,699	\$196,394		\$269,884