

Speer Financial, Inc.

Water

City of Independence, Iowa

Net Income Summary and Debt Service Coverage

Proposed

Page 1

Water Revenue Analysis

Fiscal Year	Accounts	2023	2024	2025	2026	2027	2028	2029	2030	2031	
		3013	3013	3013	3013	3013	3013	3013	3013	3013	
Operating Revenue:											
	Water charges for service	\$ 1,291,499	\$ 1,330,244	\$ 1,370,151	\$ 1,411,256	\$ 1,453,594	\$ 1,497,201	\$ 1,542,117	\$ 1,588,381	\$ 1,636,032	
	Misc. Revenue	9,816	-	-	-	-	-	-	-	-	
	Infrastructure Fee \$ /mo/ accounts	-	-	-	-	-	-	-	-	-	
	Net Operating Revenue	\$ 1,301,315	\$ 1,330,244	\$ 1,370,151	\$ 1,411,256	\$ 1,453,594	\$ 1,497,201	\$ 1,542,117	\$ 1,588,381	\$ 1,636,032	
	Annual Increase in O/M		2%	2%	2%	2%	2%	2%	2%	2%	
Operating Expense:											
	Operation and Maintenance	\$ 456,906	\$ 466,044	\$ 475,365	\$ 484,872	\$ 494,570	\$ 504,461	\$ 514,550	\$ 524,841	\$ 535,338	
	Misc. Expenses	-	-	-	-	-	-	-	-	-	
	Operating Expense:	\$ 456,906	\$ 466,044	\$ 475,365	\$ 484,872	\$ 494,570	\$ 504,461	\$ 514,550	\$ 524,841	\$ 535,338	
	Net Operating Income:	\$ 844,409	\$ 864,200	\$ 894,786	\$ 926,384	\$ 959,024	\$ 992,740	\$ 1,027,567	\$ 1,063,539	\$ 1,100,694	
Calculation of Debt Service Coverage:											
Minus: Transfer to Savings											
	Income Available For Debt Service	\$ 844,409	\$ 864,200	\$ 894,786	\$ 926,384	\$ 959,024	\$ 992,740	\$ 1,027,567	\$ 1,063,539	\$ 1,100,694	
	2021 Water Revenue Bonds, Series 2021	\$ 89,058	\$ 93,195	\$ 92,675	\$ 92,155	\$ 91,355	\$ 95,555	\$ 94,450	\$ 93,345	\$ 97,070	
	Total Debt Payment	\$ 89,058.00	\$ 93,195.00	\$ 92,675.00	\$ 92,155.00	\$ 91,355.00	\$ 95,555.00	\$ 94,450.00	\$ 93,345.00	\$ 97,070.00	
	Debt Service Coverage	9.48x	9.27x	9.66x	10.05x	10.50x	10.39x	10.88x	11.39x	11.34x	
	Cash Available	\$ 755,351	\$ 771,005	\$ 802,111	\$ 834,229	\$ 867,669	\$ 897,185	\$ 933,117	\$ 970,194	\$ 1,003,624	
	Capital Projects Line	(414,000)	(414,000)	(414,000)	(414,000)	(414,000)	(414,000)	(414,000)	(414,000)	(414,000)	
	Cash Balance (Beginning of Year)	\$ 2,720,467	\$ 3,077,472	\$ 3,077,472	\$ 3,465,583	\$ 3,885,812	\$ 4,339,480	\$ 4,822,666	\$ 5,341,783	\$ 5,897,977	
	Ending Cash Balance	\$ 2,720,467	\$ 3,077,472	\$ 3,465,583	\$ 3,885,812	\$ 4,339,480	\$ 4,822,666	\$ 5,341,783	\$ 5,897,977	\$ 6,487,601	
Speer Financial, Inc.											
	AVG MONTHLY BILL	24/Apr/24	\$35.99	\$36.79	\$37.90	\$39.03	\$40.20	\$41.41	\$42.65	\$43.93	\$45.25
	% increase in avg bill		2.2%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
	fiscal year	2023	2024	2025	2026	2027	2028	2029	2030	2031	
	Avg Mo. Bill Based On Revs / by # of Accounts	\$ 35.99	\$ 36.79	\$ 37.90	\$ 39.03	\$ 40.20	\$ 41.41	\$ 42.65	\$ 43.93	\$ 45.25	

City of Independence, Iowa

Net Income Summary and Debt Service Coverage

Water Revenue Analysis											
3.0%		3.0%		3.0%		3.0%		3.0%		3.0%	
2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	
3013	3013	3013	3013	3013	3013	3013	3013	3013	3013	3013	3013
\$ 1,685,113	\$ 1,735,667	\$ 1,787,737	\$ 1,841,369	\$ 1,896,610	\$ 1,953,508	\$ 2,012,113	\$ 2,072,477	\$ 2,134,651	\$ 2,198,691	\$ 2,264,651	
-	-	-	-	-	-	-	-	-	-	-	
\$ 1,685,113	\$ 1,735,667	\$ 1,787,737	\$ 1,841,369	\$ 1,896,610	\$ 1,953,508	\$ 2,012,113	\$ 2,072,477	\$ 2,134,651	\$ 2,198,691	\$ 2,264,651	
2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	
\$ 546,045	\$ 556,966	\$ 568,105	\$ 579,467	\$ 591,057	\$ 602,878	\$ 614,935	\$ 627,234	\$ 639,779	\$ 652,574	\$ 665,626	
-	-	-	-	-	-	-	-	-	-	-	
\$ 546,045	\$ 556,966	\$ 568,105	\$ 579,467	\$ 591,057	\$ 602,878	\$ 614,935	\$ 627,234	\$ 639,779	\$ 652,574	\$ 665,626	
\$ 1,139,068	\$ 1,178,701	\$ 1,219,631	\$ 1,261,901	\$ 1,305,553	\$ 1,350,630	\$ 1,397,178	\$ 1,445,243	\$ 1,494,872	\$ 1,546,116	#####	
\$ 1,139,068	\$ 1,178,701	\$ 1,219,631	\$ 1,261,901	\$ 1,305,553	\$ 1,350,630	\$ 1,397,178	\$ 1,445,243	\$ 1,494,872	\$ 1,546,116	\$ 1,599,026	
\$ 95,720	\$ 94,190	\$ 82,660	\$ 61,140								
	-										
\$ 95,720.00	\$ 94,190.00	\$ 82,660.00	\$ 61,140.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11.90x	12.51x	14.75x	20.64x								
\$ 1,043,348	\$ 1,084,511	\$ 1,136,971	\$ 1,200,761	\$ 1,305,553	\$ 1,350,630	\$ 1,397,178	\$ 1,445,243	\$ 1,494,872	\$ 1,546,116	\$ 1,599,026	
(414,000)	(414,000)	(414,000)	(414,000)	(414,000)	(414,000)	(414,000)	(414,000)	(414,000)	(414,000)	(414,000)	
\$ 6,487,601	\$ 7,116,949	\$ 7,787,460	\$ 8,510,432	\$ 9,297,193	\$ 10,188,746	\$ 11,125,377	\$ 12,108,555	\$ 13,139,798	\$ 14,220,670	\$ 15,352,786	
\$ 7,116,949	\$ 7,787,460	\$ 8,510,432	\$ 9,297,193	\$ 10,188,746	\$ 11,125,377	\$ 12,108,555	\$ 13,139,798	\$ 14,220,670	\$ 15,352,786	\$ 16,537,812	
\$46.61	\$48.00	\$49.45	\$50.93	\$52.46	\$54.03	\$55.65	\$57.32	\$59.04	\$60.81	\$62.64	
3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	
-	-	-	-	-	-	-	-	-	-	-	
\$ 46.61	\$ 48.00	\$ 49.45	\$ 50.93	\$ 52.46	\$ 54.03	\$ 55.65	\$ 57.32	\$ 59.04	\$ 60.81	\$ 62.64	