
Lake Worth Beach, Florida - Electric Utility

FY 2020 Electric Utility Revenue Sufficiency Analysis
Assumptions & Preliminary Results Workbook



Preliminary Financial Management Plan

Assumptions

Schedule 1

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Rate Increase Adoption Date	10/1/2019	10/1/2020	10/1/2021	10/1/2022	10/1/2023	10/1/2024	10/1/2025	10/1/2026	10/1/2027	10/1/2028	10/1/2029
Annual Growth Projections ¹											
Residential											
Annual Meter Count	23,646	23,764	23,883	24,002	24,122	24,243	24,364	24,486	24,608	24,731	24,855
Annual Change in Meters	118	118	119	119	120	121	121	122	122	123	124
Annual % Change in Meters	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Monthly Usage per Meter by Fiscal Year	922	922	922	922	922	922	922	922	922	922	922
Annual % Change in Monthly Usage per Meter	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Annual Usage (kWh)	261,606,525	262,914,558	264,229,130	265,550,276	266,878,027	268,212,418	269,553,480	270,901,247	272,255,753	273,617,032	274,985,117
% Change in Total Annual Usage (kWh)	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Commercial											
Annual Meter Count	3,748	3,748	3,748	3,748	3,748	3,748	3,748	3,748	3,748	3,748	3,748
Annual Change in Meters	-	-	-	-	-	-	-	-	-	-	-
Annual % Change in Meters	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Monthly Usage per Meter by Fiscal Year	2,809	2,809	2,809	2,809	2,809	2,809	2,809	2,809	2,809	2,809	2,809
Annual % Change in Monthly Usage per Meter	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Annual Usage (kWh)	126,334,980	126,334,980	126,334,980	126,334,980	126,334,980	126,334,980	126,334,980	126,334,980	126,334,980	126,334,980	126,334,980
% Change in Total Annual Usage (kWh)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Commercial Demand											
Annual Meter Count	85	85	85	85	85	85	85	85	85	85	85
Annual Change in Meters	-	-	-	-	-	-	-	-	-	-	-
Annual % Change in Meters	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Monthly Usage per Meter by Fiscal Year	48,591	48,591	48,591	48,591	48,591	48,591	48,591	48,591	48,591	48,591	48,591
Annual % Change in Monthly Usage per Meter	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Annual Usage (kWh)	49,562,735	49,562,735	49,562,735	49,562,735	49,562,735	49,562,735	49,562,735	49,562,735	49,562,735	49,562,735	49,562,735
% Change in Total Annual Usage (kWh)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Capital Spending											
Annual Capital Budget (Future Year Dollars)	\$ 1,239,534	\$ 45,320,000	\$ 36,288,188	\$ 10,199,758	\$ 20,391,652	\$ 14,869,378	\$ 19,475,804	\$ 4,776,209	\$ 4,919,495	\$ 5,067,080	\$ 5,219,093
Average Annual Interest Earnings Rate											
On Fund Balances	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Operating Budget Reserve											
Target (Number of Months of Reserve)	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Projected (Number of Months of Reserve)	3.8	5.1	5.7	5.9	5.1	4.2	2.8	1.7	(0.2)	(2.2)	(4.4)
Operating Budget Execution Percentage ⁴											
Personal Services	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%
Variable Operations and Maintenance	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Fixed Operations and Maintenance	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%

¹ FY 2020 and future billing growth assumptions are based upon historical growth and were validated with staff.

² Execution factors for personal services and fixed O&M are based upon historical trends and are consistent in FY 2020 with staff's projections from 8 months of year-to-date data.

FY 2020 Beginning Balances as of 10/1/2019

Schedule 2

Stantec Grouping of Funds in Model	Revenue Fund	Restricted Reserves	Loan Proceeds ¹	Renewal & Replacement
Current Unrestricted Assets				
Cash and Cash Equivalents	\$ 3,416,986	\$ -	\$ 9,800,000	\$ -
Restricted Cash and Cash Equivalents	\$ -	\$ 282,743	\$ -	\$ -
Investments	\$ 4,352,828	\$ -	\$ -	\$ -
Accounts Receivables	\$ 8,838,063	\$ -	\$ -	\$ -
Accrued Interest Receivable	\$ 18,408	\$ -	\$ -	\$ -
Prepaid Items	\$ 59,666	\$ -	\$ -	\$ -
Inventories	\$ 4,099,060	\$ -	\$ -	\$ -
Compensated Absences - Current	\$ 20,785,011	\$ 282,743	\$ 9,800,000	\$ -
Current Liabilities				
Accounts Payable	\$ (1,457,257)	\$ -	\$ -	\$ -
Accrued Liabilities	\$ (2,762,532)	\$ -	\$ -	\$ -
Accrued Interest Payable	\$ (241,434)	\$ -	\$ -	\$ -
Compensated Absences - Current	\$ (24,696)	\$ -	\$ -	\$ -
Notes Payable	\$ (743,711)	\$ -	\$ -	\$ -
Revenue Bonds Payable	\$ (1,812,500)	\$ -	\$ -	\$ -
Accounts & Contracts Payable from Restricted Assets	\$ -	\$ (587,255)	\$ -	\$ -
Calculated Fund Balance (Assets - Liabilities)	\$ 13,742,881	\$ (304,512)	\$ 9,800,000	\$ -
Plus/(Less): Restricted R&R	\$ (250,000)	\$ -	\$ -	\$ 250,000
Plus/(Less): Inventories	\$ (4,099,060)	\$ -	\$ -	\$ -
Plus/(Less): Separation of Deposit held with FMPA ²	\$ (1,316,174)	\$ -	\$ -	\$ -
Plus/(Less): Notes Payable Included in Cash Flow ³	\$ 743,711	\$ -	\$ -	\$ -
Plus/(Less): Revenue Bonds Payable Included in Cash Flow ³	\$ 1,812,500	\$ -	\$ -	\$ -
Plus/(Less): Proceeds for 2020B Taxable Bond Issuance ⁴	\$ 767,265	\$ -	\$ -	\$ -
Available Fund Balance	\$ 11,401,123	\$ (304,512)	\$ 9,800,000	\$ 250,000
Fund Summary				
Revenue Fund	\$ 11,401,123			
Restricted Reserves	\$ (304,512)			
Loan Proceeds	\$ 9,800,000			
Renewal & Replacement	\$ 250,000			
	\$ 21,146,611			

¹ Reflects existing loan proceeds as provided by City Staff on 8/12/2020 and reflects the City's 2013 Bank of America Loan proceeds available to fund associated projects and encumbrances.

² Separation of deposit held with FMPA as provided by City Staff during FY 2019 RSA. All other figures utilized herein are per the FY 2019 Unaudited CAFR.

³ Notes payable current and revenue bonds payable current are omitted from beginning working capital calculations because they are captured in the cash flow projections, as determined per historical discussions with City Staff.

⁴ Reflects reimbursement proceeds as part of 2020B Series issued in the summer of 2020 and brought into analysis as "unrestricted monies" available for payment of capital as well as operating expenses.

Preliminary Financial Management Plan

Projection of Cash Inflows

Schedule 3

	Annual Growth Factors	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
1	Rate Revenue Growth Assumptions ¹											
2	Residential											
3	Customer Charge Growth	% Change in Meters	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
4	Energy Charge Growth	% Change in Usage (kWh)	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
5	Capacity Charge Growth	% Change in Usage (kWh)	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
6	Fuel Adjustment Charge Growth	% Change in Usage (kWh)	0.00%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
7	Commercial											
8	Customer Charge Growth	% Change in Meters	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Energy Charge Growth	% Change in Usage (kWh)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Capacity Charge Growth (Commercial & Demand)	% Change in Usage (kWh)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Fuel Adjustment Charge Growth	% Change in Usage (kWh)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
12	Commercial Demand											
13	Customer Charge	% Change in Meters	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Energy Charges and Demand Charges	% Change in Usage (kWh)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Assumed Rate Revenue Increases ²											
16	Assumed Residential Rate Increase	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Assumed Commercial Rate Increase	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Assumed Commercial Demand Rate Increase	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Rate Revenues ^{3 4}											
20	Residential Rate Revenue											
21	Customer Charge Revenue		\$ 3,069,204	\$ 3,131,102	\$ 3,146,758	\$ 3,162,492	\$ 3,178,304	\$ 3,194,196	\$ 3,210,167	\$ 3,226,217	\$ 3,242,348	\$ 3,258,560
22	Energy Charge Revenue		\$ 16,607,254	\$ 16,942,179	\$ 17,026,890	\$ 17,112,025	\$ 17,197,585	\$ 17,283,573	\$ 17,369,991	\$ 17,456,841	\$ 17,544,125	\$ 17,631,845
23	Capacity Charge Revenue		\$ 2,815,743	\$ 2,872,529	\$ 2,886,892	\$ 2,901,326	\$ 2,915,833	\$ 2,930,412	\$ 2,945,064	\$ 2,959,789	\$ 2,974,588	\$ 2,989,461
24	Fuel Adjustment Charge Revenue		\$ 10,042,554	\$ 10,245,086	\$ 10,296,311	\$ 10,347,793	\$ 10,399,532	\$ 10,451,530	\$ 10,503,787	\$ 10,556,306	\$ 10,609,088	\$ 10,662,133
25	Total Residential Rate Revenue		\$ 32,534,756	\$ 33,190,896	\$ 33,356,851	\$ 33,523,635	\$ 33,691,253	\$ 33,859,710	\$ 34,029,008	\$ 34,199,153	\$ 34,370,149	\$ 34,542,000
26	Commercial Rate Revenue											
27	Customer Charge Revenue		\$ 749,232	\$ 752,266	\$ 752,266	\$ 752,266	\$ 752,266	\$ 752,266	\$ 752,266	\$ 752,266	\$ 752,266	\$ 752,266
28	Energy Charge Revenue		\$ 8,093,563	\$ 8,126,338	\$ 8,126,338	\$ 8,126,338	\$ 8,126,338	\$ 8,126,338	\$ 8,126,338	\$ 8,126,338	\$ 8,126,338	\$ 8,126,338
29	Capacity Charge Revenue (Includes Commercial Demand)		\$ 1,655,057	\$ 1,661,759	\$ 1,661,759	\$ 1,661,759	\$ 1,661,759	\$ 1,661,759	\$ 1,661,759	\$ 1,661,759	\$ 1,661,759	\$ 1,661,759
30	Fuel Adjustment Charge Revenue (Includes Commercial Demand)		\$ 5,917,178	\$ 5,941,139	\$ 5,941,139	\$ 5,941,139	\$ 5,941,139	\$ 5,941,139	\$ 5,941,139	\$ 5,941,139	\$ 5,941,139	\$ 5,941,139
31	Total Commercial Rate Revenue		\$ 16,415,030	\$ 16,481,502	\$ 16,481,502	\$ 16,481,502	\$ 16,481,502	\$ 16,481,502	\$ 16,481,502	\$ 16,481,502	\$ 16,481,502	\$ 16,481,502
32	Commercial Demand Rate Revenue											
33	Customer Charge Revenue		\$ 122,400	\$ 122,896	\$ 122,896	\$ 122,896	\$ 122,896	\$ 122,896	\$ 122,896	\$ 122,896	\$ 122,896	\$ 122,896
34	Energy Charge Revenue		\$ 4,194,168	\$ 4,211,152	\$ 4,211,152	\$ 4,211,152	\$ 4,211,152	\$ 4,211,152	\$ 4,211,152	\$ 4,211,152	\$ 4,211,152	\$ 4,211,152
35	Total Commercial Demand Rate Revenue		\$ 4,316,568	\$ 4,334,048	\$ 4,334,048	\$ 4,334,048	\$ 4,334,048	\$ 4,334,048	\$ 4,334,048	\$ 4,334,048	\$ 4,334,048	\$ 4,334,048
36	Total Rate Revenues		\$ 53,266,354	\$ 54,006,446	\$ 54,172,400	\$ 54,339,185	\$ 54,506,803	\$ 54,675,259	\$ 54,844,558	\$ 55,014,703	\$ 55,185,698	\$ 55,357,549
37	Other Operating Revenue											
38	401-0000-343.12-10 - Street Lighting		\$ 355,000	\$ 355,000	\$ 355,000	\$ 355,000	\$ 355,000	\$ 355,000	\$ 355,000	\$ 355,000	\$ 355,000	\$ 355,000
39	401-0000-343.15-10 - Service Charge		\$ 670,000	\$ 670,000	\$ 670,000	\$ 670,000	\$ 670,000	\$ 670,000	\$ 670,000	\$ 670,000	\$ 670,000	\$ 670,000
40	401-0000-343.15-20 - Penalties/Late Fees		\$ 520,000	\$ 520,000	\$ 520,000	\$ 520,000	\$ 520,000	\$ 520,000	\$ 520,000	\$ 520,000	\$ 520,000	\$ 520,000
41	401-0000-343.15-40 - Private Area Lighting		\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
42	401-0000-354.30-00 - Tampering Fines		\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
43	401-0000-382.15-00 - Water		\$ 381,310	\$ 381,310	\$ 381,310	\$ 381,310	\$ 381,310	\$ 381,310	\$ 381,310	\$ 381,310	\$ 381,310	\$ 381,310
44	401-0000-382.60-00 - Local Sewer		\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
45	401-0000-382.30-00 - Refuse		\$ 32,770	\$ 32,770	\$ 32,770	\$ 32,770	\$ 32,770	\$ 32,770	\$ 32,770	\$ 32,770	\$ 32,770	\$ 32,770
46	401-0000-369.90-90 - Other		\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
47	401-0000-341.90-90 - Miscellaneous		\$ 246,600	\$ 253,400	\$ 253,400	\$ 253,400	\$ 253,400	\$ 253,400	\$ 253,400	\$ 253,400	\$ 253,400	\$ 253,400
48	401-0000-343.10-21 - Gas Transportation Revenues (Capacity Sale) ⁵		\$ 5,090,719	\$ 5,037,024	\$ 5,109,447	\$ 5,109,192	\$ 5,109,319	\$ 5,109,319	\$ 858,068	\$ -	\$ -	\$ -
49	Residential Payment Plan Revenues ⁶		\$ 49,347	\$ 246,734	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50	Commercial Payment Plan Revenues ⁶		\$ 4,198	\$ 25,185	\$ 20,988	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
51	Total Other Operating Revenue		\$ 7,944,943	\$ 8,116,423	\$ 7,937,915	\$ 7,916,672	\$ 7,916,799	\$ 7,916,799	\$ 3,665,548	\$ 2,807,480	\$ 2,807,480	\$ 2,807,480

Preliminary Financial Management Plan

52	Non-Operating Revenue																
53	401-0000-341.90-80 - NSF and Bank Charges	\$	15,000	\$	15,000	\$	15,000	\$	15,000	\$	15,000	\$	15,000	\$	15,000	\$	15,000
54	401-0000-369.90-60 - FDOT-Reimbursement ⁷	\$	131,000	\$	180,000	\$	180,000	\$	180,000	\$	180,000	\$	180,000	\$	180,000	\$	180,000
55	Total Non-Operating Revenue	\$	146,000	\$	195,000	\$	195,000	\$	195,000	\$	195,000	\$	195,000	\$	195,000	\$	195,000
56	Interest Income																
57	Unrestricted	\$	171,866	\$	273,608	\$	315,817	\$	335,897	\$	330,076	\$	297,515	\$	242,711	\$	180,667
58	Total Interest Income	\$	171,866	\$	273,608	\$	315,817	\$	335,897	\$	330,076	\$	297,515	\$	242,711	\$	180,667
59	Total Cash Inflows	\$	61,529,163	\$	62,591,477	\$	62,621,132	\$	62,786,753	\$	62,948,677	\$	63,084,573	\$	58,947,817	\$	58,197,850

¹ Growth assumptions based upon analysis of historical billing data and validated with City Staff.

² Rate increases are not applied to the fuel surcharge or capacity charge components of customer bills, which is consistent with historical City rate adjustments and confirmed with City Staff during the FY 2019 RSA.

³ FY 2020 rate revenue projections reflect FY 2019 Actual revenues adjusted for assumed growth factors. Rate revenue projections after FY 2020 reflect prior year revenue projections adjusted for assumed growth and rate increases.

⁴ Revenue adjustment in FY 2020 reflects a reduction in rate revenues for past due payments related to COVID-19. A portion of these delinquencies are assumed to be recollected through payment plans (refer to footnote 6).

⁵ Reflects the cash in from the sale of gas pipe capacity to Gas South (previously PESCO Energy). FY 2020 and FY 2021 are per the City's Budgets whereas future year projections were provided by City Staff during the FY 2019 RSA. An offsetting expense ("Capacity Offset") is included on Schedule 4.

⁶ Current payment plan assumptions assume \$577k in past due payments (\$493k residential and \$84k commercial) as of August 7, 2020. As such, the analysis assumes a 60% recovery of revenues through a payment plan. The analysis assumes payment plans begin August 2020 at a term of 12 months for residential customers and 24 months for commercial customers at an assumed interest rate of 0.00%.

⁷ Represents reimbursements received for street lights.

Preliminary Financial Management Plan

Projection of Cash Outflows

Schedule 4

Code	Sub Obj Code	Expense Line Item		FY 2020 ¹	FY 2021 ¹	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
235	OMF 40-10	Training/Registration	Default Inflation Factor	\$ 500	\$ 500	\$ 513	\$ 525	\$ 538	\$ 552	\$ 566	\$ 580	\$ 594	\$ 609	\$ 624
236	OMF 40-20	Lodging/Transportation	Default Inflation Factor	\$ 500	\$ 500	\$ 513	\$ 525	\$ 538	\$ 552	\$ 566	\$ 580	\$ 594	\$ 609	\$ 624
237	OMF 41-20	Mobile Radios	Default Inflation Factor	\$ 1,000	\$ 1,000	\$ 1,025	\$ 1,051	\$ 1,077	\$ 1,104	\$ 1,131	\$ 1,160	\$ 1,189	\$ 1,218	\$ 1,249
238	OMF 41-30	Postage & Freight	Default Inflation Factor	\$ 1,000	\$ 1,000	\$ 1,025	\$ 1,051	\$ 1,077	\$ 1,104	\$ 1,131	\$ 1,160	\$ 1,189	\$ 1,218	\$ 1,249
239	OMF 45-10	Property/Liability	Default Inflation Factor	\$ -	\$ 22,150	\$ 22,704	\$ 23,271	\$ 23,853	\$ 24,449	\$ 25,061	\$ 25,687	\$ 26,329	\$ 26,988	\$ 27,662
240	OMF 46-22	Equipment Garage	Default Inflation Factor	\$ 53,900	\$ 53,900	\$ 55,248	\$ 56,629	\$ 58,044	\$ 59,496	\$ 60,983	\$ 62,507	\$ 64,070	\$ 65,672	\$ 67,314
241	OMF 46-25	Small Equipment	Default Inflation Factor	\$ 1,000	\$ 1,000	\$ 1,025	\$ 1,051	\$ 1,077	\$ 1,104	\$ 1,131	\$ 1,160	\$ 1,189	\$ 1,218	\$ 1,249
242	OMF 46-77	Meters	Default Inflation Factor	\$ 165,000	\$ 165,000	\$ 169,125	\$ 173,353	\$ 177,687	\$ 182,129	\$ 186,682	\$ 191,349	\$ 196,133	\$ 201,036	\$ 206,062
243	OMF 46-79	St Lights & School Signal	Default Inflation Factor	\$ 10,000	\$ 5,000	\$ 5,125	\$ 5,253	\$ 5,384	\$ 5,519	\$ 5,657	\$ 5,798	\$ 5,943	\$ 6,092	\$ 6,244
244	OMF 48-00	Promotional Activities	Default Inflation Factor	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
245	OMF 52-10	Gas, Lubricants, & Oil	Gas, Lubricants & Oil	\$ 7,500	\$ 7,500	\$ 7,875	\$ 8,269	\$ 8,682	\$ 9,116	\$ 9,572	\$ 10,051	\$ 10,553	\$ 11,081	\$ 11,635
246	OMF 52-20	Small Tools & Equipment	Default Inflation Factor	\$ 3,000	\$ 3,000	\$ 3,075	\$ 3,152	\$ 3,231	\$ 3,311	\$ 3,394	\$ 3,479	\$ 3,566	\$ 3,655	\$ 3,747
247	OMF 52-40	Uniforms	Default Inflation Factor	\$ 15,000	\$ 15,000	\$ 15,375	\$ 15,759	\$ 16,153	\$ 16,557	\$ 16,971	\$ 17,395	\$ 17,830	\$ 18,276	\$ 18,733
248		Total Department 6035 - Meter Shop		\$ 1,252,515	\$ 1,445,027	\$ 1,501,191	\$ 1,560,350	\$ 1,622,718	\$ 1,688,527	\$ 1,758,028	\$ 1,831,493	\$ 1,909,220	\$ 1,991,530	\$ 2,078,772
249		Non-Departmental												
250	OMF 88-95	Interfund Admins Services	Interfund Admins Services	\$ 1,814,900	\$ 1,924,900	\$ 1,924,900	\$ 2,040,216	\$ 2,163,643	\$ 2,295,806	\$ 2,437,379	\$ 2,589,090	\$ 2,751,729	\$ 2,926,146	\$ 3,113,263
251	OMF 58-30	Client Refund Interest Ex	Default Inflation Factor	\$ 40,000	\$ 40,000	\$ 41,000	\$ 42,025	\$ 43,076	\$ 44,153	\$ 45,256	\$ 46,388	\$ 47,547	\$ 48,736	\$ 49,955
252	OMF 58-70	Bank Charges and Fees	Default Inflation Factor	\$ 280,000	\$ 133,333	\$ 136,667	\$ 140,083	\$ 143,585	\$ 147,175	\$ 150,854	\$ 154,626	\$ 158,491	\$ 162,454	\$ 166,515
253		Total Non-Departmental		\$ 2,134,900	\$ 2,098,233	\$ 2,102,567	\$ 2,222,324	\$ 2,350,304	\$ 2,487,133	\$ 2,633,489	\$ 2,790,104	\$ 2,957,768	\$ 3,137,336	\$ 3,329,732
254		Expense Adjustments												
255		Tie Line O&M Cost Savings⁶												
255		Decommissioned Steam Units		\$ -	\$ -	\$ (644,612)	\$ (2,578,447)	\$ (2,578,447)	\$ (2,578,447)	\$ (2,578,447)	\$ (2,578,447)	\$ (2,578,447)	\$ (2,578,447)	\$ (2,578,447)
256		Capacity Purchase (OUC)		\$ -	\$ -	\$ 256,500	\$ 1,140,000	\$ 1,140,000	\$ 1,140,000	\$ 1,140,000	\$ 1,140,000	\$ 1,140,000	\$ 1,140,000	\$ 1,140,000
257	OMF	Net Tie Line O&M Cost Savings		\$ -	\$ -	\$ (388,112)	\$ (1,438,447)	\$ (1,438,447)	\$ (1,438,447)	\$ (1,438,447)	\$ (1,438,447)	\$ (1,438,447)	\$ (1,438,447)	\$ (1,438,447)
258	OMF	Line Loss Savings⁶		\$ -	\$ -	\$ (50,000)	\$ (100,000)	\$ (150,000)	\$ (200,000)	\$ (250,000)	\$ (250,000)	\$ (250,000)	\$ (250,000)	\$ (250,000)
259		Transfers Out												
260		Contribution to General Fund ⁷		\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491
261		Total Transfers Out		\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491
262		Debt Service												
263		Bank of America Public Capital Series 2013 Loan ⁷		\$ 2,319,076	\$ 216,043	\$ 723,538	\$ 722,325	\$ 720,938	\$ 719,375	\$ 722,550	\$ 720,463	\$ 723,113	\$ 725,413	\$ 727,363
264		Siemens ⁸		\$ 1,134,556	\$ 189,998	\$ 902,663	\$ 907,438	\$ 901,688	\$ 900,500	\$ 903,700	\$ 901,288	\$ 903,263	\$ 904,538	\$ 900,200
265		2020A Tax Exempt Bond Issuance - Debt Service		\$ -	\$ -	\$ 18,475	\$ 56,039	\$ 56,094	\$ 56,052	\$ 55,985	\$ 56,055	\$ 56,073	\$ 55,998	\$ 56,106
266		2020B Taxable Bond Issuance - Debt Service		\$ -	\$ 4,665	\$ 10,400	\$ 10,200	\$ 9,950	\$ 14,700	\$ 14,200	\$ 13,700	\$ 13,200	\$ 12,700	\$ 12,200
267		Debt Service Estimates for FY 2020 - FY 2026 Capital Projects ⁹		\$ -	\$ 661,907	\$ 1,689,975	\$ 2,549,899	\$ 4,902,413	\$ 6,066,077	\$ 8,748,150	\$ 8,747,650	\$ 9,723,838	\$ 9,715,463	\$ 9,720,950
268		Cumulative Future Debt Service (Model Calculated)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 806,755	\$ 1,049,611	\$ 1,049,611	\$ 1,334,824
269		Total Debt Service		\$ 3,453,632	\$ 1,072,613	\$ 3,345,050	\$ 4,245,901	\$ 6,591,082	\$ 7,756,704	\$ 10,444,585	\$ 11,245,910	\$ 12,469,097	\$ 12,463,722	\$ 12,715,642
270		Cash Funded Capital		\$ 43,000	\$ 636,000	\$ 1,416,250	\$ 530,450	\$ 546,364	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Preliminary Financial Management Plan

Projection of Cash Outflows

Schedule 4

Sub Obj Code	Expense Line Item	FY 2020 ¹	FY 2021 ¹	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
271	Total Expenses by Category											
272 PS	Personal Services	\$ 10,657,006	\$ 11,360,130	\$ 11,855,921	\$ 12,380,362	\$ 12,935,556	\$ 13,523,786	\$ 14,147,530	\$ 14,809,473	\$ 15,512,533	\$ 16,259,881	\$ 17,054,957
273 OMF	Variable O&M	\$ 30,705,030	\$ 30,314,706	\$ 30,383,110	\$ 31,702,877	\$ 32,979,649	\$ 32,804,891	\$ 28,450,252	\$ 24,046,829	\$ 24,042,968	\$ 24,039,275	\$ 24,035,725
274 OMF	Fixed O&M	\$ 9,372,302	\$ 10,182,085	\$ 10,087,600	\$ 9,277,453	\$ 9,530,372	\$ 9,794,908	\$ 10,093,177	\$ 10,457,023	\$ 10,837,381	\$ 11,235,257	\$ 11,651,731
275	Transfers Out	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491
276	Debt Service	\$ 3,453,632	\$ 1,072,613	\$ 3,345,050	\$ 4,245,901	\$ 6,591,082	\$ 7,756,704	\$ 10,444,585	\$ 11,245,910	\$ 12,469,097	\$ 12,463,722	\$ 12,751,642
277	Cash Funded Capital	\$ 43,000	\$ 636,000	\$ 1,416,250	\$ 530,450	\$ 546,364	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
278	Total Expenses	\$ 58,767,460	\$ 58,102,025	\$ 61,624,422	\$ 62,673,533	\$ 67,119,513	\$ 68,416,781	\$ 67,672,034	\$ 65,095,725	\$ 67,398,470	\$ 68,534,626	\$ 70,030,547
279	Expense Execution Factors											
280	Personal Services	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%
281	Variable O&M	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
282	Fixed O&M	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
283	Transfers Out	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
284	Debt Service	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
285	Cash Funded Capital	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
286	Total Expenses at Execution											
287	Personal Services	\$ 10,230,725	\$ 10,905,724	\$ 11,381,685	\$ 11,885,147	\$ 12,418,134	\$ 12,982,835	\$ 13,581,628	\$ 14,217,094	\$ 14,892,032	\$ 15,609,486	\$ 16,372,759
288	Variable O&M	\$ 30,705,030	\$ 30,314,706	\$ 30,383,110	\$ 31,702,877	\$ 32,979,649	\$ 32,804,891	\$ 28,450,252	\$ 24,046,829	\$ 24,042,968	\$ 24,039,275	\$ 24,035,725
289	Fixed O&M	\$ 8,435,072	\$ 9,163,877	\$ 9,078,840	\$ 8,349,707	\$ 8,577,335	\$ 8,815,417	\$ 9,083,860	\$ 9,411,320	\$ 9,753,643	\$ 10,111,732	\$ 10,486,558
290	Transfers Out	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491	\$ 4,536,491
291	Debt Service	\$ 3,453,632	\$ 1,072,613	\$ 3,345,050	\$ 4,245,901	\$ 6,591,082	\$ 7,756,704	\$ 10,444,585	\$ 11,245,910	\$ 12,469,097	\$ 12,463,722	\$ 12,751,642
292	Cash Funded Capital	\$ 43,000	\$ 636,000	\$ 1,416,250	\$ 530,450	\$ 546,364	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
293	Total Expenses at Execution	\$ 57,403,950	\$ 56,629,411	\$ 60,141,425	\$ 61,250,573	\$ 65,649,054	\$ 66,896,339	\$ 66,096,816	\$ 63,457,644	\$ 65,694,231	\$ 66,760,705	\$ 68,183,175
294	Total Cash Outflows (Adjusted for Execution Factors)	\$ 57,403,950	\$ 56,629,411	\$ 60,141,425	\$ 61,250,573	\$ 65,649,054	\$ 66,896,339	\$ 66,096,816	\$ 63,457,644	\$ 65,694,231	\$ 66,760,705	\$ 68,183,175

¹ With the exception for the few expenses footnoted within this schedule, all FY 2020 figures reflect the City's Adopted Budget and FY 2021 figures reflect the City's FY 2021 Preliminary Budget.

² Reflects the offsetting expense related to the sale of gas pipe capacity to Gas South (previously PESCO Energy). FY 2020 and FY 2021 are per the City's Budgets whereas future year projections were provided by City Staff during the FY 2019

³ Reflects contractual services costs (purchased power, nuclear power, and gas distribution). Projections provided by Fowler and Associates LLC on July 22, 2020.

⁴ Projections reflect specified amounts per 30-year payment schedule as provided by City Staff.

⁵ Per conversations with City Staff, natural gas expense is not always an annual expense; however, an annual level of expense has been assumed within this analysis after FY 2021 as a conservative measure.

⁶ Projection of future O&M impacts provided by staff on July 22, 2019; however, assumptions have been pushed out one year to reflect delays in CIP.

⁷ Annual contributions to the General Fund are assumed to remain the same for all years of the forecast period.

⁸ Reflects estimated restructuring of existing debt service, as provided by the City's financial Advisor, Davenport & Company LLC.

⁹ Information provided by the City's financial Advisor, Davenport & Company LLC.

Escalation Factors ^{1 2}

Schedule 5

Expense Line Item Description	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Regular	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Standard Overtime	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Benefits	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Defined Benefit Plan	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%
Life & Health Insurance	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Gas, Lubricants & Oil	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Water	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Sewer	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Electricity	1.00%	1.00%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Refuse/Waste Disposal	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interfund Admins Services	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Default Inflation Factor	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

¹ FY 2020 and FY 2021 of the forecast reflect the Adopted FY 2020 Budget and Preliminary FY 2021 Budget, respectively, whereas the remainder of the forecast considers the cost escalation factors presented in this schedule.

² Escalation Factors presented herein reflect assumptions provided and/or verified through discussions with City Staff.

Preliminary Financial Management Plan

Capital Improvement Program ¹

Schedule 6

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
1 Pay Go and Operating Fund Balance Projects											
2 Line Truck Replacement	\$ -	\$ 500,000	\$ 1,375,000	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3 PBC School Board Wi-Fi	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4 Palm Beach 10th Ave	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5 Electric Sys Ops Center (Cat 5 Level)	\$ 28,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6 Park of Commerce Phase II- Electric Contribution	\$ -	\$ 61,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7 Series 2020A (Tax Exempt) Projects ²											
8 Park of Commerce - Phase 2	\$ -	\$ 140,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9 Bank of America Series 2013 Projects ³											
10 Encumbrances as of 9/30/2019 ⁴	\$ 1,196,534	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11 FY 2020 - FY 2026 Debt-Funded Projects ⁵											
12 Palm Beach 10th Ave	\$ -	\$ 365,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13 Electric Sys Ops Center (Cat 5 Level)	\$ -	\$ 420,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14 FDOT & PBC 6th Ave S. Improvements	\$ -	\$ 460,000	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15 Oracle - Cloud Based Software Solution	\$ -	\$ 690,000	\$ 431,250	\$ 431,250	\$ 431,250	\$ 431,250	\$ -	\$ -	\$ -	\$ -	\$ -
16 System Hardening & Reliability Improvement (SHRIP)	\$ -	\$ 42,609,000	\$ 33,225,000	\$ 8,683,000	\$ 17,730,000	\$ 11,780,000	\$ 15,800,000	\$ -	\$ -	\$ -	\$ -
17 Unspecified Future Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -
18 Additional Future Debt-Funded CIP Assumption											
19 Unspecified Future Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000
20 Total CIP Budget (in current dollars)	\$ 1,239,534	\$ 45,320,000	\$ 35,231,250	\$ 9,614,250	\$ 18,661,250	\$ 13,211,250	\$ 16,800,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000
21 Cumulative Projected Cost Escalation ⁶	0.0%	0.0%	3.0%	6.1%	9.3%	12.6%	15.9%	19.4%	23.0%	26.7%	30.5%
22 Resulting CIP Funding Level	\$ 1,239,534	\$ 45,320,000	\$ 36,288,188	\$ 10,199,758	\$ 20,391,652	\$ 14,869,378	\$ 19,475,804	\$ 4,776,209	\$ 4,919,495	\$ 5,067,080	\$ 5,219,093
23 Annual CIP Execution Percentage	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
24 Final CIP Funding Level	\$ 1,239,534	\$ 45,320,000	\$ 36,288,188	\$ 10,199,758	\$ 20,391,652	\$ 14,869,378	\$ 19,475,804	\$ 4,776,209	\$ 4,919,495	\$ 5,067,080	\$ 5,219,093

¹ Based upon CIP provided by staff on August 17, 2020.

² Information regarding projects directly funded by proceeds from the City's new Series 2020A issuance is as provided by the City's financial Advisor, Davenport & Company LLC.

³ Reflects existing loan proceeds available to fund associated projects and encumbrances.

⁴ Figures as provided by City Staff on 8/17/2020.

⁵ Represents projects that will be funded through new debt service as provided by Davenport & Company LLC. (refer to Schedule 4).

⁶ The Annual CIP Escalation factor of 3% utilized in this analysis is consistent with the Engineering News Record Construction Cost Index.

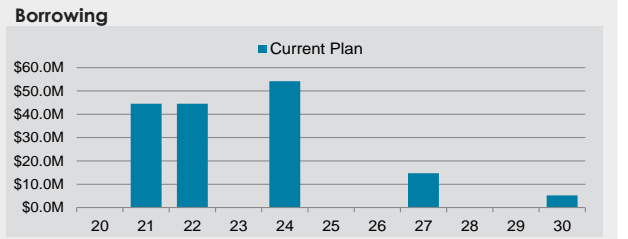
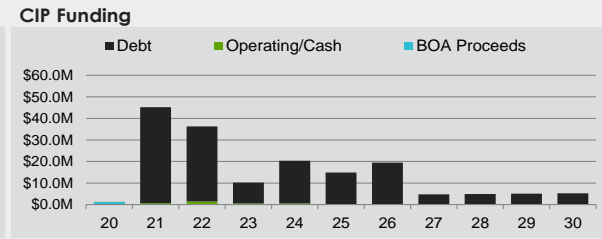
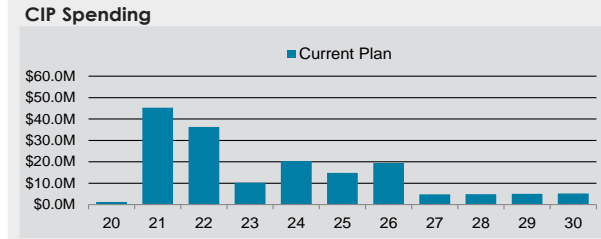
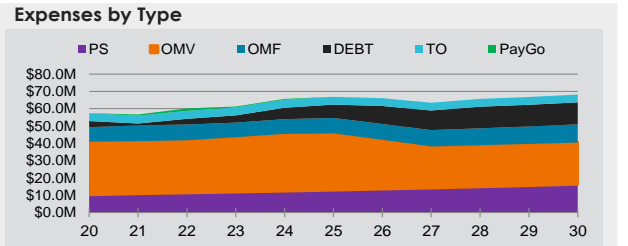
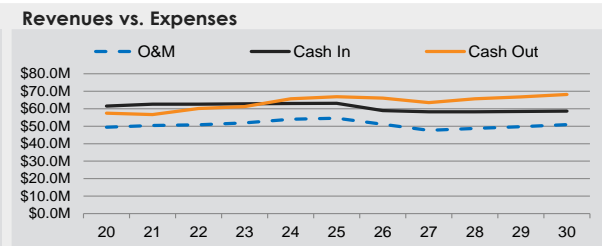
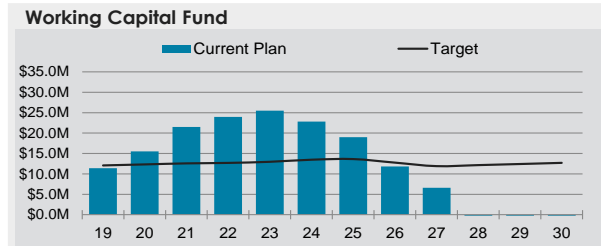


LAKE WORTH BEACH ELECTRIC UTILITY



CALC SAVE CTRL LAST OVR

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2025	FY 2030
Electric Rate Adjustment Plan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Senior-Lien DSC	3.52	11.38	3.52	2.56	1.36	1.09	0.75	0.94	0.77	0.70	0.61	Scenario Manager	
Residential Bill (1000 kWh)	\$107.99	\$107.99	\$107.99	\$107.99	\$107.99	\$107.99	\$107.99	\$107.99	\$107.99	\$107.99	\$107.99	BOA Refi	Yes
\$ Monthly Bill Impact	NA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	Lease Refi	Yes
Net Operating Cash Flow (\$ M)	4.17	6.60	3.90	2.07	(2.15)	(3.81)	(7.15)	(5.26)	(7.42)	(8.31)	(9.56)	New Money	Yes
Net Cash Flow (\$ M)	4.13	5.96	2.48	1.54	(2.70)	(3.81)	(7.15)	(5.26)	(7.42)	(8.31)	(9.56)		



Preliminary Financial Management Plan

Pro Forma

Schedule 8

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
1 Operating Revenue											
2 Rate Revenue Applicable for Rate Increases ^{1,2}	\$ 32,835,822	\$ 33,187,551	\$ 33,285,933	\$ 33,386,299	\$ 33,487,168	\$ 33,588,540	\$ 33,690,420	\$ 33,792,808	\$ 33,895,709	\$ 33,999,124	\$ 34,103,057
3 Change in Revenue From Growth	\$ -	\$ 98,382	\$ 100,366	\$ 100,868	\$ 101,373	\$ 101,879	\$ 102,389	\$ 102,901	\$ 103,415	\$ 103,932	\$ 104,452
4 Subtotal	\$ 32,835,822	\$ 33,285,933	\$ 33,386,299	\$ 33,487,168	\$ 33,588,540	\$ 33,690,420	\$ 33,792,808	\$ 33,895,709	\$ 33,999,124	\$ 34,103,057	\$ 34,207,509
5 <i>Weighted Average Rate Increase</i>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6 Additional Rate Revenue From Rate Increase	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7 Total Rate Revenue Applicable for Rate Increases	\$ 32,835,822	\$ 33,285,933	\$ 33,386,299	\$ 33,487,168	\$ 33,588,540	\$ 33,690,420	\$ 33,792,808	\$ 33,895,709	\$ 33,999,124	\$ 34,103,057	\$ 34,207,509
8 Plus: Other Rate Revenue ³	\$ 20,430,532	\$ 20,720,513	\$ 20,786,101	\$ 20,852,017	\$ 20,918,263	\$ 20,984,839	\$ 21,051,749	\$ 21,118,993	\$ 21,186,574	\$ 21,254,492	\$ 21,322,750
9 Plus: Other Operating Revenue	\$ 7,944,943	\$ 8,116,423	\$ 7,937,915	\$ 7,916,672	\$ 7,916,799	\$ 7,916,799	\$ 3,665,548	\$ 2,807,480	\$ 2,807,480	\$ 2,807,480	\$ 2,807,480
10 Equals: Total Operating Revenue	\$ 61,211,297	\$ 62,122,869	\$ 62,110,315	\$ 62,255,857	\$ 62,423,602	\$ 62,592,058	\$ 62,592,058	\$ 62,592,058	\$ 62,592,058	\$ 62,592,058	\$ 62,592,058
11 Less: Operating Expenses											
12 Personal Services	\$ (10,230,725)	\$ (10,905,724)	\$ (11,381,685)	\$ (11,885,147)	\$ (12,418,134)	\$ (12,982,835)	\$ (13,581,628)	\$ (14,217,094)	\$ (14,892,032)	\$ (15,609,486)	\$ (16,372,759)
13 Variable Operations & Maintenance Costs ⁴	\$ (30,705,030)	\$ (30,314,706)	\$ (30,383,110)	\$ (31,702,877)	\$ (32,979,649)	\$ (32,804,891)	\$ (28,450,252)	\$ (24,046,829)	\$ (24,042,968)	\$ (24,039,275)	\$ (24,035,725)
14 Operations & Maintenance Costs	\$ (8,435,072)	\$ (9,163,877)	\$ (9,078,840)	\$ (8,349,707)	\$ (8,577,335)	\$ (8,815,417)	\$ (9,083,860)	\$ (9,411,320)	\$ (9,753,643)	\$ (10,111,732)	\$ (10,486,558)
15 Equals: Net Operating Income	\$ 11,840,470	\$ 11,738,561	\$ 11,266,681	\$ 10,318,125	\$ 8,448,484	\$ 7,988,915	\$ 7,394,366	\$ 10,146,939	\$ 9,304,535	\$ 8,404,537	\$ 7,442,697
16 Plus: Non-Operating Income/(Expense)											
17 Non-Operating Revenue	\$ 146,000	\$ 195,000	\$ 195,000	\$ 195,000	\$ 195,000	\$ 195,000	\$ 195,000	\$ 195,000	\$ 195,000	\$ 195,000	\$ 195,000
18 Interest Income	\$ 171,866	\$ 273,608	\$ 315,817	\$ 335,897	\$ 330,076	\$ 297,515	\$ 242,711	\$ 180,667	\$ 88,535	\$ 88,535	\$ 88,535
19 Equals: Net Income	\$ 12,158,336	\$ 12,207,170	\$ 11,777,498	\$ 10,849,022	\$ 8,973,560	\$ 8,481,430	\$ 7,832,077	\$ 10,522,606	\$ 9,588,070	\$ 8,688,071	\$ 7,726,232
20 Senior Lien Debt Service Coverage Test											
21 Net Income Available for Senior-Lien Debt Service	\$ 12,158,336	\$ 12,207,170	\$ 11,777,498	\$ 10,849,022	\$ 8,973,560	\$ 8,481,430	\$ 7,832,077	\$ 10,522,606	\$ 9,588,070	\$ 8,688,071	\$ 7,726,232
22 Existing Senior-Lien Debt	\$ 3,453,632	\$ 1,072,613	\$ 3,345,050	\$ 4,245,901	\$ 6,591,082	\$ 7,756,704	\$ 10,444,585	\$ 10,439,155	\$ 11,419,486	\$ 11,414,111	\$ 11,416,819
23 Cumulative New Senior Lien Debt Service (calculated)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 806,755	\$ 1,049,611	\$ 1,049,611	\$ 1,334,824
24 Total Annual Senior-Lien Debt Service	\$ 3,453,632	\$ 1,072,613	\$ 3,345,050	\$ 4,245,901	\$ 6,591,082	\$ 7,756,704	\$ 10,444,585	\$ 11,245,910	\$ 12,469,097	\$ 12,463,722	\$ 12,751,642
25 <i>Calculated Senior-Lien Debt Service Coverage</i>	2.00	3.52	11.38	3.52	2.56	1.36	1.09	0.75	0.94	0.77	0.70
26 Cash Flow Test											
27 Net Income Available For Debt Service	\$ 12,158,336	\$ 12,207,170	\$ 11,777,498	\$ 10,849,022	\$ 8,973,560	\$ 8,481,430	\$ 7,832,077	\$ 10,522,606	\$ 9,588,070	\$ 8,688,071	\$ 7,726,232
28 Less: Non-Operating Expenditures											
29 Net Interfund Transfers (In - Out) ⁵	\$ (4,536,491)	\$ (4,536,491)	\$ (4,536,491)	\$ (4,536,491)	\$ (4,536,491)	\$ (4,536,491)	\$ (4,536,491)	\$ (4,536,491)	\$ (4,536,491)	\$ (4,536,491)	\$ (4,536,491)
30 Net Debt Service Payment	\$ (3,453,632)	\$ (1,072,613)	\$ (3,345,050)	\$ (4,245,901)	\$ (6,591,082)	\$ (7,756,704)	\$ (10,444,585)	\$ (11,245,910)	\$ (12,469,097)	\$ (12,463,722)	\$ (12,751,642)
31 Net Cash Flow	\$ 4,168,214	\$ 6,598,066	\$ 3,895,957	\$ 2,066,630	\$ (2,154,013)	\$ (3,811,766)	\$ (7,148,999)	\$ (5,259,794)	\$ (7,417,518)	\$ (8,312,142)	\$ (9,561,902)
32 Unrestricted Reserve Fund Test											
33 Balance At Beginning Of Fiscal Year	\$ 11,401,123	\$ 15,526,336	\$ 21,488,402	\$ 23,968,110	\$ 25,504,289	\$ 22,803,913	\$ 18,992,147	\$ 11,843,148	\$ 6,583,354	\$ (834,164)	\$ (9,146,306)
34 Cash Flow Surplus/(Deficit)	\$ 4,168,214	\$ 6,598,066	\$ 3,895,957	\$ 2,066,630	\$ -	\$ -	\$ (935,787)	\$ (5,259,794)	\$ (7,417,518)	\$ (8,312,142)	\$ (9,561,902)
35 Reserve Fund Balance Used For Cash Flow Deficit	\$ -	\$ -	\$ -	\$ -	\$ (2,154,013)	\$ (3,811,766)	\$ (6,213,212)	\$ -	\$ -	\$ -	\$ -
36 Projects Designated To Be Paid With Cash	\$ (43,000)	\$ (636,000)	\$ (1,416,250)	\$ (530,450)	\$ (546,364)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37 Balance At End Of Fiscal Year	\$ 15,526,336	\$ 21,488,402	\$ 23,968,110	\$ 25,504,289	\$ 22,803,913	\$ 18,992,147	\$ 11,843,148	\$ 6,583,354	\$ (834,164)	\$ (9,146,306)	\$ (18,708,207)
38 Minimum Working Capital Reserve Target ⁶	\$ 12,342,707	\$ 12,596,077	\$ 12,710,909	\$ 12,984,433	\$ 13,493,779	\$ 13,650,786	\$ 12,778,935	\$ 11,918,811	\$ 12,172,161	\$ 12,440,123	\$ 12,723,761
39 Excess/(Deficiency) Of Working Capital To Target	\$ 3,183,630	\$ 8,892,325	\$ 11,257,201	\$ 12,519,857	\$ 9,310,133	\$ 5,341,361	\$ (935,787)	\$ (5,335,457)	\$ (13,006,325)	\$ (21,586,429)	\$ (31,431,968)

¹ Includes customer charges (fixed charges) and energy charges for residential, commercial, and commercial demand customers.

² Analysis includes revenue adjustments in FY 2020 that reflect a reduction in rate revenues for past due payments related to COVID-19. A portion of these delinquencies are assumed to be recolleced through payment plans (refer to footnote 6 of Schedule 3).

³ Represents fuel surcharge (fuel adjustment) and capacity charge rate revenues.

⁴ Reflects contractual services costs (purchased power, nuclear power, and gas distribution). Projections provided by Fowler and Associates LLC on July 22, 2020.

⁵ Net transfers amount reflects annual contributions to the General Fund.

⁶ Reflects 3 months of annual operating and maintenance expenses.

Preliminary Financial Management Plan

Capital Project Funding Summary

Schedule 9

Final Capital Projects Funding Sources	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Series 2020A Proceeds	\$ -	\$ 140,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bank of America Series 2013 Loan Proceeds	\$ 1,196,534	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020 Series (New Money)	\$ -	\$ 44,544,000	\$ 34,871,938	\$ 9,669,308	\$ 19,845,288	\$ 14,869,378	\$ 19,475,804	\$ -	\$ -	\$ -	\$ -
Senior-Lien Debt Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,776,209	\$ 4,919,495	\$ 5,067,080	\$ 5,219,093
Projects Designated To Be Paid With Cash	\$ 43,000	\$ 636,000	\$ 1,416,250	\$ 530,450	\$ 546,364	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Projects Paid	\$ 1,239,534	\$ 45,320,000	\$ 36,288,188	\$ 10,199,758	\$ 20,391,652	\$ 14,869,378	\$ 19,475,804	\$ 4,776,209	\$ 4,919,495	\$ 5,067,080	\$ 5,219,093

Preliminary Financial Management Plan

Funding Summary by Fund

Schedule 10

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Series 2020A											
Annual Revenues	\$ -	\$ 140,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount Paid For Projects	\$ -	\$ (140,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance At End Of Fiscal Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loan Proceeds											
Balance At Beginning Of Fiscal Year	\$ 9,800,000	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466
Total Amount Available For Projects	\$ 9,800,000	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466
Amount Paid For Projects	\$ (1,196,534)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466
Plus: Interest Earnings	\$ 69,013	\$ 86,035	\$ 86,035	\$ 86,035	\$ 86,035	\$ 86,035	\$ 86,035	\$ 86,035	\$ 86,035	\$ 86,035	\$ 86,035
Less: Interest Allocated To Cash Flow	\$ (69,013)	\$ (86,035)	\$ (86,035)	\$ (86,035)	\$ (86,035)	\$ (86,035)	\$ (86,035)	\$ (86,035)	\$ (86,035)	\$ (86,035)	\$ (86,035)
Balance At End Of Fiscal Year	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466	\$ 8,603,466
Renewal & Replacement											
Balance At Beginning Of Fiscal Year	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Annual Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Annual Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Payment Of Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Less: Restricted Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Amount Available For Projects	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Amount Paid For Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Add Back: Restricted Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plus: Interest Earnings	\$ 1,875	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Less: Interest Allocated To Cash Flow	\$ (1,875)	\$ (2,500)	\$ (2,500)	\$ (2,500)	\$ (2,500)	\$ (2,500)	\$ (2,500)	\$ (2,500)	\$ (2,500)	\$ (2,500)	\$ (2,500)
Balance At End Of Fiscal Year	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
2020 Series (New Money)											
Annual Revenues	\$ -	\$ 44,544,000	\$ 34,871,938	\$ 9,669,308	\$ 19,845,288	\$ 14,869,378	\$ 19,475,804	\$ -	\$ -	\$ -	\$ -
Amount Paid For Projects	\$ -	\$ (44,544,000)	\$ (34,871,938)	\$ (9,669,308)	\$ (19,845,288)	\$ (14,869,378)	\$ (19,475,804)	\$ -	\$ -	\$ -	\$ -
Balance At End Of Fiscal Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Fund											
Balance At Beginning Of Fiscal Year	\$ 11,401,123	\$ 15,526,336	\$ 21,488,402	\$ 23,968,110	\$ 25,504,289	\$ 22,803,913	\$ 18,992,147	\$ 11,843,148	\$ 6,583,354	\$ (834,164)	\$ (9,146,306)
Net Cash Flow	\$ 4,168,214	\$ 6,598,066	\$ 3,895,957	\$ 2,066,630	\$ (2,154,013)	\$ (3,811,766)	\$ (7,148,999)	\$ (5,259,794)	\$ (7,417,518)	\$ (8,312,142)	\$ (9,561,902)
Less: Cash-Funded Capital Projects	\$ (43,000)	\$ (636,000)	\$ (1,416,250)	\$ (530,450)	\$ (546,364)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ 15,526,336	\$ 21,488,402	\$ 23,968,110	\$ 25,504,289	\$ 22,803,913	\$ 18,992,147	\$ 11,843,148	\$ 6,583,354	\$ (834,164)	\$ (9,146,306)	\$ (18,708,207)
Less: Restricted Funds	\$ (12,342,707)	\$ (12,596,077)	\$ (12,710,909)	\$ (12,984,433)	\$ (13,493,779)	\$ (13,650,786)	\$ (11,843,148)	\$ (6,583,354)	\$ 834,164	\$ 9,146,306	\$ 18,708,207
Total Amount Available For Projects	\$ 3,183,630	\$ 8,892,325	\$ 11,257,201	\$ 12,519,857	\$ 9,310,133	\$ 5,341,361	\$ -	\$ -	\$ -	\$ -	\$ -
Add Back: Restricted Funds	\$ 12,342,707	\$ 12,596,077	\$ 12,710,909	\$ 12,984,433	\$ 13,493,779	\$ 13,650,786	\$ 11,843,148	\$ 6,583,354	\$ (834,164)	\$ (9,146,306)	\$ (18,708,207)
Plus: Interest Earnings	\$ 100,978	\$ 185,074	\$ 227,283	\$ 247,362	\$ 241,541	\$ 208,980	\$ 154,176	\$ 92,133	\$ -	\$ -	\$ -
Less: Interest Allocated To Cash Flow	\$ (100,978)	\$ (185,074)	\$ (227,283)	\$ (247,362)	\$ (241,541)	\$ (208,980)	\$ (154,176)	\$ (92,133)	\$ -	\$ -	\$ -
Balance At End Of Fiscal Year	\$ 15,526,336	\$ 21,488,402	\$ 23,968,110	\$ 25,504,289	\$ 22,803,913	\$ 18,992,147	\$ 11,843,148	\$ 6,583,354	\$ (834,164)	\$ (9,146,306)	\$ (18,708,207)
Restricted Reserves											
Balance At Beginning Of Fiscal Year	\$ (304,512)	\$ (304,512)	\$ (304,512)	\$ (304,512)	\$ (304,512)	\$ (304,512)	\$ (304,512)	\$ (304,512)	\$ 747,302	\$ 754,775	\$ 762,323
Debt Service Reserve On New Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,049,611	\$ -	\$ 371,069
Subtotal	\$ (304,512)	\$ (304,512)	\$ (304,512)	\$ (304,512)	\$ (304,512)	\$ (304,512)	\$ (304,512)	\$ (304,512)	\$ 745,099	\$ 747,302	\$ 1,133,392
Plus: Interest Earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,203	\$ 7,473	\$ 9,479
Balance At End Of Fiscal Year	\$ (304,512)	\$ (304,512)	\$ (304,512)	\$ (304,512)	\$ (304,512)	\$ (304,512)	\$ (304,512)	\$ (304,512)	\$ 747,302	\$ 754,775	\$ 1,142,871

Preliminary Financial Management Plan

Senior Lien Borrowing Projections

Schedule 11

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	
Term (Years) ¹	30	30	30	30	30	30	30	30	30	30	30	
Interest Rate ¹	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
Sources of Funds												
Par Amount	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,135,098	\$ -	\$ -	\$ 5,704,247	
Uses of Funds												
Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,762,785	\$ -	\$ -	\$ 5,219,093	
Cost of Issuance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 322,702	\$ -	\$ -	\$ 114,085	
Debt Service Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,049,611	\$ -	\$ -	\$ 371,069	
Total Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,135,098	\$ -	\$ -	\$ 5,704,247	
1 Year Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 806,755	\$ -	\$ -	\$ 285,212	
Annual Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,049,611	\$ -	\$ -	\$ 371,069	
Total Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,488,338	\$ -	\$ -	\$ 11,132,084	
Cumulative New Annual Senior Lien Debt Service ²	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 806,755	\$ 1,049,611	\$ 1,049,611	\$ 1,334,824	

¹ Assumptions provided by the City's Financial Advisor, Davenport.

² Reflects interest-only payment due in year of issuance.