

CEDAR LAKE MUNICIPAL SEWAGE WORKS

Cedar Lake, Indiana

Operational Analysis and Operating Budget

Test Year 12 Months Ended December 31, 2021

Annualized 2022 at August 31, 2022

2023 Proposed Operating Budget

September 18, 2022



CEDAR LAKE MUNICIPAL SEWAGE WORKS

Cedar Lake, Indiana

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CEDAR LAKE MUNICIPAL SEWAGE WORKS

Cedar Lake, Indiana

Cash Receipts and Disbursements Statements**For Twelve Months Ending December 31, 2021, 2020, 2019, 2018, 2017 and 2016**

Line		12 Months	12 Months	12 Months	12 Months	12 Months	12 Months
No.	Description	Ended	Ended	Ended	Ended	Ended	Ended
		12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016
	<u>Operating Receipts:</u>						
1	User Fees	\$ 4,273,111	\$ 4,059,148	\$ 3,958,874	\$ 3,831,529	\$ 3,736,238	\$ 3,636,120
2	Miscellaneous	38,909	46,947	115,159	18,790	165,453	33,081
3	Tap Fees	201,000	140,000	93,000	123,400	85,815	75,525
4	Total Operating Receipts	\$ 4,513,020	\$ 4,246,095	\$ 4,167,033	\$ 3,973,719	\$ 3,987,506	\$ 3,744,726
	<u>Operating Disbursements:</u>						
5	Salaries and Wages Employees	727,700	640,730	556,728	520,727	528,467	483,340
6	PERF	65,365	63,561	59,282	55,308	53,763	50,265
7	Employee Benefits	462,662	399,722	415,613	428,108	396,796	405,985
8	Payroll Taxes	53,299	50,184	42,080	38,049	39,403	35,881
9	Treatment Costs - Lowell	720,000	674,375	610,500	678,364	566,376	566,376
10	LT Debt Costs - Lowell	516,482	515,804	520,012	519,002	517,769	468,402
11	Previous Year Reimbursement Costs - Lowell	38,684	148,592	74,612	-	-	24,960
12	Purchased Power	88,952	78,995	107,134	91,370	101,971	98,831
13	Telephone	4,639	5,457	5,516	4,356	7,632	10,492
14	Materials & Supplies	32,976	31,623	30,323	33,247	37,212	27,153
15	Repairs and Maintenance	86,426	53,411	75,811	46,113	96,576	63,260
16	Insurance	78,714	73,993	88,135	118,986	136,989	133,369
17	Office Supplies/Postage	49,246	49,576	48,952	49,101	47,047	52,976
18	Miscellaneous	82,102	101,495	116,941	96,724	81,504	83,937
19	Engineering	173,516	230,256	170,070	68,973	48,203	116,018
20	Professional Services	74,567	79,319	70,713	60,904	99,992	58,055
21	Training	1,342	833	3,200	3,358	1,411	4,371
22	Gasoline & Oil	20,039	13,641	29,279	27,578	21,954	19,513
23	Total Operating Disbursements	\$ 3,276,710	\$ 3,211,566	\$ 3,024,902	\$ 2,840,267	\$ 2,783,067	\$ 2,703,184
24	Net Operating Receipts/(Disbursements)	\$1,236,310	\$1,034,529	\$1,142,131	\$1,133,452	\$1,204,440	\$1,041,541

CEDAR LAKE MUNICIPAL SEWAGE WORKS

Cedar Lake, Indiana

**Cash Receipts and Disbursements Statements
For Twelve Months Ending December 31, 2021, 2020, 2019, 2018, 2017 and 2016**

Line No.	Description	12 Months Ended 12/31/2021	12 Months Ended 12/31/2020	12 Months Ended 12/31/2019	12 Months Ended 12/31/2018	12 Months Ended 12/31/2017	12 Months Ended 12/31/2016
	<u>Non-Operating Receipts:</u>						
1	Temporary Loans Repayments	\$ 142,250	\$ 200,477	\$ 118,437	\$ 705,126	\$ 2,045,951	\$ 1,894,460
2	Reimbursements	-	240,800	6,148	5,010	165,824	401,000
3	Interest Income	-	-	-	-	-	12,638
4	Miscellaneous Income	5,525	-	-	-	-	-
5	Development Fees	1,618,769	941,500	624,400	437,800	400,295	255,200
6	Total Non-Operating Receipts	<u>\$ 1,766,544</u>	<u>\$ 1,382,776</u>	<u>\$ 748,985</u>	<u>\$ 1,147,936</u>	<u>\$ 2,612,071</u>	<u>\$ 2,563,298</u>
	<u>Non-Operating Disbursements:</u>						
7	Bonds Interest Costs	\$ 65,100	\$ 80,300	\$ 95,100	\$ 123,887	\$ 158,133	\$ 170,833
8	Bonds Principal Costs	385,000	375,000	365,000	335,000	325,000	310,000
9	Lease Payments	-	23,435	53,769	27,058	27,058	27,058
10	Equipment Purchases	119,907	123,011	47,427	187,596	385,938	419,776
11	Temporary Loan	142,250	200,477	118,437	659,126	1,700,060	2,194,351
12	Payment In Lieu of Property Taxes	167,357	52,124	52,124	52,124	52,124	52,124
13	Miscellaneous Disbursements	355,766	249,194	401,421	1,069,310	753,417	593,010
14	Total Non-Operating Disbursements	<u>\$ 1,235,379</u>	<u>\$ 1,103,541</u>	<u>\$ 1,133,278</u>	<u>\$ 2,454,102</u>	<u>\$ 3,401,730</u>	<u>\$ 3,767,152</u>
15	Net Receipts/(Disbursements)	<u>\$ 1,767,474</u>	<u>\$ 1,313,765</u>	<u>\$ 757,838</u>	<u>\$ (172,714)</u>	<u>\$ 414,780</u>	<u>\$ (162,313)</u>

Gross Summary of Receipts and Disbursements with no separation of Operating versus non-operating, excluding Temporary Loans:

16	<u>RECEIPTS:</u>						
17	User Fees	\$ 4,273,111	\$ 4,059,148	\$ 3,958,874	\$ 3,831,529	\$ 3,736,238	\$ 3,636,120
18	Miscellaneous	44,434	46,947	115,159	18,790	165,453	33,081
19	Tap Fees	201,000	140,000	93,000	123,400	85,815	75,525
20	Reimbursements	-	240,800	6,148	5,010	165,824	401,000
21	Interest Income	-	-	-	-	-	12,638
22	Development Fees	1,618,769	941,500	624,400	437,800	400,295	255,200
23	Total Utility Receipts	<u>\$ 6,137,314</u>	<u>\$ 5,428,395</u>	<u>\$ 4,797,581</u>	<u>\$ 4,416,529</u>	<u>\$ 4,553,626</u>	<u>\$ 4,413,563</u>
24	<u>DISBURSEMENTS:</u>						
25	Operating Disbursements	\$ 3,276,710	\$ 3,211,566	\$3,024,902	\$2,840,267	\$2,783,067	\$2,703,184
26	Non-Operating Disbursements (net of temp loans)	1,093,130	903,064	1,014,841	1,794,976	1,701,670	1,572,801
27	Total Utility Disbursements	<u>\$ 4,369,840</u>	<u>\$ 4,114,630</u>	<u>\$ 4,039,743</u>	<u>\$ 4,635,242</u>	<u>\$ 4,484,737</u>	<u>\$ 4,275,985</u>
28	NET RECEIPTS/(DISBURSEMENTS) (Temporary Loan impacts removed)	<u>\$ 1,767,474</u>	<u>\$ 1,313,765</u>	<u>\$ 757,838</u>	<u>\$ (218,714)</u>	<u>\$ 68,889</u>	<u>\$ 137,578</u>

CEDAR LAKE MUNICIPAL SEWAGE WORKS

Cedar Lake, Indiana

Twelve Months Ended December 31, 2021**Statement Of Annual Cash Revenue Requirements at Current Rates**

Line No.	Description	Current at 12/31/2021	Pro Forma Annualized 2022 Current Rate	Pro Forma Current Rate 2023 Budget
1	Sewage Treatment Costs (Lowell)	\$ 758,684	\$ 720,471	\$ 810,314
2	Purchased Power	88,952	101,251	111,377
3	Other Operating Costs	1,859,294	1,837,244	1,982,016
4	Taxes Other Than Income Taxes	53,299	55,357	59,687
5	Maximum Annual Debt Service - Current Debt	463,500	463,500	
6	Potential Debt after Current Debt Matures (\$8.5 MIL)			682,062
7	Lowell Debt Costs	516,482	516,481	514,227
8	PILT (2021 Level as no Town Wide Budget calculation made)	167,357	167,357	167,357
9	Extensions & Replacements (2022 Level as of 08/31/2022)		459,477	459,477
10	Extensions & Replacements (2021 level)	<u>502,617</u>	<u></u>	<u></u>
11	Gross Revenue Requirements	\$ 4,410,184	\$ 4,321,138	\$ 4,786,516
12	Less: Non Rate Revenues	(239,909)	(163,138)	(142,138)
13	Less: Pro Forma Revenues	<u>(4,273,111)</u>	<u>(4,427,178)</u>	<u>(4,615,964)</u>
14	Net Revenue Requirements to be recovered through Customer Revenues	<u>\$ (102,836)</u>	<u>\$ (269,178)</u>	<u>\$ 28,414</u>
15	Percentage Increase/(Excess)	-2.41%	-6.08%	0.62%
16	Debt Service Coverage on Maximum Annual Debt	<u>2.67</u>	<u>2.93</u>	<u>1.88</u>

CEDAR LAKE MUNICIPAL SEWAGE WORKS

Cedar Lake, Indiana

Pro-forma Statement Of Receipts and Disbursements at Pro Forma Present Rates Adjusted
Twelve Months Ended December 31, 2021
(Without Audit)

Line No.	Description	Year Ended 12/31/2021	Adjustments	Pro-forma Annualized 2022 Current Rates	Adjustments	Pro-forma 2023 Budget Current Rates
	<u>OPERATING RECEIPTS:</u>					
1	User Fees	\$4,273,111	\$ 154,067	\$4,427,178	\$188,787	\$4,615,964
2	Miscellaneous	38,909	3,229	42,138	-	42,138
3	Tap Fees	201,000	(80,000)	121,000	(21,000)	100,000
4	Total Operating Receipts	4,513,020	77,296	4,590,316	167,787	4,758,102
	<u>OPERATING DISBURSEMENTS:</u>					
5	Salaries & Wages	727,700	\$ 25,845	753,545	39,213	792,758
6	Employee Benefits	462,662	43,235	505,897	50,575	556,472
7	PERF	65,365	4,174	69,539	6,198	75,737
8	Treatment Costs - Lowell	720,000	471	720,471	89,843	810,314
9	Debt Costs - Lowell	516,481		516,481	(2,254)	514,227
10	Capital Improvements - Lowell	38,684	(38,684)	-	-	-
11	Purchased Power	88,952	12,300	101,251	10,125	111,377
12	Engineering	173,516	(119,860)	53,656	5,366	59,022
13	Professional Services	74,567	21,124	95,691	9,569	105,260
14	Insurance	78,714	11,945	90,659	9,066	99,725
15	Other Operating Disbursements	276,770	(8,515)	268,255	24,786	293,041
16	Taxes Other Than Income	53,299	2,058	55,357	4,330	59,687
17	CPI Increase		-	-	-	0
18	Total Operating Disbursements	3,276,710	(45,906)	3,230,804	246,817	3,477,621
19	Net Operating Receipts	\$1,236,310	123,202	\$1,359,512	(79,030)	\$1,280,481

Cedar Lake Municipal Sewage Works

Cedar Lake, Indiana

Amortization Schedule for Sewage Works Refunding Revenue Bonds of 2018

Original Refunded Amount = \$2,490,000

Interest Rate = 4.000% to 5.000%

Principal Payment April 1

Interest Payments April 1 and October 1

Bond Year**Ending****April 1st****Balance****Interest Rate****Principal****Interest****Period****Payment****Annual****Requirement**

1-Oct-22	\$	1,300,000	4.000%		\$	20,600	\$	20,600		
1-Apr-23		1,300,000	2.500%	\$	420,000	20,600		440,600	\$	461,200
1-Oct-23		880,000	2.500%			15,350		15,350		
1-Apr-24		880,000	4.000%		430,000	15,350		445,350		460,700
1-Oct-24		450,000	4.000%			6,750		6,750		
1-Apr-25		450,000	3.000%		450,000	6,750		456,750		463,500
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	\$	1,300,000		\$		85,400	\$	1,385,400	\$	1,385,400
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Maximum Annual Debt Service

\$ 463,500.00

Cedar Lake Municipal Sewage Works
Cedar Lake, Indiana

Debt Coverage Analysis

Line No.				
		<u>Current</u>	<u>Pro Forma Current Rate Current Debt</u>	<u>Pro Forma Current Rate Maximum Debt</u>
1	Gross Operating Revenues	\$4,513,020	\$4,590,316	\$ 4,758,102
2	Less: Gross Operating Expenses	<u>(3,276,710)</u>	<u>(3,230,804)</u>	<u>(3,477,621)</u>
3	Net Operating Income	\$1,236,310	\$1,359,512	\$1,280,482
4	Maximum Annual Debt Service	<u>463,500</u>	<u>463,500</u>	<u>682,062</u>
5	Coverage	<u><u>2.67</u></u>	<u><u>2.93</u></u>	<u><u>1.88</u></u>

Cedar Lake Municipal Sewage Works

Cedar Lake, Indiana

Proposed 2023 - Operating Budget

Line No.		Estimated 12 Months Ending 12/31/2022	Budget Adj. for 2023	2023 Budget
1	<u>Operating Receipts:</u>			
2	User Fees	\$4,355,591.98	\$186,785.60	\$4,542,377.58
3	Penalty	71,585.60	2,000.92	73,586.52
4	Miscellaneous	42,137.71	\$0.00	42,137.71
5	Tap Fees	121,000.00	(\$21,000.00)	100,000.00
6	Total Operating Receipts	\$4,590,315.29	\$167,786.52	\$4,758,101.81
7	<u>Operating Disbursements:</u>			
8	Salaries and Wages Employees	\$753,545.02	\$39,212.64	\$792,757.66
9	PERF	69,539.19	6,198.25	75,737.44
10	Employee Benefits	505,897.37	50,575.01	556,472.38
11	Payroll Taxes	55,356.49	4,330.89	59,687.38
12	Treatment Costs - Lowell	720,471.04	89,843.00	810,314.04
13	LT Debt Costs - Lowell	516,482.00	(2,255.00)	514,227.00
14	Purchased Power	101,251.43	10,125.14	111,376.57
15	Telephone	3,391.66	339.17	3,730.83
16	Materials & Supplies	32,172.50	3,217.25	35,389.75
17	Repairs and Maintenance	56,991.99	5,699.20	62,691.19
18	Insurance	90,659.10	9,065.91	99,725.01
19	Office Supplies/Postage	49,477.06	4,947.71	54,424.77
20	Miscellaneous	89,285.14	6,888.96	96,174.10
21	Engineering	53,656.17	5,365.62	59,021.79
22	Professional Services	95,690.77	9,569.08	105,259.85
23	Training	1,514.14	151.41	1,665.55
24	Gasoline & Oil	35,422.95	3,542.30	38,965.25
25	Total Operating Disbursements	3,230,804.02	246,816.52	\$ 3,477,620.54
26	Net Operating Receipts/(Disbursements)	\$1,359,511.27	(\$79,030.00)	\$1,280,481.27
27	Transfer for Debt	461,499.96	(674.94)	\$ 460,825.02
28	Cash Flow for Capital Improvements	\$898,011.31	(\$78,355.06)	\$819,656.25
29	Maximum Annual Debt Service = \$463,500			
30	Debt Service Coverage based on Maximum Annual Debt Service	2.93		2.76
31	Current Year Debt Service	\$462,400		\$461,200
32	Current Year Debt Service Coverage	2.94		2.78