



The Villages

Central Sumter Utility Company LLC Water and Wastewater System Valuation – Draft Report

October 16, 2019





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Mr. Rob Eddy
Chief Financial Officer
The Villages
3619 Kiessel Road
The Villages, FL 32163

Re: CSU Water and Wastewater
System Valuation – Draft Report

Dear Mr. Eddy,

Stantec Consulting Services Inc. is pleased to present this Draft Report of the Central Sumter Utility Water and Wastewater System Valuation performed for The Villages. We appreciate the fine assistance provided by you and all of the members of your Staff who participated in the study.

If you or others at the Villages have any questions, please do not hesitate to call me at (904) 247-0787 or email me at Michael.Burton@stantec.com. We appreciate the opportunity to be of service to The Villages and look forward to the possibility of doing so again in the near future.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Burton".

Michael Burton
Vice President

4651 Salisbury Road, Suite 350
Jacksonville, FL 32256
(904) 247-0787
Michael.Burton@stantec.com

Enclosure

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1. BACKGROUND

The Villages intends to sell its ownership of the Central Sumter Utility Company, LLC (“CSU”, “Utility”). On September 19, 2019 Central Sumter Utility Company, LLC and North Sumter County Utility Dependent District (“District”) entered into an agreement for the purchase and sale of the potable water treatment and distribution system, as well as wastewater collection, treatment and disposal system. As required by Section 5, “Purchase Price; Payment”, of the purchase agreement, The Villages retained the services of Stantec to provide it with a valuation for CSU. This report describes in detail the approach taken to complete this valuation as well as the results of the analysis.

2. WATER AND WASTEWATER VALUATION ANALYSIS (ANALYSIS) APPROACH

Section 5 “Purchase Price; Payment” of the signed Agreement for Purchase and Sale (“agreement”) states: “Both Seller and Purchaser shall each select a separate valuation firm... Each valuation shall be based upon, and prepared in accordance with, the income approach of valuation.” The income approach calculates the net present value of income available for debt service net of debt service coverage and contributions to a Renewal & Replacement Fund (R&R fund). As such, the valuation discussed herein reflects a projection of annual revenues net of projected annual expenses such that projected annual income is calculated for 33 years (FY 2019 thru FY 2052)¹.

2.1 DATA SOURCE & ASSUMPTIONS

2.1.1 Annual Revenues

Operating Revenues

Projected annual operating revenues start in FY 2019 since the last year of final results was FY 2018. Operating revenues include both existing revenues from water and sewer service customers and estimated revenues from new water and sewer service customers.

¹ It was assumed that the Series 2019 Utility Revenue Bonds will be issued in FY 2020 (after October 1, 2019) and will include 3 years of capitalized interest, as such the projections herein include 30-years bond term plus 3 years of capitalized interest, 33 years.

Revenues from Existing Water and Sewer Customers

FY 2019 revenues from existing water and sewer service reflect FY 2018 reported and final results adjusted for 1.75% assumed growth. Starting in FY 2020 and through the remainder of the projection period, revenues from existing water and sewer service is assumed to increase by 1.75% annually.

Revenues from New Water and Sewer Customers

As part of the analysis, staff provided Stantec with Project Engineer's certification of anticipated connection and utilization for each project under construction/development for which an engineer's certification has been completed and for which capacity reservation at CSU has been arranged. Schedule 2 of the Appendix presents a summary of total anticipated connections in Equivalent Residential Units (ERU) as well as total anticipated volumetric demand by project under construction/development per the engineer's certification.

Based upon the number of ERU per project, as well as the engineer's projected usage demand, Stantec calculated annual projected revenues per project. Total projected revenues from all projects under construction reflect \$456,138 of additional revenue once all such projects are fully connected and operational. Detailed calculations of base charges, volumetric charges and fireline charges are presented in Schedule 3 of the Appendix.

Lastly, staff provided Stantec with anticipated timing of revenues from each project under construction based on their understanding of when the project construction will be complete and fully operational. Most of the new customer revenues are anticipated for FY 2020. For additional details, see Schedule 4 of the Appendix.

Non-Operating Revenues

Non – Operating revenues include cellphone tower leases and other minor miscellaneous non-utility revenues.

Revenues from Cellphone Tower Leases

CSU has separate private agreements with both Verizon and T-Mobile for "tower space" in the Utility's water tower. Pursuant to those agreements, CSU receives lease payments of \$30,000 a year from each cell phone service provider. Each agreement includes a contractual annual escalation cost, 2.00% and 3.00% for Verizon and T-Mobile, respectively. CSU pays out 25% of the lease revenues received to NextTower Services for services provided as part of each cell tower agreement. As such, net of service costs, CSU receives 75% of contractual amounts annually.

Miscellaneous Non-Utility Revenues

In FY 2018, CSU reported miscellaneous non-utility revenues of \$6,968 and miscellaneous non-utility expenses of \$3,000 for a net of \$3,986. The analysis assumes these revenues and expenses will continue annually at that level and are not escalated.

2.1.2 Annual Expenses

Operating Expenses

Operating expenses reflect all operating costs as reported by the CSU and included in its FY 2018 final results. Projected annual operating expenses start in FY 2019 since the last year of final results was FY 2018. Operating expenses include purchased water and power costs, materials and supplies, contractual services, rental expense, insurance costs and other minor miscellaneous expense. It is assumed that all operating costs as reported by CSU, will continue after ownership transition to the District once the utility transfer takes effect. As such, no adjustments have been made to those expenses.

All FY 2019 expenses reflect FY 2018 reported and final results adjusted for 1.75% assumed inflation. Starting in FY 2020 and through the remainder of the projection, expenses are assumed to increase by 1.75% annually, reflecting annual inflation. Detailed operating expenses are presented in Schedule 6 of the Appendix.

Other Non-Operating Expenses

In FY 2018, CSU reported non-operating expenses inclusive of depreciation expense, amortization of CIAC, taxes other than income taxes, allowance of funds used during construction and interest expense. The analysis excludes all of these items. Further discussion of each is presented below:

Depreciation and Amortization of CIAC Expenses

Depreciation and amortization of CIAC expenses have not been included as expenses of the Utility because depreciation and amortization are non-cash items and are typically excluded as part of calculation of revenue requirements for a utility valuation analysis.

Taxes Other Than Income Taxes.

Given that the District is a governmental entity and not subject to taxation, and given that once under District ownership, the Utility would not pay taxes, the analysis does not include any tax expense as part of its operating expenses.

Allowance of Funds Used During Construction

Expenses related to allowance of funds used during construction have been excluded from this calculation because construction projects will have been completed when the transfer of utility ownership takes effect.

Interest Expense

CSU has an internal outstanding loan to associated companies. This loan generated annual interest costs in FY 2018 of \$601,124. Because this loan will not be a liability of the District as the purchaser, the analysis assumes that the interest expense is not an expense to the District going forward and as such is removed from the analysis and from the calculation of annual income.

2.1.3 Annual Income Available for Senior Lien Debt Service Net of Debt Service Coverage

Annual income available for debt service is equal to projected annual revenues less projected annual expenses as herein described. From FY 2020 through FY 2029, annual income available for debt service ranges from \$4.92 million to \$5.93 million with the average being approximately \$5.4 million for that same period.

Senior Lien Debt Service Coverage

Debt service coverage is a measure of a Utility's cash flow strength and provides insight as to how much of a Utility's cash flow is available to cover that utility's debt service. It is represented as a factor of Net Income Available for Debt Service \div Annual Debt Service Expense (principal and interest expense). The analysis assumes the minimum requirement of 1.20x annual debt service for senior lien debt. As such, once annual income available for debt service is identified, the analysis reflects an annual reduction to annual income available for debt service to exclude the coverage amount. For example, in FY 2020 projected income available for debt service is \$4,919,075, yet when the amount associated with require debt service coverage amount of \$819,846 is subtracted, net income available for debt service net of debt service coverage is \$4,099,229.

Table 1 Calculation of Income Available for Senior Debt Service

	FY 2020
Income Available for Debt Service	4,919,075
Less: Senior Lien Debt Service Coverage of 1.2x	(\$819,846)
Equals: Income Available for Senior Lien Debt Service (Net of Debt Service Coverage)	\$4,099,229

2.1.4 Annual Contributions to Renewal & Replacement (R&R)

In order to provide water and sewer services, utilities have to maintain sizable and expensive infrastructure investments. Assets require constant renewal and replacement so that they can achieve their useful lives. Given this dynamic, utilities are often required by bond covenants, established at the time of bond issuance, to invest a portion of annual operating revenues in the renewal and replacement of assets.

As such, out of the surplus net income associated with senior debt service coverage of \$819,846 in FY 2020, first presented in Table 1, the analysis assumes that the Utility will invest approximately 5.00% of its operating revenues annually, or \$385,839 in FY 2020, in a renewal and replacement fund and those

funds will be used for the asset upkeep. A similar assumption is included for all subsequent years of the projection period.

2.1.5 Annual Income Available for Junior Lien Debt Service Net of Debt Service Coverage

After the payment of senior lien debt service and annual contributions to the R&R fund, the Utility is projected to generate surplus cash flow. In FY 2020, the surplus cash flow is \$597,976. Given the cash flow surplus, the analysis assumes that the Utility is able to commit those funds to payments of a junior lien debt issuance in addition to the senior lien issuance described in section 2.1.3 of this report.

The analysis assumes as minimum debt service coverage requirement of 1.05x annual debt service for junior lien debt. As such, the analysis reflects a reduction to surplus cash flow of \$20,667 for debt service coverage such that for FY 2020, the net surplus cash flow is available for junior lien debt service is \$413,340.

Table 2 Calculation of Income Available for Junior Debt Service

	FY 2020
Surplus Net Income (Income available after payment of senior lien debt service or Senior Lien Debt Service Coverage of 1.2x from Table 1)	\$819,846
Less: Contributions to R&R	(\$385,839)
Equals: Surplus Cash Flow Net of Contributions to R&R	\$434,007
Less: Junior Lien Debt Service Coverage 1.05x	(\$20,667)
Equals: Income Available for Junior Lien Debt Service (Net of Junior and Senior Lien Debt Service Coverages and Contributions to R&R)	\$413,340

2.2 RESULTS

As previously stated the income approach calculates the net present value of income available for debt service net of debt service coverage and contributions to an R&R fund. Section 2.1.3. provides that in FY 2020, income available for the payment of senior lien debt service, after an allowance for debt service coverage, is \$4,099,229. Section 2.1.5 provides that in FY 2020, income available for the payment of junior lien debt service, after an allowance for debt service coverage, is \$413,340. For the annual income available for senior lien and junior lien debt service, the analysis calculates a net present value for the 33

year period (FY 2020 thru FY 2052) using a discount rate equal to the True Interest Cost (TIC) associated with the 2019 Series Bonds as of the Effective Date per Section 5. "Purchase Price; Payment", of the Agreement.²

The net present value of all 33 senior lien payments is equal to \$96,190,155 and the net present value of the junior lien is equal to \$9,780,178. The sum of the two values is equal to \$105,970,333 which represents the combined par value of both the senior and junior lien debt issuance.

Given a reduction to the par value for both cost of issuance 2.0% of par, and underwriters discount of 0.75% of par, the total calculated value of the Utility is equal to \$103,056,149 as is presented Figure 1 below.

Figure 1 Utility's Calculated Value

	Acquisition Debt Calculation		Senior Lien	Junior Lien
Par Value of Acquisition Debt		\$ 105,970,333	\$ 96,190,155	\$ 9,780,178
Less: Cost of Issuance	2.00%	\$ (2,119,407)	\$ (1,923,803)	\$ (195,604)
Less: Underwriters Discount	0.75%	\$ (794,777)	\$ (721,426)	\$ (73,351)
Less: DS Reserve Fund	0.0	\$ -	\$ -	\$ -
Less: Capital Expansion Fund		\$ -	\$ -	\$ -
Acquisition Fund		\$ 103,056,149	\$ 93,544,925	\$ 9,511,223

The Appendix includes detailed schedules presenting all components of the valuation analysis developed for the Central Sumter Utility.

It is important to note that the projections of future conditions underlying this analysis are not intended to be predictions. Applicable to many utility funds, there are multiple factors beyond the Utility's control, such as i) weather, ii) regulatory changes, iii) national, regional, and local economic conditions, iv) the rate of growth in demand for the funds services, v) annual change in demand, and vi) operating and capital cost inflation, that may have material impacts on the future financial condition of the Utility's operations. Further, the projections in this Study rely upon data and guidance provided by Staff during the course of the Study, and while the information utilized in this Study is believed to be reliable, detailed independent reviews or auditing of the data were not conducted.

As a result, there will usually be differences between forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. While we have no responsibility to update this report for events and circumstances occurring after the date of this report, future management actions must be informed by and adjusted to reflect future results as they occur. These comments are provided to emphasize the importance of active management informed by the actual future results of fund operations by the Utility.

² As of the date of this report, the TIC as of the Effective Date of the 2019 Series Bond was 4.00%.

Disclaimer

This document was produced by Stantec Consulting Services, Inc. (“Stantec”) for The Villages – Central Sumter Utility Company LLC (“Utility”) and is based on a specific scope agreed upon by both parties. Stantec’s scope of work and services do not include serving as a “municipal advisor” for purposes of the registration requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act (2010) or the municipal advisor registration rules issued by the Securities and Exchange Commission. Stantec is not advising the Utility, or any municipal entity or other person or entity, regarding municipal financial products or the issuance of municipal securities, including advice with respect to the structure, terms, or other similar matters concerning such products or issuances.

In preparing this report, Stantec utilized information and data obtained from the Utility or public and/or industry sources. Stantec has relied on the information and data without independent verification, except only to the extent such verification is expressly described in this document. Any projections of future conditions presented in the document are not intended as predictions, as there may be differences between forecasted and actual results, and those differences may be material.

Additionally, the purpose of this document is to summarize Stantec’s analysis and findings related to this project, and it is not intended to address all aspects that may surround the subject area. Therefore, this document may have limitations, assumptions, or reliances on data that are not readily apparent on the face of it. Moreover, the reader should understand that Stantec was called on to provide judgments on a variety of critical factors which are incapable of precise measurement. As such, the use of this document and its findings by the Utility should only occur after consultation with Stantec, and any use of this document and findings by any other person is done so entirely at their own risk.

APPENDIX: SUPPORTING SCHEDULES

Schedules to Determine Revenue Attributed to Contracted Growth:

- Schedule 1 Schedule of Current Water and Sewer Rates (used to develop projections of additional revenue from future new development)
- Schedule 2 Summary of Agreements for Water and Sewer Utility Service (details of the agreements for water and sewer utility service for new development)
- Schedule 3 Estimated Revenues from New Water and Sewer Service (calculation of projected Water and Wastewater service revenue from new development based on the rates in Schedule 1 and level of service from Schedule 2)
- Schedule 4 Estimated Timing of Revenues from Growth (timing of when the new customers are expected to begin paying CSU Water and Wastewater rates)

Schedules to Determine Net Present Value of Income Available for Debt Service and Utility Valuation:

- Schedule 5 Historical Reported Water and Sewer Results (historical System revenues and expenditures from FY 2015 - FY 2018)
- Schedule 6 Projected Water & Sewer Annual Cash Flows (33 years of cash flow projections including growth assumptions from Schedule 4)
- Schedule 7 Net Present Value of Projected Debt Service Payments (net present value of projected cash flows detailed in Schedule 6)

Source: Rate Tariff 2018-05.pdf

In Effect as of:

5/7/2018

5/7/2018

WATER RATES - RESIDENTIAL & GENERAL SERVICE

Meter Sizes	Monthly Base Charge
5/8" x 3/4"	\$ 8.84
3/4"	\$ 13.27
1"	\$ 22.10
1 1/2"	\$ 44.21
2"	\$ 70.73
3"	\$ 141.47
4"	\$ 221.03
6"	\$ 442.08
8"	\$ 707.32
10"	\$ 1,016.77

Water Volumetric Rates - Residential

Charge per 1,000 Gals	
0 - 3,000 Gals	\$ 2.09
Over 3,000 Gals	\$ 4.17

Water Volumetric Rates - General Service

Charge per 1,000 Gals	\$ 2.09
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Charge Per Fire Meter By Meter Size

3"	\$ 46.83
4"	\$ 79.19
6"	\$ 146.37
8"	\$ 234.19
10"	\$ 336.65

WASTEWATER RATES - RESIDENTIAL SERVICE

Meter Sizes	Monthly Base Charge
All Meter Sizes	\$ 15.72

WASTEWATER RATES - GENERAL SERVICE

5/8" x 3/4"	\$ 15.72
3/4"	\$ 23.57
1"	\$ 39.28
1 1/2"	\$ 125.71
2"	\$ 251.43
3"	\$ 392.86
4"	\$ 785.68
6"	\$ 1,257.10
8"	\$ 1,807.10

Wastewater Volumetric Rates - Residential

Charge per 1,000 Gals	\$ 5.00
10,000 Gal Cap	

Sewer Volumetric Rates - General Service

Charge per 1,000 Gals	\$ 5.89
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Schedule 2 Summary of Agreements for Water and Sewer Utility Service

	Number of Meters	Equivalency Factor	Equivalent Residential Units (ERU)	Utilization in Gallons Per Day
Brownwood - Hotel & Spa				
Water				
Number of Commercial meters				
5/8" x 3/4"	1	1.0	1.0	324
1 - 1/2"	2	5.0	10.0	27,000
2"	1	8.0	8.0	2,675
3"	1	16.0	16.0	22,600
Total	5		35.0	52,599

Sewer				
Number of Commercial meters				
1 - 1/2"	2	5.0	10.0	11,880
2"	1	8.0	8.0	2,675
3"	1	16.0	16.0	22,600
Total	4		34.0	37,155

Fire Lines				
8"	1			

Brownwood - Professional Plaza - Citizens Bank				
Water				
Number of Commercial meters				
1 1/2"	1	5.0	5.0	4,560
Total	1		5.0	4,560

Sewer				
Number of Commercial meters				
1 1/2"	1	5.0	5.0	4,560
Total	1		5.0	4,560

Fire Lines				
6"	1			

Brownwood - Professional Plaza - Office Building 2				
Water				
Number of Commercial meters				
1 1/2"	1	5.0	5.0	2,520
Total	1		5.0	2,520

Sewer				
Number of Commercial meters				
1 1/2"	1	5.0	5.0	2,520
Total	1		5.0	2,520

Fire Lines				
6"	1			

Brownwood - Train Station				
Water				
Number of Commercial meters				
1"	1	2.5	2.5	50
Meter Paid Separately ¹	6		6.0	724
Total	7		8.5	774

Sewer				
Number of Commercial meters				
Meter Paid Separately ¹	6		6.0	724
Total	6		6.0	724

Fire Lines				
6"	1			

Schedule 2 Summary of Agreements for Water and Sewer Utility Service

	Number of Meters	Equivalency Factor	Equivalent Residential Units (ERU)	Utilization in Gallons Per Day
Brownwood - Brownwood Building 6				
Water				
Number of Commercial meters				
5/8" x 3/4"	1	1.0	1.0	50
3/4"	3	1.5	4.5	0
Meter Paid Separately ¹	12		12.0	3,666
Total	16		17.5	3,716

Sewer				
Number of Commercial meters				
3/4"	3	1.5	4.5	0
Meter Paid Separately ¹	12		12.0	3,666
Total	15		16.5	3,666

Fire Lines				

Brownwood - Hanson and Scott Building				
Water				
Number of Commercial meters				
2"	2	8.0	16.0	1,400
Total	2		16.0	1,400

Sewer				
Number of Commercial meters				
2"	2	8.0	16.0	1,400
Total	2		16.0	1,400

Fire Lines				
6"	1			

Brownwood - Keller and Berning Building				
Water				
Number of Commercial meters				
5/8" x 3/4"	2	1.0	2.0	100
Meter Paid Separately ¹	10		10.0	15,689
Total	12		12.0	15,789

Sewer				
Number of Commercial meters				
Meter Paid Separately ¹	10		10.0	15,689
Total	10		10.0	15,689

Fire Lines				

Brownwood - Sandpur Ice Plant Building				
Water				
Number of Commercial meters				
1"	1	2.5	2.5	50
Meter Paid Separately ¹	6		6.0	720
Total	7		8.5	770

Sewer				
Number of Commercial meters				
Meter Paid Separately ¹	6		6.0	720
Total	6		6.0	720

Fire Lines				
6"	1			

	Number of Meters	Equivalency Factor	Equivalent Residential Units (ERU)	Utilization in Gallons Per Day
Brownwood - Sebald Saloon Building				
Water				
Number of Commercial meters				
1"	1	2.5	2.5	50
Meter Paid Separately ¹	4		4.0	500
Total	5		6.5	550

Sewer				
Number of Commercial meters				
Meter Paid Separately ¹	4		4.0	500
Total	4		4.0	500

Fire Lines				
6"	1			

Brownwood - St John's Courthouse Building				
Water				
Number of Commercial meters				
1"	1	2.5	2.5	50
Meter Paid Separately ¹	4		4.0	505
Total	5		6.5	555

Sewer				
Number of Commercial meters				
3/4"	3	1.5	4.5	0
Meter Paid Separately ¹	4		4.0	505
Total	7		8.5	505

Fire Lines				
6"	1			

Brownwood - Brownwood Building				
Water				
Number of Commercial meters				
5/8" x 3/4"	1	1.0	1.0	50
Meter Paid Separately ¹	12		12.0	12,835
Total	13		13.0	12,885

Sewer				
Number of Commercial meters				
Meter Paid Separately ¹	12		12.0	12,835
Total	12		12.0	12,835

Fire Lines				

Sarasota Omni Buildings				
Water				
Number of Commercial meters				
1"	1	2.5	2.5	50
Meter Paid Separately ¹	7		7.0	1,738
Total	8		9.5	1,788

Sewer				
Number of Commercial meters				
Meter Paid Separately ¹	7		7.0	1,738
Total	7		7.0	1,738

Fire Lines				

	Number of Meters	Equivalency Factor	Equivalent Residential Units (ERU)	Utilization in Gallons Per Day
Center for Advanced Healthcare at Brownwood				
Water				
Number of Commercial meters				
3"	1	16.0	16.0	20,123
Total	1		16.0	20,123

Sewer				
Number of Commercial meters				
3"	1	16.0	16.0	20,123
Total	1		16.0	20,123

Fire Lines				
8"	1			

Lake Deaton Plaza				
Water				
Number of Commercial meters				
Meter Paid Separately ¹	1		1.0	6,050
Total	1		1.0	6,050

Sewer				
Number of Commercial meters				
Meter Paid Separately ¹	1		1.0	6,000
Total	1		1.0	6,000

Fire Lines				
8"	1			

The Lofts at Brownwood CSU				
Water				
Number of Commercial meters				
1"	1	2.5	2.5	70
3"	1	16.0	16.0	863
Total	2		18.5	933

Sewer				
Number of Commercial meters				
1"	2	2.5	5.0	814
3"	1	16.0	16.0	863
Total	3		21.0	1,677

Fire Lines				
4"	1			
6"	1			

Pinellas (medical, retail, outparcel) ²				
Water				
Number of Commercial meters				
Meter Paid Separately ¹	1		1.0	6,050
Total	1		1.0	6,050

Sewer				
Number of Commercial meters				
Meter Paid Separately ¹	1		1.0	6,000
Total	1		1.0	6,000

Fire Lines				
8"	1			

Summary of Project Engineer's Certification of Anticipated Project Utilization Schedule 4

	Number of Meters	Equivalency Factor	Equivalent Residential Units (ERU)	Utilization in Gallons Per Day
Colony Professional Plaza ²				
Water				
Number of Commercial meters				
Meter Paid Separately ¹	1		1.0	6,050
Total	1		1.0	6,050

Sewer				
Number of Commercial meters				
Meter Paid Separately ¹	1		1.0	6,000
Total	1		1.0	6,000

Fire Lines				
8"	1			

Brownwood - (retail / office) ³				
Water				
Number of Commercial meters				
1"	1	2.5	2.5	50
Meter Paid Separately ¹	4		4.0	500
Total	5		6.5	550

Sewer				
Number of Commercial meters				
Meter Paid Separately ¹	4		4.0	500
Total	4		4.0	500

Fire Lines				
6"	1			

Brownwood - Care Center ³				
Water				
Number of Commercial meters				
1"	1	2.5	2.5	50
Meter Paid Separately ¹	4		4.0	500
Total	5		6.5	550

Sewer				
Number of Commercial meters				
Meter Paid Separately ¹	4		4.0	500
Total	4		4.0	500

Fire Lines				
6"	1			

	# of Meters	# Fire Meter	ERUs	Gallons
Water Totals	98	0.0	193.5	138,212
Sewer Totals	90	0.0	178.0	122,812
Fire Meter Total	0	16.0	0.0	0
Grand Total	188	16.0	371.5	261,023
Check		0	0.00	0

¹ Analysis assumes 5/8 x 3/4" meter size for all meter counts in this schedule designated as "Meter Paid Separately".

² Project utilization details were not readily available, as such, reflect same as Lake Deaton's utilization due to anticipated similarity of projects.

³ Project utilization details were not readily available, as such, reflect same as Seabald Saloon's utilization due to anticipated similarity of projects.

Sources: Central Sumter Utility Company Agreement For Water and Sewer Utility Service Contracts

Charge Per Fire Meter By Meter Size	
3"	\$ 46.83
4"	\$ 79.19
6"	\$ 146.37
8"	\$ 234.19
10"	\$ 336.65

Project Name	ERU Count By Project ¹	Anticipated Daily Project Utilization (GPD) ²	Monthly Base Charge Per ERU	Usage Rates		Estimated Annual Base Revenues	Estimated Annual Volumetric Revenues	Fire Lines Size	# of Fire Lines	Fire Line Meter Cost	Fire Line (Annual Revenues)
				Residential Per 1,000 gallons ³	General Service Per 1,000 gallons						
Brownwood - Hotel & Spa											
Water	35.0	52,599	\$8.84	\$2.09	\$2.09	\$3,714	\$40,125				
Sewer	34.0	37,155	\$15.72	\$5.00	\$5.89	\$6,415	\$79,879				
Fire								8"	1	\$234	\$2,810
Brownwood - Professional Plaza - Citizens Bank											
Water	5.0	4,560	\$8.84	\$2.09	\$2.09	\$531	\$3,479				
Sewer	5.0	4,560	\$15.72	\$5.00	\$5.89	\$943	\$9,803				
Fire								6"	1	\$146	\$1,756
Brownwood - Professional Plaza - Office Building											
Water	5.0	2,520	\$8.84	\$2.09	\$2.09	\$531	\$1,922				
Sewer	5.0	2,520	\$15.72	\$5.00	\$5.89	\$943	\$5,418				
Fire								6"	1	\$146	\$1,756
Brownwood - Train Station											
Water	8.5	774	\$8.84	\$2.09	\$2.09	\$902	\$590				
Sewer	6.0	724	\$15.72	\$5.00	\$5.89	\$1,132	\$1,556				
Fire								6"	1	\$146	\$1,756
Brownwood - Brownwood Building											
Water	17.5	3,716	\$8.84	\$2.09	\$2.09	\$1,857	\$2,835				
Sewer	16.5	3,666	\$15.72	\$5.00	\$5.89	\$3,113	\$7,882				
Fire								0	0		
Brownwood - Hanson and Scott Building											
Water	16.0	1,400	\$8.84	\$2.09	\$2.09	\$1,698	\$1,068				
Sewer	16.0	1,400	\$15.72	\$5.00	\$5.89	\$3,019	\$3,010				
Fire								6"	1	\$146	\$1,756
Brownwood - Keller and Berning Building											
Water	12.0	15,789	\$8.84	\$2.09	\$2.09	\$1,273	\$12,044				
Sewer	10.0	15,689	\$15.72	\$5.00	\$5.89	\$1,886	\$33,728				
Fire								0	0		
Brownwood - Sandpur Ice Plant Building											
Water	8.5	770	\$8.84	\$2.09	\$2.09	\$902	\$587				
Sewer	6.0	720	\$15.72	\$5.00	\$5.89	\$1,132	\$1,548				
Fire								6"	1	\$146	\$1,756
Brownwood - Sebald Saloon Building											
Water	6.5	550	\$8.84	\$2.09	\$2.09	\$690	\$420				
Sewer	4.0	500	\$15.72	\$5.00	\$5.89	\$755	\$1,075				
Fire								6"	1	\$146	\$1,756
Brownwood - St John's Courthouse Building											
Water	6.5	555	\$8.84	\$2.09	\$2.09	\$690	\$423				
Sewer	8.5	505	\$15.72	\$5.00	\$5.89	\$1,604	\$1,085				
Fire								6"	1	\$146	\$1,756

Charge Per Fire Meter By Meter Size	
3"	\$ 46.83
4"	\$ 79.19
6"	\$ 146.37
8"	\$ 234.19
10"	\$ 336.65

Project Name	ERU Count By Project ¹	Anticipated Daily Project Utilization (GPD) ²	Monthly Base Charge Per ERU	Usage Rates		Estimated Annual Base Revenues	Estimated Annual Volumetric Revenues	Fire Lines Size	# of Fire Lines	Fire Line Meter Cost	Fire Line (Annual Revenues)
				Residential Per 1,000 gallons ³	General Service Per 1,000 gallons						
Brownwood - Building 6 Bunkhouse Building											
Water	13.0	12,885	\$8.84	\$2.09	\$2.09	\$1,379	\$9,829				
Sewer	12.0	12,835	\$15.72	\$5.00	\$5.89	\$2,264	\$27,593				
Fire								0	0		
Sarasota Omni Buildings											
Water	9.5	1,788	\$8.84	\$2.09	\$2.09	\$1,008	\$1,364				
Sewer	7.0	1,738	\$15.72	\$5.00	\$5.89	\$1,320	\$3,737				
Fire								0	0		
Center for Advanced Healthcare at Brownwood											
Water	16.0	20,123	\$8.84	\$2.09	\$2.09	\$1,698	\$15,351				
Sewer	16.0	20,123	\$15.72	\$5.00	\$5.89	\$3,019	\$43,261				
Fire								8"	1	\$234	\$2,810
Lake Deaton Plaza											
Water	1.0	6,050	\$8.84	\$2.09	\$2.09	\$106	\$4,615				
Sewer	1.0	6,000	\$15.72	\$5.00	\$5.89	\$189	\$12,899				
Fire								8"	1	\$234	\$2,810
The Lofts at Brownwood CSU											
Water	18.5	933	\$8.84	\$2.09	\$2.09	\$1,963	\$711				
Sewer	21.0	1,677	\$15.72	\$5.00	\$5.89	\$3,962	\$3,604				
Fire								4"	1	\$79	\$950
Fire #2								6"	1	\$146	\$1,756
Pinellas (medical, retail, outparcel)											
Water	1.0	6,050	\$8.84	\$2.09	\$2.09	\$106	\$4,615				
Sewer	1.0	6,000	\$15.72	\$5.00	\$5.89	\$189	\$12,899				
Fire								8"	1	\$234	\$2,810
Colony Professional Plaza											
Water	1.0	6,050	\$8.84	\$2.09	\$2.09	\$106	\$4,615				
Sewer	1.0	6,000	\$15.72	\$5.00	\$5.89	\$189	\$12,899				
Fire								8"	1	\$234	\$2,810
Brownwood - (retail / office)											
Water	6.5	550	\$8.84	\$2.09	\$2.09	\$690	\$420				
Sewer	4.0	500	\$15.72	\$5.00	\$5.89	\$755	\$1,075				
Fire								6"	1	\$146	\$1,756
Brownwood - Care Center											
Water	6.5	550	\$8.84	\$2.09	\$2.09	\$690	\$420				
Sewer	4.0	500	\$15.72	\$5.00	\$5.89	\$755	\$1,075				
Fire								6"	1	\$146	\$1,756
Total Projected Revenues						\$54,111	\$369,461				\$32,566

¹ Equivalent Residential Units (ERU's) count details provided in Schedule 5 of this report.

² Anticipated daily utilization detailed in Schedule 5 of this report.

³ Assumes all billed flows are charged at the lowest tier rate even though residential customers using more than 3,000 gallons are subject to higher flow rates charges.

Project Name	Estimated New Revenue By Project ¹	Estimated Timing of Revenues from Growth											
		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Brownwood - Hotel & Spa													
Water Base Rate Revenues	\$3,714		\$3,714										
Sewer Base Rate Revenues	\$6,415		\$6,415										
Water Usage Revenues	\$40,125		\$40,125										
Sewer Usage Revenues	\$79,879		\$79,879										
Fire Revenues	\$2,810		\$2,810										
Brownwood - Professional Plaza - Citizens Bank													
Water Base Rate Revenues	\$531		\$133	\$398									
Sewer Base Rate Revenues	\$943		\$236	\$708									
Water Usage Revenues	\$3,479		\$870	\$2,609									
Sewer Usage Revenues	\$9,803		\$2,451	\$7,352									
Fire Revenues	\$1,756		\$439	\$1,317									
Brownwood - Professional Plaza - Office Building 2													
Water Base Rate Revenues	\$531		\$265	\$265									
Sewer Base Rate Revenues	\$943		\$472	\$472									
Water Usage Revenues	\$1,922		\$961	\$961									
Sewer Usage Revenues	\$5,418		\$2,709	\$2,709									
Fire Revenues	\$1,756		\$878	\$878									
Brownwood - Train Station													
Water Base Rate Revenues	\$902		\$676	\$225									
Sewer Base Rate Revenues	\$1,132		\$849	\$283									
Water Usage Revenues	\$590		\$443	\$148									
Sewer Usage Revenues	\$1,556		\$1,167	\$389									
Fire Revenues	\$1,756		\$1,317	\$439									
Brownwood - Brownwood Building													
Water Base Rate Revenues	\$1,857		\$1,393	\$464									
Sewer Base Rate Revenues	\$3,113		\$2,335	\$778									
Water Usage Revenues	\$2,835		\$2,126	\$709									
Sewer Usage Revenues	\$7,882		\$5,911	\$1,970									
Fire Revenues	\$0		\$0	\$0									
Brownwood - Hanson and Scott Building													
Water Base Rate Revenues	\$1,698		\$1,273	\$424									
Sewer Base Rate Revenues	\$3,019		\$2,264	\$755									
Water Usage Revenues	\$1,068		\$801	\$267									
Sewer Usage Revenues	\$3,010		\$2,257	\$752									
Fire Revenues	\$1,756		\$1,317	\$439									
Brownwood - Keller and Berning Building													
Water Base Rate Revenues	\$1,273		\$827	\$446									
Sewer Base Rate Revenues	\$1,886		\$1,226	\$660									
Water Usage Revenues	\$12,044		\$7,829	\$4,216									
Sewer Usage Revenues	\$33,728		\$21,923	\$11,805									
Fire Revenues	\$0		\$0	\$0									

Project Name	Estimated New Revenue By Project ¹	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
		Brownwood - Sandpur Ice Plant Building											
Water Base Rate Revenues	\$902		\$586	\$316									
Sewer Base Rate Revenues	\$1,132		\$736	\$396									
Water Usage Revenues	\$587		\$382	\$206									
Sewer Usage Revenues	\$1,548		\$1,006	\$542									
Fire Revenues	\$1,756		\$1,142	\$615									
Brownwood - Sebald Saloon Building													
Water Base Rate Revenues	\$690		\$345	\$345									
Sewer Base Rate Revenues	\$755		\$377	\$377									
Water Usage Revenues	\$420		\$210	\$210									
Sewer Usage Revenues	\$1,075		\$538	\$538									
Fire Revenues	\$1,756		\$878	\$878									
Brownwood - St John's Courthouse Building													
Water Base Rate Revenues	\$690		\$345	\$345									
Sewer Base Rate Revenues	\$1,604		\$802	\$802									
Water Usage Revenues	\$423		\$212	\$212									
Sewer Usage Revenues	\$1,085		\$542	\$542									
Fire Revenues	\$1,756		\$878	\$878									
Brownwood - Building 6 Bunkhouse Building													
Water Base Rate Revenues	\$1,379		\$896	\$483									
Sewer Base Rate Revenues	\$2,264		\$1,471	\$792									
Water Usage Revenues	\$9,829		\$6,389	\$3,440									
Sewer Usage Revenues	\$27,593		\$17,935	\$9,657									
Fire Revenues	\$0		\$0	\$0									
Sarasota Omni Buildings													
Water Base Rate Revenues	\$1,008		\$655	\$353									
Sewer Base Rate Revenues	\$1,320		\$858	\$462									
Water Usage Revenues	\$1,364		\$887	\$477									
Sewer Usage Revenues	\$3,737		\$2,429	\$1,308									
Fire Revenues	\$0		\$0	\$0									
Center for Advanced Healthcare at Brownwood													
Water Base Rate Revenues	\$1,698		\$1,273	\$424									
Sewer Base Rate Revenues	\$3,019		\$2,264	\$755									
Water Usage Revenues	\$15,351		\$11,513	\$3,838									
Sewer Usage Revenues	\$43,261		\$32,446	\$10,815									
Fire Revenues	\$2,810		\$2,108	\$703									
Lake Deaton Plaza													
Water Base Rate Revenues	\$106								\$106				
Sewer Base Rate Revenues	\$189								\$189				
Water Usage Revenues	\$4,615								\$4,615				
Sewer Usage Revenues	\$12,899								\$12,899				
Fire Revenues	\$2,810								\$2,810				

Project Name	Estimated New Revenue By Project ¹	Estimated New Revenue By Project ¹											
		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
The Lofts at Brownwood CSU													
Water Base Rate Revenues	\$1,963		\$981	\$981									
Sewer Base Rate Revenues	\$3,962		\$1,981	\$1,981									
Water Usage Revenues	\$711		\$356	\$356									
Sewer Usage Revenues	\$3,604		\$1,802	\$1,802									
Fire Revenues	\$2,707		\$1,353	\$1,353									
Pinellas (medical, retail, outparcel)													
Water Base Rate Revenues	\$106								\$106				
Sewer Base Rate Revenues	\$189								\$189				
Water Usage Revenues	\$4,615								\$4,615				
Sewer Usage Revenues	\$12,899								\$12,899				
Fire Revenues	\$2,810								\$2,810				
Colony Professional Plaza													
Water Base Rate Revenues	\$106								\$106				
Sewer Base Rate Revenues	\$189								\$189				
Water Usage Revenues	\$4,615								\$4,615				
Sewer Usage Revenues	\$12,899								\$12,899				
Fire Revenues	\$2,810								\$2,810				
Brownwood - (retail / office)													
Water Base Rate Revenues	\$690								\$690				
Sewer Base Rate Revenues	\$755								\$755				
Water Usage Revenues	\$420								\$420				
Sewer Usage Revenues	\$1,075								\$1,075				
Fire Revenues	\$1,756								\$1,756				
Brownwood - Care Center													
Water Base Rate Revenues	\$690								\$690				
Sewer Base Rate Revenues	\$755								\$755				
Water Usage Revenues	\$420								\$420				
Sewer Usage Revenues	\$1,075								\$1,075				
Fire Revenues	\$1,756								\$1,756				
		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Water Base Rate Revenues	\$20,529	\$0	\$13,362	\$5,469	\$0	\$0	\$0	\$0	\$1,697	\$0	\$0	\$0	\$0
Sewer Base Rate Revenues	\$33,583	\$0	\$22,286	\$9,221	\$0	\$0	\$0	\$0	\$2,075	\$0	\$0	\$0	\$0
Water Usage Revenues	\$105,435	\$0	\$73,103	\$17,647	\$0	\$0	\$0	\$0	\$14,685	\$0	\$0	\$0	\$0
Sewer Usage Revenues	\$264,026	\$0	\$172,996	\$50,183	\$0	\$0	\$0	\$0	\$40,848	\$0	\$0	\$0	\$0
Fire Meter Revenues	\$32,566	\$0	\$13,121	\$7,501	\$0	\$0	\$0	\$0	\$11,944	\$0	\$0	\$0	\$0
Total Estimated New Revenue by Fiscal Year	\$456,138	\$0	\$294,869	\$90,021	\$0	\$0	\$0	\$0	\$71,249	\$0	\$0	\$0	\$0

¹ Estimated timing of revenues provided by staff at The Villages.

² Estimated project revenues are detailed in Schedule 3 of this report.

Schedule 5 Historical Reported Water and Sewer Results

Sources: Annual Reports

	HISTORICAL			
	FY 2015	FY 2016	FY 2017	FY 2018
Revenues From Existing Customers¹				
Water Metered Sales - Residential	\$ 1,507,979	1,894,548	2,164,373	2,327,821
Water Metered Sales - Commercial	\$ 101,812	113,220	121,309	132,289
Sewer Measured - Residential	\$ 2,864,867	3,571,237	4,091,766	4,412,262
Sewer Measured - Commercial	\$ 232,845	239,579	252,239	293,230
Sales to Irrigation Customers	\$ 32,670	26,940	22,485	3,210
Estimated Revenues From Projected Growth				
Water Base Rate Revenues	\$ -	-	-	-
Sewer Base Rate Revenues	\$ -	-	-	-
Water Usage Revenues	\$ -	-	-	-
Sewer Usage Revenues	\$ -	-	-	-
Fire Meter Revenues	\$ -	-	-	-
Total Operating Revenues	\$ 4,740,173	5,845,524	6,652,172	7,168,812
0				
Operating Expenses				
Purchased Water	\$ 212,995	(28,539)	42,832	41,101
Purchased Power	\$ 249,286	313,349	315,545	331,414
Materials and Supplies	\$ 6,410	29,063	101,550	106,106
Contractual Services - Engineering	\$ 173,206	79,396	107,057	87,128
Contractual Services - Accounting	\$ 3,600	-	-	2,390
Contractual Services - Legal	\$ 33,916	426	300	1,244
Contractual Services - Mgt. Fees	\$ 288,265	382,390	392,986	417,682
Contractual Services - Other	\$ 1,308,380	1,411,174	1,396,793	1,672,180
Rental of Building/Real Property	\$ 48,732	48,976	49,805	50,807
Insurance - General Liability	\$ -	20,530	-	-
Insurance - Other	\$ 1,416	1,238	31,762	37,714
Misc Expenses	\$ 736	48	-	4,053
Renewal and Replacement Fund	\$ -	-	-	-
General and Admin, including mgmt fee	\$ -	-	-	-
Total Operating Expenses	\$ 2,326,942	2,258,051	2,438,630	2,751,819
Depreciation Expense	\$ 1,765,897	1,989,549	2,052,922	2,066,530
Less: Amortization of CIAC	\$ (144,148)	(172,990)	(197,745)	(210,335)
Net Depreciation Expense	\$ 1,621,749	1,816,559	1,855,177	1,856,195
Amortization of Utility Plant Acquisition Adjustment	\$ -	-	-	-
Amortization Expense (Other than CIAC)	\$ 34,206	34,206	9,402	1,134
Taxes Other than Income	\$ 219,501	269,167	305,469	329,016
Current Income Taxes	\$ -	-	-	-
Deferred Federal Income Taxes	\$ -	-	-	-
Deferred State Income Taxes	\$ -	-	-	-
Provision for Deferred Income Taxes - Credit	\$ -	-	-	-
Investment Tax Credits Deferred to Future Periods	\$ -	-	-	-
Investment Tax Credits Restored to Operating Income	\$ -	-	-	-
Utility Operating Expenses	\$ 4,202,398	4,377,983	4,608,678	4,938,164
Net Utility Operating Income	\$ 537,775	1,467,541	2,043,494	2,230,648
Add Back:				
Guaranteed Revenue (and AFPI)	\$ -	-	-	-
Income From Utility Plant Leased to Others	\$ -	-	-	-
Gains (Losses) From Disposition of Utility Property	\$ -	-	-	-
Allowance of Funds Used During Construction	\$ 414,459	259,270	167,261	207,435
Total Utility Operating Income	\$ 952,234	1,726,811	2,210,755	2,438,083
Other Income and Deductions				
Revenues from Merchandising, Jobbing and Contract Deductions	\$ -	-	-	-
Costs and Expenses of Merchandising, Jobbing and Contract Work	\$ -	-	-	-
Interest and Dividend Income	\$ -	-	-	-
Misc. Nonutility Revenue	\$ 16,317	19,022	13,394	6,986
Misc. Nonutility Expenses	\$ (1,000)	(1,000)	-	(3,000)
Cell Tower Lease Revenues - Verizon	\$ -	-	-	-
Cell Tower Lease Revenues - T-Mobile	\$ -	-	-	-
Total Other Income and Deductions	\$ 15,317	18,022	13,394	3,986
Taxes Applicable to Other Income				
Taxes Other than Income	\$ -	-	-	-
Income Taxes	\$ -	-	-	-
Provision for Deferred Income Taxes	\$ -	-	-	-
Provision for Deferred Income Taxes - Credit	\$ -	-	-	-
Investment Tax Credits - Net	\$ -	-	-	-
Investment Tax Credits Restored to Operating Income	\$ -	-	-	-
Total Taxes Applicable to Other Income	\$ -	-	-	-
Interest Expense				
Interest Expense	\$ 1,460,158	1,405,374	1,109,302	601,124
Amortization of Debt Discount & Expense	\$ -	-	-	-
Amortization of Premium on Debt	\$ -	-	-	-
Total Interest Expense	\$ 1,460,158	1,405,374	1,109,302	601,124
Net Income	\$ (492,607)	339,459	1,114,847	1,840,945

¹ Reflects data from FY2015 - FY 2018 Annual Reports provided by CSU

Schedule 6 Projected Water and Sewer Annual Cash Flows

	FY 2018	Adjustments	Escalation Factor	FY 2019	FY 2020	FY 2021	FY 2022
Revenues From Existing Customers							
Water Metered Sales - Residential	\$2,327,821		1.75%	2,368,558	2,410,008	2,452,183	2,495,096
Water Metered Sales - Commercial	\$132,289		1.75%	134,604	136,960	139,356	141,795
Sewer Measured - Residential	\$4,412,262		1.75%	4,489,477	4,568,042	4,647,983	4,729,323
Sewer Measured - Commercial	\$293,230		1.75%	298,362	303,583	308,896	314,301
Sales to Irrigation Customers	\$3,210		1.75%	3,266	3,323	3,381	3,441
Estimated Revenues From Projected Growth							
Water Base Rate Revenues	\$0		1.75%	-	13,362	19,065	19,399
Sewer Base Rate Revenues	\$0		1.75%	-	22,286	31,898	32,456
Water Usage Revenues	\$0		1.75%	-	73,103	92,029	93,639
Sewer Usage Revenues	\$0		1.75%	-	172,996	226,206	230,165
Fire Meter Revenues	\$0		1.75%	-	13,121	20,852	21,217
Total Operating Revenues	\$7,168,812			7,294,266	7,716,785	7,941,849	8,080,832
Operating Expenses							
Purchased Water	\$41,101		1.75%	41,820	42,552	43,297	44,054
Purchased Power	\$331,414		1.75%	337,214	343,115	349,119	355,229
Materials and Supplies	\$106,106		1.75%	107,963	109,852	111,775	113,731
Contractual Services - Engineering	\$87,128		1.75%	88,653	90,204	91,783	93,389
Contractual Services - Accounting	\$2,390		1.75%	2,432	2,474	2,518	2,562
Contractual Services - Legal	\$1,244		1.75%	1,266	1,288	1,310	1,333
Contractual Services - Mgt. Fees	\$417,682		1.75%	424,991	432,429	439,996	447,696
Contractual Services - Other	\$1,672,180		1.75%	1,701,443	1,731,218	1,761,515	1,792,341
Rental of Building/Real Property	\$50,807		1.75%	51,696	52,601	53,521	54,458
Insurance - General Liability	\$0		1.75%	-	-	-	-
Insurance - Other	\$37,714		1.75%	38,374	39,046	39,729	40,424
Misc Expenses	\$4,053		1.75%	4,124	4,196	4,270	4,344
Total Operating Expenses	\$2,751,819			2,799,976	2,848,975	2,898,832	2,949,562
Depreciation Expense	\$2,066,530	(2,066,530)		-	-	-	-
Less: Amortization of CIAC	-\$210,335	210,335		-	-	-	-
Net Depreciation Expense	\$1,856,195			-	-	-	-
Amortization Expense (Other than CIAC)	\$1,134	(1,134)		-	-	-	-
Taxes Other than Income	\$329,016	(329,016)		-	-	-	-
Utility Operating Expenses	\$4,938,164			2,799,976	2,848,975	2,898,832	2,949,562
Net Utility Operating Income	\$2,230,648			4,494,290	4,867,809	5,043,017	5,131,270
Add Back:							
Allowance of Funds Used During Construction	\$207,435	(207,435)		-	-	-	-
Total Utility Operating Income	\$2,438,083			4,494,290	4,867,809	5,043,017	5,131,270
Other Income and Deductions							
Misc. Nonutility Revenue	\$6,986			6,986	6,986	6,986	6,986
Misc. Nonutility Expenses	-\$3,000			(3,000)	(3,000)	(3,000)	(3,000)
Cell Tower Lease Revenues - Verizon	\$0	22,500	2.00%	22,950	23,409	23,877	24,355
Cell Tower Lease Revenues - T-Mobile	\$0	22,500	3.00%	23,175	23,870	24,586	25,324
Total Other Income and Deductions	\$3,986			50,111	51,265	52,450	53,665
Interest Expense							
Interest Expense	\$601,124	(601,124)		-	-	-	-
Total Interest Expense	\$601,124			-	-	-	-
Senior DSC Requirement							
Funds Available for Senior Debt Service	\$1,840,945			4,544,401	4,919,075	5,095,466	5,184,934
Debt Service Coverage	1.20			\$368,189	757,400	849,244	864,156
Net Funds Available for Debt Service	\$1,472,756			3,787,001	4,099,229	4,246,222	4,320,779
Less Contributions to Renewal & Replacement	5.00%			364,713	385,839	397,092	404,042
Junior DSC Requirement							
Funds Available for Junior Debt Service	\$368,189			392,687	434,007	452,152	460,114
Debt Service Coverage	1.05			\$18,409	18,699	21,531	21,910
Net Funds Available for Debt Service	\$349,780			373,988	413,340	430,621	438,204

Schedule 6 Projected Water and Sewer Annual Cash Flows

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues From Existing Customers						
Water Metered Sales - Residential	2,538,760	2,583,188	2,628,394	2,674,391	2,721,193	2,768,814
Water Metered Sales - Commercial	144,277	146,801	149,370	151,984	154,644	157,350
Sewer Measured - Residential	4,812,086	4,896,298	4,981,983	5,069,167	5,157,878	5,248,141
Sewer Measured - Commercial	319,801	325,398	331,092	336,887	342,782	348,781
Sales to Irrigation Customers	3,501	3,562	3,624	3,688	3,752	3,818
Estimated Revenues From Projected Growth						
Water Base Rate Revenues	19,738	20,084	20,435	22,490	22,884	23,284
Sewer Base Rate Revenues	33,024	33,602	34,190	36,863	37,508	38,165
Water Usage Revenues	95,278	96,945	98,642	115,053	117,067	119,115
Sewer Usage Revenues	234,193	238,291	242,461	287,552	292,584	297,704
Fire Meter Revenues	21,588	21,966	22,350	34,685	35,292	35,910
Total Operating Revenues	8,222,246	8,366,136	8,512,543	8,732,761	8,885,584	9,041,082
Operating Expenses						
Purchased Water	44,825	45,610	46,408	47,220	48,047	48,887
Purchased Power	361,446	367,771	374,207	380,756	387,419	394,199
Materials and Supplies	115,721	117,746	119,807	121,903	124,037	126,207
Contractual Services - Engineering	95,023	96,686	98,378	100,100	101,852	103,634
Contractual Services - Accounting	2,607	2,652	2,699	2,746	2,794	2,843
Contractual Services - Legal	1,357	1,380	1,405	1,429	1,454	1,480
Contractual Services - Mgt. Fees	455,531	463,503	471,614	479,867	488,265	496,810
Contractual Services - Other	1,823,707	1,855,622	1,888,095	1,921,137	1,954,757	1,988,965
Rental of Building/Real Property	55,411	56,381	57,367	58,371	59,393	60,432
Insurance - General Liability	-	-	-	-	-	-
Insurance - Other	41,132	41,851	42,584	43,329	44,087	44,859
Misc Expenses	4,420	4,498	4,576	4,656	4,738	4,821
Total Operating Expenses	3,001,179	3,053,700	3,107,140	3,161,515	3,216,841	3,273,136
Depreciation Expense	-	-	-	-	-	-
Less: Amortization of CIAC	-	-	-	-	-	-
Net Depreciation Expense	-	-	-	-	-	-
Amortization Expense (Other than CIAC)	-	-	-	-	-	-
Taxes Other than Income	-	-	-	-	-	-
Utility Operating Expenses	3,001,179	3,053,700	3,107,140	3,161,515	3,216,841	3,273,136
Net Utility Operating Income	5,221,067	5,312,436	5,405,403	5,571,246	5,668,743	5,767,946
Add Back:						
Allowance of Funds Used During Construction	-	-	-	-	-	-
Total Utility Operating Income	5,221,067	5,312,436	5,405,403	5,571,246	5,668,743	5,767,946
Other Income and Deductions						
Misc. Nonutility Revenue	6,986	6,986	6,986	6,986	6,986	6,986
Misc. Nonutility Expenses	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
Cell Tower Lease Revenues - Verizon	24,842	25,339	25,845	26,362	26,890	27,427
Cell Tower Lease Revenues - T-Mobile	26,084	26,866	27,672	28,502	29,357	30,238
Total Other Income and Deductions	54,911	56,191	57,504	58,851	60,233	61,651
Interest Expense						
Interest Expense	-	-	-	-	-	-
Total Interest Expense	-	-	-	-	-	-
Senior DSC Requirement						
Funds Available for Senior Debt Service	5,275,978	5,368,626	5,462,907	5,630,097	5,728,976	5,829,598
Debt Service Coverage	1.20	879,330	894,771	910,484	938,350	954,829
Net Funds Available for Debt Service	4,396,649	4,473,855	4,552,422	4,691,748	4,774,147	4,857,998
Less Contributions to Renewal & Replacement	5.00%	411,112	418,307	425,627	436,638	444,279
Junior DSC Requirement						
Funds Available for Junior Debt Service	468,217	476,464	484,857	501,711	510,550	519,546
Debt Service Coverage	1.05	22,296	22,689	23,088	23,891	24,312
Net Funds Available for Debt Service	445,921	453,776	461,769	477,820	486,238	494,805

Schedule 6 Projected Water and Sewer Annual Cash Flows

	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Revenues From Existing Customers						
Water Metered Sales - Residential	2,817,268	2,866,570	2,916,735	2,967,778	3,019,714	3,072,559
Water Metered Sales - Commercial	160,104	162,906	165,757	168,657	171,609	174,612
Sewer Measured - Residential	5,339,983	5,433,433	5,528,518	5,625,267	5,723,709	5,823,874
Sewer Measured - Commercial	354,884	361,095	367,414	373,844	380,386	387,043
Sales to Irrigation Customers	3,885	3,953	4,022	4,092	4,164	4,237
Estimated Revenues From Projected Growth						
Water Base Rate Revenues	23,692	24,106	24,528	24,957	25,394	25,839
Sewer Base Rate Revenues	38,832	39,512	40,203	40,907	41,623	42,351
Water Usage Revenues	121,200	123,321	125,479	127,675	129,909	132,183
Sewer Usage Revenues	302,914	308,215	313,609	319,097	324,681	330,363
Fire Meter Revenues	36,538	37,178	37,828	38,490	39,164	39,849
Total Operating Revenues	9,199,301	9,360,289	9,524,094	9,690,766	9,860,354	10,032,910
Operating Expenses						
Purchased Water	49,743	50,613	51,499	52,400	53,317	54,250
Purchased Power	401,097	408,116	415,258	422,525	429,919	437,443
Materials and Supplies	128,416	130,663	132,950	135,276	137,644	140,052
Contractual Services - Engineering	105,448	107,293	109,170	111,081	113,025	115,003
Contractual Services - Accounting	2,893	2,943	2,995	3,047	3,100	3,155
Contractual Services - Legal	1,506	1,532	1,559	1,586	1,614	1,642
Contractual Services - Mgt. Fees	505,504	514,350	523,351	532,510	541,829	551,311
Contractual Services - Other	2,023,772	2,059,188	2,095,224	2,131,890	2,169,198	2,207,159
Rental of Building/Real Property	61,490	62,566	63,661	64,775	65,908	67,062
Insurance - General Liability	-	-	-	-	-	-
Insurance - Other	45,644	46,443	47,255	48,082	48,924	49,780
Misc Expenses	4,905	4,991	5,078	5,167	5,258	5,350
Total Operating Expenses	3,330,416	3,388,698	3,448,000	3,508,340	3,569,736	3,632,207
Depreciation Expense	-	-	-	-	-	-
Less: Amortization of CIAC	-	-	-	-	-	-
Net Depreciation Expense	-	-	-	-	-	-
Amortization Expense (Other than CIAC)	-	-	-	-	-	-
Taxes Other than Income	-	-	-	-	-	-
Utility Operating Expenses	3,330,416	3,388,698	3,448,000	3,508,340	3,569,736	3,632,207
Net Utility Operating Income	5,868,885	5,971,591	6,076,094	6,182,425	6,290,618	6,400,703
Add Back:						
Allowance of Funds Used During Construction	-	-	-	-	-	-
Total Utility Operating Income	5,868,885	5,971,591	6,076,094	6,182,425	6,290,618	6,400,703
Other Income and Deductions						
Misc. Nonutility Revenue	6,986	6,986	6,986	6,986	6,986	6,986
Misc. Nonutility Expenses	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
Cell Tower Lease Revenues - Verizon	27,976	28,535	29,106	29,688	30,282	30,888
Cell Tower Lease Revenues - T-Mobile	30,238	30,238	30,238	30,238	30,238	30,238
Total Other Income and Deductions	62,200	62,760	63,330	63,912	64,506	65,112
Interest Expense						
Interest Expense	-	-	-	-	-	-
Total Interest Expense	-	-	-	-	-	-

	Senior DSC Requirement	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Funds Available for Senior Debt Service		5,931,085	6,034,350	6,139,424	6,246,338	6,355,124	6,465,815
Debt Service Coverage	1.20	988,514	1,005,725	1,023,237	1,041,056	1,059,187	1,077,636
Net Funds Available for Debt Service		4,942,571	5,028,625	5,116,187	5,205,281	5,295,937	5,388,179
Less Contributions to Renewal & Replacement	5.00%	459,965	468,014	476,205	484,538	493,018	501,646

	Junior DSC Requirement	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Funds Available for Junior Debt Service		528,549	537,711	547,033	556,518	566,170	575,990
Debt Service Coverage	1.05	25,169	25,605	26,049	26,501	26,960	27,428
Net Funds Available for Debt Service		503,380	512,105	520,983	530,017	539,209	548,562

Schedule 6 Projected Water and Sewer Annual Cash Flows

	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040
Revenues From Existing Customers						
Water Metered Sales - Residential	3,126,329	3,181,040	3,236,708	3,293,350	3,350,984	3,409,626
Water Metered Sales - Commercial	177,668	180,777	183,941	187,160	190,435	193,767
Sewer Measured - Residential	5,925,792	6,029,493	6,135,009	6,242,372	6,351,614	6,462,767
Sewer Measured - Commercial	393,816	400,708	407,720	414,855	422,115	429,502
Sales to Irrigation Customers	4,311	4,387	4,463	4,541	4,621	4,702
Estimated Revenues From Projected Growth						
Water Base Rate Revenues	26,291	26,751	27,219	27,695	28,180	28,673
Sewer Base Rate Revenues	43,092	43,847	44,614	45,395	46,189	46,997
Water Usage Revenues	134,496	136,849	139,244	141,681	144,161	146,683
Sewer Usage Revenues	336,144	342,027	348,012	354,103	360,299	366,605
Fire Meter Revenues	40,547	41,256	41,978	42,713	43,460	44,221
Total Operating Revenues	10,208,486	10,387,135	10,568,909	10,753,865	10,942,058	11,133,544
Operating Expenses						
Purchased Water	55,200	56,166	57,149	58,149	59,166	60,202
Purchased Power	445,098	452,888	460,813	468,877	477,083	485,432
Materials and Supplies	142,503	144,997	147,535	150,116	152,743	155,417
Contractual Services - Engineering	117,015	119,063	121,147	123,267	125,424	127,619
Contractual Services - Accounting	3,210	3,266	3,323	3,381	3,440	3,501
Contractual Services - Legal	1,671	1,700	1,730	1,760	1,791	1,822
Contractual Services - Mgt. Fees	560,959	570,775	580,764	590,927	601,269	611,791
Contractual Services - Other	2,245,785	2,285,086	2,325,075	2,365,764	2,407,165	2,449,290
Rental of Building/Real Property	68,235	69,429	70,644	71,881	73,139	74,418
Insurance - General Liability	-	-	-	-	-	-
Insurance - Other	50,651	51,537	52,439	53,357	54,291	55,241
Misc Expenses	5,443	5,539	5,635	5,734	5,834	5,937
Total Operating Expenses	3,695,770	3,760,446	3,826,254	3,893,214	3,961,345	4,030,668
Depreciation Expense	-	-	-	-	-	-
Less: Amortization of CIAC	-	-	-	-	-	-
Net Depreciation Expense	-	-	-	-	-	-
Amortization Expense (Other than CIAC)	-	-	-	-	-	-
Taxes Other than Income	-	-	-	-	-	-
Utility Operating Expenses	3,695,770	3,760,446	3,826,254	3,893,214	3,961,345	4,030,668
Net Utility Operating Income	6,512,716	6,626,688	6,742,655	6,860,652	6,980,713	7,102,876
Add Back:						
Allowance of Funds Used During Construction	-	-	-	-	-	-
Total Utility Operating Income	6,512,716	6,626,688	6,742,655	6,860,652	6,980,713	7,102,876
Other Income and Deductions						
Misc. Nonutility Revenue	6,986	6,986	6,986	6,986	6,986	6,986
Misc. Nonutility Expenses	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
Cell Tower Lease Revenues - Verizon	31,505	32,136	32,778	33,434	34,102	34,785
Cell Tower Lease Revenues - T-Mobile	30,238	30,238	30,238	30,238	30,238	30,238
Total Other Income and Deductions	65,730	66,360	67,002	67,658	68,327	69,009
Interest Expense						
Interest Expense	-	-	-	-	-	-
Total Interest Expense	-	-	-	-	-	-

	Senior DSC Requirement	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040
Funds Available for Senior Debt Service		6,578,445	6,693,048	6,809,658	6,928,310	7,049,040	7,171,884
Debt Service Coverage	1.20	1,096,408	1,115,508	1,134,943	1,154,718	1,174,840	1,195,314
Net Funds Available for Debt Service		5,482,038	5,577,540	5,674,715	5,773,591	5,874,200	5,976,570
Less Contributions to Renewal & Replacement	5.00%	510,424	519,357	528,445	537,693	547,103	556,677

	Junior DSC Requirement	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040
Funds Available for Junior Debt Service		585,983	596,151	606,497	617,025	627,737	638,637
Debt Service Coverage	1.05	27,904	28,388	28,881	29,382	29,892	30,411
Net Funds Available for Debt Service		558,079	567,763	577,617	587,643	597,845	608,226

Schedule 6 Projected Water and Sewer Annual Cash Flows

	FY 2041	FY 2042	FY 2043	FY 2044	FY 2045	FY 2046
Revenues From Existing Customers						
Water Metered Sales - Residential	3,469,295	3,530,007	3,591,782	3,654,639	3,718,595	3,783,670
Water Metered Sales - Commercial	197,158	200,609	204,119	207,691	211,326	215,024
Sewer Measured - Residential	6,575,865	6,690,943	6,808,034	6,927,175	7,048,401	7,171,748
Sewer Measured - Commercial	437,019	444,667	452,448	460,366	468,422	476,620
Sales to Irrigation Customers	4,784	4,868	4,953	5,040	5,128	5,218
Estimated Revenues From Projected Growth						
Water Base Rate Revenues	29,175	29,686	30,205	30,734	31,271	31,819
Sewer Base Rate Revenues	47,820	48,657	49,508	50,375	51,256	52,153
Water Usage Revenues	149,250	151,862	154,520	157,224	159,975	162,775
Sewer Usage Revenues	373,020	379,548	386,190	392,948	399,825	406,822
Fire Meter Revenues	44,995	45,782	46,583	47,398	48,228	49,072
Total Operating Revenues	11,328,381	11,526,628	11,728,344	11,933,590	12,142,428	12,354,920
Operating Expenses						
Purchased Water	61,255	62,327	63,418	64,528	65,657	66,806
Purchased Power	493,927	502,570	511,365	520,314	529,420	538,685
Materials and Supplies	158,136	160,904	163,719	166,585	169,500	172,466
Contractual Services - Engineering	129,852	132,125	134,437	136,789	139,183	141,619
Contractual Services - Accounting	3,562	3,624	3,688	3,752	3,818	3,885
Contractual Services - Legal	1,854	1,886	1,919	1,953	1,987	2,022
Contractual Services - Mgt. Fees	622,497	633,391	644,475	655,754	667,229	678,906
Contractual Services - Other	2,492,153	2,535,765	2,580,141	2,625,294	2,671,236	2,717,983
Rental of Building/Real Property	75,721	77,046	78,394	79,766	81,162	82,582
Insurance - General Liability	-	-	-	-	-	-
Insurance - Other	56,207	57,191	58,192	59,210	60,247	61,301
Misc Expenses	6,040	6,146	6,254	6,363	6,474	6,588
Total Operating Expenses	4,101,205	4,172,976	4,246,003	4,320,308	4,395,914	4,472,842
Depreciation Expense	-	-	-	-	-	-
Less: Amortization of CIAC	-	-	-	-	-	-
Net Depreciation Expense	-	-	-	-	-	-
Amortization Expense (Other than CIAC)	-	-	-	-	-	-
Taxes Other than Income	-	-	-	-	-	-
Utility Operating Expenses	4,101,205	4,172,976	4,246,003	4,320,308	4,395,914	4,472,842
Net Utility Operating Income	7,227,176	7,353,652	7,482,341	7,613,281	7,746,514	7,882,078
Add Back:						
Allowance of Funds Used During Construction	-	-	-	-	-	-
Total Utility Operating Income	7,227,176	7,353,652	7,482,341	7,613,281	7,746,514	7,882,078
Other Income and Deductions						
Misc. Nonutility Revenue	6,986	6,986	6,986	6,986	6,986	6,986
Misc. Nonutility Expenses	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
Cell Tower Lease Revenues - Verizon	35,480	36,190	36,914	37,652	38,405	39,173
Cell Tower Lease Revenues - T-Mobile	30,238	30,238	30,238	30,238	30,238	30,238
Total Other Income and Deductions	69,704	70,414	71,138	71,876	72,629	73,397
Interest Expense						
Interest Expense	-	-	-	-	-	-
Total Interest Expense	-	-	-	-	-	-

	Senior DSC Requirement	FY 2041	FY 2042	FY 2043	FY 2044	FY 2045	FY 2046
Funds Available for Senior Debt Service		7,296,880	7,424,066	7,553,478	7,685,158	7,819,143	7,955,475
Debt Service Coverage	1.20	1,216,147	1,237,344	1,258,913	1,280,860	1,303,190	1,325,913
Net Funds Available for Debt Service		6,080,734	6,186,721	6,294,565	6,404,298	6,515,952	6,629,563
Less Contributions to Renewal & Replacement	5.00%	566,419	576,331	586,417	596,679	607,121	617,746
Junior DSC Requirement							
Funds Available for Junior Debt Service		649,728	661,013	672,496	684,180	696,069	708,167
Debt Service Coverage	1.05	30,939	31,477	32,024	32,580	33,146	33,722
Net Funds Available for Debt Service		618,788	629,536	640,472	651,600	662,923	674,444

Schedule 6 Projected Water and Sewer Annual Cash Flows

	FY 2047	FY 2048	FY 2049	FY 2050	FY 2051	FY 2052
Revenues From Existing Customers						
Water Metered Sales - Residential	3,849,885	3,917,257	3,985,809	4,055,561	4,126,533	4,198,748
Water Metered Sales - Commercial	218,787	222,616	226,512	230,476	234,509	238,613
Sewer Measured - Residential	7,297,253	7,424,955	7,554,892	7,687,102	7,821,627	7,958,505
Sewer Measured - Commercial	484,961	493,447	502,083	510,869	519,809	528,906
Sales to Irrigation Customers	5,309	5,402	5,496	5,593	5,690	5,790
Estimated Revenues From Projected Growth						
Water Base Rate Revenues	32,376	32,942	33,519	34,105	34,702	35,309
Sewer Base Rate Revenues	53,066	53,994	54,939	55,901	56,879	57,874
Water Usage Revenues	165,623	168,522	171,471	174,472	177,525	180,632
Sewer Usage Revenues	413,941	421,185	428,556	436,056	443,687	451,451
Fire Meter Revenues	49,931	50,804	51,694	52,598	53,519	54,455
Total Operating Revenues	12,571,131	12,791,126	13,014,971	13,242,733	13,474,480	13,710,284
Operating Expenses						
Purchased Water	67,975	69,165	70,375	71,607	72,860	74,135
Purchased Power	548,112	557,704	567,463	577,394	587,498	597,780
Materials and Supplies	175,484	178,555	181,680	184,859	188,094	191,386
Contractual Services - Engineering	144,097	146,619	149,185	151,796	154,452	157,155
Contractual Services - Accounting	3,953	4,022	4,092	4,164	4,237	4,311
Contractual Services - Legal	2,057	2,093	2,130	2,167	2,205	2,244
Contractual Services - Mgt. Fees	690,787	702,875	715,176	727,691	740,426	753,383
Contractual Services - Other	2,765,548	2,813,945	2,863,189	2,913,295	2,964,277	3,016,152
Rental of Building/Real Property	84,028	85,498	86,994	88,517	90,066	91,642
Insurance - General Liability	-	-	-	-	-	-
Insurance - Other	62,374	63,465	64,576	65,706	66,856	68,026
Misc Expenses	6,703	6,820	6,940	7,061	7,185	7,310
Total Operating Expenses	4,551,117	4,630,761	4,711,800	4,794,256	4,878,156	4,963,523
Depreciation Expense	-	-	-	-	-	-
Less: Amortization of CIAC	-	-	-	-	-	-
Net Depreciation Expense	-	-	-	-	-	-
Amortization Expense (Other than CIAC)	-	-	-	-	-	-
Taxes Other than Income	-	-	-	-	-	-
Utility Operating Expenses	4,551,117	4,630,761	4,711,800	4,794,256	4,878,156	4,963,523
Net Utility Operating Income	8,020,014	8,160,365	8,303,171	8,448,476	8,596,325	8,746,760
Add Back:						
Allowance of Funds Used During Construction	-	-	-	-	-	-
Total Utility Operating Income	8,020,014	8,160,365	8,303,171	8,448,476	8,596,325	8,746,760
Other Income and Deductions						
Misc. Nonutility Revenue	6,986	6,986	6,986	6,986	6,986	6,986
Misc. Nonutility Expenses	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
Cell Tower Lease Revenues - Verizon	39,957	40,756	41,571	42,402	43,250	44,115
Cell Tower Lease Revenues - T-Mobile	30,238	30,238	30,238	30,238	30,238	30,238
Total Other Income and Deductions	74,181	74,980	75,795	76,626	77,474	78,339
Interest Expense						
Interest Expense	-	-	-	-	-	-
Total Interest Expense	-	-	-	-	-	-

	Senior DSC Requirement	FY 2047	FY 2048	FY 2049	FY 2050	FY 2051	FY 2052
Funds Available for Senior Debt Service		8,094,195	8,235,344	8,378,966	8,525,103	8,673,799	8,825,100
Debt Service Coverage	1.20	1,349,032	1,372,557	1,396,494	1,420,850	1,445,633	1,470,850
Net Funds Available for Debt Service		6,745,162	6,862,787	6,982,471	7,104,252	7,228,166	7,354,250
Less Contributions to Renewal & Replacement	5.00%	628,557	639,556	650,749	662,137	673,724	685,514

	Junior DSC Requirement	FY 2047	FY 2048	FY 2049	FY 2050	FY 2051	FY 2052
Funds Available for Junior Debt Service		720,476	733,001	745,746	758,714	771,909	785,336
Debt Service Coverage	1.05	34,308	34,905	35,512	36,129	36,758	37,397
Net Funds Available for Debt Service		686,168	698,096	710,234	722,585	735,152	747,939

Schedule 7 Net Present Value of Projected Debt Service Payments

		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
	Senior DSC Requirement												
Funds Available for Senior Debt Service		4,544,401	4,919,075	5,095,466	5,184,934	5,275,978	5,368,626	5,462,907	5,630,097	5,728,976	5,829,598	5,931,085	6,034,350
Debt Service Coverage	1.20	757,400	819,846	849,244	864,156	879,330	894,771	910,484	938,350	954,829	971,600	988,514	1,005,725
Net Funds Available for Debt Service		3,787,001	4,099,229	4,246,222	4,320,779	4,396,649	4,473,855	4,552,422	4,691,748	4,774,147	4,857,998	4,942,571	5,028,625
Net Present Value of NFADS		\$96,190,155											

		FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042
	Junior DSC Requirement												
Funds Available for Junior Debt Service		392,687	434,007	452,152	460,114	468,217	476,464	484,857	501,711	510,550	519,546	528,549	537,711
Debt Service Coverage	1.05	18,699	20,667	21,531	21,910	22,296	22,689	23,088	23,891	24,312	24,740	25,169	25,605
Net Funds Available for Debt Service		373,988	413,340	430,621	438,204	445,921	453,776	461,769	477,820	486,238	494,805	503,380	512,105
Net Present Value of NFADS		\$9,780,178											

		FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042
	Senior DSC Requirement												
Funds Available for Senior Debt Service		6,139,424	6,246,338	6,355,124	6,465,815	6,578,445	6,693,048	6,809,658	6,928,310	7,049,040	7,171,884	7,296,880	7,424,066
Debt Service Coverage	1.20	1,023,237	1,041,056	1,059,187	1,077,636	1,096,408	1,115,508	1,134,943	1,154,718	1,174,840	1,195,314	1,216,147	1,237,344
Net Funds Available for Debt Service		5,116,187	5,205,281	5,295,937	5,388,179	5,482,038	5,577,540	5,674,715	5,773,591	5,874,200	5,976,570	6,080,734	6,186,721
Net Present Value of NFADS		\$96,190,155											

		FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042
	Junior DSC Requirement												
Funds Available for Junior Debt Service		547,033	556,518	566,170	575,990	585,983	596,151	606,497	617,025	627,737	638,637	649,728	661,013
Debt Service Coverage	1.05	26,049	26,501	26,960	27,428	27,904	28,388	28,881	29,382	29,892	30,411	30,939	31,477
Net Funds Available for Debt Service		520,983	530,017	539,209	548,562	558,079	567,763	577,617	587,643	597,845	608,226	618,788	629,536
Net Present Value of NFADS		\$9,780,178											

		FY 2043	FY 2044	FY 2045	FY 2046	FY 2047	FY 2048	FY 2049	FY 2050	FY 2051	FY 2052
	Senior DSC Requirement										
Funds Available for Senior Debt Service		7,553,478	7,685,158	7,819,143	7,955,475	8,094,195	8,235,344	8,378,966	8,525,103	8,673,799	8,825,100
Debt Service Coverage	1.20	1,258,913	1,280,860	1,303,190	1,325,913	1,349,032	1,372,557	1,396,494	1,420,850	1,445,633	1,470,850
Net Funds Available for Debt Service		6,294,565	6,404,298	6,515,952	6,629,563	6,745,162	6,862,787	6,982,471	7,104,252	7,228,166	7,354,250
Net Present Value of NFADS		\$96,190,155									

		FY 2043	FY 2044	FY 2045	FY 2046	FY 2047	FY 2048	FY 2049	FY 2050	FY 2051	FY 2052
	Junior DSC Requirement										
Funds Available for Junior Debt Service		672,496	684,180	696,069	708,167	720,476	733,001	745,746	758,714	771,909	785,336
Debt Service Coverage	1.05	32,024	32,580	33,146	33,722	34,308	34,905	35,512	36,129	36,758	37,397
Net Funds Available for Debt Service		640,472	651,600	662,923	674,444	686,168	698,096	710,234	722,585	735,152	747,939
Net Present Value of NFADS		\$9,780,178									

NPV Discount Rate
4.00%

Acquisition Debt Calculation	
Par Value of Acquisition Debt	\$ 105,970,333
Less: Cost of Issuance	2.00% \$ (2,119,407)
Less: Underwriters Discount	0.75% \$ (794,777)
Less: DS Reserve Fund	0.0 \$ -
Less: Capital Expansion Fund	\$ -
Acquisition Fund	\$ 103,056,149

Senior Lien	Junior Lien
\$ 96,190,155	\$ 9,780,178
\$ (1,923,803)	\$ (195,604)
\$ (721,426)	\$ (73,351)
\$ -	\$ -
\$ -	\$ -
\$ 93,544,925	\$ 9,511,223