

**TOWN OF DANVILLE  
MUNICIPAL WATER UTILITY**

**SPECIAL PURPOSE ANNUAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**May 7, 2025**

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**KROHN**  
— ASSOCIATES —  
CPAS AND CONSULTANTS

# DANVILLE MUNICIPAL WATER UTILITY

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ACCOUNTANT'S SPECIAL PURPOSE COMPILATION REPORT

Ms. Carrie Lofton, Mr. Barry Lofton  
and Members of the Town Council  
Danville Municipal Water Utility  
49 N Wayne Street  
Danville, IN 46122

May 7, 2025

We have, at your request, compiled this special purpose annual report. The purpose of this report is to review the prior year-end financials and operations and to consider the future direction and needs of the Danville Municipal Water Utility.

The special purpose report information was prepared for the purpose of providing historical and projected financial information to management for the Danville Municipal Water Utility. We have not audited or reviewed the accompanying special purpose information and, accordingly, do not express an opinion or provide an any form of assurance on the special purpose information. This report was compiled by us, with assumptions provided by management or obtained from other sources. The actual results achieved may vary from the projected information, and those variations may be material. We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Management is responsible for the accompanying financial statements which comprise the statements of selected financial information arising from cash transactions as of December 31, 2024, 2023 and 2022, and the related statements of cash receipts and disbursements for the years then ended in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The supplementary information contained on pages 13-18 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, conclusion, nor provide any assurance on such information.

Management has elected to omit substantially all the disclosures ordinarily included in the financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Danville Water Utility's selected financial information arising from cash transactions and cash receipts and disbursements. Accordingly, the financial statements are not designed for those who are not informed on such matters.

O.W. Krohn & Associates LLP  
O.W. Krohn & Associates LLP

**TOWN OF DANVILLE  
MUNICIPAL WATER UTILITY**

**SPECIAL PURPOSE REPORT SCHEDULES**

## **DANVILLE MUNICIPAL WATER UTILITY**

### **GENERAL COMMENTS AND NOTES**

#### **Year-End Review:**

Following the close of calendar year 2024, cash reserves in excess of minimum reserve requirements, per the outstanding Bond Ordinance for the water utility, increased by approximately \$650,000. Total cash-on-hand decreased by approximately \$2.8M, but when excluding the use of construction fund cash and previously dedicated operating fund cash, the utility would have otherwise experienced a positive cashflow.

Operating receipts for calendar year 2024 increased by approximately \$260,000, primarily as a result of Town growth. However, Operating disbursements for the Town also increased by approximately \$240,000, primarily as a result of Utility growth as well as inflation. Interest income increased as would be expected with higher borrowing rates. Connection and acreage fees provided the Utility approximately \$1.1M in additional cash for future projects. Large capital additions related to the treatment plant expansion continued as well. In comparison with previous projections, the Utility operated on par and experienced cashflows as expected.

#### **Ongoing and Future Considerations:**

On a historical financial basis, the water utility has been operating well. Cash reserves have accumulated for subsequent capital projects and net operating receipts and historical debt service coverage have been sufficient. However, with the needs for capital needs for the Westside Transmission Main & Booster station, future rate considerations may be required.

Increased debt service requirements began in 2023 with the issuance of the 2022 Bonds. At that time rates were sufficient for proper debt service coverage. If an additional bond is required to the Westside Transmission Main & Booster Station, sufficient coverage may not be achieved. Based on the projections, a 15% increase in rates may be required to achieve a marketable level of debt service coverage. Per the outstanding Bond Ordinance, coverage of at least 125% must be maintained. While coverage and cashflows are currently sufficient, any major future projects or increases in operational needs may require additional rate review.

Since the completion of the 2020 Rate Study, all phases of the resulting rate adjustments have been implemented with the final phase effective as of July 1, 2022. With the growth of the Town, receipts have increased sufficiently to achieve proper debt service coverage. However, with no increases since, coverage may not be at a marketable level for any major project or operational increase.

Annual rate increases, even if marginal at 3%, may help the Town avoid coverage shortfalls for future projects, and may have helped avoid a potential large increase if a bond is required for the Westside Transmission Main & Booster Station. These small marginal increases may be easier on impacts to rate payers and would also allow the Town to build up additional cash reserves to buy down the borrowing requirements on future projects.

DANVILLE MUNICIPAL WATER UTILITY

SCHEDULE OF TEST YEAR AND PROJECTED RECEIPTS, DISBURSEMENTS AND DEBT SERVICE COVERAGE  
BASED ON THE TEST YEAR ENDED DECEMBER 31, 2024

	Test Year	Projected				
	2024	2025	2026	2027	2028	2029
	(1)	(2)	(3)	(4)	(5)	(6)
Operating Receipts:						
Metered Sales	\$ 2,890,455	\$ 3,023,133	\$ 3,593,972	\$ 3,749,132	\$ 3,907,396	\$ 4,048,005
Hydrant Rental	321,807	321,807	321,807	321,807	321,807	321,807
Other/Misc Operating Receipts	49,346	49,346	49,346	49,346	49,346	49,346
Total Operating Receipts	3,261,608	3,394,286	3,965,125	4,120,285	4,278,549	4,419,158
Operating Disbursements:						
Wages and Benefits	849,567	997,500	1,047,375	1,099,744	1,154,731	1,212,468
Purchased Power	121,658	133,800	140,490	147,515	154,891	162,636
Chemicals, Materials, Supplies and Repairs	440,927	414,516	435,242	457,004	479,854	503,847
Contractual and Professional Services	497,181	520,000	546,000	573,300	601,965	632,063
Insurance	46,000	48,300	50,715	53,251	55,914	58,710
Other/Misc Operating Disbursements	29,339	30,800	32,340	33,957	35,655	37,438
Total Operating Disbursements	1,984,672	2,144,916	2,252,162	2,364,771	2,483,010	2,607,162
Net Operating Receipts	1,276,936	1,249,370	1,712,963	1,755,514	1,795,539	1,811,996
Non-Operating Receipts/(Disbursements):						
Interest Income	289,836	200,000	200,000	200,000	200,000	200,000
Connection Charges and Acreage Fees	1,123,395	750,000	592,500	592,500	435,000	292,500
Payment in Lieu of Taxes	(134,293)	(149,228)	(152,097)	(153,532)	(185,131)	(189,045)
Debt Service on Bonds	(936,944)	(933,890)	(935,122)	(935,538)	(935,138)	(933,922)
Debt Service on Proposed Bonds	-	-	(332,105)	(332,105)	(332,105)	(332,105)
Capital Outlays (excludes bond funded capital)	(684,294)	(500,000)	(250,000)	(1,186,000)	(682,000)	(2,050,000)
Total Non-Operating Receipts/(Disbursements)	(342,300)	(633,118)	(876,824)	(1,814,675)	(1,499,374)	(3,012,572)
Net Cashflow	\$ 934,636	\$ 616,252	\$ 836,139	\$ (59,161)	\$ 296,165	\$ (1,200,576)
Debt Service Coverage	167.2%	155.2%	151.0%	154.3%	157.5%	158.9%
Debt Service Coverage with PILOT	152.9%	139.2%	139.0%	142.2%	142.9%	144.0%
4,000 Gallon Residential Bill	\$ 34.02	\$ 34.02	\$ 39.12	\$ 39.90	\$ 40.70	\$ 41.52

See Accountant's Special Purpose Compilation Report

DANVILLE MUNICIPAL WATER UTILITY

SCHEDULE OF TEST YEAR AND PROJECTED RECEIPTS, DISBURSEMENTS AND DEBT SERVICE COVERAGE  
(CONTINUED)

BASED ON THE TEST YEAR ENDED DECEMBER 31, 2024

- (1) Test Year 2024 amounts have been adjusted to include capital outlays that previously had no related project funds and that were funded with cash-on-hand only.
- (2) Projected metered sales for 2025 assumes an increase for 325 customer additions at a 4,000 gallon monthly bill. Projected operating disbursements for 2025 are based on estimated and budgeted amounts (see page 11). Projected connection charges and acreage fees for 2025 assume 200 connection charges and 75 acreage fees. Other projected non-operating receipts and disbursements for 2025 are based on known debt service requirements and management estimates.
- (3) Projected metered sales for 2026 assumes an increase for 250 customer additions at a 4,000 gallon monthly bill. Additionally, an estimated 15% across-the-board may be required for debt service coverage requirements based on the proposed bonds for the Westside Transmission Main and Booster Station. Projected operating disbursements for 2026 assume an adjustment of 5% for utility growth and inflation. Projected connection charges and acreage fees for 2026 assume 250 connection charges and 100 acreage fees. Projected debt service on proposed bonds include amounts for the Westside Transmission Main and Booster Station beginning in 2026 (full debt service is shown for coverage purposes). Other projected non-operating receipts and disbursements for 2026 are based on known debt service requirements and management estimates.
- (4) Projected metered sales for 2027 assumes an increase for 200 customer additions at a 4,000 gallon monthly bill plus an across-the-board rate increase of 2%. Projected operating disbursements for 2027 assume an adjustment of 5% for utility growth and inflation. Projected connection charges and acreage fees for 2027 assume 200 connection charges and 75 acreage fees. Projected capital outlays for 2027 assume amounts for the Old Pittsboro Road Water Main Loop to be cash-funded. Other projected non-operating receipts and disbursements for 2027 are based on the known and proposed debt service requirements and management estimates.
- (5) Projected metered sales for 2028 assumes an increase for 200 customer additions at a 4,000 gallon monthly bill plus an across-the-board rate increase of 2%. Projected operating disbursements for 2028 assume an adjustment of 5% for utility growth and inflation. Projected connection charges and acreage fees for 2028 assume 150 connection charges and 50 acreage fees. Projected capital outlays for 2028 assume amounts for the Mackey Road Water Main to be cash-funded. Other projected non-operating receipts and disbursements for 2028 are based on the known and proposed debt service requirements and management estimates.
- (6) Projected metered sales for 2029 assumes an increase for 100 customer additions at a 4,000 gallon monthly bill plus an across-the-board rate increase of 2%. Projected operating disbursements for 2029 assume an adjustment of 5% for utility growth and inflation. Projected connection charges and acreage fees for 2029 assume 100 connection charges and 35 acreage fees. Projected capital outlays for 2029 assume amounts the 200 E Water Main Loop to be cash-funded. Other projected non-operating receipts and disbursements for 2029 are based on the known and proposed debt service requirements and management estimates.



DANVILLE MUNICIPAL WATER UTILITY

SCHEDULE OF CAPITAL IMPROVEMENTS

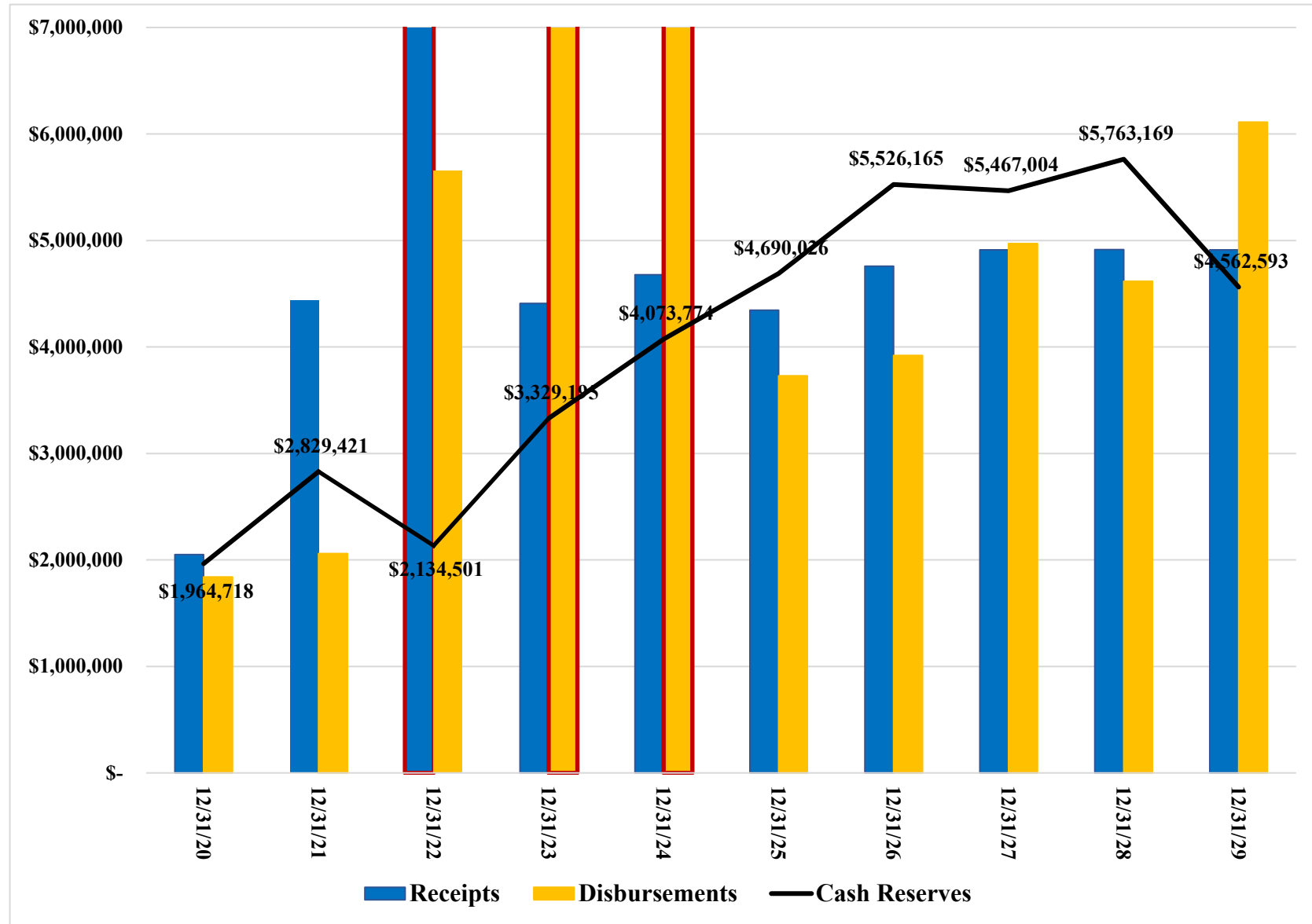
	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>
Westside Transmission Main & Booster Station		\$ 4,320,000					
Old Pittsboro Road Water Main Loop			\$ 936,000				
Mackey Road Water Main				\$ 432,000			
200 E Water Main Loop					\$ 1,800,000		
Gailcrest Distribution System						\$ 2,160,000	
Westside Elevated Tank							\$ 6,480,000
Annual Improvement Allowances*	<u>\$ 500,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>300,000</u>	<u>300,000</u>
Annual Totals	<u>\$ 500,000</u>	<u>\$ 4,570,000</u>	<u>\$ 1,186,000</u>	<u>\$ 682,000</u>	<u>\$ 2,050,000</u>	<u>\$ 2,460,000</u>	<u>\$ 6,780,000</u>

\* For unforeseen and ongoing cash-funded improvement projects.

See Accountant's Special Purpose Compilation Report

## DANVILLE MUNICIPAL WATER UTILITY

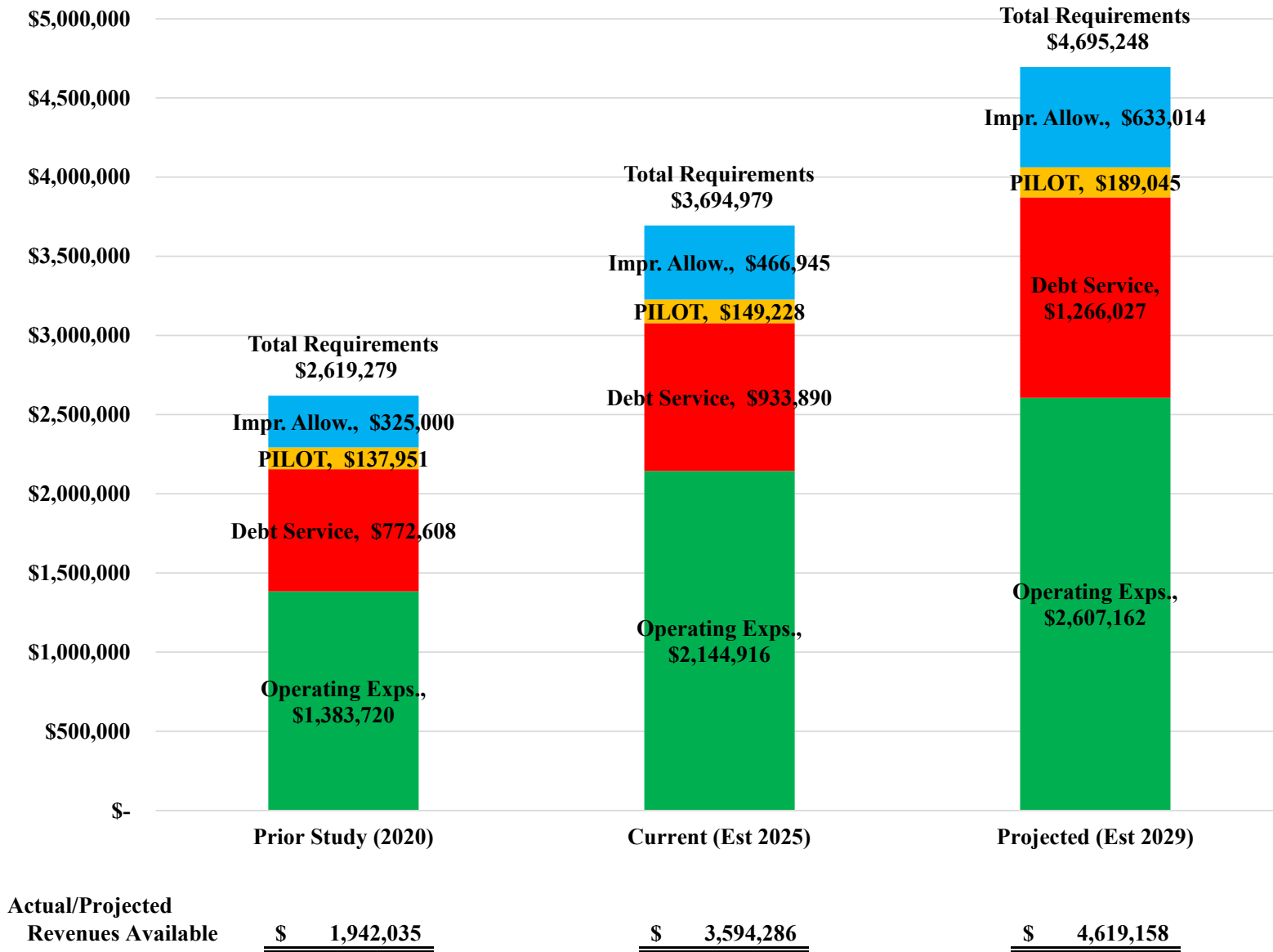
### GRAPH OF HISTORICAL AND PROJECTED RECEIPTS, DISBURSEMENTS AND CASH RESERVES



See Accountant's Special Purpose Compilation Report

# DANVILLE MUNICIPAL WATER UTILITY

## COMPARISON OF PRIOR, CURRENT AND PROJECTED REVENUE REQUIREMENTS



See Accountant's Special Purpose Compilation Report

DANVILLE MUNICIPAL WATER UTILITY

SCHEDULE OF CURRENT AND PROPOSED WATER RATES AND CHARGES

				Proposed				
			Current	Phase I	Phase II	Phase III	Phase IV	
			7/1/2022	1/1/2026	1/1/2027	1/1/2028	1/1/2029	
				15.0%	2.0%	2.0%	2.0%	
<u>Monthly Metered Rates (per 1,000 gallons):</u>								
<u>Residential Customers:</u>								
First	2,000	Gallons	\$ 9.12	\$ 10.49	\$ 10.70	\$ 10.91	\$ 11.13	
Next	7,000	Gallons	7.89	9.07	9.25	9.44	9.63	
Over	9,000	Gallons	<i>Conservation Rate</i> 10.06	11.57	13.31	15.31	17.61	
<u>Non-Residential Customers:</u>								
First	2,000	Gallons	\$ 9.12	\$ 10.49	\$ 10.70	\$ 10.91	\$ 11.13	
Next	7,000	Gallons	7.89	9.07	9.25	9.44	9.63	
Next	91,000	Gallons	6.31	7.26	7.41	7.56	7.71	
Over	100,000	Gallons	4.73	5.44	5.55	5.66	5.77	
<u>Monthly Minimum Charges:</u>		<u>Gallons</u>	<u>Class</u>					
<u>Meter size:</u>								
5/8-3/4 Inch meter	2,000	Res	\$ 18.24	\$ 20.98	\$ 21.40	\$ 21.82	\$ 22.26	
1 Inch meter	5,000	Res	41.91	48.19	49.15	50.14	51.15	
1 1/2 Inch meter	11,600	Non-Res	89.88	103.35	105.42	107.56	109.72	
2 Inch meter	20,000	Non-Res	142.88	164.33	167.66	171.06	174.48	
3 Inch meter	46,000	Non-Res	306.94	353.09	360.32	367.62	374.94	
4 Inch meter	80,000	Non-Res	521.48	599.93	612.26	624.66	637.08	
6 Inch meter	182,000	Non-Res	1,035.54	1,191.21	1,215.56	1,239.98	1,264.42	
8 Inch meter	323,800	Non-Res	1,706.25	1,963.00	2,003.00	2,043.00	2,083.00	
<u>Public Fire Protection:</u>								
<u>Meter size:</u>								
5/8-3/4 Inch meter			\$ 5.39	\$ 6.20	\$ 6.32	\$ 6.45	\$ 6.58	
1 Inch meter			13.47	15.49	15.80	16.12	16.44	
1 1/2 Inch meter			31.19	35.87	36.59	37.32	38.07	
2 Inch meter			53.76	61.82	63.06	64.32	65.61	
3 Inch meter			123.61	142.15	144.99	147.89	150.85	
4 Inch meter			214.94	247.18	252.12	257.16	262.30	
6 Inch meter			214.94	247.18	252.12	257.16	262.30	
8 Inch meter			214.94	247.18	252.12	257.16	262.30	
<u>Private Fire Protection:</u>								
Hydrant Service Charge	(per Hydrant per Annum)		\$ 493.02	\$ 566.97	\$ 578.31	\$ 589.88	\$ 601.68	
<u>Hydrant Rental Fees:</u>								
Daily Rental Fee			\$ 21.25	\$ 21.25	\$ 21.25	\$ 21.25	\$ 21.25	
Water Usage Charges	----- 3" meter usage charges applied on monthly basis -----							

DANVILLE MUNICIPAL WATER UTILITY

SCHEDULE OF CURRENT AND PROPOSED WATER RATES AND CHARGES  
(CONTINUED)

	<u>Current</u>	<u>Proposed</u>			
	<u>7/1/2022</u>	<u>Phase I</u>	<u>Phase II</u>	<u>Phase III</u>	<u>Phase IV</u>
<u>System Development Charges:</u>					
<u>Connection Charges (1):</u>					
<u>Meter Size</u>					
5/8-3/4 Inch meter	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400
1 Inch meter	4,500	4,500	4,500	4,500	4,500
1 1/2 Inch meter	10,440	10,440	10,440	10,440	10,440
2 Inch meter	18,000	18,000	18,000	18,000	18,000
3 Inch meter (2)	27,600	27,600	27,600	27,600	27,600
4 Inch meter (2)	48,000	48,000	48,000	48,000	48,000
6 Inch meter (2)	48,000	48,000	48,000	48,000	48,000
8 Inch meter (2)	48,000	48,000	48,000	48,000	48,000
(1) Connection charges will be based on the greater of meter size or equivalent domestic units (167 gallons per day) served based on Table 2-1 in IAC 327.					
(2) Plus labor and materials expenses in excess.					
<u>Acreage Fees</u>					
Charge per acre	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500

**TOWN OF DANVILLE  
MUNICIPAL WATER UTILITY**

**HISTORICAL FINANCIAL STATEMENTS**

DANVILLE MUNICIPAL WATER UTILITY

COMPARATIVE STATEMENTS OF SELECTED FINANCIAL INFORMATION  
ARISING FROM CASH TRANSACTIONS  
AS OF

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>
Utility Plant in Service	<u>\$ 26,002,396</u>	<u>\$ 21,525,013</u>	<u>\$ 12,580,831</u>
Cash and Investments:			
Operating Fund	\$ 2,972,155	\$ 4,315,609	\$ 3,568,344
Plant Replacement Fund	1,863,825	1,472,870	906,555
Bond and Interest Fund	542	542	542
Debt Service Reserve Fund	438,515	250,580	62,645
2021 BAN Construction Fund	-	282,916	282,916
2022 Water Construction Fund	-	1,810,173	10,529,945
Customer Deposit Fund	<u>44,486</u>	<u>41,125</u>	<u>40,450</u>
Total Cash and Investments	<u>\$ 5,319,523</u>	<u>\$ 8,173,815</u>	<u>\$ 15,391,397</u>
Long-Term Debt:			
Revenue Bonds, Series 2022	<u>\$ 12,070,000</u>	<u>\$ 12,505,000</u>	<u>\$ 12,715,000</u>

DANVILLE MUNICIPAL WATER UTILITY

COMPARATIVE STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE TWELVE MONTHS ENDED

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>
Operating Receipts:			
Metered Sales	\$ 2,890,455	\$ 2,654,775	\$ 2,292,102
Hydrant Rental	321,807	298,041	261,736
Fire Protection	8,097	8,097	7,537
Penalties	33,060	32,458	27,343
Reconnect Fees	6,200	4,950	4,850
Miscellaneous	1,989	1,075	929
Total Operating Receipts	<u>3,261,608</u>	<u>2,999,396</u>	<u>2,594,497</u>
Operating Disbursements:			
Salaries and Wages	629,910	576,735	496,653
Employee Benefits	219,657	215,709	176,291
Purchased Power	121,658	119,514	181,285
Chemicals	80,245	54,730	81,542
Materials, Supplies and Repairs	360,682	274,399	261,052
Contractual Services	345,939	287,350	143,560
Professional Services	151,242	127,909	86,846
Transportation	7,564	14,033	9,562
Insurance	46,000	13,968	48,168
Miscellaneous	21,775	57,971	13,874
Utility Receipts Tax	-	-	11,000
Total Operating Disbursements	<u>1,984,672</u>	<u>1,742,318</u>	<u>1,509,833</u>
Net Operating Receipts	<u>1,276,936</u>	<u>1,257,078</u>	<u>1,084,664</u>
Non-Operating Receipts:			
Interest Income	289,836	178,410	30,950
Connection/Tap Fees	931,700	893,500	583,200
Developer Acreage Fees	191,695	336,425	266,681
Bond Proceeds	-	-	12,715,000
BAN Proceeds	-	-	-
Other Receipts	800	-	665
Customer Deposits (Net)	3,361	675	475
Total Non-Operating Receipts	<u>1,417,392</u>	<u>1,409,010</u>	<u>13,596,971</u>
Non-Operating Disbursements:			
Costs of Issuance	-	-	155,075
Refunding Revenue Bonds of 2017 Interest	-	-	7,072
Bond Anticipation Notes, Series 2021 Interest	-	-	18,534
Revenue Bonds of 2022 Interest	496,944	514,488	152,750
Refunding Revenue Bonds of 2017 Principal	-	-	346,000
Bond Anticipation Notes, Series 2021 Repayment	-	-	1,810,000
Revenue Bonds of 2022 Principal	440,000	425,000	-
Payment in Lieu of Taxes	134,293	-	63,283
Capital Additions	4,477,383	8,944,182	1,589,516
Total Non-Operating Disbursements	<u>5,548,620</u>	<u>9,883,670</u>	<u>4,142,230</u>
Increase (Decrease) in Cash and Investments	(2,854,292)	(7,217,582)	10,539,405
Beginning Cash and Investments	<u>8,173,815</u>	<u>15,391,397</u>	<u>4,851,992</u>
Ending Cash and Investments	<u>\$ 5,319,523</u>	<u>\$ 8,173,815</u>	<u>\$ 15,391,397</u>

See Accountant's Special Purpose Compilation Report



**TOWN OF DANVILLE  
MUNICIPAL WATER UTILITY**

**SUPPLEMENTARY INFORMATION**

# DANVILLE MUNICIPAL WATER UTILITY

## COMPARISON OF ACCOUNT BALANCES WITH MINIMUM RESERVES REQUIRED

	Balance as of 12/31/2024	Minimum Reserves Required (1)	Available for Transfer/ (Shortfall)
Operating Fund	\$ 2,972,155	\$ 290,386 (2)	\$ 2,681,769
Plant Replacement Fund	1,863,825	472,362 (3)	1,391,463
Bond and Interest Fund	542	- (4)	542
Debt Service Reserve Fund	438,515	438,515 (5)	-
2021 BAN Construction Fund	-	- (6)	-
2022 Water Construction Fund	-	- (6)	-
Customer Deposit Fund	44,486	44,486 (7)	-
Total Cash and Investments	<u>\$ 5,319,523</u>	<u>\$ 1,245,749</u>	<u>\$ 4,073,774</u>

(1) Pursuant to Bond Ordinance No. 05-2017.

(2) Equal to two months of operation and maintenance expenses.

(3) Reserved for periodic maintenance or improvements. No requirement, but 2% of utility plant in service is recommended minimum.

(4) Monthly transfers should be made in the amount of 1/6th the next interest payment and 1/6th the next principal payment.

(5) Required balance per the transfer schedule provided in the Closing Letter dated 9/15/2022.

(6) Reserved for engineering construction costs for the clearwell, water treatment plant project and other related projects.

(7) Reserved for return to customers.

# DANVILLE MUNICIPAL WATER UTILITY

## SCHEDULE OF BUDGETED OPERATING DISBURSEMENTS BASED ON THE TEST YEAR ENDED DECEMBER 31, 2024

	<u>Test Year</u>	<u>Adjustments</u>	<u>Ref</u>	<u>Budget</u>
Operating Disbursements:				
Salaries and Wages	\$ 629,910	\$ 105,790	(1)	\$ 735,700
Employee Benefits	219,657	42,143	(1)	261,800
Purchased Power	121,658	12,142	(2)	133,800
Chemicals	80,245	8,055	(2)	88,300
Materials, Supplies and Repairs	360,682	(34,466)	(3)	326,216
Contractual Services	345,939	14,061	(4)	360,000
Professional Services	151,242	8,758	(4)	160,000
Transportation	7,564	336	(5)	7,900
Insurance	46,000	2,300	(5)	48,300
Miscellaneous	<u>21,775</u>	<u>1,125</u>	(5)	<u>22,900</u>
Total Operating Disbursements	<u>\$ 1,984,672</u>	<u>\$ 160,244</u>		<u>\$ 2,144,916</u>

### Assumptions:

- (1) Assumes a 5% cost-of-living adjustments to Test Year amounts plus the hiring of a water superintendent's assistant and their estimated related benefits.
- (2) Assumes a 10% adjustment for increases in costs and for operation and maintenance of the new water treatment plant as plant was only online for half the Test Year.
- (3) Assumes Test Year amounts reduced by \$50,000 for meter purchases plus a 5% inflationary adjustment on remaining amounts.
- (4) Per management estimates, it is anticipated that contractual services and professional services will continue to experience increased expenditures as the Town continues to grow. Assumes the increased amounts in the Test Year in comparison to historical expenditures will continue in future
- (5) Assumes an adjustment of 5% for inflation and utility growth.

DANVILLE MUNICIPAL WATER UTILITY

SCHEDULE OF AMORTIZATION OF \$11,850,000 OF OUTSTANDING WATERWORKS  
REVENUE BONDS, SERIES 2022

Assumed Dated September 15, 2022

Payment Date	Principal Balance	Interest Rate	Debt Service			Bond Year Total
			Principal	Interest	Total	
7/1/2025	\$ 11,850,000	4.08%	\$ 225,000	\$ 241,740.00	\$ 466,740.00	
1/1/2026	11,625,000	4.08%	230,000	237,150.00	467,150.00	\$ 933,890.00
7/1/2026	11,395,000	4.08%	235,000	232,458.00	467,458.00	
1/1/2027	11,160,000	4.08%	240,000	227,664.00	467,664.00	935,122.00
7/1/2027	10,920,000	4.08%	245,000	222,768.00	467,768.00	
1/1/2028	10,675,000	4.08%	250,000	217,770.00	467,770.00	935,538.00
7/1/2028	10,425,000	4.08%	255,000	212,670.00	467,670.00	
1/1/2029	10,170,000	4.08%	260,000	207,468.00	467,468.00	935,138.00
7/1/2029	9,910,000	4.08%	265,000	202,164.00	467,164.00	
1/1/2030	9,645,000	4.08%	270,000	196,758.00	466,758.00	933,922.00
7/1/2030	9,375,000	4.08%	275,000	191,250.00	466,250.00	
1/1/2031	9,100,000	4.08%	285,000	185,640.00	470,640.00	936,890.00
7/1/2031	8,815,000	4.08%	290,000	179,826.00	469,826.00	
1/1/2032	8,525,000	4.08%	295,000	173,910.00	468,910.00	938,736.00
7/1/2032	8,230,000	4.08%	300,000	167,892.00	467,892.00	
1/1/2033	7,930,000	4.08%	305,000	161,772.00	466,772.00	934,664.00
7/1/2033	7,625,000	4.08%	315,000	155,550.00	470,550.00	
1/1/2034	7,310,000	4.08%	320,000	149,124.00	469,124.00	939,674.00
7/1/2034	6,990,000	4.08%	325,000	142,596.00	467,596.00	
1/1/2035	6,665,000	4.08%	330,000	135,966.00	465,966.00	933,562.00
7/1/2035	6,335,000	4.08%	340,000	129,234.00	469,234.00	
1/1/2036	5,995,000	4.08%	345,000	122,298.00	467,298.00	936,532.00
7/1/2036	5,650,000	4.08%	355,000	115,260.00	470,260.00	
1/1/2037	5,295,000	4.08%	360,000	108,018.00	468,018.00	938,278.00
7/1/2037	4,935,000	4.08%	365,000	100,674.00	465,674.00	
1/1/2038	4,570,000	4.08%	375,000	93,228.00	468,228.00	933,902.00
7/1/2038	4,195,000	4.08%	380,000	85,578.00	465,578.00	
1/1/2039	3,815,000	4.08%	390,000	77,826.00	467,826.00	933,404.00
7/1/2039	3,425,000	4.08%	400,000	69,870.00	469,870.00	
1/1/2040	3,025,000	4.08%	405,000	61,710.00	466,710.00	936,580.00
7/1/2040	2,620,000	4.08%	415,000	53,448.00	468,448.00	
1/1/2041	2,205,000	4.08%	425,000	44,982.00	469,982.00	938,430.00
7/1/2041	1,780,000	4.08%	430,000	36,312.00	466,312.00	
1/1/2042	1,350,000	4.08%	440,000	27,540.00	467,540.00	933,852.00
7/1/2042	910,000	4.08%	450,000	18,564.00	468,564.00	
1/1/2043	460,000	4.08%	460,000	9,384.00	469,384.00	937,948.00
TOTALS			<u>\$ 11,850,000</u>	<u>\$ 4,996,062.00</u>	<u>\$ 16,846,062.00</u>	<u>\$ 16,846,062.00</u>

See Accountant's Special Purpose Compilation Report

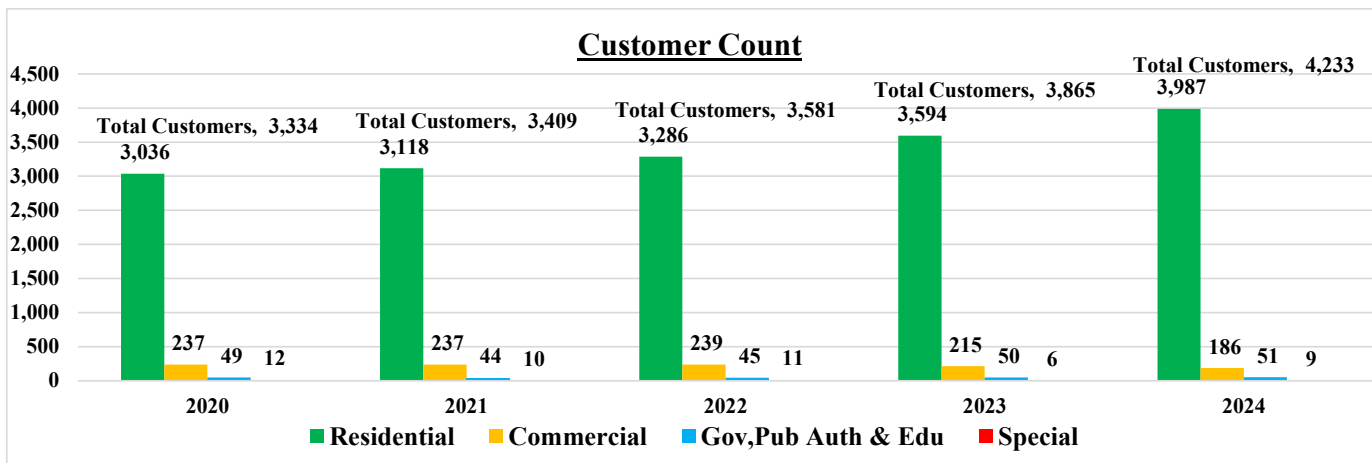
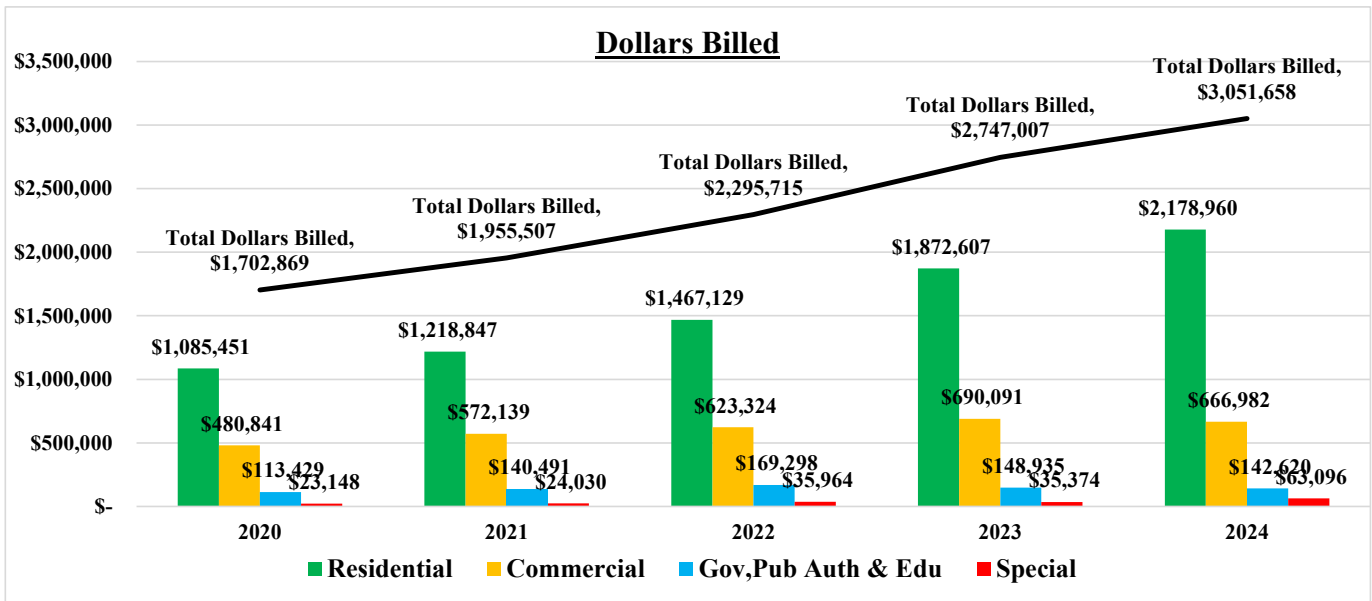
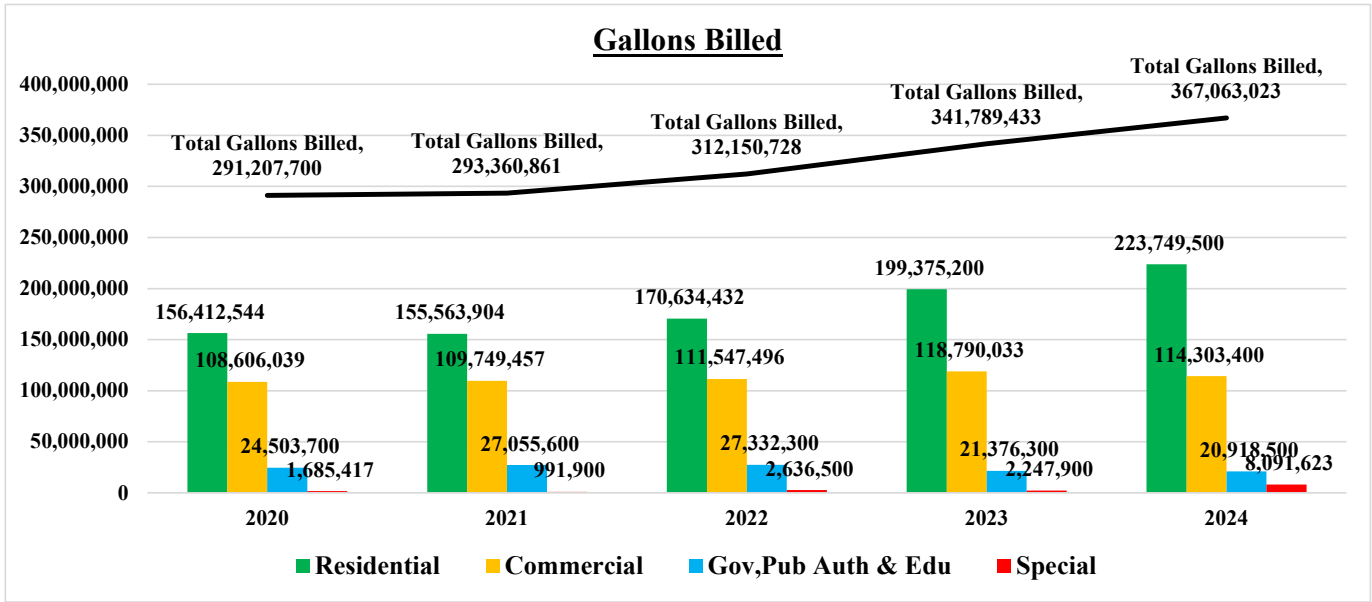
DANVILLE MUNICIPAL WATER UTILITY

CALCULATION OF LINE LOSS  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2024

	<u>Total Gallons Pumped</u>	<u>Total Gallons Billed</u>	<u>Variance</u>
January	35,633,000	28,020,500	7,612,500
February	36,008,000	23,986,000	12,022,000
March	34,287,000	23,011,500	11,275,500
April	36,593,000	26,105,700	10,487,300
May	37,154,000	25,202,700	11,951,300
June	43,342,000	30,075,200	13,266,800
July	46,871,000	36,818,200	10,052,800
August	48,613,000	35,820,900	12,792,100
September	51,653,000	35,713,881	15,939,119
October	50,323,000	39,189,300	11,133,700
November	50,567,000	30,743,778	19,823,222
December	<u>44,318,000</u>	<u>32,375,364</u>	<u>11,942,636</u>
Total	<u><u>515,362,000</u></u>	<u><u>367,063,023</u></u>	148,298,977
Deduct Backwash and Hydrant and Main Flushing (2024 Est.)			<u>(51,147,000)</u>
Unaccounted for Water (includes leaks, fire dept use, etc.)			<u><u>97,151,977</u></u>
		<b>Line Loss</b>	<b><u><u>18.9%</u></u></b>

# DANVILLE MUNICIPAL WATER UTILITY

## GRAPH OF HISTORICAL BILLINGS BY CUSTOMER CLASS



DANVILLE MUNICIPAL WATER UTILITY

SCHEDULE OF DOLLARS, GALLONS AND CUSTOMERS BILLED BY USER CLASS  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2024

Dollars Billed

	Residential	Commercial	Comm. Exempt	Government	Public Auth.	Educational	Special	Total
January	\$ 161,291	\$ 42,623	\$ 14,779	\$ 4,154	\$ 750	\$ 4,676	\$ 1,206	\$ 229,479
February	141,787	36,638	12,896	4,094	946	4,093	702	201,156
March	134,559	35,288	13,784	4,004	793	4,066	1,337	193,831
April	146,075	39,978	14,372	4,783	795	4,938	2,612	213,553
May	142,536	39,102	14,646	4,391	704	4,800	1,382	207,561
June	169,600	42,727	17,363	6,054	705	5,626	2,376	244,451
July	234,095	41,374	16,548	5,970	725	6,402	7,340	312,454
August	226,707	42,746	17,089	6,673	708	5,420	3,941	303,284
September	229,850	38,817	16,300	4,864	655	9,206	5,079	304,771
October	251,459	43,162	17,025	5,415	720	10,114	3,314	331,209
November	174,879	38,927	13,465	5,993	724	6,591	12,960	253,539
December	166,122	42,833	14,500	4,905	710	6,453	20,847	256,370
Total	<u>\$ 2,178,960</u>	<u>\$ 484,215</u>	<u>\$ 182,767</u>	<u>\$ 61,300</u>	<u>\$ 8,935</u>	<u>\$ 72,385</u>	<u>\$ 63,096</u>	<u>\$ 3,051,658</u>
Percent	71.40%	15.87%	5.99%	2.01%	0.29%	2.37%	2.07%	100.00%

Gallons Billed

	Residential	Commercial	Comm. Exempt	Government	Public Auth.	Educational	Special	Total
January	16,701,800	6,960,800	2,931,400	503,100	75,400	776,000	72,000	28,020,500
February	14,375,300	5,842,100	2,532,500	481,700	106,500	647,900	-	23,986,000
March	13,499,600	5,583,400	2,719,400	463,700	81,500	647,900	16,000	23,011,500
April	14,986,900	6,510,900	2,847,300	601,800	85,700	834,000	239,100	26,105,700
May	14,524,800	6,338,500	2,906,800	518,800	67,600	791,800	54,400	25,202,700
June	17,626,800	6,973,200	3,477,400	829,400	66,300	969,300	132,800	30,075,200
July	24,045,600	6,711,000	3,307,500	795,900	69,500	1,080,500	808,200	36,818,200
August	23,339,000	6,915,100	3,420,300	910,500	67,300	877,100	291,600	35,820,900
September	23,453,300	6,180,600	3,252,500	582,000	59,600	1,689,300	496,581	35,713,881
October	25,897,900	6,989,900	3,407,400	630,100	71,600	1,878,400	314,000	39,189,300
November	18,046,500	6,052,200	2,654,500	716,800	69,700	1,153,000	2,051,078	30,743,778
December	17,252,000	6,915,100	2,873,600	520,600	69,200	1,129,000	3,615,864	32,375,364
Total	<u>223,749,500</u>	<u>77,972,800</u>	<u>36,330,600</u>	<u>7,554,400</u>	<u>889,900</u>	<u>12,474,200</u>	<u>8,091,623</u>	<u>367,063,023</u>
Percent	60.96%	21.24%	9.90%	2.06%	0.24%	3.40%	2.20%	100.00%

Customer Count

	Residential	Commercial	Comm. Exempt	Government	Public Auth.	Educational	Special	Total
January	3,859	179	5	26	10	9	5	4,093
December	4,115	183	5	36	10	10	13	4,372
Average	<u>3,987</u>	<u>181</u>	<u>5</u>	<u>31</u>	<u>10</u>	<u>10</u>	<u>9</u>	<u>4,233</u>