

**TOWN OF DANVILLE  
MUNICIPAL STORMWATER UTILITY**

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

**May 7, 2025**



# DANVILLE MUNICIPAL STORMWATER 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 Stormwater Utility  
49 N Wayne Street  
Danville, IN 46122

May 7, 2025

We have, at your request, compiled this 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 Stormwater Utility.

The special purpose report information was prepared for the purpose of providing historical and projected financial information to management for the Danville Municipal Stormwater 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 9-10 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 Stormwater 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 STORMWATER UTILITY**

**SPECIAL PURPOSE REPORT SCHEDULES**

## **DANVILLE MUNICIPAL STORMWATER UTILITY**

### **GENERAL COMMENTS AND NOTES**

Following the close of calendar year 2024, cash available for the stormwater utility increased by approximately \$79,000. Operating receipts increased by approximately \$80,000 due to the \$1.00 fixed fee as well as Town growth. Operating disbursements also increased by approximately \$110,000. This increase slightly exceeded previous projections. The required maintenance on certain storm sewers installed by INDOT may be responsible for a significant portion of this increase.

Per management, significant improvements around Town are required. An estimated \$4-5M in projects may be required in the next 5 years. Projected receipts and disbursements provide for \$2M in stormwater projects beginning in 2026. However, to meet projected cashflow needs, debt service payments and debt service coverage requirements, an increase of approximately 50% in revenues may be required. Additional analysis will be required when a significant project arises.

An increase of 50% would provide the Utility with the ability to address \$2M in projects immediately in 2026. The increase would provide around \$200,000 annually for various projects. These funds could benefit the rate payers by providing additional funding for CCMG matches, general road improvements, installation of new storm sewers and drainage ditches or improvement to the existing system. Without any additional rate increases here, the Town is very limited to what capital improvements may be available.

DANVILLE MUNICIPAL STORMWATER UTILITY

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

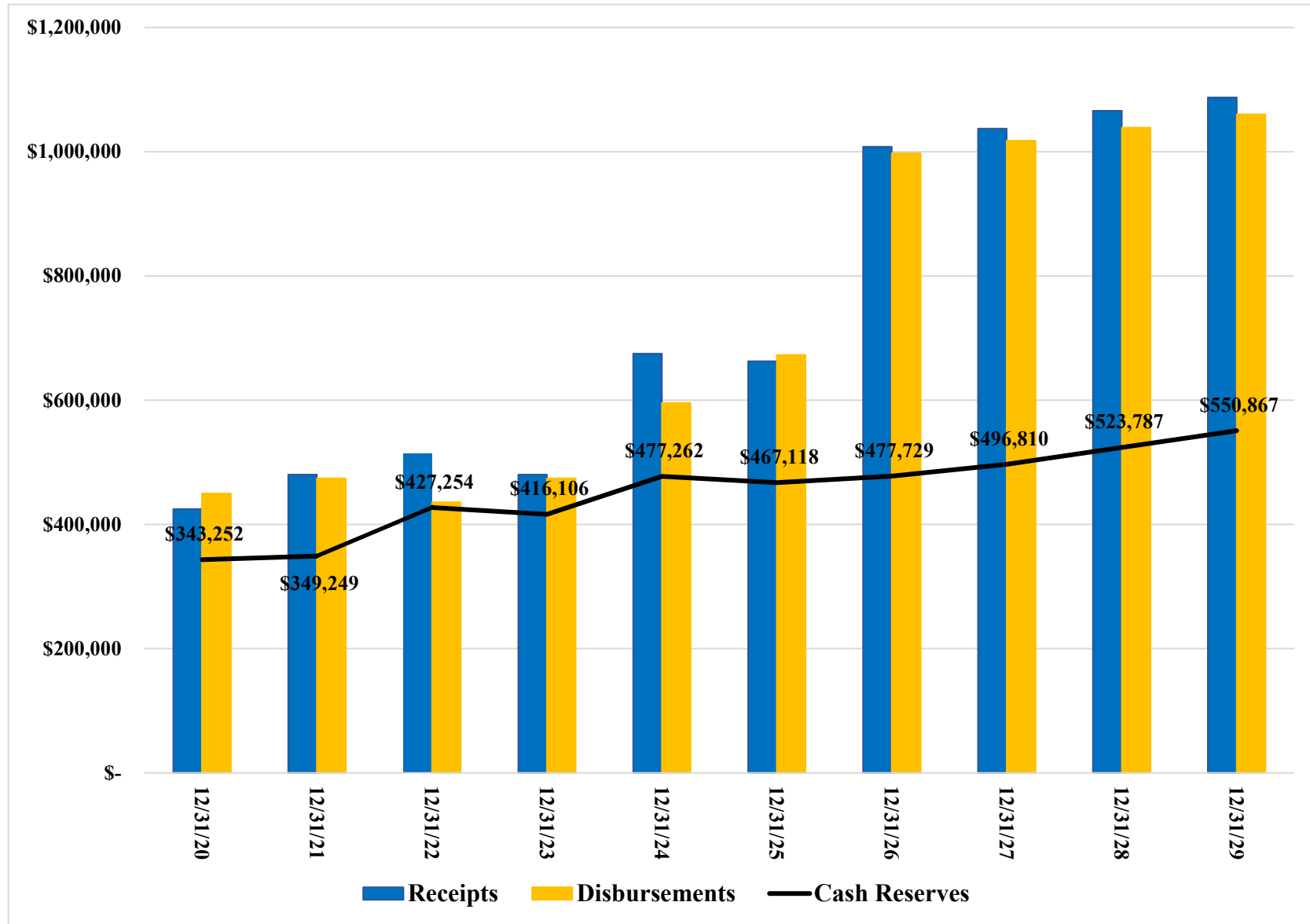
	Test Year 2024	2025	2026	Projected*	2028	2029
			<i>- \$2M Bond Issuance -</i>			
			<i>- 50% Rate Increase -</i>			
Operating Receipts:						
Stormwater Fees	\$ 602,252	\$ 633,452	\$ 978,978	\$ 1,007,778	\$ 1,036,578	\$ 1,058,178
Penalties	7,783	7,783	7,783	7,783	7,783	7,783
Miscellaneous	1,400	1,400	1,400	1,400	1,400	1,400
Total Operating Receipts	611,435	642,635	988,161	1,016,961	1,045,761	1,067,361
Operating Disbursements:						
Wages and Benefits	339,522	356,500	367,195	378,211	389,557	401,244
Supplies, Repairs and Maintenance	141,332	148,399	152,851	157,437	162,160	167,025
MS4 and Professional Services	81,094	83,968	86,487	89,082	91,754	94,507
Other/Misc Operating Disbursements	32,059	31,893	32,849	33,834	34,849	35,894
Total Operating Disbursements	594,007	620,759	639,382	658,564	678,320	698,670
Net Operating Receipts	17,428	21,876	348,779	358,397	367,441	368,691
Non-Operating Receipts/(Disbursements)**:						
Interest Income	26,950	20,000	20,000	20,000	20,000	20,000
Payment in Lieu of Taxes	(1,682)	(2,020)	(3,168)	(4,316)	(5,464)	(6,611)
Capital Outlays	-	(50,000)	(200,000)	(200,000)	(200,000)	(200,000)
Proposed Debt Service	-	-	(155,000)	(155,000)	(155,000)	(155,000)
Net Cashflow	\$ 42,696	\$ (10,144)	\$ 10,611	\$ 19,081	\$ 26,977	\$ 27,080

\* Projected stormwater fees assume the addition of 325, 250, 200, 200 and 150 for years 2025, 2026, 2027, 2028 and 2029, respectively. Also, projected stormwater fees for 2026 assume an additional across-the-board rate adjustment of 50% effective January 1, 2026. Projected operating disbursements for 2025 are assumed at budgeted amounts (see page 8). Subsequent years assume a 3% inflationary adjustment. Non-operating disbursements assume capital outlays of \$50k for 2025 and \$200k annually, thereafter (following the proposed 2026 rate increase). Additional capital outlays and debt service on a \$2M bond issuance are assumed beginning January 1, 2026.

\*\* Excludes non-recurring receipts and disbursements.

## DANVILLE MUNICIPAL STORMWATER UTILITY

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



See Accountant's Special Purpose Compilation Report



DANVILLE MUNICIPAL STORMWATER UTILITY

SCHEDULE OF CURRENT AND PROPOSED STORMWATER RATES AND CHARGES

*Per Stormwater Rate Ordinance 28-2023*

	<u>Current (1)</u>	<u>Proposed (2)</u>
<u>Fixed Fee (1):</u>		
Fixed monthly fee for all users	\$ 4.50	\$ 6.75
<u>Variable Fee (1):</u>		
Monthly fee per number of Equivalent Residential Units	\$ 3.50	\$ 5.25

(1) Per Ordinance No. 28-2023.

(2) Proposes a 50% rate increase effective January 1, 2026.

**TOWN OF DANVILLE  
MUNICIPAL STORMWATER UTILITY**

**HISTORICAL FINANCIAL STATEMENTS**

DANVILLE MUNICIPAL STORMWATER 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>\$ 351,999</u>	<u>\$ 351,999</u>	<u>\$ 295,847</u>
Cash and Investments:			
Operating Fund	<u>\$ 576,263</u>	<u>\$ 496,882</u>	<u>\$ 499,890</u>

See Accountant's Special Purpose Compilation Report

DANVILLE MUNICIPAL STORMWATER 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:			
Stormwater Fees	\$ 602,252	\$ 522,836	\$ 493,490
Pentalties	7,783	6,549	6,145
Miscellaneous	<u>1,400</u>	<u>1,400</u>	<u>14,184</u>
Total Operating Receipts	<u>611,435</u>	<u>530,785</u>	<u>513,819</u>
Operating Disbursements:			
Salaries and Wages	254,051	234,088	213,033
Employee Benefits	85,471	83,761	73,424
Supplies, Repairs and Maintenance	141,332	76,500	81,428
MS4 Programs	10,056	5,436	5,145
Contractual Services	10,104	1,875	-
Professional Services	60,934	29,504	41,440
Insurance	-	23,000	-
Transportation	9,612	4,477	4,300
Miscellaneous	<u>22,447</u>	<u>26,017</u>	<u>17,044</u>
Total Operating Disbursements	<u>594,007</u>	<u>484,658</u>	<u>435,814</u>
Net Operating Receipts	<u>17,428</u>	<u>46,127</u>	<u>78,005</u>
Non-Operating Receipts:			
Interest Income	26,950	7,017	-
Other Receipts	<u>36,685</u>	<u>-</u>	<u>-</u>
Total Non-Operating Receipts	<u>63,635</u>	<u>7,017</u>	<u>-</u>
Non-Operating Disbursements:			
Payment in Lieu of Taxes	1,682	-	-
Capital Additions	<u>-</u>	<u>56,152</u>	<u>-</u>
Total Non-Operating Disbursements	<u>1,682</u>	<u>56,152</u>	<u>-</u>
Increase (Decrease) in Cash and Investments	79,381	(3,008)	78,005
Beginning Cash and Investments	<u>496,882</u>	<u>499,890</u>	<u>421,885</u>
Ending Cash and Investments	<u><u>\$ 576,263</u></u>	<u><u>\$ 496,882</u></u>	<u><u>\$ 499,890</u></u>

See Accountant's Special Purpose Compilation Report

**TOWN OF DANVILLE  
MUNICIPAL STORMWATER UTILITY**

**SUPPLEMENTARY INFORMATION**

# DANVILLE MUNICIPAL STORMWATER 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	\$ 254,051	\$ 12,749	(1)	\$ 266,800
Employee Benefits	85,471	4,229	(1)	89,700
Supplies, Repairs and Maintenance	141,332	7,067	(2)	148,399
MS4 Programs	10,056	503	(2)	10,559
Contractual Services	10,104	505	(2)	10,609
Professional Services	60,934	1,866	(3)	62,800
Transportation	9,612	481	(2)	10,093
Miscellaneous	<u>22,447</u>	<u>(647)</u>	(4)	<u>21,800</u>
Total Operating Disbursements	<u><u>\$ 594,007</u></u>	<u><u>\$ 26,752</u></u>		<u><u>\$ 620,759</u></u>

### Assumptions:

- (1) Assumes a 5% cost-of-living adjustments to Test Year amounts.
- (2) Assumes a 5% adjustment for utility growth and inflation to Test Year amounts.
- (3) Assumes Test Year amounts.
- (4) Assumes an amount equal to the prior 3-year average.

# DANVILLE MUNICIPAL STORMWATER UTILITY

## GRAPH OF HISTORICAL BILLINGS BY CUSTOMER CLASS

