

**TOWN OF DANVILLE  
MUNICIPAL WASTEWATER UTILITY**

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

**May 7, 2025**



# DANVILLE MUNICIPAL WASTEWATER 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 Wastewater 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 Wastewater Utility.

The special purpose report information was prepared for the purpose of providing historical and projected financial information to management for the Danville Municipal Wastewater 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 12-20 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 Wastewater 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 WASTEWATER 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 Ordinances for the wastewater utility, increased by approximately \$1.3M. Total cash-on-hand decreased by approximately \$2.6M, but when excluding the use of construction fund cash and previously dedicated funds, the Utility would have otherwise experienced a positive cash flow. Total cash reserves have been low, historically, and the 2020 Rate Study rate adjustments have provided the necessary increase in reserves. However, when considering the wastewater projects ongoing and upcoming, the current increase experienced will likely level off.

Operating receipts for calendar year 2024 exceeded previously projected amounts by approximately \$40,000, primarily as a result of Town growth. However, operating disbursements also exceeded previous projections by approximately \$100,000, primarily due to 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 various bond-funded projects continued as well. In comparison with previous projections, the Utility operated near par and experienced cashflows as expected.

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

The wastewater utility has been operating well since the completion of the 2020 Rate Study. Cash reserves have accumulated for subsequent capital projects and net operating receipts and historical debt service coverage have been sufficient. However, with the upcoming Treatment Plant Expansion Project, future rate considerations must be addressed.

The projects presented in 2025 through 2027 in the Schedule of Capital Improvements have partial funding from the issuance of the 2023 Bonds. At this time, rates are sufficient for proper debt service coverage. However, with the potential for \$30M or greater bond issuance for the Treatment Plant Expansion, rates are almost certainly going to require a significant rate adjustment. Based on the projections, four 10% increases in rates may be still be insufficient to achieve minimum debt service coverage requirements. With the project still several years away, project cost uncertainty and unknowns regarding Town growth, adjusting the rates fully to achieve coverage at this time may not be necessary. However, it is recommended that smaller annual rate increases are implemented to reduce “rate shock” as well as to build cash reserves to contribute to project costs.

Annual rate increases, even if smaller at 5% annually, may help the Town avoid some of the negative impacts that come with the almost inevitable large required increase coming. It is recommended that annual 10% rate increases are implemented to build cash and reduce whatever the future increase may be, but anything at 5% or higher will help the Utility greatly from a cashflow and cash reserve perspective. These smaller increases may also 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 the treatment plant expansion project.

DANVILLE MUNICIPAL WASTEWATER 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	\$ 3,526,537	\$ 3,966,372	\$ 4,444,216	\$ 4,949,542	\$ 5,505,401	\$ 6,106,695
Contracted Services	46,075	46,075	46,075	46,075	46,075	46,075
Other/Misc Operating Receipts	85,472	85,472	85,472	85,472	85,472	85,472
Total Operating Receipts	3,658,084	4,097,919	4,575,763	5,081,089	5,636,948	6,238,242
Operating Disbursements:						
Wages and Benefits	799,228	927,780	974,169	1,022,877	1,074,021	1,127,722
Purchased Power	237,222	249,080	261,534	274,611	288,342	302,759
Chemicals, Materials, Supplies and Repairs	348,466	313,393	329,063	345,516	362,792	380,932
Sludge Removal	86,138	90,440	94,962	99,710	104,696	109,931
Contractual and Professional Services	226,106	237,520	249,396	261,866	274,959	288,707
Insurance	50,000	52,500	55,125	57,881	60,775	63,814
Other/Misc Operating Disbursements	27,829	34,580	36,309	38,124	40,030	42,032
Total Operating Disbursements	1,774,989	1,905,293	2,000,558	2,100,585	2,205,615	2,315,897
Net Operating Receipts	1,883,095	2,192,626	2,575,205	2,980,504	3,431,333	3,922,345
Non-Operating Receipts/(Disbursements):						
Interest Income	198,002	150,000	150,000	150,000	150,000	150,000
Tap and Acreage Fees	1,010,500	650,000	475,000	475,000	412,500	320,000
Payment in Lieu of Taxes	(143,702)	(170,635)	(211,514)	(229,304)	(234,332)	(264,749)
Debt Service on Bonds	(1,210,910)	(1,295,686)	(1,295,447)	(1,223,800)	(1,227,438)	(1,224,650)
Debt Service on Proposed Bonds	-	-	-	-	(1,191,580)	(2,383,160)
Capital Outlays (excludes bond funded capital)	(1,110,519)	(1,100,000)	(1,100,000)	(876,000)	(5,300,000)	(500,000)
Total Non-Operating Receipts/(Disbursements)	(1,256,629)	(1,766,321)	(1,981,961)	(1,704,104)	(7,390,850)	(3,902,559)
Net Cashflow	\$ 626,466	\$ 426,305	\$ 593,244	\$ 1,276,400	\$ (3,959,517)	\$ 19,786
Debt Service Coverage	171.9%	180.8%	210.4%	255.8%	148.0%	112.9%
Debt Service Coverage with PILOT	160.0%	167.6%	194.0%	237.1%	138.4%	105.3%
4,000 Gallon Residential Bill	\$ 62.77	\$ 65.30	\$ 71.83	\$ 79.03	\$ 86.93	\$ 95.61

See Accountant's Special Purpose Compilation Report

DANVILLE MUNICIPAL WASTEWATER 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 250 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. It is assumed that bond, grant and cash-on-hand will be used to fund the Phase I SE Regional Lift Station, Gravity Sewer and Force Main.
- (3) Projected metered sales for 2026 assumes an increase for 200 customer additions at a 4,000 gallon monthly bill. Additionally, an estimated 10% across-the-board may be required in anticipation of debt service coverage requirements based on the estimated project costs for the future Wastewater Treatment Plan Expansion. Projected operating disbursements for 2026 assume an adjustment of 5% for utility growth and inflation. Projected connection charges and acreage fees for 2026 assume 150 connection charges and 50 acreage fees. Other projected non-operating receipts and disbursements for 2026 are based on known debt service requirements and management estimates. It is assumed that bond, grant and cash-on-hand will be used to fund the County Home Regional Lift Station, Gravity Sewer and Force Main.
- (4) Projected metered sales for 2027 assumes an increase for 150 customer additions at a 4,000 gallon monthly bill. Additionally, an estimated 10% across-the-board may be required in anticipation of debt service coverage requirements based on the estimated project costs for the future Wastewater Treatment Plan Expansion. Projected operating disbursements for 2027 assume an adjustment of 5% for utility growth and inflation. Projected connection charges and acreage fees for 2027 assume 150 connection charges and 50 acreage fees. Other projected non-operating receipts and disbursements for 2027 are based on known debt service requirements and management estimates. It is assumed that bond, grant and cash-on-hand will be used to fund the Park Ridge Lift Station Replacement.
- (5) Projected metered sales for 2028 assumes an increase for 150 customer additions at a 4,000 gallon monthly bill. Additionally, an estimated 10% across-the-board may be required in anticipation of debt service coverage requirements based on the estimated project costs for the future Wastewater Treatment Plan Expansion. Projected operating disbursements for 2028 assume an adjustment of 5% for utility growth and inflation. Projected connection charges and acreage fees for 2028 assume 125 connection charges and 50 acreage fees. Debt service requirements are assumed to begin in 2028 for the Wastewater Treatment Plant Expansion (assumes a July 1 closing). Projected 2028 capital outlays assume a \$5M contribution of cash-on-hand in order to buy-down project costs. Other projected non-operating receipts and disbursements for 2028 are based on known debt service requirements and management estimates.
- (6) Projected metered sales for 2029 assumes an increase for 125 customer additions at a 4,000 gallon monthly bill. Additionally, an estimated 10% across-the-board may be required in anticipation of debt service coverage requirements based on the estimated project costs for the future Wastewater Treatment Plan Expansion. 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. Full debt service requirements are assumed to begin in 2029 for the Wastewater Treatment Plant Expansion. Other projected non-operating receipts and disbursements for 2029 are based on known debt service requirements and management estimates.



DANVILLE MUNICIPAL WASTEWATER UTILITY

SCHEDULE OF CAPITAL IMPROVEMENTS

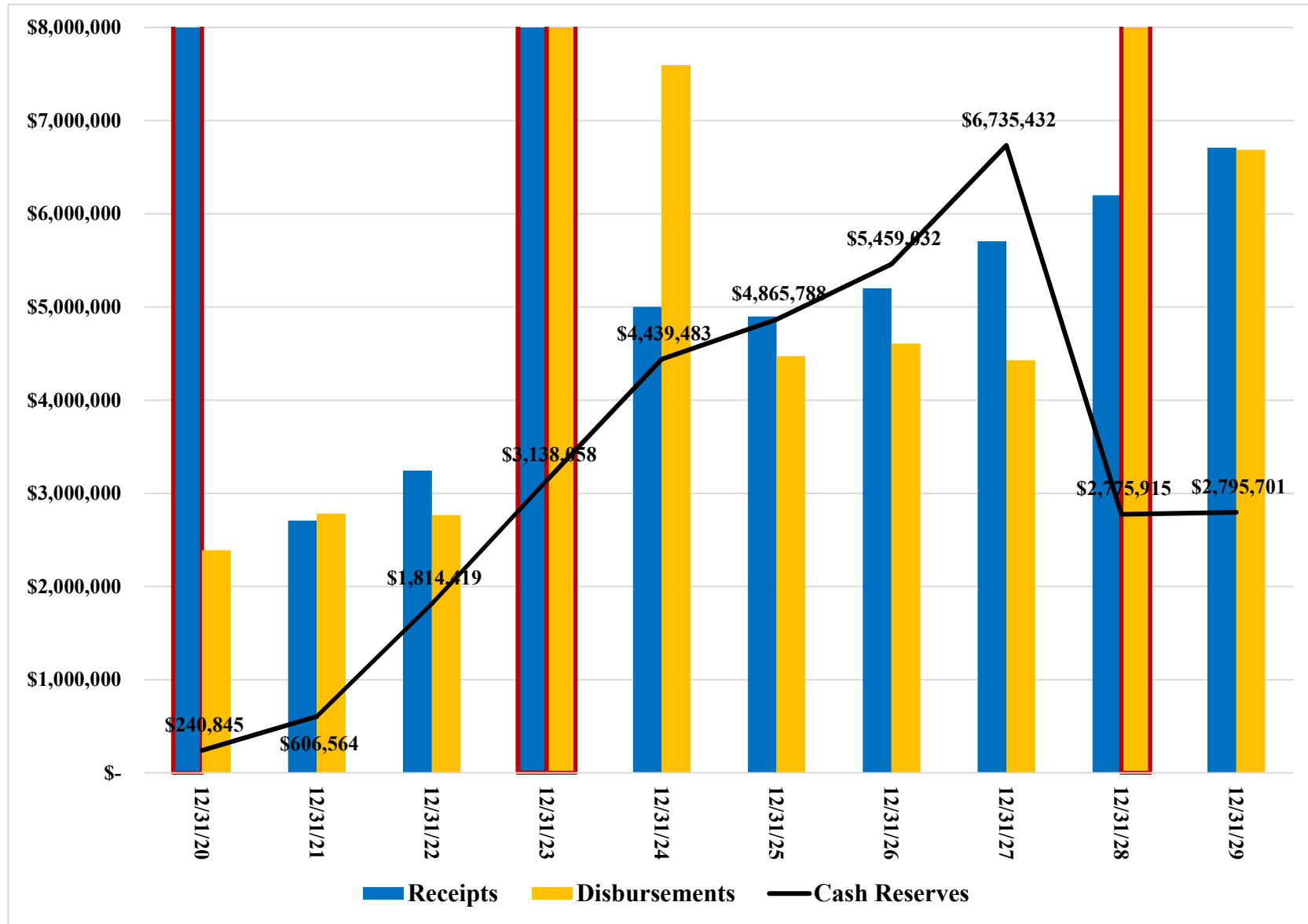
	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>
Phase 1 SE Regional Lift Station, Gravity Sewer & Force Main	\$ 3,960,000						
County Home Regional Lift Station, Gravity Sewer & Force Main		\$ 4,680,000					
Park Ridge Lift Station Replacement			\$ 576,000				
WWTP Expansion & Improvements				\$ 36,000,000			
Gailcrest Low Pressure Sewers						\$ 2,880,000	
Annual Improvement Allowances*	<u>\$ 300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>500,000</u>	<u>300,000</u>	<u>\$ 500,000</u>
Annual Totals	<u>\$ 4,260,000</u>	<u>\$ 4,980,000</u>	<u>\$ 876,000</u>	<u>\$ 36,300,000</u>	<u>\$ 500,000</u>	<u>\$ 3,180,000</u>	<u>\$ 500,000</u>

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

See Accountant's Special Purpose Compilation Report

## DANVILLE MUNICIPAL WASTEWATER UTILITY

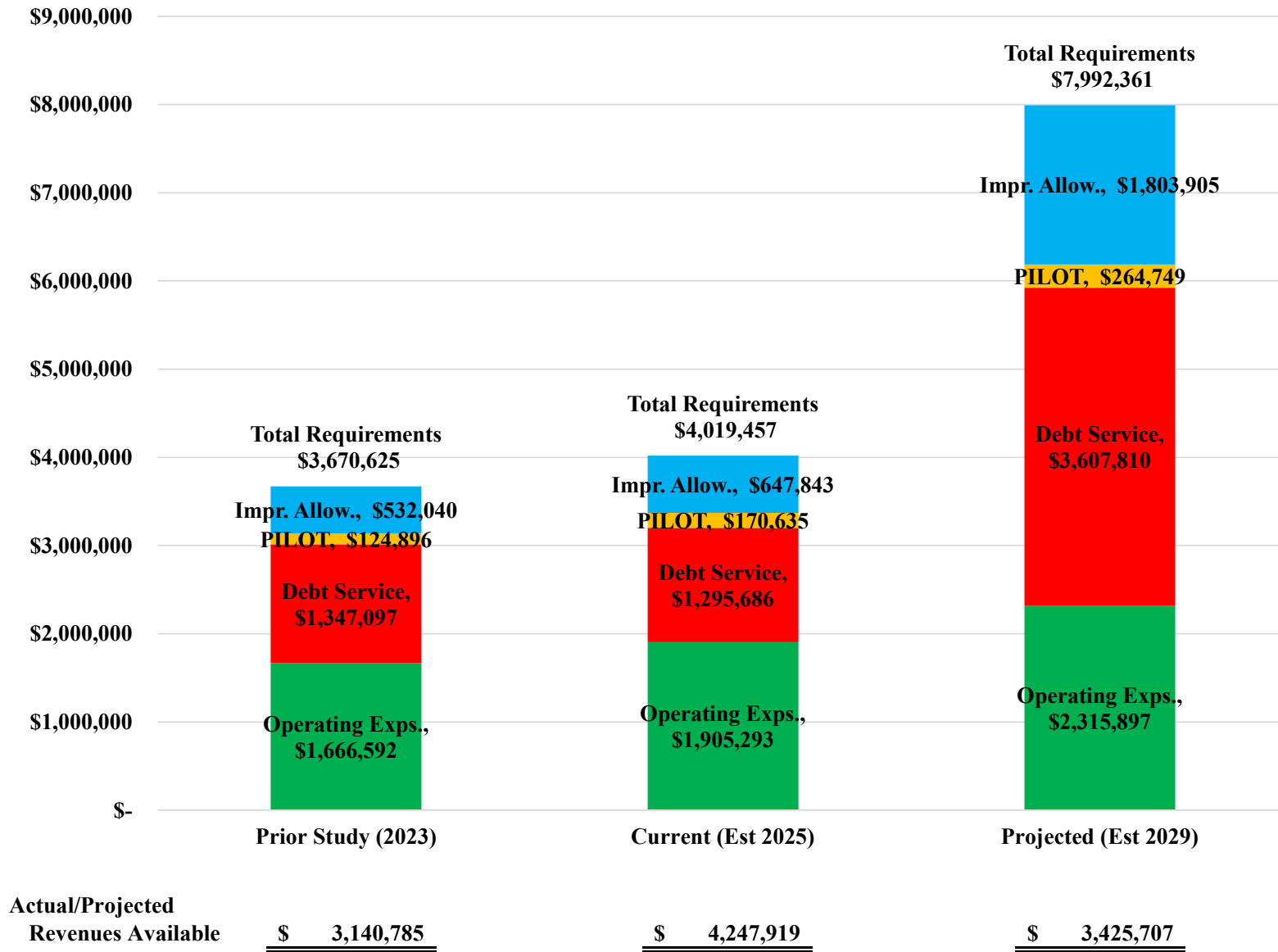
### GRAPH OF HISTORICAL AND PROJECTED RECEIPTS, DISBURSEMENTS AND CASH RESERVES



See Accountant's Special Purpose Compilation Report

# DANVILLE MUNICIPAL WASTEWATER UTILITY

## COMPARISON OF PRIOR, CURRENT AND PROJECTED REVENUE REQUIREMENTS



See Accountant's Special Purpose Compilation Report

DANVILLE MUNICIPAL WASTEWATER UTILITY

SCHEDULE OF CURRENT AND PROPOSED WASTEWATER RATES AND CHARGES

		<b>Current Phase III</b>	<b>Proposed</b>			
			<b>Phase I</b>	<b>Phase II</b>	<b>Phase III</b>	<b>Phase IV</b>
			<b>1/1/2026</b>	<b>1/1/2027</b>	<b>1/1/2028</b>	<b>1/1/2029</b>
	<i>- Effective Dates -</i>	<i>1/1/2025</i>	<i>1/1/2026</i>	<i>1/1/2027</i>	<i>1/1/2028</i>	<i>1/1/2029</i>
	<i>- Effective Increase -</i>	<i>4.0%</i>	<i>10.0%</i>	<i>10.0%</i>	<i>10.0%</i>	<i>10.0%</i>
<u>Metered Flow Rates:</u>						
Metered Flow Rate (per 1,000 gallons)		\$ 7.69	\$ 8.46	\$ 9.31	\$ 10.24	\$ 11.26
<u>Monthly Base Charges:</u>						
<u>Meter size:</u>						
5/8-3/4 Inch meter		\$ 34.54	\$ 37.99	\$ 41.79	\$ 45.97	\$ 50.57
1 Inch meter		75.49	83.04	91.34	100.47	110.52
1 1/2 Inch meter		165.87	182.46	200.71	220.78	242.86
2 Inch meter		280.33	308.36	339.20	373.12	410.43
3 Inch meter		635.27	698.80	768.68	845.55	930.11
4 Inch meter		1,099.49	1,209.44	1,330.38	1,463.42	1,609.76
6 Inch meter		2,492.06	2,741.27	3,015.40	3,316.94	3,648.63
8 Inch meter		4,430.57	4,873.63	5,360.99	5,897.09	6,486.80
<u>Unmetered Users:</u>						
Non-metered users (monthly charge)		\$ 76.75	\$ 84.43	\$ 92.87	\$ 102.16	\$ 112.38
<u>Excessive Strength Charges (per pound):</u>						
BOD Surcharge (in excess of 250mg/L)		\$ 0.43	\$ 0.47	\$ 0.52	\$ 0.57	\$ 0.63
Suspended Solids Surcharge (in excess of 250 mg/L)		0.43	0.47	0.52	0.57	0.63
Ammonia Surcharge (in excess of 45 mg/L)		0.85	0.94	1.03	1.13	1.24
Phosphorous Surcharge (in excess of 10mg/L)		1.63	1.79	1.97	2.17	2.39
<u>System Development Charges:</u>						
<u>Connection Charges:</u>						
<u>Meter Size</u>						
5/8-3/4 Inch meter		\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
1 Inch meter		6,250.00	6,250.00	6,250.00	6,250.00	6,250.00
1 1/2 Inch meter		14,500.00	14,500.00	14,500.00	14,500.00	14,500.00
2 Inch meter		25,000.00	25,000.00	25,000.00	25,000.00	25,000.00
3 Inch meter		57,500.00	57,500.00	57,500.00	57,500.00	57,500.00
4 Inch meter		100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
6 Inch meter		100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
8 Inch meter		100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
<u>Acreage Fees</u>						
Charge per acre		\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00

TOWN OF DANVILLE  
MUNICIPAL WASTEWATER UTILITY

HISTORICAL FINANCIAL STATEMENTS

DANVILLE MUNICIPAL WASTEWATER 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>\$ 29,732,468</u>	<u>\$ 25,272,872</u>	<u>\$ 21,267,587</u>
Cash and Investments:			
Operating Fund	\$ 4,181,211	\$ 2,974,980	\$ 1,863,183
Plant Replacement Fund	1,442,057	1,045,569	485,821
Bond and Interest Fund	215,948	117,280	116,669
Debt Service Reserve Fund	542,199	542,199	542,199
Escrow Fund	364	364	364
Construction Fund	5,692	5,551	5,467
Construction Fund (2020 BANs)	-	1,249,385	5,123,006
Construction Fund (2023 Bonds)	<u>4,863,477</u>	<u>7,908,093</u>	<u>-</u>
Total Cash and Investments	<u>\$ 11,250,948</u>	<u>\$ 13,843,421</u>	<u>\$ 8,136,709</u>
Long-Term Debt:			
Refunding Revenue Bonds of 2015	\$ 1,128,600	\$ 1,657,100	\$ 2,158,100
Bond Anticipation Notes, Series 2020	-	-	6,000,000
Revenue Bonds, Series 2023	<u>14,120,000</u>	<u>14,160,000</u>	<u>-</u>
Total Long-Term Debt	<u>\$ 15,248,600</u>	<u>\$ 15,817,100</u>	<u>\$ 8,158,100</u>

DANVILLE MUNICIPAL WASTEWATER UTILITY

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

	12/31/2024	12/31/2023	12/31/2022
Operating Receipts:			
Metered Sales	\$ 3,526,537	\$ 2,877,065	\$ 2,621,407
Contracted Services	46,075	69,443	83,939
Pentalties	36,885	30,973	33,073
Miscellaneous	48,587	46,910	44,006
Total Operating Receipts	3,658,084	3,024,391	2,782,425
Operating Disbursements:			
Salaries and Wages	593,572	555,157	520,274
Employee Benefits	205,656	201,792	179,197
Purchased Power	237,222	252,451	280,167
Materials, Supplies and Repairs	283,822	228,029	139,216
Chemicals	64,644	53,980	53,164
Sludge Removal	86,138	77,803	65,772
Contractual Services	135,732	109,027	80,156
Professional Services	90,374	78,787	62,698
Transportation	14,959	10,306	11,286
Insurance	50,000	38,714	54,189
Miscellaneous	12,870	28,930	14,816
Total Operating Disbursements	1,774,989	1,634,976	1,460,935
Net Operating Receipts	1,883,095	1,389,415	1,321,490
Non-Operating Receipts:			
Interest Income	198,002	116,394	20,193
Tap Fees	1,010,500	873,000	283,494
Developer Acreage Fees	133,540	125,900	159,500
Bond/BAN Proceeds	-	14,160,000	-
Total Non-Operating Receipts	1,342,042	15,275,294	463,187
Non-Operating Disbursements:			
Revenue Bonds of 2015 Interest	79,707	103,805	126,821
Bond Anticipation Notes, Series 2020 Interest	-	110,992	96,000
Revenue Bonds, Series 2023 Interest	566,105	-	-
Revenue Bonds of 2015 Principal	528,500	501,000	478,500
Bond Anticipation Notes, Series 2020 Principal Repayment	-	6,000,000	-
Revenue Bonds, Series 2023 Principal	40,000	-	-
Bond Issuance Costs	-	236,915	-
Payment in Lieu of Taxes	143,702	-	124,896
Capital Additions	4,459,596	4,005,285	479,028
Total Non-Operating Disbursements	5,817,610	10,957,997	1,305,245
Increase (Decrease) in Cash and Investments	(2,592,473)	5,706,712	479,432
Beginning Cash and Investments	13,843,421	8,136,709	7,657,277
Ending Cash and Investments	\$ 11,250,948	\$ 13,843,421	\$ 8,136,709

See Accountant's Special Purpose Compilation Report

TOWN OF DANVILLE  
MUNICIPAL WASTEWATER UTILITY

SUPPLEMENTARY INFORMATION



# DANVILLE MUNICIPAL WASTEWATER UTILITY

## COMPARISON OF ACCOUNT BALANCES WITH MINIMUM RESERVES REQUIRED

	Balance as of 12/31/2024	Minimum Reserves Required (1)	Available Balance/ (Shortfall)
Operating Fund	\$ 4,181,211	\$ 295,832 (2)	\$ 3,885,379
Plant Replacement Fund	1,442,057	743,312 (3)	698,745
Bond and Interest Fund	215,948	215,948 (4)	-
Debt Service Reserve Fund	542,199	692,896 (5)	<b>(150,697)</b>
Escrow Fund	364	- (6)	364
Construction Fund	5,692	- (6)	5,692
Construction Fund (2020 BANs)	-	- (7)	-
Construction Fund (2023 Bonds)	<u>4,863,477</u>	<u>4,863,477 (7)</u>	<u></u>
Total Cash and Investments	<u>\$ 11,250,948</u>	<u>\$ 6,811,465</u>	<u>\$ 4,439,483</u>

(1) Pursuant to Bond Ordinance No. 29-2023.

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

(3) Reserved for periodic maintenance or improvements. No requirement, but 2.5% 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 1/12th the next principal payment.

(5) Required balance per the transfer schedule provided in the After-Sale Letter dated 12/29/2023.

(6) No restrictions, available for transfer.

(7) Reserved for projects identified in offering documents and Bond Ordinance.

# DANVILLE MUNICIPAL WASTEWATER UTILITY

## SCHEDULE OF PRO FORMA METERED SALES BASED ON THE TEST YEAR ENDED DECEMBER 31, 2024

	Test Year Metered Sales	Adjustments		Estimated Adjusted Metered Sales
		Phase II (1)	Phase III (2)	
Billing Month:				
January	\$ 289,475	\$ 11,579	\$ 12,042	\$ 313,096
February	266,242	10,650	11,076	287,968
March	262,175	10,487	10,906	283,568
April	279,947	11,198	11,646	302,791
May	275,311	11,012	11,453	297,776
June	295,536	11,821	12,294	319,651
July	303,263		12,131	315,394
August	321,974		12,879	334,853
September	313,711		12,548	326,259
October	334,207		13,368	347,575
November	306,949		12,278	319,227
December	309,917		12,397	322,314
Total Metered Sales	<u>\$ 3,558,707</u>	<u>\$ 66,747</u>	<u>\$ 145,018</u>	<u>\$ 3,770,472</u>

### **Adjustments per Ordinance No. 27-2023.**

- (2) Phase II adjustments reflect the 4.0% across-the-board rate increase effective for Test Year and adjusted billings effective for July 2024 billings and collection.
- (4) Phase III adjustments reflect the 4.0% across-the-board rate increase effective for Test Year and adjusted billings effective for January 2025 billings and collection.

# DANVILLE MUNICIPAL WASTEWATER UTILITY

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

	<u>Test Year</u>	<u>Adjustments</u>	<u>Budget</u>
Operating Disbursements:			
Salaries and Wages	\$ 593,572	\$ 89,678 (1)	\$ 683,250
Employee Benefits	205,656	38,874 (1)	244,530
Purchased Power	237,222	11,858 (2)	249,080
Materials, Supplies and Repairs	283,822	(38,309) (3)	245,513
Chemicals	64,644	3,236 (2)	67,880
Sludge Removal	86,138	4,302 (2)	90,440
Contractual Services	135,732	6,788 (4)	142,520
Professional Services	90,374	4,626 (4)	95,000
Transportation	14,959	751 (2)	15,710
Insurance	50,000	2,500 (2)	52,500
Miscellaneous	<u>12,870</u>	<u>6,000 (5)</u>	<u>18,870</u>
Total Operating Disbursements	<u>\$ 1,774,989</u>	<u>\$ 130,304</u>	<u>\$ 1,905,293</u>

- (1) Assumes a 5.0% cost-of-living adjustment plus the hiring of an additional employee and related estimated benefits.
- (2) Assumes a 5.0% adjustment for inflation and utility growth.
- (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) Equals prior 3-year historical average.

DANVILLE MUNICIPAL WASTEWATER UTILITY

SCHEDULE OF AMORTIZATION OF \$1,128,600 OUTSTANDING SEWAGE WORKS  
REFUNDING REVENUE BONDS OF 2015

Dated March 26, 2015

Payment Date	Principal Balance	Interest Rate	Debt Service			Bond Year Total
			Principal	Interest	Total	
5/1/2025				\$ 27,142.84	\$ 27,142.84	
11/1/2025	\$ 1,128,600	4.81%	\$ 550,700	27,142.84	577,842.84	\$ 604,985.68
5/1/2026				13,898.50	13,898.50	
11/1/2026	577,900	4.81%	577,900	13,898.50	591,798.50	605,697.00
Totals			<u>\$ 1,128,600</u>	<u>\$ 82,082.68</u>	<u>\$ 1,210,682.68</u>	<u>\$ 1,210,682.68</u>

DANVILLE MUNICIPAL WASTEWATER UTILITY

SCHEDULE OF AMORTIZATION OF \$14,160,000 PROPOSED SEWAGE WORKS  
REVENUE BONDS, SERIES 2023

Dated December 28, 2023

Payment Date	Principal Balance	Interest Rate	Debt Service			Bond Year Total
			Principal	Interest	Total	
5/1/2025				\$ 335,350.00	\$ 335,350.00	
11/1/2025	\$ 14,120,000	4.75%	\$ 20,000	335,350.00	355,350.00	\$ 690,700.00
5/1/2026				334,875.00	334,875.00	
11/1/2026	14,100,000	4.75%	20,000	334,875.00	354,875.00	689,750.00
5/1/2027				334,400.00	334,400.00	
11/1/2027	14,080,000	4.75%	555,000	334,400.00	889,400.00	1,223,800.00
5/1/2028				321,218.75	321,218.75	
11/1/2028	13,525,000	4.75%	585,000	321,218.75	906,218.75	1,227,437.50
5/1/2029				307,325.00	307,325.00	
11/1/2029	12,940,000	4.75%	610,000	307,325.00	917,325.00	1,224,650.00
5/1/2030				292,837.50	292,837.50	
11/1/2030	12,330,000	4.75%	640,000	292,837.50	932,837.50	1,225,675.00
5/1/2031				277,637.50	277,637.50	
11/1/2031	11,690,000	4.75%	670,000	277,637.50	947,637.50	1,225,275.00
5/1/2032				261,725.00	261,725.00	
11/1/2032	11,020,000	4.75%	705,000	261,725.00	966,725.00	1,228,450.00
5/1/2033				244,981.25	244,981.25	
11/1/2033	10,315,000	4.75%	735,000	244,981.25	979,981.25	1,224,962.50
5/1/2034				227,525.00	227,525.00	
11/1/2034	9,580,000	4.75%	770,000	227,525.00	997,525.00	1,225,050.00
5/1/2035				209,237.50	209,237.50	
11/1/2035	8,810,000	4.75%	810,000	209,237.50	1,019,237.50	1,228,475.00
5/1/2036				190,000.00	190,000.00	
11/1/2036	8,000,000	4.75%	845,000	190,000.00	1,035,000.00	1,225,000.00
5/1/2037				169,931.25	169,931.25	
11/1/2037	7,155,000	4.75%	885,000	169,931.25	1,054,931.25	1,224,862.50
5/1/2038				148,912.50	148,912.50	
11/1/2038	6,270,000	4.75%	930,000	148,912.50	1,078,912.50	1,227,825.00
5/1/2039				126,825.00	126,825.00	
11/1/2039	5,340,000	4.75%	970,000	126,825.00	1,096,825.00	1,223,650.00
5/1/2040				103,787.50	103,787.50	
11/1/2040	4,370,000	4.75%	1,020,000	103,787.50	1,123,787.50	1,227,575.00
5/1/2041				79,562.50	79,562.50	
11/1/2041	3,350,000	4.75%	1,065,000	79,562.50	1,144,562.50	1,224,125.00
5/1/2042				54,268.75	54,268.75	
11/1/2042	2,285,000	4.75%	1,115,000	54,268.75	1,169,268.75	1,223,537.50
5/1/2043				27,787.50	27,787.50	
11/1/2043	1,170,000	4.75%	1,170,000	27,787.50	1,197,787.50	1,225,575.00
Totals			<u>\$ 14,120,000</u>	<u>\$ 8,096,375.00</u>	<u>\$ 22,216,375.00</u>	<u>\$ 22,216,375.00</u>

See Accountant's Compilation Report

# DANVILLE MUNICIPAL WASTEWATER UTILITY

## SCHEDULE OF COMBINED DEBT SERVICE

Payment Date	Outstanding 2015 RefBonds	Proposed 2023 Bonds	Period Total	Bond Year Total
5/1/2025	\$ 27,142.84	\$ 335,350.00	\$ 362,492.84	
11/1/2025	577,842.84	355,350.00	933,192.84	\$ 1,295,685.68
5/1/2026	13,898.50	334,875.00	348,773.50	
11/1/2026	591,798.50	354,875.00	946,673.50	1,295,447.00
5/1/2027		334,400.00	334,400.00	
11/1/2027		889,400.00	889,400.00	1,223,800.00
5/1/2028		321,218.75	321,218.75	
11/1/2028		906,218.75	906,218.75	1,227,437.50
5/1/2029		307,325.00	307,325.00	
11/1/2029		917,325.00	917,325.00	1,224,650.00
5/1/2030		292,837.50	292,837.50	
11/1/2030		932,837.50	932,837.50	1,225,675.00
5/1/2031		277,637.50	277,637.50	
11/1/2031		947,637.50	947,637.50	1,225,275.00
5/1/2032		261,725.00	261,725.00	
11/1/2032		966,725.00	966,725.00	1,228,450.00
5/1/2033		244,981.25	244,981.25	
11/1/2033		979,981.25	979,981.25	1,224,962.50
5/1/2034		227,525.00	227,525.00	
11/1/2034		997,525.00	997,525.00	1,225,050.00
5/1/2035		209,237.50	209,237.50	
11/1/2035		1,019,237.50	1,019,237.50	1,228,475.00
5/1/2036		190,000.00	190,000.00	
11/1/2036		1,035,000.00	1,035,000.00	1,225,000.00
5/1/2037		169,931.25	169,931.25	
11/1/2037		1,054,931.25	1,054,931.25	1,224,862.50
5/1/2038		148,912.50	148,912.50	
11/1/2038		1,078,912.50	1,078,912.50	1,227,825.00
5/1/2039		126,825.00	126,825.00	
11/1/2039		1,096,825.00	1,096,825.00	1,223,650.00
5/1/2040		103,787.50	103,787.50	
11/1/2040		1,123,787.50	1,123,787.50	1,227,575.00
5/1/2041		79,562.50	79,562.50	
11/1/2041		1,144,562.50	1,144,562.50	1,224,125.00
5/1/2042		54,268.75	54,268.75	
11/1/2042		1,169,268.75	1,169,268.75	1,223,537.50
5/1/2043		27,787.50	27,787.50	
11/1/2043		1,197,787.50	1,197,787.50	1,225,575.00
Totals	<u>\$ 1,210,682.68</u>	<u>\$ 22,216,375.00</u>	<u>\$ 23,427,057.68</u>	<u>\$ 23,427,057.68</u>

See Accountant's Compilation Report

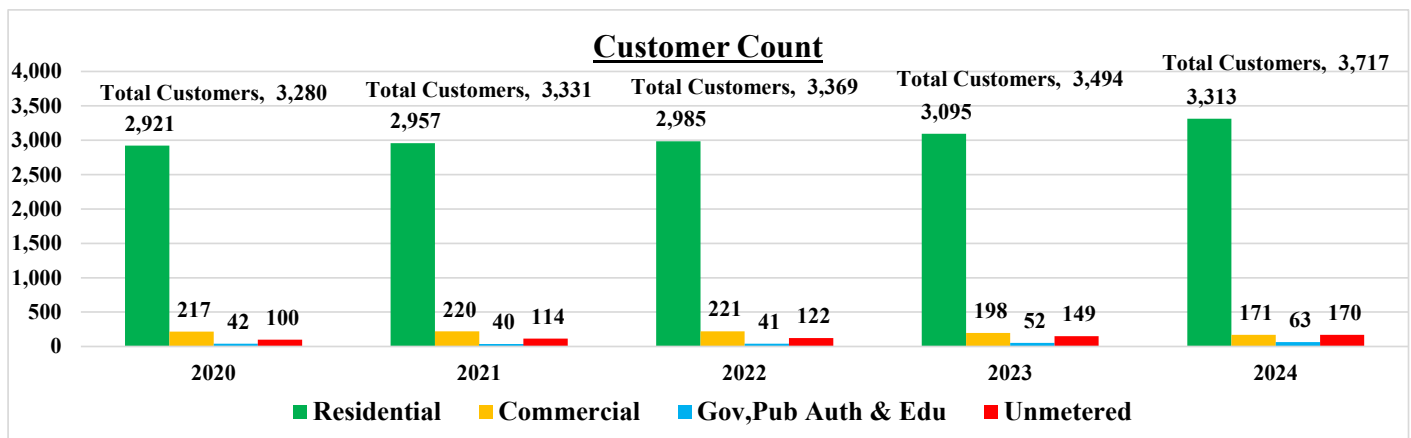
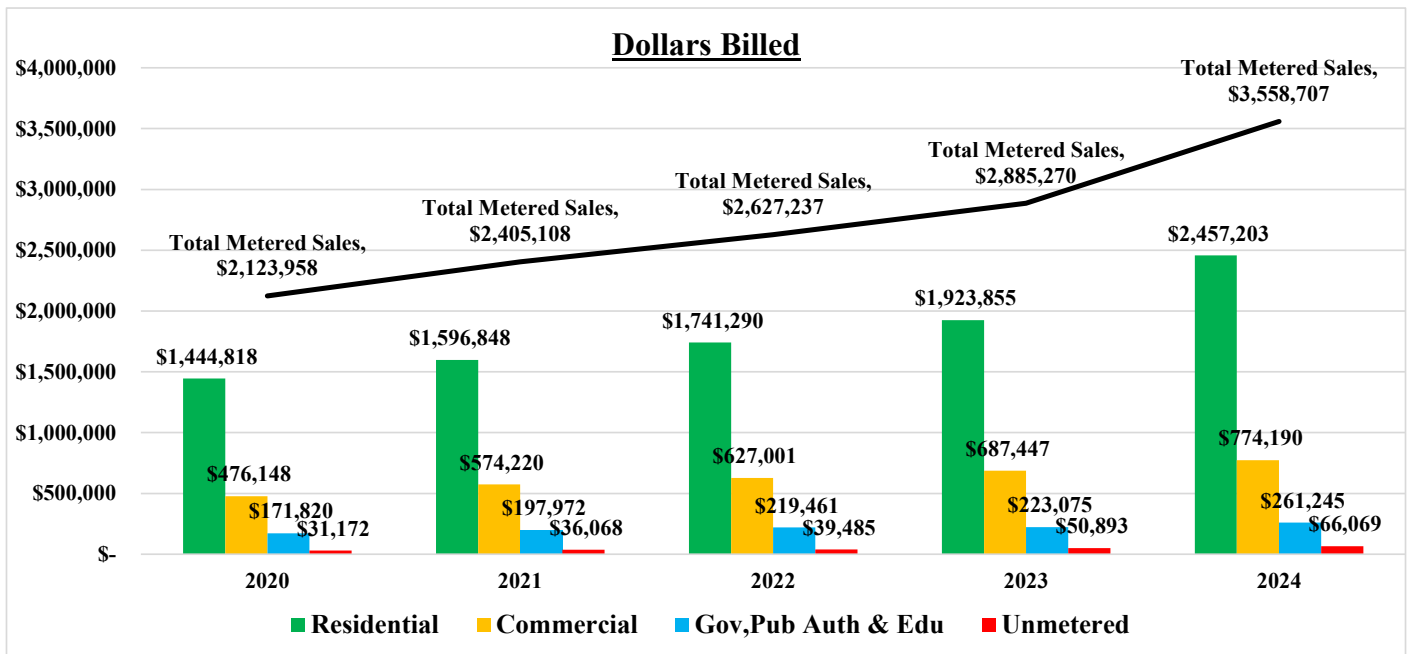
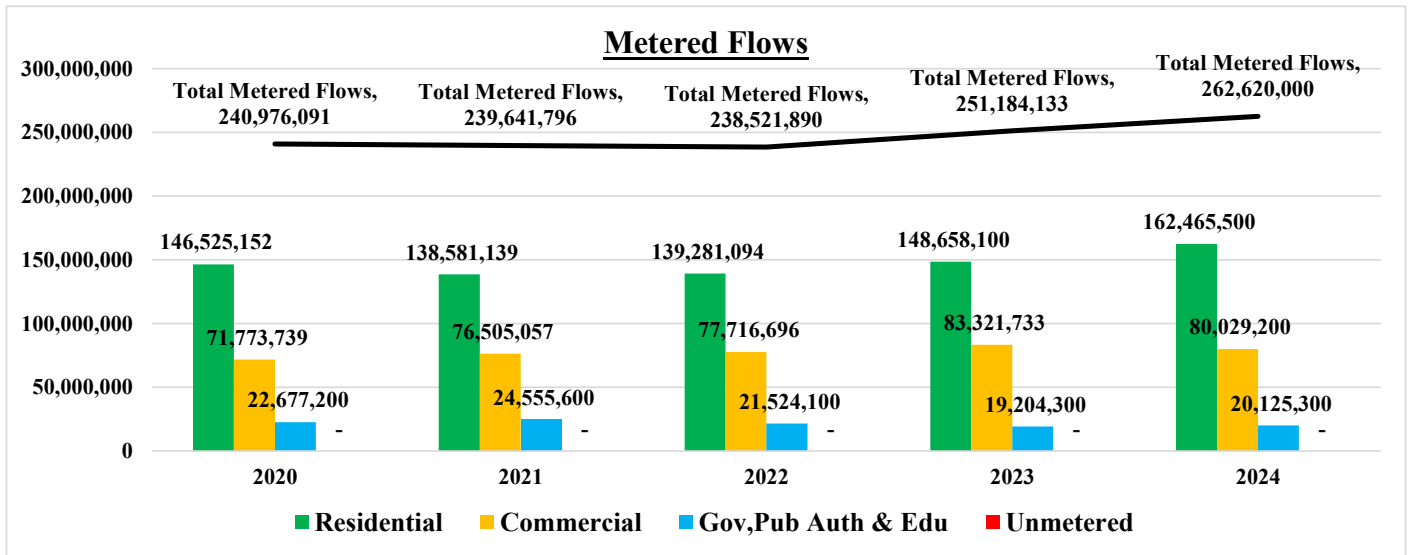
# DANVILLE MUNICIPAL WASTEWATER UTILITY

## CALCULATION OF INFILTRATION AND INFLOW FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2024

	<u>Total Influent Flow</u>	<u>Total Gallons Billed</u>	<u>Variance</u>
January, 2024	27,224,200	22,267,500	4,956,700
February	51,274,000	19,017,700	32,256,300
March	33,611,200	18,385,900	15,225,300
April	40,486,000	20,794,900	19,691,100
May	64,905,000	20,006,500	44,898,500
June	48,037,600	22,101,900	25,935,700
July	30,699,000	23,067,100	7,631,900
August	37,637,100	23,876,400	13,760,700
September	39,084,800	22,679,700	16,405,100
October	29,649,000	25,414,800	4,234,200
November	29,056,300	22,360,200	6,696,100
December	<u>36,411,000</u>	<u>22,647,400</u>	<u>13,763,600</u>
Subtotals	<u><u>468,075,200</u></u>	<u><u>262,620,000</u></u>	205,455,200
Less Estimated Unmetered/Unbilled Gallons			<u>(35,147,000)</u>
Estimated Infiltrated Inflow			<u><u>170,308,200</u></u>
		<b>Infiltrated Flow</b>	<b><u><u>64.8%</u></u></b>

# MUNICIPAL WASTEWATER UTILITY

## GRAPH OF HISTORICAL BILLINGS BY CUSTOMER CLASS





DANVILLE MUNICIPAL WASTEWATER 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 Authority	Educational	Unmetered	Total
January	\$ 204,548	\$ 40,785	\$ 23,510	\$ 9,358	\$ 1,340	\$ 8,941	\$ 993	\$ 289,475
February	190,263	35,680	20,665	9,049	1,554	8,038	993	266,242
March	185,591	35,272	21,995	8,890	1,369	8,065	993	262,175
April	195,012	40,376	22,907	9,884	1,404	9,371	993	279,947
May	191,782	39,392	23,329	9,494	1,286	9,035	993	275,311
June	194,717	40,955	27,385	9,891	1,277	10,312	10,999	295,536
July	206,983	39,237	26,177	9,524	1,295	8,268	11,779	303,263
August	217,525	42,984	28,044	10,708	1,332	9,389	11,992	321,974
September	208,935	39,401	26,807	9,913	1,277	15,315	12,063	313,711
October	224,486	42,034	27,949	10,611	1,363	15,559	12,205	334,207
November	218,518	40,178	22,409	11,289	1,352	12,170	1,033	306,949
December	218,843	42,713	24,006	9,988	1,346	11,988	1,033	309,917
Total	<u>\$ 2,457,203</u>	<u>\$ 479,007</u>	<u>\$ 295,183</u>	<u>\$ 118,599</u>	<u>\$ 16,195</u>	<u>\$ 126,451</u>	<u>\$ 66,069</u>	<u>\$ 3,558,707</u>
Percent	<u>69.05%</u>	<u>13.46%</u>	<u>8.29%</u>	<u>3.33%</u>	<u>0.46%</u>	<u>3.55%</u>	<u>1.86%</u>	<u>100.00%</u>

Metered Flows

	Residential	Commercial	Comm. Exempt	Government	Public Authority	Educational	Unmetered	Total
January	14,009,900	3,869,700	2,933,500	587,100	72,700	794,600	-	22,267,500
February	12,018,800	3,151,800	2,533,300	543,600	102,700	667,500	-	19,017,700
March	11,306,300	3,089,900	2,720,300	521,300	76,700	671,400	-	18,385,900
April	12,545,300	3,803,200	2,848,600	661,100	81,700	855,000	-	20,794,900
May	11,969,800	3,669,300	2,908,000	586,600	65,000	807,800	-	20,006,500
June	13,030,900	3,899,000	3,478,500	642,400	63,800	987,300	-	22,101,900
July	14,754,000	3,657,300	3,308,600	590,800	66,300	690,100	-	23,067,100
August	14,984,700	3,917,600	3,421,500	690,800	64,400	797,400	-	23,876,400
September	13,748,800	3,437,300	3,254,100	583,300	56,900	1,599,300	-	22,679,700
October	15,834,000	3,793,600	3,408,600	677,800	68,500	1,632,300	-	25,414,800
November	14,148,400	3,542,500	2,658,900	769,500	67,100	1,173,800	-	22,360,200
December	14,114,600	3,849,000	2,875,100	593,400	66,200	1,149,100	-	22,647,400
Total	<u>162,465,500</u>	<u>43,680,200</u>	<u>36,349,000</u>	<u>7,447,700</u>	<u>852,000</u>	<u>11,825,600</u>	<u>-</u>	<u>262,620,000</u>
Percent	<u>61.87%</u>	<u>16.63%</u>	<u>13.84%</u>	<u>2.84%</u>	<u>0.32%</u>	<u>4.50%</u>	<u>0.00%</u>	<u>100.00%</u>

Customer Count

	Residential	Commercial	Comm. Exempt	Government	Public Authority	Educational	Unmetered	Total
January	3,237	164	6	43	8	9	N/A	3,467
December	3,388	165	6	47	8	10	N/A	3,624
Average	<u>3,313</u>	<u>165</u>	<u>6</u>	<u>45</u>	<u>8</u>	<u>10</u>	<u>N/A</u>	<u>3,546</u>