

Appendix J – Draft Financial Report

BROWN COUNTY REGIONAL SEWER DISTRICT

Preliminary Rate Report - March 28, 2023

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BROWN COUNTY REGIONAL SEWER DISTRICT

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PRO FORMA ANNUAL REVENUE & ANNUAL REVENUE REQUIREMENTS

103 Community Drive
Seymour, IN 47274
1-812-522-9444



115 W Washington St.
Indianapolis, IN 46204
1-317-820-3440

BROWN COUNTY REGIONAL SEWER DISTRICT

FORECASTED STATEMENT OF INCOME AT PRESENT RATES

	<u>Test Year</u> <u>YE 2022*</u>	<u>Adjustments</u>		<u>Forecasted at</u> <u>Present Rates</u>
<u>Operating Revenue:</u>				
Unmetered Sales	-	-		-
Total Operating Revenue	\$ -	\$ -		\$ -
<u>Operation and Maintenance:</u>				
Salaries & Wages	-	-		-
Employee Pensions and Benefits	-	-		-
Purchased Electric Power	-	25,000 (1)		25,000
Fuel for Power Production	-	15,000 (2)		15,000
Wholesale Treatment	-	1,001,902 (3)		1,001,902
Chemicals	-	-		-
Materials & Supplies	-	6,000 (4)		6,000
Contractual Services - Engineering	-	12,500 (5)		12,500
Contractual Services - Accounting	-	12,500 (6)		12,500
Contractual Services - Legal	-	10,000 (7)		10,000
Contractual Services - Management Fees	-	-		-
Contractual Services - Testing	-	-		-
Contractual Services - Other	-	30,000 (8)		30,000
Software	-	-		-
Rental of Building/Real Property	-	-		-
Rental of Equipment	-	-		-
Transportation Expenses	-	-		-
Insurance - Vehicle	-	-		-
Insurance - General Liability	-	5,000 (9)		5,000
Insurance - Workman's Compensation	-	-		-
Insurance - Other	-	-		-
Miscellaneous Expenses	-	5,000 (10)		5,000
Total Operation and Maintenance	\$ -	\$ 1,122,902		\$ 1,122,902
Total Operating Net Income/(Loss)	\$ -	\$ (1,122,902)		\$ (1,122,902)
<u>Other Income and Expense</u>				
Interest Income				-
Interest Expense		-	(11)	-
Total Other Income and Expense:	\$ -			\$ -
Net Income/(Loss):	\$ -			\$ (1,122,902)

*District with no current customer base or correlating O&M expenses.

BROWN COUNTY REGIONAL SEWER DISTRICT

DETAIL OF ADJUSTMENTS

Adjustment (1) - Purchased Electric Power

Due to completed collection system, per Preliminary Engineering Report, to accommodate for electricity for municipal level liftstations	
Pro forma purchased power	25,000
Less: test year purchased power	-
Equals: increase to purchased power	25,000

Adjustment (2) - Fuel for Power Production

Due to completed collection system, per Preliminary Engineering Report, to accommodate for standby generator, transfer pump, etc.	
Pro forma fuel for power production	15,000
Less: test year fuel for power production	-
Equals: increase to fuel for power production	15,000

Adjustment (3) - Wholesale Treatment

Proposed billing for treatment by Helmsburg Regional Sewer District	
Rate per bill	115.80
Multiplied by (*) # of bills	8,652
Pro forma wholesale treatment	1,001,902
Less: test year wholesale treatment	-
Equals: increase to wholesale treatment	1,001,902

See HRSD Rate Report DRAFT 3.28.2023

Adjustment (4) - Materials & Supplies

Due to completed collection system, per Preliminary Engineering Report	
Pro forma materials & supplies	6,000
Less: test year materials & supplies	-
Equals: increase to materials & supplies	6,000

Adjustment (5) - Contractual Services - Engineering

Necessary engineering fees to maintain future utility expectations	
Pro forma contractual services - engineering	12,500
Less: test year contractual services - engineering	-
Equals: increase to contractual services - engineering	12,500

BROWN COUNTY REGIONAL SEWER DISTRICT

DETAIL OF ADJUSTMENTS

Adjustment (6) - Contractual Services - Accounting	
Outside accounting firm responsible for billing, payroll and financial transactions	
Pro forma contractual services - accounting	12,500
Less: test year contractual services - accounting	12,500
	-
Equals: increase to contractual services - accounting	
Adjustment (7) - Contractual Services - Legal	
Necessary legal fees to maintain future utility expectations	
Pro forma contractual services - legal	10,000
Less: test year contractual services - legal	-
	10,000
Equals: increase to contractual services - legal	
Adjustment (8) - Contractual Services - Other	
Due to completed collection system, per Preliminary Engineering Report	
Pro forma contractual services - other	30,000
Less: contractual services - other	-
	30,000
Equals: increase to contractual services - other	
Adjustment (9) - Insurance - General Liability	
Necessary insurance based on proposed project.	
Pro forma insurance - general liability	5,000
Less: insurance - general liability	-
	5,000
Equals: increase to insurance - general liability	
Adjustment (10) - Miscellaneous	
Due to completed collection system, per Preliminary Engineering Report	
Pro forma miscellaneous	5,000
Less: miscellaneous	-
	5,000
Equals: increase to miscellaneous	
Adjustment (11) - Interest expense	
Due to proposed outstanding bonds, maximum annual debt service	
Pro forma interest expense	-
Less: interest expense	-
	-
Equals: interest expense	

BROWN COUNTY REGIONAL SEWER DISTRICT

AMORTIZATION SUMMARY

OPTION 1 - 100% DEBT ASSUMPTIONS

Project Split			
Total Project Cost	\$39,000,000		
USDA Split	50%		
SRF Split	50%		
Payment Projections		USDA - RD	SRF
Principal		\$ 19,500,000	\$ 19,500,000
Rate		3.00%	4.00%
Term (Years)		40	35
Projected Annual Debt Service		\$843,616.37	\$1,044,757.79

OPTION 2 - 45% GRANT ASSUMPTION

Project Split			
Total Project Cost	\$21,450,000		
USDA Split	50%		
SRF Split	50%		
Payment Projections		USDA - RD	SRF
Principal		\$ 10,725,000	\$ 10,725,000
Rate		3.00%	4.00%
Term (Years)		40	35
Projected Annual Debt Service		\$463,989.00	\$574,616.78

BROWN COUNTY REGIONAL SEWER DISTRICT

AMORTIZATION SUMMARY

OPTION 3 - 75% GRANT ASSUMPTION

Project Split		
Total Project Cost	\$ 9,750,000	
USDA Split	50%	
SRF Split	50%	
Payment Projections		
	USDA - RD	SRF
Principal	\$ 4,875,000	\$ 4,875,000
Rate	3.00%	4.00%
Term (Years)	40	35
Projected Annual Debt Service	\$210,904.09	\$261,189.45

OPTION 4 - 93.7% GRANT ASSUMPTION

Project Split		
Total Project Cost	\$ 2,457,000	
USDA Split	50%	
SRF Split	50%	
Payment Projections		
	USDA - RD	SRF
Principal	\$ 1,228,500	\$ 1,228,500
Rate	3.00%	4.00%
Term (Years)	40	35
Projected Annual Debt Service	\$53,147.83	\$65,819.74

BROWN COUNTY REGIONAL SEWER DISTRICT

AMORTIZATION SUMMARY

OPTION 5 - 100% GRANT ASSUMPTION

Project Split			
Total Project Cost	\$	-	
USDA Split		50%	
SRF Split		50%	
Payment Projections			
		USDA - RD	SRF
Principal	\$	-	\$ -
Rate		3.00%	4.00%
Term (Years)		40	35
Projected Annual Debt Service		\$0.00	\$0.00

BROWN COUNTY REGIONAL SEWER DISTRICT

ESTIMATED SOURCES AND USES OPTION 1 - 100% DEBT ASSUMPTION

Sources:

SRF, 35 term, 4.00% interest rate	\$	19,500,000
USDA, 40 term, 3.00% interest rate	\$	19,500,000
Total Sources:	\$	39,000,000

Uses:

Construction Cost		
West of Helmsburg		19,410,000
East of Helmsburg		11,110,000
Engineering (Survey, Design, Bidding, Permits, Soil Borings, Const. Admin)	\$	7,630,000
Legal and Bond Counsel	\$	300,000
Financial Advisor and Financing Fees	\$	250,000
Electrical Utility Charges	\$	200,000
Administration	\$	100,000
Total Uses:	\$	39,000,000

BROWN COUNTY REGIONAL SEWER DISTRICT

PRO FORMA ANNUAL REVENUE REQUIREMENTS AND ANNUAL REVENUE AT CURRENT RATES OPTION 1 - 100% DEBT ASSUMPTION

	Test Year YE 2022	Adjustments	Pro Forma Cash Flow
Annual revenue requirements:			
Operation & maintenance expenses	-	1,126,999 (1), (2)	1,126,999
Max Debt service	-	1,888,374 (3)	1,888,374
Debt Service Reserve	-	293,313 (4)	293,313
Extensions and replacements	-	102,000 (5)	102,000
Working Capital	-	85,131 (6)	85,131
Total revenue requirements	\$ -		\$ 3,495,817
Annual revenues:			
Unmetered Sales	-	-	-
Interest Income	-		-
Total adjusted annual receipts	\$ -		\$ -
Net income/(loss)	\$ -		\$ (3,495,817)
Percentage increase in annual revenues			100.00%
Projected debt service coverage:			
Pro forma annual revenues	-	3,495,817	3,495,817
Pro forma annual O&M expenses	-	(1,126,999)	(1,126,999)
Net revenues available for debt service	\$ -		\$ 2,368,818
Maximum annual debt service	\$ -		\$ 1,888,374
Coverage percentage	N/A		125.44%
Notes/Assumptions:			
(1) 3.386% inflationary increase to operation and maintenance		(3) MADS assumptions (see page 4):	
General O&M adjustments, page 2	1,122,902	SRF - Funds 50% of project at 4.00% interest	
Plus: inflationary increase	4,097	rate for 35-year term	
Equals: Total O&M Adjustment	1,126,999	USDA - Funds 50% of project at 3.00%	
(2) 6-year Indiana inflationary average		interest rate for 40-year term	
2022	8.003%	(4) USDA reserve funded over 10 years and SRF	
2021	4.698%	reserve funded over 5 years	
2020	1.234%	(5) Per BLN, plus line replacement plan	
2019	1.812%	Lift Station Pumps	12,000
2018	2.443%	Grinder Pumps	25,000
2017	2.128%	To achieve coverage	65,000
AVERAGE:	3.386%	(6) Per Calculation of Working Capital, page 22.	

BROWN COUNTY REGIONAL SEWER DISTRICT

**PROJECTED CASH PROGRESSION
OPTION 1 - 100% DEBT ASSUMPTION**

	"Test Year" YE 2022	Year 1 Projected YE 2023	Year 2 Projected YE 2024	Year 3 Projected YE 2025	Year 4 Projected YE 2026	Year 5 Projected YE 2027	Year 6 Projected YE 2028	Year 7 Projected YE 2029	Year 8 Projected YE 2030	Year 9 Projected YE 2031	Year 10 Projected YE 2032
Total Revenues	-	-	-	-	-	3,495,817	3,495,817	3,495,817	3,495,817	3,495,817	3,495,817
Rate Increase (1)	-	-	-	-	3,495,817	-	-	-	-	-	-
O&M	-	-	-	-	1,126,999	1,126,999	1,126,999	1,126,999	1,126,999	1,126,999	1,126,999
Net Revenues	\$ -	\$ -	\$ -	\$ -	\$ 2,368,818	\$ 2,368,818	\$ 2,368,818	\$ 2,368,818	\$ 2,368,818	\$ 2,368,818	\$ 2,368,818
Less: E&R	-	-	-	-	102,000	102,000	102,000	102,000	102,000	102,000	102,000
Less: Annual Debt Service	-	-	-	-	1,888,374	1,888,374	1,888,374	1,888,374	1,888,374	1,888,374	1,888,374
Less: Debt Service Reserve	-	-	-	-	293,313	293,313	293,313	293,313	293,313	84,362	84,362
Total Outflows:	\$ -	\$ -	\$ -	\$ -	\$ 2,283,687	\$ 2,283,687	\$ 2,283,687	\$ 2,283,687	\$ 2,283,687	\$ 1,990,374	\$ 1,990,374
Net Cash Flow	\$ -	\$ -	\$ -	\$ -	\$ 85,131	\$ 85,131	\$ 85,131	\$ 85,131	\$ 85,131	\$ 378,444	\$ 378,444
Operating Cash Fund	\$ 67,894	\$ 67,894	\$ 67,894	\$ 67,894	\$ 153,024	\$ 238,155	\$ 323,286	\$ 408,417	\$ 493,547	\$ 871,991	\$ 1,250,435
Bond Coverage	N/A	N/A	N/A	N/A	125.44%	125.44%	125.44%	125.44%	125.44%	125.44%	125.44%
Cash Reserve (# of days)	N/A	N/A	N/A	N/A	16	25	35	44	53	102	146
Depreciation Fund	-	-	-	-	102,000	102,000	102,000	153,000	204,000	255,000	306,000
E&R Expenditures	-	-	-	-	102,000	102,000	51,000	51,000	51,000	51,000	51,000
Ending Depreciation Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,000	\$ 102,000	\$ 153,000	\$ 204,000	\$ 255,000

(1) Rate increase implemented January 1, 2026, upon project completion and user hookups

BROWN COUNTY REGIONAL SEWER DISTRICT

ESTIMATED SOURCES AND USES OPTION 2 - 45% GRANT ASSUMPTION

Sources:

SRF, 35 term, 4.00% interest rate	\$	10,725,000
USDA, 40 term, 3.00% interest rate	\$	10,725,000
Grant	\$	17,550,000
Total Sources:	\$	39,000,000

Uses:

Construction Cost		
West of Helmsburg		19,410,000
East of Helmsburg		11,110,000
Engineering (Survey, Design, Bidding, Permits, Soil Borings, Const. Admin)		
	\$	7,630,000
Legal and Bond Counsel	\$	300,000
Financial Advisor and Financing Fees	\$	250,000
Electrical Utility Charges	\$	200,000
Administration	\$	100,000
Total Uses:	\$	39,000,000

BROWN COUNTY REGIONAL SEWER DISTRICT

PRO FORMA ANNUAL REVENUE REQUIREMENTS AND ANNUAL REVENUE AT CURRENT RATES OPTION 2 - 45% GRANT ASSUMPTION

	Test Year YE 2022	Adjustments	Pro Forma Cash Flow
Annual revenue requirements:			
Operation & maintenance expenses	-	840,617 (1), (2)	840,617
Max Debt service	-	1,038,606 (3)	1,038,606
Debt Service Reserve	-	161,322 (4)	161,322
Extensions and replacements	-	55,000 (5)	55,000
Working Capital	-	47,771 (6)	47,771
Total revenue requirements	\$ -		\$ 2,143,316
Annual revenues:			
Unmetered Sales	-	-	-
Interest Income	-		-
Total adjusted annual receipts	\$ -		\$ -
Net income/(loss)	\$ -		\$ (2,143,316)
Percentage increase in annual revenues			100.00%
Projected debt service coverage:			
Pro forma annual revenues	-	2,143,316	2,143,316
Pro forma annual O&M expenses	-	(840,617)	(840,617)
Net revenues available for debt service	\$ -		\$ 1,302,699
Maximum annual debt service	\$ -		\$ 1,038,606
Coverage percentage	N/A		125.43%
Notes/Assumptions:			
(1) 3.386% inflationary increase to operation and maintenance		(3) MADS assumptions (see page 4):	
General O&M adjustments, page 2	698,954	SRF - Funds 27.5% of project at 4.00% interest	
Plus: inflationary increase	4,097	rate for 35-year term	
Equals: Total O&M Adjustment	703,051	USDA - Funds 27.5% of project at 3.00%	
(2) 6-year Indiana inflationary average		interest rate for 40-year term	
2022	8.003%	Remainder of project funded by grant(s)	
2021	4.698%	(4) USDA reserve funded over 10 years and SRF	
2020	1.234%	reserve funded over 5 years	
2019	1.812%	(5) Per BLN, plus line replacement plan	
2018	2.443%	Lift Station Pumps	12,000
2017	2.128%	Grinder Pumps	25,000
AVERAGE:	3.386%	To achieve coverage	18,000
		(6) Per Calculation of Working Capital, page 22.	

BROWN COUNTY REGIONAL SEWER DISTRICT

**PROJECTED CASH PROGRESSION
OPTION 2 - 45% GRANT ASSUMPTION**

	"Test Year" YE 2022	Year 1 Projected YE 2023	Year 2 Projected YE 2024	Year 3 Projected YE 2025	Year 4 Projected YE 2026	Year 5 Projected YE 2027	Year 6 Projected YE 2028	Year 7 Projected YE 2029	Year 8 Projected YE 2030	Year 9 Projected YE 2031	Year 10 Projected YE 2032
Total Revenues	-	-	-	-	-	2,143,316	2,143,316	2,143,316	2,143,316	2,143,316	2,143,316
Rate Increase (1)	-	-	-	-	2,143,316	-	-	-	-	-	-
O&M	-	-	-	-	840,617	840,617	840,617	840,617	840,617	840,617	840,617
Net Revenues	\$ -	\$ -	\$ -	\$ -	\$ 1,302,699	\$ 1,302,699	\$ 1,302,699	\$ 1,302,699	\$ 1,302,699	\$ 1,302,699	\$ 1,302,699
Less: E&R	-	-	-	-	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Less: Annual Debt Service	-	-	-	-	1,038,606	1,038,606	1,038,606	1,038,606	1,038,606	1,038,606	1,038,606
Less: Debt Service Reserve	-	-	-	-	161,322	161,322	161,322	161,322	161,322	46,399	46,399
Total Outflows:	\$ -	\$ -	\$ -	\$ -	\$ 1,254,928	\$ 1,254,928	\$ 1,254,928	\$ 1,254,928	\$ 1,254,928	\$ 1,093,606	\$ 1,093,606
Net Cash Flow	\$ -	\$ -	\$ -	\$ -	\$ 47,771	\$ 47,771	\$ 47,771	\$ 47,771	\$ 47,771	\$ 209,093	\$ 209,093
Operating Cash Fund	\$ 67,894	\$ 67,894	\$ 67,894	\$ 67,894	\$ 115,664	\$ 163,435	\$ 211,205	\$ 258,976	\$ 306,747	\$ 515,839	\$ 724,932
Bond Coverage	N/A	N/A	N/A	N/A	125.43%	125.43%	125.43%	125.43%	125.43%	125.43%	125.43%
Cash Reserve (# of days)	N/A	N/A	N/A	N/A	16	25	35	44	53	102	146
Depreciation Fund	-	-	-	-	55,000	110,000	165,000	220,000	275,000	330,000	385,000
E&R Expenditures	-	-	-	-	-	-	-	-	-	-	-
Ending Depreciation Cash	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 110,000	\$ 165,000	\$ 220,000	\$ 275,000	\$ 330,000	\$ 385,000

(1) Rate increase implemented January 1, 2026, upon project completion and user hookups

BROWN COUNTY REGIONAL SEWER DISTRICT

ESTIMATED SOURCES AND USES OPTION 3 - 75% GRANT ASSUMPTION

Sources:

SRF, 35 term, 4.00% interest rate	\$	4,875,000
USDA, 40 term, 3.00% interest rate	\$	4,875,000
Grant	\$	29,250,000
Total Sources:	\$	39,000,000

Uses:

Construction Cost		
West of Helmsburg		19,410,000
East of Helmsburg		11,110,000
Engineering (Survey, Design, Bidding, Permits, Soil Borings, Const. Admin)		
	\$	7,630,000
Legal and Bond Counsel	\$	300,000
Financial Advisor and Financing Fees	\$	250,000
Electrical Utility Charges	\$	200,000
Administration	\$	100,000
Total Uses:	\$	39,000,000

BROWN COUNTY REGIONAL SEWER DISTRICT

PRO FORMA ANNUAL REVENUE REQUIREMENTS AND ANNUAL REVENUE AT CURRENT RATES OPTION 3 - 75% GRANT ASSUMPTION

	Test Year YE 2022	Adjustments	Pro Forma Cash Flow
Annual revenue requirements:			
Operation & maintenance expenses	-	650,273 (1), (2)	650,273
Max Debt service	-	472,094 (3)	472,094
Debt Service Reserve	-	73,328 (4)	73,328
Extensions and replacements	-	37,000 (5)	37,000
Working Capital	-	47,771 (6)	47,771
Total revenue requirements	\$ -		\$ 1,280,466
Annual revenues:			
Unmetered Sales	-	-	-
Interest Income	-		-
Total adjusted annual receipts	\$ -		\$ -
Net income/(loss)	\$ -		\$ (1,280,466)
Percentage increase in annual revenues			100.00%
Projected debt service coverage:			
Pro forma annual revenues	-	1,280,466	1,280,466
Pro forma annual O&M expenses	-	(650,273)	(650,273)
Net revenues available for debt service	\$ -		\$ 630,192
Maximum annual debt service	\$ -		\$ 472,094
Coverage percentage	N/A		133.49%
Notes/Assumptions:			
(1) 3.386% inflationary increase to operation and maintenance		(3) MADS assumptions (see page 5):	
General O&M adjustments, page 2	698,954	SRF - Funds 12.5% of project at 4.00% interest	
Plus: inflationary increase	4,097	rate for 35-year term	
Equals: Total O&M Adjustment	703,051	USDA - Funds 12.5% of project at 3.00%	
(2) 6-year Indiana inflationary average		interest rate for 40-year term	
2022	8.003%	Remainder of project funded by grant(s)	
2021	4.698%	(4) USDA reserve funded over 10 years and SRF	
2020	1.234%	reserve funded over 5 years	
2019	1.812%	(5) Per BLN, plus line replacement plan	
2018	2.443%	Lift Station Pumps	12,000
2017	2.128%	Grinder Pumps	25,000
AVERAGE:	3.386%	(6) Per Calculation of Working Capital, page 22.	

BROWN COUNTY REGIONAL SEWER DISTRICT

**PROJECTED CASH PROGRESSION
OPTION 3 - 75% GRANT ASSUMPTION**

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
"Test Year"	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
YE 2022	YE 2023	YE 2024	YE 2025	YE 2026	YE 2027	YE 2028	YE 2029	YE 2030	YE 2031	YE 2032	YE 2032
Total Revenues	-	-	-	-	-	1,280,466	1,280,466	1,280,466	1,280,466	1,280,466	1,280,466
Rate Increase (1)	-	-	-	-	1,280,466	-	-	-	-	-	-
O&M	-	-	-	-	650,273	650,273	650,273	650,273	650,273	650,273	650,273
Net Revenues	\$ -	\$ -	\$ -	\$ -	\$ 630,192	\$ 630,192	\$ 630,192	\$ 630,192	\$ 630,192	\$ 630,192	\$ 630,192
Less: E&R	-	-	-	-	37,000	37,000	37,000	37,000	37,000	37,000	37,000
Less: Annual Debt Service	-	-	-	-	472,094	472,094	472,094	472,094	472,094	472,094	472,094
Less: Debt Service Reserve	-	-	-	-	73,328	73,328	73,328	73,328	73,328	21,090	21,090
Total Outflows:	\$ -	\$ -	\$ -	\$ -	\$ 582,422	\$ 582,422	\$ 582,422	\$ 582,422	\$ 582,422	\$ 509,094	\$ 509,094
Net Cash Flow	\$ -	\$ -	\$ -	\$ -	\$ 47,771	\$ 47,771	\$ 47,771	\$ 47,771	\$ 47,771	\$ 121,099	\$ 121,099
Operating Cash Fund	\$ 67,894	\$ 67,894	\$ 67,894	\$ 67,894	\$ 115,664	\$ 163,435	\$ 211,205	\$ 258,976	\$ 306,747	\$ 427,845	\$ 548,944
Bond Coverage	N/A	N/A	N/A	N/A	133.49%	133.49%	133.49%	133.49%	133.49%	133.49%	133.49%
Cash Reserve (# of days)	N/A	N/A	N/A	N/A	16	25	35	44	53	102	146
Depreciation Fund	-	-	-	-	37,000	74,000	111,000	148,000	185,000	222,000	259,000
E&R Expenditures	-	-	-	-	-	-	-	-	-	-	-
Ending Depreciation Cash	\$ -	\$ -	\$ -	\$ -	\$ 37,000	\$ 74,000	\$ 111,000	\$ 148,000	\$ 185,000	\$ 222,000	\$ 259,000

(1) Rate increase implemented January 1, 2026, upon project completion and user hookups



BROWN COUNTY REGIONAL SEWER DISTRICT

ESTIMATED SOURCES AND USES OPTION 4 - 93.7% GRANT ASSUMPTION

Sources:

SRF, 35 term, 4.00% interest rate	\$	1,228,500
USDA, 40 term, 3.00% interest rate	\$	1,228,500
Grant	\$	36,543,000
Total Sources:	\$	39,000,000

Uses:

Construction Cost		
West of Helmsburg		19,410,000
East of Helmsburg		11,110,000
Engineering (Survey, Design, Bidding, Permits, Soil Borings, Const. Admin)		
	\$	7,630,000
Legal and Bond Counsel	\$	300,000
Financial Advisor and Financing Fees	\$	250,000
Electrical Utility Charges	\$	200,000
Administration	\$	100,000
Total Uses:	\$	39,000,000

BROWN COUNTY REGIONAL SEWER DISTRICT

PRO FORMA ANNUAL REVENUE REQUIREMENTS AND ANNUAL REVENUE AT CURRENT RATES OPTION 4 - 93.7% GRANT ASSUMPTION

	Test Year YE 2022	Adjustments	Pro Forma Cash Flow
Annual revenue requirements:			
Operation & maintenance expenses	-	512,707 (1), (2)	512,707
Max Debt service	-	118,968 (3)	118,968
Debt Service Reserve	-	18,479 (4)	18,479
Extensions and replacements	-	37,000 (5)	37,000
Working Capital	-	47,771 (6)	47,771
Total revenue requirements	\$ -		\$ 734,924
Annual revenues:			
Unmetered Sales	-	-	-
Interest Income	-		-
Total adjusted annual receipts	\$ -		\$ -
Net income/(loss)	\$ -		\$ (734,924)
Percentage increase in annual revenues			100.00%
Projected debt service coverage:			
Pro forma annual revenues	-	734,924	734,924
Pro forma annual O&M expenses	-	(512,707)	(512,707)
Net revenues available for debt service	\$ -		\$ 222,217
Maximum annual debt service	-		118,968
Coverage percentage	N/A		186.79%
Notes/Assumptions:			
(1) 3.386% inflationary increase to operation and maintenance		(3) MADS assumptions (see page 5):	
General O&M adjustments, page 2	698,954	SRF - Funds 3.15% of project at 4.00% interest rate for 35-year term	
Plus: inflationary increase	4,097	USDA - Funds 3.15% of project at 3.00% interest rate for 40-year term	
Equals: Total O&M Adjustment	703,051	Remainder of project funded by grant(s)	
(2) 6-year Indiana inflationary average		(4) USDA reserve funded over 10 years and SRF reserve funded over 5 years	
2022	8.003%	(5) Per BLN, plus line replacement plan	
2021	4.698%	Lift Station Pumps	12,000
2020	1.234%	Grinder Pumps	25,000
2019	1.812%	(6) Per Calculation of Working Capital, page 22.	
2018	2.443%		
2017	2.128%		
AVERAGE:	3.386%		

BROWN COUNTY REGIONAL SEWER DISTRICT

**PROJECTED CASH PROGRESSION
OPTION 4 - 93.7% GRANT ASSUMPTION**

	"Test Year" YE 2022	Year 1 Projected YE 2023	Year 2 Projected YE 2024	Year 3 Projected YE 2025	Year 4 Projected YE 2026	Year 5 Projected YE 2027	Year 6 Projected YE 2028	Year 7 Projected YE 2029	Year 8 Projected YE 2030	Year 9 Projected YE 2031	Year 10 Projected YE 2032
Total Revenues	-	-	-	-	-	734,924	734,924	734,924	734,924	734,924	734,924
Rate Increase (1)	-	-	-	-	734,924	-	-	-	-	-	-
O&M	-	-	-	-	512,707	512,707	512,707	512,707	512,707	512,707	512,707
Net Revenues	\$ -	\$ -	\$ -	\$ -	\$ 222,217	\$ 222,217	\$ 222,217	\$ 222,217	\$ 222,217	\$ 222,217	\$ 222,217
Less: E&R	-	-	-	-	37,000	37,000	37,000	37,000	37,000	37,000	37,000
Less: Annual Debt Service	-	-	-	-	118,968	118,968	118,968	118,968	118,968	118,968	118,968
Less: Debt Service Reserve	-	-	-	-	18,479	18,479	18,479	18,479	18,479	5,315	5,315
Total Outflows:	\$ -	\$ -	\$ -	\$ -	\$ 174,446	\$ 174,446	\$ 174,446	\$ 174,446	\$ 174,446	\$ 155,968	\$ 155,968
Net Cash Flow	\$ -	\$ -	\$ -	\$ -	\$ 47,771	\$ 47,771	\$ 47,771	\$ 47,771	\$ 47,771	\$ 66,249	\$ 66,249
Operating Cash Fund	\$ 67,894	\$ 67,894	\$ 67,894	\$ 67,894	\$ 115,664	\$ 163,435	\$ 211,205	\$ 258,976	\$ 306,747	\$ 372,996	\$ 439,245
Bond Coverage	N/A	N/A	N/A	N/A	186.79%	186.79%	186.79%	186.79%	186.79%	186.79%	186.79%
Cash Reserve (# of days)	N/A	N/A	N/A	N/A	16	25	35	44	53	102	146
Depreciation Fund	-	-	-	-	37,000	74,000	111,000	148,000	185,000	222,000	259,000
E&R Expenditures	-	-	-	-	-	-	-	-	-	-	-
Ending Depreciation Cash	\$ -	\$ -	\$ -	\$ -	\$ 37,000	\$ 74,000	\$ 111,000	\$ 148,000	\$ 185,000	\$ 222,000	\$ 259,000

(1) Rate increase implemented January 1, 2026, upon project completion and user hookups



BROWN COUNTY REGIONAL SEWER DISTRICT

ESTIMATED SOURCES AND USES OPTION 5 - 100% GRANT ASSUMPTION

Sources:

SRF, 35 term, 4.00% interest rate	\$	-
USDA, 40 term, 3.00% interest rate	\$	-
Grant	\$	39,000,000
Total Sources:	\$	39,000,000

Uses:

Construction Cost		
West of Helmsburg		19,410,000
East of Helmsburg		11,110,000
Engineering (Survey, Design, Bidding, Permits, Soil Borings, Const. Admin)		
	\$	7,630,000
Legal and Bond Counsel	\$	300,000
Financial Advisor and Financing Fees	\$	250,000
Electrical Utility Charges	\$	200,000
Administration	\$	100,000
Total Uses:	\$	39,000,000

BROWN COUNTY REGIONAL SEWER DISTRICT

PRO FORMA ANNUAL REVENUE REQUIREMENTS AND ANNUAL REVENUE AT CURRENT RATES OPTION 5 - 100% GRANT ASSUMPTION

	Test Year YE 2022	Adjustments	Pro Forma Cash Flow
Annual revenue requirements:			
Operation & maintenance expenses	-	491,077 (1), (2)	491,077
Max Debt service	-	-	-
Debt Service Reserve	-	-	-
Extensions and replacements	-	37,000 (3)	37,000
Working Capital	-	4,078 (4)	4,078
Total revenue requirements	\$ -		\$ 532,155
Annual revenues:			
Unmetered Sales	-	-	-
Interest Income	-		-
Total adjusted annual receipts	\$ -		\$ -
Net income/(loss)	\$ -		\$ (532,155)
Percentage increase in annual revenues			100.00%
Projected debt service coverage:			
Pro forma annual revenues	-	532,155	532,155
Pro forma annual O&M expenses	-	(491,077)	(491,077)
Net revenues available for debt service	\$ -		\$ 41,078
Maximum annual debt service	\$ -		\$ -
Coverage percentage	N/A		N/A
Notes/Assumptions:			
(1) 3.386% inflationary increase to operation and maintenance			(3) MADS assumptions (see page 6):
General O&M adjustments, page 2	591,669		SRF - Funds 0% of project at 4.00% interest rate for 35-year term
Plus: inflationary increase	4,097		USDA - Funds 0% of project at 3.00% interest rate for 40-year term
Equals: Total O&M Adjustment	595,766		Remainder of project funded by grant(s)
(2) 6-year Indiana inflationary average			(4) USDA reserve funded over 10 years and SRF reserve funded over 5 years
2022	8.003%		(5) Per BLN, plus line replacement plan
2021	4.698%		Lift Station Pumps
2020	1.234%		Grinder Pumps
2019	1.812%		
2018	2.443%		
2017	2.128%		
AVERAGE:	3.386%		(6) Per Calculation of Working Capital, page 22.

BROWN COUNTY REGIONAL SEWER DISTRICT

**PROJECTED CASH PROGRESSION
OPTION 5 - 100% GRANT ASSUMPTION**

	"Test Year" YE 2022	Year 1 Projected YE 2023	Year 2 Projected YE 2024	Year 3 Projected YE 2025	Year 4 Projected YE 2026	Year 5 Projected YE 2027	Year 6 Projected YE 2028	Year 7 Projected YE 2029	Year 8 Projected YE 2030	Year 9 Projected YE 2031	Year 10 Projected YE 2032
Total Revenues	-	-	-	-	-	532,155	532,155	532,155	532,155	532,155	532,155
Rate Increase (1)	-	-	-	-	532,155	-	-	-	-	-	-
O&M	-	-	-	-	491,077	491,077	491,077	491,077	491,077	491,077	491,077
Net Revenues	\$ -	\$ -	\$ -	\$ -	\$ 41,078	\$ 41,078	\$ 41,078	\$ 41,078	\$ 41,078	\$ 41,078	\$ 41,078
Less: E&R	-	-	-	-	37,000	37,000	37,000	37,000	37,000	37,000	37,000
Less: Annual Debt Service	-	-	-	-	-	-	-	-	-	-	-
Less: Debt Service Reserve	-	-	-	-	-	-	-	-	-	-	-
Total Outflows:	\$ -	\$ -	\$ -	\$ -	\$ 37,000	\$ 37,000	\$ 37,000	\$ 37,000	\$ 37,000	\$ 37,000	\$ 37,000
Net Cash Flow	\$ -	\$ -	\$ -	\$ -	\$ 4,078	\$ 4,078	\$ 4,078	\$ 4,078	\$ 4,078	\$ 4,078	\$ 4,078
Operating Cash Fund	\$ 67,894	\$ 67,894	\$ 67,894	\$ 67,894	\$ 71,972	\$ 76,050	\$ 80,128	\$ 84,206	\$ 88,284	\$ 92,361	\$ 96,439
Bond Coverage	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cash Reserve (# of days)	N/A	N/A	N/A	N/A	16	25	35	44	53	102	146
Depreciation Fund	-	-	-	-	37,000	74,000	111,000	148,000	185,000	222,000	259,000
E&R Expenditures	-	-	-	-	-	-	-	-	-	-	-
Ending Depreciation Cash	\$ -	\$ -	\$ -	\$ -	\$ 37,000	\$ 74,000	\$ 111,000	\$ 148,000	\$ 185,000	\$ 222,000	\$ 259,000

(1) Rate increase implemented January 1, 2026, upon project completion and user hookups

BROWN COUNTY REGIONAL SEWER DISTRICT

ANNUAL DEPRECIATION EXPENSE

Utility Plant in Service (1)	25,008,700
Less: Land	-
Depreciationable Assets	25,008,700
 Composite Depreciation Factor	 2.5%
Annual Depreciation Expense	\$ 625,218

CALCULATION OF WORKING CAPITAL

Operation & Maintenance Expenses (Less Taxes)	1,126,999
Less: Power purchased	(12,500)
Total Working Capital Expenses	1,114,499
Divide by: 45 day factor	8
Total Working Capital	139,312
 Compared to 2022 Operating Fund Balance	 54,182
Working Capital if positive	85,131

(1) Per BLN Asset Inventory.

CAPITAL IMPROVEMENT PLAN

103 Community Drive
Seymour, IN 47274
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BROWN COUNTY REGIONAL SEWER DISTRICT

CAPITAL IMPROVEMENT PLAN						
	2023	2024	2025	2026	2027	Total
<u>Capital Funding Needs:</u>						
New Sanitary Sewer System, Phase I		39,000,000				39,000,000
Lift Station Pump Maintenance & Replacement			12,000	12,000	12,000	36,000
Grinder Pump Maintenance & Replacement			25,000	25,000	25,000	75,000
Line Replacement Plan			65,000	65,000	65,000	195,000
						-
						-
						-
						-
						-
						-
						-
						-
Totals	\$ -	\$ 39,000,000	\$ 102,000	\$ 102,000	\$ 102,000	\$ 39,306,000
<u>Funding Sources:</u>						
Extensions & Replacements	-	-	102,000	102,000	102,000	306,000
XXX Grant	-	-	-	-	-	-
Proposed Bond, SRF	-	19,500,000	-	-	-	19,500,000
Proposed Bond, USDA	-	19,500,000	-	-	-	19,500,000
Totals	-	39,000,000	102,000	102,000	102,000	\$ 39,306,000

RATE STRUCTURE

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BROWN COUNTY REGIONAL SEWER DISTRICT

CALCULATION OF EQUIVALENT BILLS

Meter Size		Bills	Equivalency Factor	Equivalent Bills
5/8	inch	8,652	1.0	8,652
1	inch	-	2.5	-
1 1/2	inch	-	5.8	-
2	inch	-	10.0	-
3	inch	-	22.5	-
4	inch	-	40.0	-
6	inch	-	91.0	-
		<u>8,652</u>		<u>8,652</u>

BROWN COUNTY REGIONAL SEWER DISTRICT

FORECASTED AT PRESENT RATES FUNCTION ALLOCATION OPTION 1 - 100% DEBT ASSUMPTION

	Forecasted at Present Rates	Allocation				Ref.
		Collections	Treatment	Customer	Administration	
Operating Expense:						
Salaries & Wages	\$ -	\$ -	\$ -	\$ -	\$ -	
Employee Pensions and Benefits	-	-	-	-	-	
Purchased Power	25,000	25,000	-	-	-	1
Fuel for Power Production	15,000	15,000	-	-	-	1
Wholesale Treatment	1,001,902	-	1,001,902	-	-	2
Chemicals	-	-	-	-	-	
Materials & Supplies	6,000	6,000	-	-	-	1
Contractual Services - Engineering	12,500	-	-	-	12,500	3
Contractual Services - Accounting	12,500	-	-	6,250	6,250	4
Contractual Services - Legal	10,000	-	-	-	10,000	3
Contractual Services - Management Fees	-	-	-	-	-	
Contractual Services - Testing	-	-	-	-	-	
Contractual Services - Other	30,000	30,000	-	-	-	1
Software	-	-	-	-	-	
Rental of Building/Real Property	-	-	-	-	-	
Rental of Equipment	-	-	-	-	-	
Transportation Expenses	-	-	-	-	-	
Insurance - Vehicle	-	-	-	-	-	
Insurance - General Liability	5,000	5,000	-	-	-	1
Insurance - Workman's Compensation	-	-	-	-	-	
Insurance - Other	-	-	-	-	-	
Miscellaneous Expenses	5,000	5,000	-	-	-	1
Total Operating Expense:	\$ 1,122,902	\$ 86,000	\$ 1,001,902	\$ 6,250	\$ 28,750	
3.386% Inflationary Adjustment	4,097	2,912	-	212	973	5
Reallocate Administration Expenses	-	22,293	-	7,431	(29,723)	
Total Operation & Maintenance	1,126,999	111,205	1,001,902	13,892	-	
Debt Service	2,181,687	2,181,687	-	-	-	1
Extensions & Replacements	102,000	102,000	-	-	-	1
Working Capital	85,131	8,400	75,681	1,049	-	5
Net User Charge	<u>\$ 3,495,817</u>	<u>\$ 2,403,292</u>	<u>\$ 1,077,583</u>	<u>\$ 14,942</u>	<u>\$ -</u>	



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BROWN COUNTY REGIONAL SEWER DISTRICT

FORECASTED AT PRESENT RATES FUNCTION ALLOCATION OPTION 2 - 45% GRANT ASSUMPTION

	Forecasted at Present Rates	Allocation				Ref.
		Collections	Treatment	Customer	Administration	
Operating Expense:						
Salaries & Wages	\$ -	\$ -	\$ -	\$ -	\$ -	
Employee Pensions and Benefits	-	-	-	-	-	
Purchased Power	25,000	25,000	-	-	-	1
Fuel for Power Production	15,000	15,000	-	-	-	1
Wholesale Treatment	715,520	-	715,520	-	-	2
Chemicals	-	-	-	-	-	
Materials & Supplies	6,000	6,000	-	-	-	1
Contractual Services - Engineering	12,500	-	-	-	12,500	3
Contractual Services - Accounting	12,500	-	-	6,250	6,250	4
Contractual Services - Legal	10,000	-	-	-	10,000	3
Contractual Services - Management Fees	-	-	-	-	-	
Contractual Services - Testing	-	-	-	-	-	
Contractual Services - Other	30,000	30,000	-	-	-	1
Software	-	-	-	-	-	
Rental of Building/Real Property	-	-	-	-	-	
Rental of Equipment	-	-	-	-	-	
Transportation Expenses	-	-	-	-	-	
Insurance - Vehicle	-	-	-	-	-	
Insurance - General Liability	5,000	5,000	-	-	-	1
Insurance - Workman's Compensation	-	-	-	-	-	
Insurance - Other	-	-	-	-	-	
Miscellaneous Expenses	5,000	5,000	-	-	-	1
Total Operating Expense:	\$ 836,520	\$ 86,000	\$ 715,520	\$ 6,250	\$ 28,750	
3.386% Inflationary Adjustment	4,097	2,912	-	212	973	5
Reallocate Administration Expenses	-	22,293	-	7,431	(29,723)	
Total Operation & Maintenance	840,617	111,205	715,520	13,892	-	
Debt Service	1,199,928	1,199,928	-	-	-	1
Extensions & Replacements	55,000	55,000	-	-	-	1
Working Capital	47,771	6,320	40,662	789	-	5
Net User Charge	<u>\$ 2,143,316</u>	<u>\$ 1,372,452</u>	<u>\$ 756,182</u>	<u>\$ 14,682</u>	<u>\$ -</u>	



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BROWN COUNTY REGIONAL SEWER DISTRICT

FORECASTED AT PRESENT RATES FUNCTION ALLOCATION OPTION 3 - 75% GRANT ASSUMPTION

	Forecasted at Present Rates	Allocation				Ref.
		Collections	Treatment	Customer	Administration	
Operating Expense:						
Salaries & Wages	\$ -	\$ -	\$ -	\$ -	\$ -	
Employee Pensions and Benefits	-	-	-	-	-	
Purchased Power	25,000	25,000	-	-	-	1
Fuel for Power Production	15,000	15,000	-	-	-	1
Wholesale Treatment	525,176	-	525,176	-	-	2
Chemicals	-	-	-	-	-	
Materials & Supplies	6,000	6,000	-	-	-	1
Contractual Services - Engineering	12,500	-	-	-	12,500	3
Contractual Services - Accounting	12,500	-	-	6,250	6,250	4
Contractual Services - Legal	10,000	-	-	-	10,000	3
Contractual Services - Management Fees	-	-	-	-	-	
Contractual Services - Testing	-	-	-	-	-	
Contractual Services - Other	30,000	30,000	-	-	-	1
Software	-	-	-	-	-	
Rental of Building/Real Property	-	-	-	-	-	
Rental of Equipment	-	-	-	-	-	
Transportation Expenses	-	-	-	-	-	
Insurance - Vehicle	-	-	-	-	-	
Insurance - General Liability	5,000	5,000	-	-	-	1
Insurance - Workman's Compensation	-	-	-	-	-	
Insurance - Other	-	-	-	-	-	
Miscellaneous Expenses	5,000	5,000	-	-	-	1
Total Operating Expense:	\$ 646,176	\$ 86,000	\$ 525,176	\$ 6,250	\$ 28,750	
3.386% Inflationary Adjustment	4,097	2,912	-	212	973	5
Reallocate Administration Expenses	-	22,293	-	7,431	(29,723)	
Total Operation & Maintenance	650,273	111,205	525,176	13,892	-	
Debt Service	545,422	545,422	-	-	-	1
Extensions & Replacements	37,000	37,000	-	-	-	1
Working Capital	47,771	8,169	38,581	1,021	-	5
Net User Charge	<u>\$ 1,280,466</u>	<u>\$ 701,796</u>	<u>\$ 563,757</u>	<u>\$ 14,913</u>	<u>\$ -</u>	



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BROWN COUNTY REGIONAL SEWER DISTRICT

FORECASTED AT PRESENT RATES FUNCTION ALLOCATION OPTION 4 - 93.7% GRANT ASSUMPTION

	Forecasted at Present Rates	Allocation				Ref.
		Collections	Treatment	Customer	Administration	
Operating Expense:						
Salaries & Wages	\$ -	\$ -	\$ -	\$ -	\$ -	
Employee Pensions and Benefits	-	-	-	-	-	
Purchased Power	25,000	25,000	-	-	-	1
Fuel for Power Production	15,000	15,000	-	-	-	1
Wholesale Treatment	387,610	-	387,610	-	-	2
Chemicals	-	-	-	-	-	
Materials & Supplies	6,000	6,000	-	-	-	1
Contractual Services - Engineering	12,500	-	-	-	12,500	3
Contractual Services - Accounting	12,500	-	-	6,250	6,250	4
Contractual Services - Legal	10,000	-	-	-	10,000	3
Contractual Services - Management Fees	-	-	-	-	-	
Contractual Services - Testing	-	-	-	-	-	
Contractual Services - Other	30,000	30,000	-	-	-	1
Software	-	-	-	-	-	
Rental of Building/Real Property	-	-	-	-	-	
Rental of Equipment	-	-	-	-	-	
Transportation Expenses	-	-	-	-	-	
Insurance - Vehicle	-	-	-	-	-	
Insurance - General Liability	5,000	5,000	-	-	-	1
Insurance - Workman's Compensation	-	-	-	-	-	
Insurance - Other	-	-	-	-	-	
Miscellaneous Expenses	5,000	5,000	-	-	-	1
Total Operating Expense:	\$ 508,610	\$ 86,000	\$ 387,610	\$ 6,250	\$ 28,750	
3.386% Inflationary Adjustment	4,097	2,912	-	212	973	5
Reallocate Administration Expenses	-	22,293	-	7,431	(29,723)	
Total Operation & Maintenance	512,707	111,205	387,610	13,892	-	
Debt Service	137,446	137,446	-	-	-	1
Extensions & Replacements	37,000	37,000	-	-	-	1
Working Capital	47,771	10,361	36,115	1,294	-	5
Net User Charge	<u>\$ 734,924</u>	<u>\$ 296,012</u>	<u>\$ 423,724</u>	<u>\$ 15,187</u>	<u>\$ -</u>	



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BROWN COUNTY REGIONAL SEWER DISTRICT

FORECASTED AT PRESENT RATES FUNCTION ALLOCATION OPTION 5 - 100% GRANT ASSUMPTION

	Forecasted at Present Rates	Allocation				Ref.
		Collections	Treatment	Customer	Administration	
Operating Expense:						
Salaries & Wages	\$ -	\$ -	\$ -	\$ -	\$ -	
Employee Pensions and Benefits	-	-	-	-	-	
Purchased Power	25,000	25,000	-	-	-	1
Fuel for Power Production	15,000	15,000	-	-	-	1
Wholesale Treatment	365,980	-	365,980	-	-	2
Chemicals	-	-	-	-	-	
Materials & Supplies	6,000	6,000	-	-	-	1
Contractual Services - Engineering	12,500	-	-	-	12,500	3
Contractual Services - Accounting	12,500	-	-	6,250	6,250	4
Contractual Services - Legal	10,000	-	-	-	10,000	3
Contractual Services - Management Fees	-	-	-	-	-	
Contractual Services - Testing	-	-	-	-	-	
Contractual Services - Other	30,000	30,000	-	-	-	1
Software	-	-	-	-	-	
Rental of Building/Real Property	-	-	-	-	-	
Rental of Equipment	-	-	-	-	-	
Transportation Expenses	-	-	-	-	-	
Insurance - Vehicle	-	-	-	-	-	
Insurance - General Liability	5,000	5,000	-	-	-	1
Insurance - Workman's Compensation	-	-	-	-	-	
Insurance - Other	-	-	-	-	-	
Miscellaneous Expenses	5,000	5,000	-	-	-	1
Total Operating Expense:	\$ 486,980	\$ 86,000	\$ 365,980	\$ 6,250	\$ 28,750	
3.386% Inflationary Adjustment	4,097	2,912	-	212	973	5
Reallocate Administration Expenses	-	22,293	-	7,431	(29,723)	
Total Operation & Maintenance	491,077	111,205	365,980	13,892	-	
Debt Service	-	-	-	-	-	
Extensions & Replacements	37,000	37,000	-	-	-	1
Working Capital	4,078	923	3,039	115	-	5
Net User Charge	<u>\$ 532,155</u>	<u>\$ 149,128</u>	<u>\$ 369,019</u>	<u>\$ 14,008</u>	<u>\$ -</u>	



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BROWN COUNTY REGIONAL SEWER DISTRICT

EXPLANATION OF FORECASTED AT PRESENT RATES FUNCTION ALLOCATION

- (1) Allocated directly to Collections.
- (2) Allocated directly to Treatment.
- (3) Allocated directly to Administration.
- (4) Allocated 50% to Collections and 50% to Customer.
- (5) Allocated Pro forma.

BROWN COUNTY REGIONAL SEWER DISTRICT

CALCULATION OF RATES AND CHARGES

OPTION 1 - 100% DEBT ASSUMPTION

<u>Flat Rate</u>	Customer	Treatment	Treatment Debt Service	Collections	Collections Debt Service	Flat Charge
All Users	\$ 1.70	\$ 51.00	\$ 73.50	\$ 25.60	\$ 252.20	\$ 404.00
	Pro Forma Annual	Number of Bills			Rate per Bill	Rounded Use
Customer	14,942				8,652	\$ 1.73
Collections Debt Service	2,181,687				8,652	\$ 252.16
Collections	221,605				8,652	\$ 25.61
Treatment	441,661				8,652	\$ 51.05
Treatment Debt Service	635,922				8,652	\$ 73.50
	3,495,817					

OPTION 2 - 45% GRANT ASSUMPTION

<u>Flat Rate</u>	Customer	Treatment	Treatment Debt Service	Collections	Collections Debt Service	Flat Charge
All Users	\$ 1.70	\$ 47.00	\$ 40.40	\$ 19.90	\$ 138.70	\$ 247.70
	Pro Forma Annual	Number of Bills			Rate per Bill	Rounded Use
Customer	14,682				8,652	\$ 1.70
Collections Debt Service	1,199,928				8,652	\$ 138.69
Collections	172,524				8,652	\$ 19.94
Treatment	406,641				8,652	\$ 47.00
Treatment Debt Service	349,541				8,652	\$ 40.40
	2,143,316					

OPTION 3 - 75% GRANT ASSUMPTION

<u>Flat Rate</u>	Customer	Treatment	Treatment Debt Service	Collections	Collections Debt Service	Flat Charge
All Users	\$ 1.70	\$ 46.80	\$ 18.40	\$ 18.10	\$ 63.00	\$ 148.00
	Pro Forma Annual	Number of Bills			Rate per Bill	Rounded Use
Customer	14,913				8,652	\$ 1.72
Collections Debt Service	545,422				8,652	\$ 63.04
Collections	156,374				8,652	\$ 18.07
Treatment	404,560				8,652	\$ 46.76
Treatment Debt Service	159,197				8,652	\$ 18.40
	1,280,466					



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BROWN COUNTY REGIONAL SEWER DISTRICT

CALCULATION OF RATES AND CHARGES

OPTION 4 - 93.7% GRANT ASSUMPTION

<u>Flat Rate</u>	<u>Customer</u>	<u>Treatment</u>	<u>Treatment Debt Service</u>	<u>Collections</u>	<u>Collections Debt Service</u>	<u>Flat Charge</u>
All Users	\$ 1.80	\$ 46.50	\$ 2.50	\$ 18.30	\$ 15.90	\$ 85.00
	Pro Forma Annual	Number of Bills		Rate per Bill		Rounded Use
Customer	15,187			8,652	\$ 1.76	\$ 1.80
Collections Debt Service	137,446			8,652	\$ 15.89	\$ 15.90
Collections	158,566			8,652	\$ 18.33	\$ 18.30
Treatment	402,094			8,652	\$ 46.47	\$ 46.50
Treatment Debt Service	21,630			8,652	\$ 2.50	\$ 2.50
	734,924					

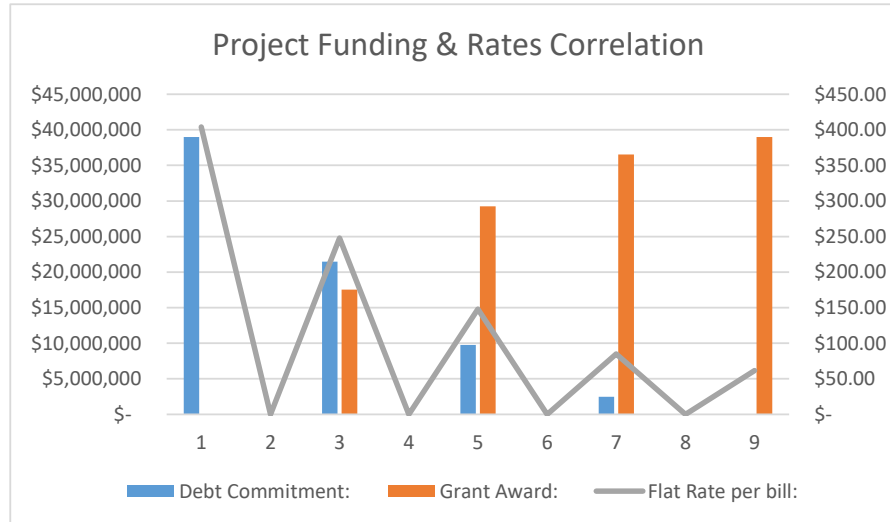
OPTION 5 - 100% GRANT ASSUMPTION

<u>Flat Rate</u>	<u>Customer</u>	<u>Treatment</u>	<u>Treatment Debt Service</u>	<u>Collections</u>	<u>Collections Debt Service</u>	<u>Flat Charge</u>
All Users	\$ 1.60	\$ 42.70	\$ -	\$ 17.20	\$ -	\$ 61.50
	Pro Forma Annual	Number of Bills		Rate per Bill		Rounded Use
Customer	14,008			8,652	\$ 1.62	\$ 1.60
Collections Debt Service	-			8,652	\$ -	\$ -
Collections	149,128			8,652	\$ 17.24	\$ 17.20
Treatment	369,019			8,652	\$ 42.65	\$ 42.70
Treatment Debt Service	-			8,652	\$ -	\$ -
	532,155					

BROWN COUNTY REGIONAL SEWER DISTRICT

SUMMARY OF PROJECT, EXPENSES AND RATES

	Option 1 <u>100% Debt Assumption</u>	Option 2 <u>45% Grant Assumption</u>	Option 3 <u>75% Grant Assumption</u>	Option 4 <u>93.7% Grant Assumption</u>	Option 5 <u>100% Grant Assumption</u>
Project Cost:	\$ 39,000,000	\$ 39,000,000	\$ 39,000,000	\$ 39,000,000	\$ 39,000,000
Debt Commitment:	\$ 39,000,000	\$ 21,450,000	\$ 9,750,000	\$ 2,457,000	\$ -
Grant Award:	\$ -	\$ 17,550,000	\$ 29,250,000	\$ 36,543,000	\$ 39,000,000
Operation & Maintenance:	\$ 1,126,999	\$ 840,617	\$ 650,273	\$ 512,707	\$ 491,077
Extensions & Replacements:	\$ 102,000	\$ 55,000	\$ 37,000	\$ 37,000	\$ 37,000
Flat Rate per bill:	\$ 404.00	\$ 247.70	\$ 148.00	\$ 85.00	\$ 61.50



SUPPLEMENTAL INFORMATION

103 Community Drive
Seymour, IN 47274
1-812-522-9444



115 W Washington St.
Indianapolis, IN 46204
1-317-820-3440

BROWN COUNTY REGIONAL SEWER DISTRICT

HISTORICAL STATEMENTS OF INCOME

	YE 2019	YE 2020	YE 2021
<u>Operating Revenue:</u>			
Brown County Grant	\$ 227,569		
ROI Grant	-	34,806	59,946
10% Brown County ROI Grant Match	-	12,263	-
Reimbursements	28	-	-
Total Operating Revenue	\$ 227,598	\$ 47,070	\$ 59,946
<u>Operation and Maintenance:</u>			
Project Costs			
Bean Blossom	149,436	-	925
ROI Strategic Plan	-	69,102	46,707
Website Maintenance	-	-	500
Miscellaneous	-	-	50
Total Operation and Maintenance	\$ 149,436	\$ 69,102	\$ 48,182
<u>Depreciation Expense</u>	\$ -	\$ -	\$ -
<u>Amortization Expense</u>	\$ -	\$ -	\$ -
Total Operating Net Income/(Loss)	\$ 78,162	\$ (22,033)	\$ 11,764
<u>Other Income and Expense</u>			
Interest Income	-	-	-
Interest Expense	-	-	-
Total Other Income and Expense:	\$ -	\$ -	\$ -
Net Income/(Loss):	\$ 78,162	\$ (22,033)	\$ 11,764

BROWN COUNTY REGIONAL SEWER DISTRICT

HISTORICAL CASH BALANCES

		YE 2022	YE 2021	YE 2020	YE 2019	YE 2018
Operating	(1)	\$ 54,182	\$ 67,894	\$ 56,130	\$ 78,163	\$ 1
Extensions & Replacements	(2)	-	-	-	-	-
Bond & Interest Sinking	(3)	-	-	-	-	-
Debt Service Reserve	(4)	-	-	-	-	-

Notes:

- (1) Per Gateway Annual Financial Report ("AFR") records.
- (2) Reserved for future fund, post Rate Report completion, responsible for capital expenses.
- (3) Reserved for future fund, post Rate Report completion, responsible for bond payment cash flow.
- (4) Reserved for future fund, post Rate Report completion, responsible for bond reserve requirements.