

CITY OF LESLIE (MICHIGAN) SEWER FUND
COMPARATIVE STATEMENT OF NET POSITION

	As of		
	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>
	(-----Per Audit-----)		
Assets			
Current assets:			
Cash	\$501,637	\$117,873	\$28,385
Restricted cash	130,835	151,802	172,694
Accounts receivable	84,645	79,704	94,530
Prepaid expenses	4,188	4,514	5,000
Total current assets	<u>721,305</u>	<u>353,893</u>	<u>300,609</u>
Property, plant and equipment:			
Land	3,060	3,060	3,060
Plant and equipment	5,347,556	5,784,761	5,879,843
	<u>5,350,616</u>	<u>5,787,821</u>	<u>5,882,903</u>
Less: accumulated depreciation	(2,708,634)	(2,811,848)	(2,929,212)
Total property, plant and equipment	<u>2,641,982</u>	<u>2,975,973</u>	<u>2,953,691</u>
 Total Assets	 <u><u>\$3,363,287</u></u>	 <u><u>\$3,329,866</u></u>	 <u><u>\$3,254,300</u></u>
Liabilities			
Current liabilities:			
Accounts payable	\$9,234	\$98,661	\$29,419
Accrued expenses	-	592	-
Accrued interest	5,908	5,798	5,683
Current portion of bonds payable	24,000	25,000	26,000
Total current liabilities	<u>39,142</u>	<u>130,051</u>	<u>61,102</u>
Noncurrent liabilities:			
Bonds payable	1,265,000	1,240,000	1,214,000
 Total Liabilities	 <u>1,304,142</u>	 <u>1,370,051</u>	 <u>1,275,102</u>
Net Position			
Invested in capital assets, net of related debt	1,352,982	1,710,973	1,713,691
Restricted	124,927	146,004	167,011
Unrestricted	581,236	102,838	98,496
 Total Net Position	 <u>2,059,145</u>	 <u>1,959,815</u>	 <u>1,979,198</u>
 Total Liabilities and Net Position	 <u><u>\$3,363,287</u></u>	 <u><u>\$3,329,866</u></u>	 <u><u>\$3,254,300</u></u>

Draft 12/07/2021

CITY OF LESLIE (MICHIGAN) SEWER FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Fiscal Year Ended		
	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>
	(-----Per Audit-----)		
Operating Revenues			
Charges for services	\$383,310	\$386,346	\$362,257
Rental income	(8,390)	8,390	20,779
Tap-in and turn-on fees	6,060	80	1,720
Penalties	8,173	8,325	7,457
Grants and contributions	16,657	20,347	-
	<hr/>	<hr/>	<hr/>
Total operating revenues	405,810	423,488	392,213
	<hr/>	<hr/>	<hr/>
Operating Expenses			
Operating expenses	501,914	497,835	555,718
	<hr/>	<hr/>	<hr/>
Net operating income (loss)	(96,104)	(74,347)	(163,505)
	<hr/>	<hr/>	<hr/>
Non-operating Revenues (Expenses)			
Interest income	8,043	10,355	2,684
Interest expense	(35,998)	(35,338)	(34,673)
Gain (loss) on disposal of fixed assets	-	-	-
Transfers in	-	-	214,877
	<hr/>	<hr/>	<hr/>
Total non-operating revenues (expenses)	(27,955)	(24,983)	182,888
	<hr/>	<hr/>	<hr/>
Net Income (Loss)	(124,059)	(99,330)	19,383
	<hr/>	<hr/>	<hr/>
Net position, beginning of year	2,183,204	2,059,145	1,959,815
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Net position, end of year	<u>\$2,059,145</u>	<u>\$1,959,815</u>	<u>\$1,979,198</u>

CITY OF LESLIE (MICHIGAN) SEWER FUND

COMPARATIVE DETAIL OF OPERATING EXPENSES

	Fiscal Year Ended				Test Year	Multiplier	
	6/30/2019	6/30/2020	6/30/2021	6/30/2022			
	-----Per Budget-----						
Operating Expenses							
Dept 528 - Sewer Plant							
590-528-703.000	Salaries/Wages	\$52,959	\$77,765	\$75,574	\$90,000	\$90,000	2.0%
590-528-714.000	FICA expense	5,000	8,487	9,447	9,000	9,000	2.0%
590-529-703.000	Fringes	8,629	4,000	6,439	8,629	8,629	2.0%
590-529-714.000	Supplies	10,000	16,898	17,709	10,000	20,000	1.0%
590-529-720.000	Contracted services	18,750	50,283	45,858	25,000	50,000	1.0%
590-529-744.000	Insurance	6,386	6,517	6,361	6,300	6,300	1.0%
590-529-810.000	Utilities sewer plant	50,000	45,465	60,244	30,000	60,000	1.0%
590-529-912.000	Equipment rental	5,000	462	897	3,000	3,000	1.0%
590-529-940.000	Miscellaneous	5,000	68	-	1,000	1,000	1.0%
590-529-959.000	Training	3,500	2,032	310	3,000	3,000	1.0%
590-529-960.000	Depreciation	-	-	-	-	-	0.0%
590-529-970.000	Capital expenditures	200,000	37,925	40,745	-	-	0.0%
	Total Sewer Plant expenses	365,224	249,902	263,583	185,929	250,929	
Dept 529 - Sewer Collection							
590-529-703.000	Salaries/Wages	27,146	34,671	30,084	41,079	41,079	2.0%
590-529-714.000	FICA expense	3,083	2,555	2,178	3,000	3,000	2.0%
590-529-720.000	Fringes	13,332	17,878	19,184	13,000	20,000	2.0%
590-529-744.000	Supplies	10,000	3,813	1,848	7,000	7,000	1.0%
590-529-810.000	Contracted services	73,130	86,818	98,694	40,000	75,000	1.0%
590-529-912.000	Insurance	2,060	772	625	1,000	1,000	1.0%
590-529-940.000	Equipment rental	5,150	4,860	-	3,500	3,500	1.0%
590-529-959.000	Miscellaneous	515	-	-	500	500	1.0%
590-529-960.000	Training	1,500	1,314	-	1,500	1,500	1.0%
590-529-968.000	Depreciation	-	-	-	-	-	0.0%
591-536-970.000	Capital expenditures	100,000	5,772	3,353	15,000	15,000	0.0%
	Total Sewer Collection expenses	235,916	158,453	155,965	125,579	167,579	
Dept 558 - Administrative							
590-558-965.010	Admin support	30,000	30,000	30,000	32,500	32,500	0.0%
590-558-993.011	2012 WWTP debt service -prin	-	-	-	-	-	0.0%
590-558-995.000	Interest on bond debt	-	-	-	-	-	0.0%
590-558-999.002	Transfer to RRI - 2021 WWTP	-	-	-	-	-	0.0%
	Total Administrative expenses	30,000	30,000	30,000	32,500	32,500	
	Total Operating Expenses	\$631,140	\$438,356	\$449,548	\$344,008	\$451,008	

[1] Depreciation is removed from this report as this study is performed on the cash basis.

[2] Debt payments are removed from this section of the report. This item is discussed later in the report.

CITY OF LESLIE (MICHIGAN) SEWER FUND

**SCHEDULE OF AMORTIZATION OF \$1,214,000 PRINCIPAL AMOUNT OUTSTANDING
OF 2012 USDA REVENUE BONDS**

Payment Date	Principal Balance (In Dollars)	Interest Rate (%)	Debt Service			Fiscal Year Total
			Principal	Interest	Total	
-----In Dollars-----						
11/01/21	\$1,214,000			\$16,692.50	\$16,692.50	
05/01/22	1,214,000	2.750	\$26,000	16,692.50	42,692.50	\$59,385.00
11/01/22	1,188,000			16,335.00	16,335.00	
05/01/23	1,188,000	2.750	27,000	16,335.00	43,335.00	59,670.00
11/01/23	1,161,000			15,963.75	15,963.75	
05/01/24	1,161,000	2.750	28,000	15,963.75	43,963.75	59,927.50
11/01/24	1,133,000			15,578.75	15,578.75	
05/01/25	1,133,000	2.750	29,000	15,578.75	44,578.75	60,157.50
11/01/25	1,104,000			15,180.00	15,180.00	
05/01/26	1,104,000	2.750	29,000	15,180.00	44,180.00	59,360.00
11/01/26	1,075,000			14,781.25	14,781.25	
05/01/27	1,075,000	2.750	30,000	14,781.25	44,781.25	59,562.50
11/01/27	1,045,000			14,368.75	14,368.75	
05/01/28	1,045,000	2.750	31,000	14,368.75	45,368.75	59,737.50
11/01/28	1,014,000			13,942.50	13,942.50	
05/01/29	1,014,000	2.750	32,000	13,942.50	45,942.50	59,885.00
11/01/29	982,000			13,502.50	13,502.50	
05/01/30	982,000	2.750	33,000	13,502.50	46,502.50	60,005.00
11/01/30	949,000			13,048.75	13,048.75	
05/01/31	949,000	2.750	34,000	13,048.75	47,048.75	60,097.50
11/01/31	915,000			12,581.25	12,581.25	
05/01/32	915,000	2.750	35,000	12,581.25	47,581.25	60,162.50
11/01/32	880,000			12,100.00	12,100.00	
05/01/33	880,000	2.750	36,000	12,100.00	48,100.00	60,200.00
11/01/33	844,000			11,605.00	11,605.00	
05/01/34	844,000	2.750	37,000	11,605.00	48,605.00	60,210.00
11/01/34	807,000			11,096.25	11,096.25	
05/01/35	807,000	2.750	38,000	11,096.25	49,096.25	60,192.50
11/01/35	769,000			10,573.75	10,573.75	
05/01/36	769,000	2.750	39,000	10,573.75	49,573.75	60,147.50
11/01/36	730,000			10,037.50	10,037.50	
05/01/37	730,000	2.750	40,000	10,037.50	50,037.50	60,075.00
11/01/37	690,000			9,487.50	9,487.50	
05/01/38	690,000	2.750	41,000	9,487.50	50,487.50	59,975.00
11/01/38	649,000			8,923.75	8,923.75	
05/01/39	649,000	2.750	42,000	8,923.75	50,923.75	59,847.50
11/01/39	607,000			8,346.25	8,346.25	
05/01/40	607,000	2.750	43,000	8,346.25	51,346.25	59,692.50
11/01/40	564,000			7,755.00	7,755.00	
05/01/41	564,000	2.750	44,000	7,755.00	51,755.00	59,510.00

CITY OF LESLIE (MICHIGAN) SEWER FUND

(Continued)

**SCHEDULE OF AMORTIZATION OF \$1,214,000 PRINCIPAL AMOUNT OUTSTANDING
OF 2012 USDA REVENUE BONDS**

Payment Date	Principal Balance (In Dollars)	Interest Rate (%)	Debt Service			Fiscal Year Total
			Principal	Interest	Total	
(------In Dollars-----)						
11/01/41	520,000			7,150.00	7,150.00	
05/01/42	520,000	2.750	45,000	7,150.00	52,150.00	59,300.00
11/01/42	475,000			6,531.25	6,531.25	
05/01/43	475,000	2.750	47,000	6,531.25	53,531.25	60,062.50
11/01/43	428,000			5,885.00	5,885.00	
05/01/44	428,000	2.750	48,000	5,885.00	53,885.00	59,770.00
11/01/44	380,000			5,225.00	5,225.00	
05/01/45	380,000	2.750	49,000	5,225.00	54,225.00	59,450.00
11/01/45	331,000			4,551.25	4,551.25	
05/01/46	331,000	2.750	51,000	4,551.25	55,551.25	60,102.50
11/01/46	280,000			3,850.00	3,850.00	
05/01/47	280,000	2.750	52,000	3,850.00	55,850.00	59,700.00
11/01/47	228,000			3,135.00	3,135.00	
05/01/48	228,000	2.750	53,000	3,135.00	56,135.00	59,270.00
11/01/48	175,000			2,406.25	2,406.25	
05/01/49	175,000	2.750	55,000	2,406.25	57,406.25	59,812.50
11/01/49	120,000			1,650.00	1,650.00	
05/01/50	120,000	2.750	56,000	1,650.00	57,650.00	59,300.00
11/01/50	64,000			880.00	880.00	
05/01/51	64,000	2.750	58,000	880.00	58,880.00	59,760.00
11/01/51	6,000			82.50	82.50	
05/01/52	6,000	2.750	6,000	82.50	6,082.50	6,165.00
Totals			<u>\$1,214,000</u>	<u>\$586,492.50</u>	<u>\$1,800,492.50</u>	<u>\$1,800,492.50</u>

CITY OF LESLIE (MICHIGAN) SEWER FUND

CASH FLOW ANALYSIS

	<u>2021/22</u>	<u>One-Time Increase</u>	<u>2022/23</u>
Assumptions			
Meter equivalents billed	1,046		1,046
Ready-to-serve charge - quarter	\$51.40	\$10.35	\$61.75
Billable flow (1,000 gal)	36,121		34,621
Usage charge (per 1,000 gal)	\$4.43	\$4.57	\$9.00
<i>Typical City homeowner's quarterly bill (assumes 13,500 gallons/quarter)</i>	<i>\$111.21</i>		<i>\$183.25</i>
Revenues			
Ready-to-serve charge	\$215,119		\$258,436
Usage charge	160,017		311,592
Penalties	7,500		7,500
Other	1,000		1,000
Total revenues	<u>383,637</u>		<u>578,528</u>
Less: Total operating expenditures	<u>(451,008)</u>		<u>(456,760)</u>
Net operating revenue	<u>(67,371)</u>		121,768
Less: Current debt service payments	<u>(59,385)</u>		<u>(59,670)</u>
Estimated cash-funded capital improvements	-		-
Estimated debt service #1 2023/24 Bonds [1]	-		-
Net cash flow	<u>(\$126,756)</u>		<u>\$62,098</u>
<i>Cash & Investments [2]</i>	\$80,343	(\$46,414)	\$15,684
<i>Less: Estimated Debt Service Reserves [3]</i>	<u>(1,592)</u>	<u>(1,592)</u>	<u>(1,592)</u>
<i>Unrestricted/RRI Cash & Investments</i>	<u>\$78,751</u>	<u>(\$48,006)</u>	<u>\$14,092</u>

[1] Estimated debt service payments based on a \$7,282,000 40-year bond issue at the current USDA intermediate rate of

[2] Includes unrestricted, RRI and bond reserve funds.

[3] Accumulated.