

**CITY OF MIDLAND
WASTEWATER FUND
FIVE-YEAR FINANCIAL PLAN**

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Operating Revenues	<u>\$ 4,304,232</u>	<u>\$ 4,645,190</u>	<u>\$ 4,774,580</u>	<u>\$ 4,846,350</u>	<u>\$ 4,895,290</u>	<u>\$ 4,944,370</u>
Operating Expenses						
Administration	633,680	653,681	673,291	693,490	714,295	735,724
Operations	964,863	945,387	973,749	1,002,961	1,033,050	1,064,042
Maintenance	1,262,341	1,332,605	1,372,583	1,413,760	1,456,173	1,499,858
Safety	35,200	36,635	37,734	38,866	40,032	41,233
Reserve for contingencies	-	50,000	50,000	50,000	50,000	50,000
Total operating expenses	<u>2,896,084</u>	<u>3,018,308</u>	<u>3,107,357</u>	<u>3,199,077</u>	<u>3,293,550</u>	<u>3,390,857</u>
Net operating income (loss)	<u>1,408,148</u>	<u>1,626,882</u>	<u>1,667,223</u>	<u>1,647,273</u>	<u>1,601,740</u>	<u>1,553,513</u>
Non-operating Revenues (Expenses)						
Capital charges	20,520	20,700	21,110	21,530	21,960	22,400
Investment earnings	28,512	15,000	13,541	12,069	18,067	24,959
Miscellaneous revenue	63,650	7,700	7,931	8,169	8,414	8,666
Miscellaneous expense	(201,278)	(211,895)	(218,252)	(224,800)	(231,544)	(238,490)
Interest expense	(865,572)	(740,159)	(685,314)	(658,440)	(629,064)	(598,438)
Total non-operating revenues (expenses)	<u>(954,168)</u>	<u>(908,654)</u>	<u>(860,984)</u>	<u>(841,472)</u>	<u>(812,167)</u>	<u>(780,903)</u>
Other Financing Sources (Uses)						
Investment in Assets	(1,134,396)	(763,100)	(1,025,000)	(799,500)	(700,250)	(753,500)
Operating transfer in	1,790,793	1,749,539	828,588	848,464	848,838	848,463
Bond Proceeds	-	-	-	-	-	-
Retirement of Debt	(1,760,000)	(1,790,000)	(695,000)	(755,000)	(785,000)	(815,000)
Total other financing sources (uses)	<u>(1,103,603)</u>	<u>(803,561)</u>	<u>(891,412)</u>	<u>(706,036)</u>	<u>(636,412)</u>	<u>(720,037)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(649,623)</u>	<u>(85,333)</u>	<u>(85,173)</u>	<u>99,765</u>	<u>153,161</u>	<u>52,573</u>
Working Capital - beginning of year	<u>1,121,853</u>	<u>472,230</u>	<u>386,897</u>	<u>301,724</u>	<u>401,489</u>	<u>554,650</u>
Working Capital - end of year	<u>\$ 472,230</u>	<u>\$ 386,897</u>	<u>\$ 301,724</u>	<u>\$ 401,489</u>	<u>\$ 554,650</u>	<u>\$ 607,223</u>

ASSUMPTIONS:

Working capital goal	\$ 600,000
Sewer revenue increases:	
2005-06	8%
2006-07	3.0%
2007-08 and 2009-10	1.0%
Operating expense increase per year	3.0%
Investment earnings on working capital:	
2005-06	3.00%
2006-07	3.50%
2007-08	4.00%
2008-09	4.50%
2009-10	4.50%
Miscellaneous income increase per year	3%
Miscellaneous expense increase per year	3%
Retirement of debt - actual	
Investment in assets: five-year capital plan	