

TOWN OF NEWPORT, NH

WATER AND SEWER RATE STUDY

December 15, 1993

Updated June 3, 2019

TABLE OF CONTENTS

PAGE

INTRODUCTION

I. HISTORY 1

II. PROJECTIONS 3

APPENDIX A 4

EXHIBIT 1 - WATER FUND PROJECTED FINANCIAL STATEMENTS July 1, 2018 - June 30, 2028

- | | | |
|-----|-----------------------------|---|
| 1.1 | Without a rate increase | 6 |
| 1.2 | With proposed rate increase | 7 |

EXHIBIT 2 - SEWER FUND PROJECTED FINANCIAL STATEMENTS July 1, 2018 - June 30, 2028

- | | | |
|-----|-----------------------------|---|
| 2.1 | Without a rate increase | 8 |
| 2.2 | With proposed rate increase | 9 |

EXHIBIT 3 - SUMMARY OF PROJECTED CAPITAL IMPROVEMENTS

- | | | |
|-----|------------|----|
| 3.1 | Water Fund | 10 |
| 3.2 | Sewer Fund | 11 |

HISTORICAL DATA:

EXHIBIT 4 - WATER AND SEWER USAGE AS BILLED 2001-2018 12

EXHIBIT 5 - WATER FUND BALANCE SHEET AND INCOME STATEMENT July 1, 2012 - June 30, 2018 14

EXHIBIT 6 - SEWER FUND BALANCE SHEET AND INCOME STATEMENT July 1, 2012 - June 30, 2018 15

INTRODUCTION

The following report analyses the Town of Newport's water and sewer rates. This report is designed to be a tool to provide management information upon which to base future decisions. Information from this report should be used as a planning tool for rate structure as well as the Water and Sewer Funds' ability to finance future capital improvements or repairs.

The Town's Water and Sewer Funds are enterprise funds, which are designed to account for operations in a manner similar to a private business enterprise. Accounting for a utility in this manner includes the accounting for and depreciation of fixed assets and the accounting for outstanding long-term debt.

The American Water Works Association (AWWA), in its Manual of Water Supply Practices - Water Rates [AWWA Manual M-1] (1991) recommends two approaches for projecting revenue requirements, the "utility" approach and the "cash-needs" approach. The "utility" approach focuses on the recovery of capital investment, or depreciation. The "cash-needs" approach is commonly used by governmentally-owned utilities as it is an extension of the budgeting systems used by such organizations. For the purpose of this report, the "cash-needs" approach of revenue requirement projections will be used.

The AWWA Manual M-1 states that the essence of the "cash-needs" approach to projecting revenues requirements "is that revenues of the utility must be sufficient to cover all cash needs, including debt obligations as they come due, for the period over which the rates are intended to be adequate" (1991, p.1). This report will determine the adequacy of the rates to provide cash balances to cover all cash needs, including operations, debt service, and capital improvements.

The American Water Works Association Research Foundation (AWWARF), in its Meeting Future Financing Needs of Water Utilities (1993) states:

"According to Moody's [Investor Service], a surplus of funds (after operating expenses, debt service, and capital expenditures) equivalent to 5 percent of revenues is adequate for most utilities...In addition to operating surplus, analysts attempt to determine if the utility has established adequate reserve funds for O&M and debt service...Six months to one year's O&M expenditures and one year's debt service as usually viewed as adequate reserves" (1993, p.20).

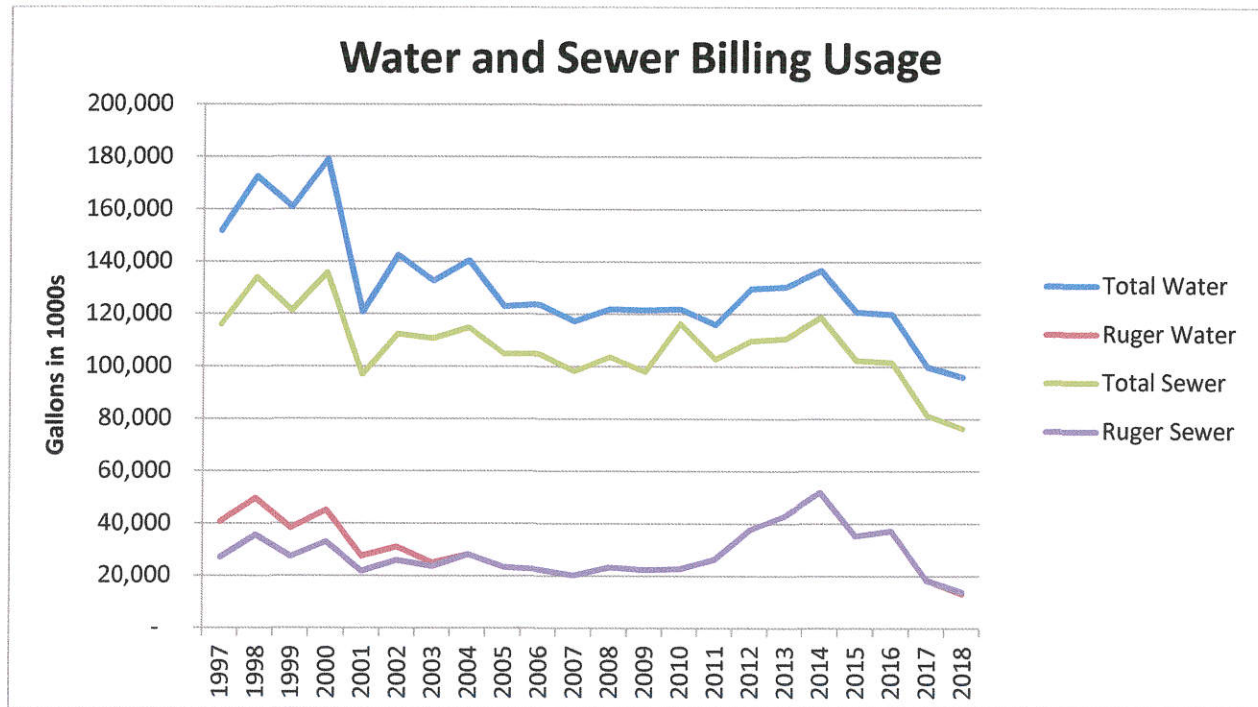
In addition to analyzing cash balances, this report will analyze the reserves held by the Funds to determine adequacy with the AWWARF's recommendation. The reserves to be analyzed will be the Funds' working capital, or excess of current assets over current liabilities, with "current" defined as available to be collected or paid in the next twelve months.

I. HISTORY

To properly project the revenue requirements, there must be a basis or benchmark from which to work. The benchmark should include usage, rates, and financial position. To obtain this benchmark, an analysis of the past presents the most reliable data.

Usage

The water and sewer usage as billed for the 22 years shows an ever declining overall usage, dropping to its lowest ever total in 2018. For the past few years, the reduction is the result of water conservation efforts during the 2016 drought and operating cost reductions at Sturm, Ruger, the Town's largest water user. The actual billing usage is detailed in Exhibit 4.



RATES

The water and sewer rates have been adjusted to their **current amounts** as follows:

<u>Year</u>	<u>Water</u>		<u>Sewer</u>
	<u>General</u>	<u>High Volume</u>	
Pre-1990	\$1.70	n/a	\$3.32
1990	3.32	1.87	4.62
1991	---	2.24	---
2003	3.65	2.46	5.08
2004	4.02	2.71	5.59
2005	4.42	2.98	6.15
2006	4.86	3.28	6.77
2010	5.35	3.61	8.46
2011	5.89	3.97	9.31
2012	6.48	4.37	---
2013	7.13	4.81	---
2018	7.84	5.29	10.71

FINANCIAL POSITION

The current rates have resulted in 2018 working capital balances in the Water Fund (Exhibit 6) which project to be 97.2% greater than the recommendation of the AWWARF. In the Sewer Fund (Exhibit 7), 2018 balances project to be 25.4% greater than the low recommendation.

II. PROJECTIONS

USAGE

Usage projections are based upon the 2018 billings. The 1st billing of 2019 showed a slight increase over the 2018 usage, but not back to the level of 2017.

FINANCIAL POSITION

The projection of the Balance Sheets and Income Statements (Exhibit 1 and 2) has been prepared looking at the current budget, certain fixed agreements (i.e. State grants, long term debt), future capital needs and using various assumptions.

Capital expenditures have been projected through 2028 (Exhibit 3.1 & 3.2). These amounts have been included in the cash projections for the year proposed, with anticipated corresponding grants and loans. The wastewater treatment plant upgrade for phosphorous removal has been budgeted utilizing the engineers' estimate from the 30% design report. Further, the proceeds of the litigation regarding the WWTP are included in the projections for the year ended June 30, 2019.

The 2018-19 operating costs are those approved at the 2018 Town Meeting. Operating expenses for the future years are calculated with a 1% increase of the 2018-19 amount, further adjusted in the Sewer Fund in 2022-23 by the estimated additional costs from the new WWTP phosphorous removal system coming on line. Other information and balances were projected using the following assertions:

ACCOUNT

ASSERTION

Accounts Receivable/Revenues	Current rates and projected usage with 99% collections.
------------------------------	--

Interest income	1.0% investment rate.
-----------------	-----------------------

Based upon the above information and assertions, projections have been complete using various combinations of current and future capital funding. The different projections can be found in Appendix 1 & 2. Based on these projections, the recommended alternatives are as follows:

WATER

Water Fund projections show declining working capital balances which will become negative in the year 2021-22. The search for a new water well site has been ongoing for the last few years. Given the reduction overall reduction in water usage, 44% of the highest year, and the plan to design for additional production from Gilman Pond, the need for an immediate new water source has been lessened. Accordingly funding to locate and permit the well site has been included moving forward, but the engineering and construction costs for tying the well into the system have been removed from the projections. An adjustment to the user fee of 45% in FY2020 will bring the working capital balances to lower end of the recommended range. If phased in, the increases could be 20% in FY2020 and 20% in FY2021, with 2% annual increases thereafter.

SEWER

Sewer Fund projections show declining working capital balances which will become negative in the year 2021-22, primarily due to the construction and operation of the upgrade for phosphorous removal at the Treatment Plant. An adjustment to the user fee of 184% in 2021-22 will bring the working capital balances to lower end of the recommended range. If phased in, the increases could be 30% in FY2020, 40% in FY2021, and 40% in FY2022, with 2% annual increases thereafter.

APPENDIX A

(EXHIBITS)

EXHIBIT 1 - WATER FUND PROJECTED FINANCIAL STATEMENTS July 1, 2018 - June 30, 2028

1.1	Without rate increase	6
1.2	With proposed rate increase	7

EXHIBIT 2 - SEWER FUND PROJECTED FINANCIAL STATEMENTS July 1, 2018 - June 30, 2028

2.1	Without future capital project beyond WWTP Upgrade	8
2.2	With all proposed future capital projects	9

EXHIBIT 3 - SUMMARY OF PROJECTED CAPITAL IMPROVEMENTS

3.1	Water Fund	10
3.2	Sewer Fund	11

HISTORICAL DATA:

EXHIBIT 4 - WATER AND SEWER USAGE AS BILLED 2001-2018 12

EXHIBIT 5 - WATER FUND BALANCE SHEET AND INCOME STATEMENT July 1, 2012 - June 30, 2018 14

EXHIBIT 6 - SEWER FUND BALANCE SHEET AND INCOME STATEMENT July 1, 2012 - June 30, 2018 15

**TOWN OF NEWPORT
WATER FUND PROJECTED FINANCIAL STATEMENTS
ALL PROPOSED FUTURE CAPITAL PROJECTS**

NO RATE INCREASE

EXHIBIT 1.1

STATEMENT OF NEW POSITION

Year Ended	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028
CASH & INVESTMENTS	108,642	22,831	(187,976)	(436,034)	(736,939)	(1,020,450)	(1,340,095)	(1,678,116)	(2,052,582)	(2,415,081)
ACCOUNTS RECEIVABLE:	316,950	316,950	316,950	316,950	316,950	316,950	316,950	316,950	316,950	316,950
OTHER CURRENT ASSETS	70,903	70,903	70,903	70,903	70,903	70,903	70,903	70,903	70,903	70,903
INTERGOVERNMENTAL RECEIVABLE	32,586	21,724	10,862	-	-	-	-	-	-	-
FIXED ASSETS (NET)	3,261,447	3,058,102	3,373,296	3,283,517	3,562,352	3,326,087	3,457,322	3,213,057	3,326,292	3,037,027
TOTAL ASSETS	3,790,528	3,490,510	3,584,035	3,235,336	3,213,267	2,693,490	2,505,081	1,922,794	1,661,563	1,009,799
MISC CURRENT LIABILITIES	99,177	99,177	99,177	99,177	99,177	99,177	99,177	99,177	99,177	99,177
NET PENSION LIABILITY	520,531	520,531	520,531	520,531	520,531	520,531	520,531	520,531	520,531	520,531
LONG-TERM DEBT	1,264,826	1,326,182	1,722,131	1,790,637	2,237,319	2,176,338	2,525,651	2,447,964	2,770,277	2,665,590
TOTAL LIABILITIES	1,884,534	1,945,890	2,341,839	2,410,345	2,857,027	2,796,046	3,145,359	3,067,672	3,389,985	3,285,298
NET DEFERRED INFLOWS (OUTFLOWS) OF RESOURCES	69,529	69,529	69,529	69,529	69,529	69,529	69,529	69,529	69,529	69,529
NET POSITION	1,975,523	1,614,149	1,311,725	894,520	425,769	(33,027)	(570,749)	(1,075,349)	(1,658,893)	(2,205,970)

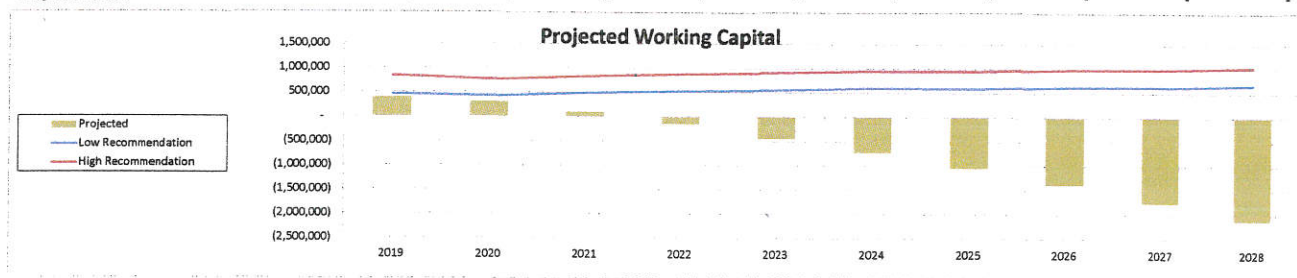
STATEMENT INCOME, EXPENSES AND CHANGES IN NET POSITION

Year Ended	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028
REVENUES:										
USER FEES	612,414	612,414	612,414	612,414	612,414	612,414	612,414	612,414	612,414	612,414
INTERGOVERNMENTAL	9,631	1,792	126,195	40,597	24,180	60,000	-	60,000	-	60,000
MISCELLANEOUS	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
INTEREST	1,076	226	(1,861)	(4,317)	(7,296)	(10,103)	(13,268)	(16,615)	(20,323)	(23,912)
TOTAL REVENUE	625,121	616,432	738,748	650,694	631,298	664,311	601,146	657,799	594,091	650,502
EXPENSES:										
OPERATIONS	769,379	686,822	693,690	700,627	707,633	714,710	721,857	729,075	736,366	743,730
INTEREST	4,110	2,639	29,575	37,317	40,651	52,131	48,246	59,058	54,504	64,585
DEPRECIATION	279,846	288,346	317,906	329,955	351,765	356,265	368,765	374,265	386,765	389,265
TOTAL EXPENSE	1,053,335	977,806	1,041,171	1,067,899	1,100,049	1,123,106	1,138,868	1,162,399	1,177,636	1,197,579
CHANGE IN NET POSITION	(428,214)	(361,374)	(302,423)	(417,205)	(468,752)	(458,796)	(537,722)	(504,600)	(583,544)	(547,077)
NET POSITION, BEGINNING	2,403,737	1,975,523	1,614,149	1,311,725	894,520	425,769	(33,027)	(570,749)	(1,075,349)	(1,658,893)
NET POSITION, ENDING	1,975,523	1,614,149	1,311,725	894,520	425,769	(33,027)	(570,749)	(1,075,349)	(1,658,893)	(2,205,970)

WORKING CAPITAL

PROJECTED WORKING CAPITAL	397,318	311,507	100,700	(147,358)	(448,263)	(731,774)	(1,051,419)	(1,389,440)	(1,763,906)	(2,126,405)
AWWARF RECOMMENDATIONS RESERVES:										
OPERATING EXPENSES (12 MOS)	769,379	686,822	693,690	700,627	707,633	714,710	721,857	729,075	736,366	743,730
DEBT SERVICE	40,317	48,783	114,226	149,411	174,569	213,112	198,933	236,745	232,191	269,272
5% REVENUES	30,621	30,621	30,621	30,621	30,621	30,621	30,621	30,621	30,621	30,621
RANGE HIGH	840,317	766,226	838,537	880,659	912,823	958,443	951,411	996,441	999,178	1,043,622
OPERATING EXPENSES (6 MOS)	384,690	343,411	346,845	350,314	353,817	357,355	360,928	364,538	368,183	371,865
DEBT SERVICE	40,317	48,783	114,226	149,411	174,569	213,112	198,933	236,745	232,191	269,272
5% REVENUES	30,621	30,621	30,621	30,621	30,621	30,621	30,621	30,621	30,621	30,621
RANGE LOW	455,627	422,815	491,692	530,345	559,006	601,088	590,482	631,904	630,995	671,757

Proposed increase



**TOWN OF NEWPORT
WATER FUND PROJECTED FINANCIAL STATEMENTS
ALL PROPOSED FUTURE CAPITAL PROJECTS**

PROPOSED RATE INCREASE

EXHIBIT 1.2

STATEMENT OF NEW POSITION
Year Ended

	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028
CASH & INVESTMENTS	108,642	146,538	209,126	255,009	269,156	322,380	361,742	405,600	436,500	503,482
ACCOUNTS RECEIVABLE:	316,950	316,950	316,950	316,950	316,950	316,950	316,950	316,950	316,950	316,950
OTHER CURRENT ASSETS	70,903	70,903	70,903	70,903	70,903	70,903	70,903	70,903	70,903	70,903
INTERGOVERNMENTAL RECEIVABLE	32,586	21,724	10,862	-	-	-	-	-	-	-
FIXED ASSETS (NET)	3,261,447	3,058,102	3,373,296	3,283,517	3,562,352	3,326,087	3,457,322	3,213,057	3,326,292	3,037,027
TOTAL ASSETS	3,790,528	3,614,217	3,981,137	3,926,379	4,219,361	4,036,320	4,206,918	4,006,510	4,150,645	3,928,363
MISC CURRENT LIABILITIES	99,177	99,177	99,177	99,177	99,177	99,177	99,177	99,177	99,177	99,177
NET PENSION LIABILITY	520,531	520,531	520,531	520,531	520,531	520,531	520,531	520,531	520,531	520,531
LONG-TERM DEBT	1,264,826	1,326,182	1,722,131	1,790,637	2,237,319	2,176,338	2,525,651	2,447,964	2,770,277	2,665,590
TOTAL LIABILITIES	1,884,534	1,945,890	2,341,839	2,410,345	2,857,027	2,796,046	3,145,359	3,067,672	3,389,985	3,285,298
NET DEFERRED INFLOWS (OUTFLOWS) OF RESOURCES	69,529	69,529	69,529	69,529	69,529	69,529	69,529	69,529	69,529	69,529
NET POSITION	1,975,523	1,737,856	1,708,827	1,585,563	1,431,863	1,309,803	1,131,088	1,008,367	830,189	712,594

STATEMENT INCOME, EXPENSES AND CHANGES IN NET POSITION

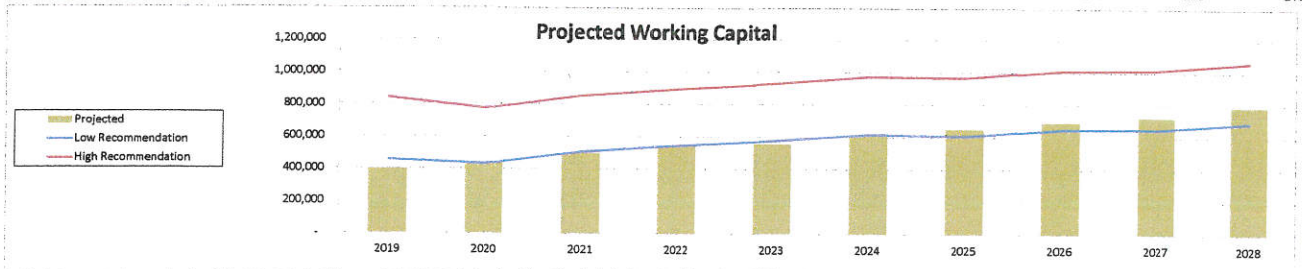
Year Ended	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028
REVENUES:										
USER FEES	612,414	734,897	881,876	899,514	917,504	935,854	954,571	973,663	993,136	1,012,999
INTERGOVERNMENTAL	9,631	1,792	126,195	40,597	24,180	60,000	-	60,000	-	60,000
MISCELLANEOUS	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
INTEREST	1,076	1,451	2,071	2,525	2,665	3,192	3,582	4,016	4,322	4,985
TOTAL REVENUE	625,121	740,140	1,012,142	944,636	946,349	1,001,046	960,153	1,039,678	999,458	1,079,983
EXPENSES:										
OPERATIONS	769,379	686,822	693,690	700,627	707,633	714,710	721,857	729,075	736,366	743,730
INTEREST	4,110	2,639	29,575	37,317	40,651	52,131	48,246	59,058	54,504	64,585
DEPRECIATION	279,846	288,346	317,906	329,955	351,765	356,265	368,765	374,265	386,765	389,265
TOTAL EXPENSE	1,053,335	977,806	1,041,171	1,067,899	1,100,049	1,123,106	1,138,868	1,162,399	1,177,636	1,197,579
CHANGE IN NET POSITION	(428,214)	(237,667)	(29,029)	(123,263)	(153,700)	(122,060)	(178,715)	(122,720)	(178,178)	(117,596)
NET POSITION, BEGINNING	2,403,737	1,975,523	1,737,856	1,708,827	1,585,563	1,431,863	1,309,803	1,131,088	1,008,367	830,189
NET POSITION, ENDING	1,975,523	1,737,856	1,708,827	1,585,563	1,431,863	1,309,803	1,131,088	1,008,367	830,189	712,594

WORKING CAPITAL

PROJECTED WORKING CAPITAL	397,318	435,214	497,802	543,685	557,832	611,056	650,418	694,276	725,176	792,158
AWWARF RECOMMENDATIONS RESERVES:										
OPERATING EXPENSES (12 MOS)	769,379	686,822	693,690	700,627	707,633	714,710	721,857	729,075	736,366	743,730
DEBT SERVICE	40,317	48,783	114,226	149,411	174,569	213,112	198,933	236,745	232,191	269,272
5% REVENUES	30,621	36,745	44,094	44,976	45,875	46,793	47,729	48,683	49,657	50,650
RANGE HIGH	840,317	772,350	852,010	895,014	928,077	974,615	968,519	1,014,504	1,018,214	1,063,651
OPERATING EXPENSES (6 MOS)	384,690	343,411	346,845	350,314	353,817	357,355	360,928	364,538	368,183	371,865
DEBT SERVICE	40,317	48,783	114,226	149,411	174,569	213,112	198,933	236,745	232,191	269,272
5% REVENUES	30,621	36,745	44,094	44,976	45,875	46,793	47,729	48,683	49,657	50,650
RANGE LOW	455,627	428,939	505,165	544,700	574,261	617,260	607,590	649,966	650,031	691,786

Proposed increase

- 20% 20% 2% 2% 2% 2% 2% 2% 2% 2%



TOWN OF NEWPORT
SEWER FUND PROJECTED FINANCIAL STATEMENTS
ALL PROPOSED FUTURE CAPITAL PROJECTS

NO RATE INCREASE

EXHIBIT 2.1

STATEMENT OF NET POSITION

Year Ended	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028
CASH & INVESTMENTS	4,163,180	3,549,943	1,503,593	(69,640)	(762,917)	(1,994,612)	(3,257,282)	(4,555,317)	(5,874,232)	(7,202,172)
ACCOUNTS RECEIVABLE:	323,849	323,849	323,849	323,849	323,849	323,849	323,849	323,849	323,849	323,849
INTERGOVERNMENTAL RECEIVABLE	52,842	1,116,631	1,049,570	1,066,689	2,405,510	2,338,675	2,208,840	2,139,005	2,006,170	1,933,335
FIXED ASSETS (NET)	6,950,444	7,533,526	8,999,069	12,230,722	16,589,734	16,231,772	16,239,435	15,869,722	15,855,635	15,437,173
TOTAL ASSETS	11,490,314	12,523,949	11,876,081	13,551,619	18,556,177	16,899,684	15,514,841	13,777,259	12,311,422	10,492,185
MISC CURRENT LIABILITIES	564,931	564,931	564,931	564,931	564,931	564,931	564,931	564,931	564,931	564,931
NET PENSION LIABILITY	362,990	362,990	362,990	362,990	362,990	362,990	362,990	362,990	362,990	362,990
LONG-TERM DEBT	4,112,391	4,408,391	4,270,491	6,482,591	11,100,511	10,594,831	10,459,151	9,927,171	9,765,491	9,203,811
TOTAL LIABILITIES	5,040,312	5,336,312	5,198,412	7,410,512	12,028,432	11,522,752	11,387,072	10,855,092	10,693,412	10,131,732
NET DEFERRED INFLOWS (OUTFLOWS) OF RESOURCES	56,739	56,739	56,739	56,739	56,739	56,739	56,739	56,739	56,739	56,739
NET POSITION	6,506,741	7,244,376	6,734,408	6,197,846	6,584,484	5,433,671	4,184,508	2,978,906	1,674,749	417,192

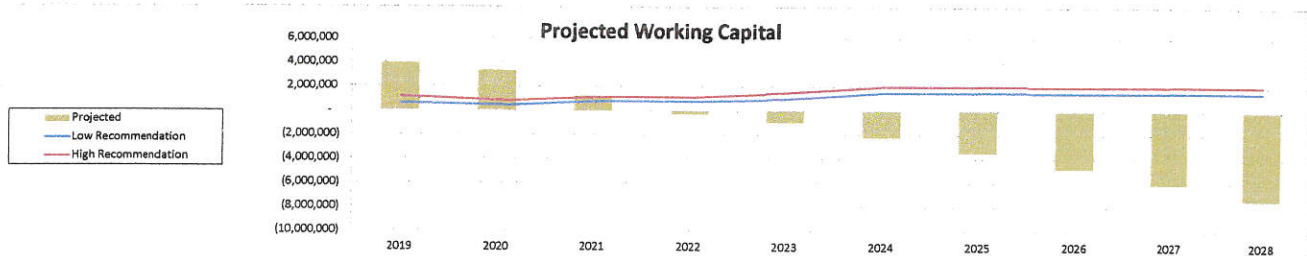
STATEMENT INCOME, EXPENSES AND CHANGES IN NET POSITION

Year Ended	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028
REVENUES:										
USER FEES	675,180	675,180	675,180	675,180	675,180	675,180	675,180	675,180	675,180	675,180
INTERGOVERNMENTAL	1,440	1,078,152	29,954	112,483	1,440,234	105,188	44,401	101,909	41,042	98,467
MISCELLANEOUS	3,327,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
INTEREST	41,220	35,148	14,887	(690)	(7,554)	(19,749)	(32,250)	(45,102)	(58,161)	(71,309)
TOTAL REVENUE	4,044,840	1,790,480	722,021	788,973	2,109,861	762,619	689,330	733,987	660,061	704,339
EXPENSES:										
OPERATIONS	1,091,669	774,835	782,583	790,409	1,048,313	1,058,796	1,069,384	1,080,078	1,090,879	1,101,788
INTEREST	1,273	1,093	116,848	111,179	128,323	301,672	301,772	284,798	284,252	266,645
DEPRECIATION	255,417	276,917	332,557	423,947	546,587	552,962	567,337	574,712	589,087	593,462
TOTAL EXPENSE	1,348,359	1,052,845	1,231,989	1,325,536	1,723,223	1,913,431	1,938,494	1,939,589	1,964,218	1,961,896
CHANGE IN NET POSITION	2,696,480	737,635	(509,968)	(536,562)	386,637	(1,150,812)	(1,249,163)	(1,205,602)	(1,304,157)	(1,257,557)
NET POSITION, BEGINNING	3,810,261	6,506,741	7,244,376	6,734,408	6,197,846	6,584,484	5,433,671	4,184,508	2,978,906	1,674,749
NET POSITION, ENDING	6,506,741	7,244,376	6,734,408	6,197,846	6,584,484	5,433,671	4,184,508	2,978,906	1,674,749	417,192

WORKING CAPITAL

PROJECTED WORKING CAPITAL	3,922,098	3,308,861	1,262,511	(310,722)	(1,003,999)	(2,235,694)	(3,498,364)	(4,796,399)	(6,115,314)	(7,443,254)
AWWARF RECOMMENDATIONS RESERVES:										
OPERATING EXPENSES (12 MOS)	1,091,669	774,835	782,583	790,409	1,048,313	1,058,796	1,069,384	1,080,078	1,090,879	1,101,788
DEBT SERVICE	5,273	5,093	335,348	329,679	401,003	907,352	937,452	916,778	945,932	928,325
5% REVENUES	33,759	33,759	33,759	33,759	33,759	33,759	33,759	33,759	33,759	33,759
RANGE HIGH	1,130,701	813,687	1,151,690	1,153,847	1,483,075	1,999,908	2,040,595	2,030,616	2,070,570	2,063,872
OPERATING EXPENSES (6 MOS)	545,835	387,418	391,292	395,205	524,157	529,398	534,692	540,039	545,439	550,894
DEBT SERVICE	5,273	5,093	335,348	329,679	401,003	907,352	937,452	916,778	945,932	928,325
5% REVENUES	33,759	33,759	33,759	33,759	33,759	33,759	33,759	33,759	33,759	33,759
RANGE LOW	584,867	426,270	760,399	758,643	958,918	1,470,510	1,505,903	1,490,576	1,525,130	1,512,978

Proposed increase



**TOWN OF NEWPORT
SEWER FUND PROJECTED FINANCIAL STATEMENTS
ALL PROPOSED FUTURE CAPITAL PROJECTS**

PROPOSED RATE INCREASE

EXHIBIT 2.2

STATEMENT OF NET POSITION
Year Ended

	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028
CASH & INVESTMENTS	4,163,180	3,754,522	2,269,403	1,759,457	2,174,854	2,098,365	2,038,607	1,992,392	1,975,431	2,000,834
ACCOUNTS RECEIVABLE:	323,849	323,849	323,849	323,849	323,849	323,849	323,849	323,849	323,849	323,849
INTERGOVERNMENTAL RECEIVABLE	52,842	1,116,631	1,049,570	1,066,689	2,405,510	2,338,675	2,208,840	2,139,005	2,006,170	1,933,335
FIXED ASSETS (NET)	6,950,444	7,533,526	8,999,069	12,230,722	16,589,734	16,231,772	16,239,435	15,869,722	15,855,635	15,437,173
TOTAL ASSETS	11,490,314	12,728,528	12,641,891	15,380,717	21,493,947	20,992,661	20,810,730	20,324,968	20,161,086	19,695,191
MISC CURRENT LIABILITIES	564,931	564,931	564,931	564,931	564,931	564,931	564,931	564,931	564,931	564,931
NET PENSION LIABILITY	362,990	362,990	362,990	362,990	362,990	362,990	362,990	362,990	362,990	362,990
LONG-TERM DEBT	4,112,391	4,408,391	4,270,491	6,482,591	11,100,511	10,594,831	10,459,151	9,927,171	9,765,491	9,203,811
TOTAL LIABILITIES	5,040,312	5,336,312	5,198,412	7,410,512	12,028,432	11,522,752	11,387,072	10,855,092	10,693,412	10,131,732
NET DEFERRED INFLOWS (OUTFLOWS) OF RESOURCES	56,739	56,739	56,739	56,739	56,739	56,739	56,739	56,739	56,739	56,739
NET POSITION	6,506,741	7,448,955	7,500,218	8,026,944	9,522,254	9,526,648	9,480,397	9,526,615	9,524,413	9,620,198

STATEMENT INCOME, EXPENSES AND CHANGES IN NET POSITION

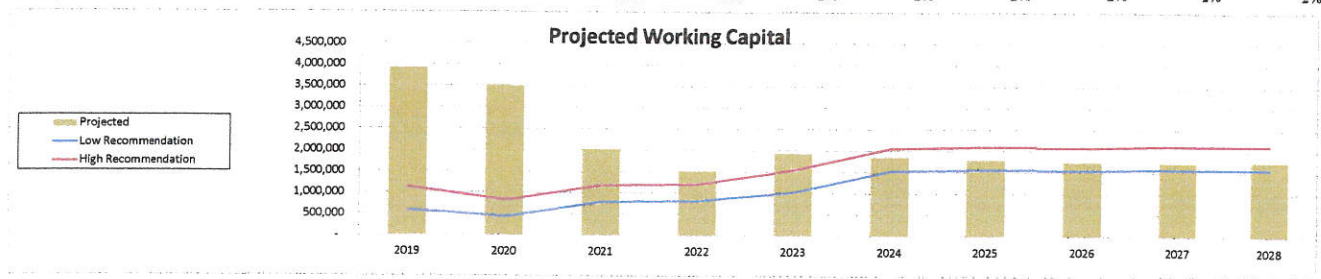
Year Ended	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028
REVENUES:										
USER FEES	675,180	877,734	1,228,828	1,720,359	1,754,766	1,789,861	1,825,658	1,862,172	1,899,415	1,937,403
INTERGOVERNMENTAL	1,440	1,078,152	29,954	112,483	1,440,234	105,188	44,401	101,909	41,042	98,467
MISCELLANEOUS	3,327,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
INTEREST	41,220	37,173	22,469	17,420	21,533	20,776	20,184	19,727	19,559	19,810
TOTAL REVENUE	4,044,840	1,995,059	1,283,251	1,852,262	3,218,533	1,917,825	1,892,243	1,985,807	1,962,015	2,057,681
EXPENSES:										
OPERATIONS	1,091,669	774,835	782,583	790,409	1,048,313	1,058,796	1,069,384	1,080,078	1,090,879	1,101,788
INTEREST	1,273	1,093	116,848	111,179	128,323	301,672	301,772	284,798	284,252	266,645
DEPRECIATION	255,417	276,917	332,557	423,947	546,587	552,962	567,337	574,712	589,087	593,462
TOTAL EXPENSE	1,348,359	1,052,845	1,231,989	1,325,536	1,723,223	1,913,431	1,938,494	1,939,589	1,964,218	1,961,896
CHANGE IN NET POSITION	2,696,480	942,214	51,262	526,727	1,495,310	4,393	(46,250)	46,218	(2,203)	95,785
NET POSITION, BEGINNING	3,810,261	6,506,741	7,448,955	7,500,218	8,026,944	9,522,254	9,526,648	9,480,397	9,526,615	9,524,413
NET POSITION, ENDING	6,506,741	7,448,955	7,500,218	8,026,944	9,522,254	9,526,648	9,480,397	9,526,615	9,524,413	9,620,198

WORKING CAPITAL

PROJECTED WORKING CAPITAL	3,922,098	3,513,440	2,028,321	1,518,375	1,933,772	1,857,283	1,797,525	1,751,310	1,734,349	1,759,752
AAWRAF RECOMMENDATIONS RESERVES:										
OPERATING EXPENSES (12 MOS)	1,091,669	774,835	782,583	790,409	1,048,313	1,058,796	1,069,384	1,080,078	1,090,879	1,101,788
DEBT SERVICE	5,273	5,093	335,348	329,679	401,003	907,352	937,452	916,778	945,932	928,325
5% REVENUES	33,759	43,887	61,441	86,018	87,738	89,493	91,283	93,109	94,971	96,870
RANGE HIGH	1,130,701	823,815	1,179,373	1,206,106	1,537,054	2,055,642	2,098,119	2,089,965	2,131,782	2,126,983
OPERATING EXPENSES (6 MOS)	545,835	387,418	391,292	395,205	524,157	529,398	534,692	540,039	545,439	550,894
DEBT SERVICE	5,273	5,093	335,348	329,679	401,003	907,352	937,452	916,778	945,932	928,325
5% REVENUES	33,759	43,887	61,441	86,018	87,738	89,493	91,283	93,109	94,971	96,870
RANGE LOW	584,867	436,397	788,081	810,902	1,012,898	1,526,244	1,563,427	1,549,926	1,586,342	1,576,090

Proposed increase

0% 30% 40% 40% 2% 2% 2% 2% 2% 2%



TOWN OF NEWPORT
WATER & SEWER RATE STUDY
WATER CAPITAL PROJECTS

WATER CAPITAL PROJECTIONS
EQUIPMENT

	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028
1-Ton Dump Truck	26,500									
Security Camera Project	-									
WTP SCADA	107,500									
Gilman Pond Intake Rehab	100,000									
Pollards Mill Well VFD		85,000								
Backhoe/Loader			50,000							
3/4 Ton Pickup			25,000							
Factor Trailer			27,500							
Meter Replacement			80,600	80,600	80,600					
Loader						20,000				
1-Ton Utility Truck										
Total Equipment	234,000	85,000	183,100	80,600	80,600	20,000	-	30,000	-	-
PROJECTS										
1st, 2nd, 3rd, 4th, Knoll Sts Project	1,274,000									
Asset Management Program	20,000									
Accounting System Upgrade	20,000									
AMA Pilot Program	10,583									
Well Development			400,000							
WTP Filter Bed Replacement			50,000	50,000	50,000					
WTP Roof Replacement				9,576						
Water Main Replacement Engineering				100,000		100,000		100,000	500,000	100,000
Water Main Replacement										
Total Projects	1,324,583	-	450,000	159,576	500,000	100,000	500,000	100,000	500,000	100,000
TOTAL	1,558,583	85,000	633,100	240,176	630,600	120,000	500,000	130,000	500,000	100,000

EXHIBIT 3.1

**TOWN OF NEWPORT
WATER & SEWER RATE STUDY
SEWER CAPITAL PROJECTS**

	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028
SEWER CAPITAL PROJECTIONS										
EQUIPMENT										
1-Ton Dump Truck	26,500									
Guild Pump Station Backup Pump	19,800									
Backhoe/Loader			50,000							
3/4 Ton Pickup			25,000							
Pump Station Generator			40,000							
Factor Trailer			27,500							
Loader										
1-Ton Utility Truck						20,000				
Total Equipment	<u>46,300</u>	<u>-</u>	<u>142,500</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>-</u>
PROJECTS										
1st, 2nd, 3rd, 4th, Knoll Sts Project	1,048,253									
Asset Management Program	30,000									
Accounting System Upgrade	20,000									
Manhole Installation/Rehabilitation					75,000	75,000	75,000	75,000	75,000	75,000
WWTP Plant Upgrade		110,000	75,000	75,000	4,250,000					
Water Meter Upgrade		750,000	1,500,000	3,400,000	80,600					
Riverbend Pump Station Replacement Engineering			80,600	80,600						
Riverbend Pump Station Replacement Construction				100,000	500,000					
Sewer Main Replacement Engineering										
Sewer Main Replacement						100,000		100,000		100,000
Total Projects	<u>1,098,253</u>	<u>860,000</u>	<u>1,655,600</u>	<u>3,655,600</u>	<u>4,905,600</u>	<u>175,000</u>	<u>500,000</u>	<u>175,000</u>	<u>500,000</u>	<u>175,000</u>
TOTAL	<u>1,144,553</u>	<u>860,000</u>	<u>1,798,100</u>	<u>3,655,600</u>	<u>4,905,600</u>	<u>195,000</u>	<u>575,000</u>	<u>205,000</u>	<u>575,000</u>	<u>175,000</u>

EXHIBIT 3.2

EXHIBIT 4

		WATER					SEWER				
		TOTAL	GENERAL	%	RUGER	%	TOTAL	GENERAL	%	RUGER	%
1997	1	45,832	34,563	75.4%	11,269	24.6%	36,701	28,999	79.0%	7,702	21.0%
1997	2	52,993	38,234	72.1%	14,759	27.9%	39,629	29,961	75.6%	9,668	24.4%
1997	3	54,612	40,208	73.6%	14,404	26.4%	41,608	32,463	78.0%	9,145	22.0%
1997	TOTAL	153,437	113,005	73.6%	40,432	26.4%	117,938	91,423	77.5%	26,515	22.5%
1998	1	45,058	32,290	71.7%	12,768	28.3%	36,378	26,610	73.1%	9,768	26.9%
1998	2	63,743	45,247	71.0%	18,496	29.0%	48,833	35,868	73.5%	12,965	26.5%
1998	3	46,574	35,143	75.5%	11,431	24.5%	33,585	26,064	77.6%	7,521	22.4%
1998	TOTAL	155,375	112,680	72.5%	42,695	27.5%	118,796	88,542	74.5%	30,254	25.5%
1999	1	50,019	37,519	75.0%	12,500	25.0%	38,525	29,454	76.5%	9,071	23.5%
1999	2	55,437	42,543	76.7%	12,894	23.3%	41,460	32,347	78.0%	9,113	22.0%
1999	3	47,184	33,402	70.8%	13,782	29.2%	36,292	26,268	72.4%	10,024	27.6%
1999	TOTAL	152,640	113,464	74.3%	39,176	25.7%	116,277	88,069	75.7%	28,208	24.3%
2000	1	57,681	42,356	73.4%	15,325	26.6%	44,335	32,579	73.5%	11,756	26.5%
2000	2	60,664	45,733	75.4%	14,931	24.6%	45,782	35,132	76.7%	10,650	23.3%
2000	3	38,116	28,069	73.6%	10,047	26.4%	29,583	22,433	75.8%	7,150	24.2%
2000	TOTAL	156,461	116,158	74.2%	40,303	25.8%	119,700	90,144	75.3%	29,556	24.7%
2001	1	47,321	35,585	75.2%	11,736	24.8%	38,873	30,028	77.2%	8,845	22.8%
2001	2	36,710	28,756	78.3%	7,954	21.7%	29,058	22,567	77.7%	6,491	22.3%
2001	3	51,422	40,689	79.1%	10,733	20.9%	41,043	31,927	77.8%	9,116	22.2%
2001	TOTAL	135,453	105,030	77.5%	30,423	22.5%	108,974	84,522	77.6%	24,452	22.4%
2002	1	39,389	30,253	76.8%	9,136	23.2%	32,296	24,885	77.1%	7,411	22.9%
2002	2	51,549	40,554	78.7%	10,995	21.3%	40,048	30,735	76.7%	9,313	23.3%
2002	3	44,087	33,793	76.7%	10,294	23.3%	34,319	25,887	75.4%	8,432	24.6%
2002	TOTAL	135,025	104,600	77.5%	30,425	22.5%	106,663	81,507	76.4%	25,156	23.6%
2003	1	39,835	32,596	81.8%	7,239	18.2%	32,650	26,717	81.8%	5,933	18.2%
2003	2	46,346	37,460	80.8%	8,887	19.2%	39,015	30,126	77.2%	8,887	22.8%
2003	3	44,424	34,778	78.3%	9,646	21.7%	35,786	26,140	73.0%	9,646	27.0%
2003	TOTAL	130,605	104,834	80.3%	25,772	19.7%	107,451	82,983	77.2%	24,466	22.8%
2004	1	39,063	32,178	82.4%	6,885	17.6%	33,386	26,501	79.4%	6,885	20.6%
2004	2	50,688	40,037	79.0%	10,651	21.0%	40,749	30,098	73.9%	10,651	26.1%
2004	3	43,555	35,618	81.8%	7,937	18.2%	36,317	28,380	78.1%	7,937	21.9%
2004	TOTAL	133,306	107,833	80.9%	25,473	19.1%	110,452	84,979	76.9%	25,473	23.1%
2005	1	40,079	29,953	74.7%	7,709	19.2%	34,657	26,948	77.8%	7,709	22.2%
2005	2	42,178	32,115	76.1%	7,647	18.1%	35,171	27,524	78.3%	7,647	21.7%
2005	3	40,765	30,315	74.4%	8,034	19.7%	34,922	26,888	77.0%	8,034	23.0%
2005	TOTAL	123,022	92,383	75.1%	23,390	19.0%	104,750	81,360	77.7%	23,390	22.3%
2006	1	39,620	29,264	73.9%	7,940	20.0%	34,657	26,717	77.1%	7,940	22.9%
2006	2	42,820	33,536	78.3%	6,807	15.9%	35,171	28,364	80.6%	6,807	19.4%
2006	3	41,277	31,111	75.4%	7,758	18.8%	34,922	27,164	77.8%	7,758	22.2%
2006	TOTAL	123,717	93,911	75.9%	22,505	18.2%	104,750	82,245	78.5%	22,505	21.5%
2007	1	37,762	29,085	77.0%	6,269	16.6%	32,608	26,339	80.8%	6,269	19.2%
2007	2	40,960	31,049	75.8%	7,502	18.3%	33,902	26,400	77.9%	7,502	22.1%
2007	3	38,656	29,665	76.7%	6,583	17.0%	31,769	25,186	79.3%	6,583	20.7%
2007	TOTAL	117,378	89,799	76.5%	20,354	17.3%	98,279	77,925	79.3%	20,354	20.7%

EXHIBIT 4

		WATER					SEWER				
		TOTAL	GENERAL	%	RUGER	%	TOTAL	GENERAL	%	RUGER	%
2008	1	36,702	27,133	73.9%	7,707	21.0%	32,893	25,186	76.6%	7,707	23.4%
2008	2	39,916	29,724	74.5%	7,161	17.9%	34,225	27,064	79.1%	7,161	20.9%
2008	3	45,426	36,921	81.3%	8,505	18.7%	36,594	28,089	76.8%	8,505	23.2%
2008	TOTAL	122,044	93,778	76.8%	23,373	19.2%	103,712	80,339	77.5%	23,373	22.5%
2009	1	38,067	30,360	79.8%	6,038	15.9%	30,427	24,389	80.2%	6,038	19.8%
2009	2	46,249	36,573	79.1%	9,520	20.6%	37,811	28,291	74.8%	9,520	25.2%
2009	3	37,370	29,507	79.0%	6,833	18.3%	29,820	22,987	77.1%	6,833	22.9%
2009	TOTAL	121,686	96,440	79.3%	22,391	18.4%	98,059	75,668	77.2%	22,391	22.8%
2010	1	37,583	29,612	78.8%	6,880	18.3%	30,767	23,887	77.6%	6,880	22.4%
2010	2	39,461	32,628	82.7%	6,833	17.3%	39,516	32,683	82.7%	6,833	17.3%
2010	3	44,955	35,891	79.8%	9,064	20.2%	46,177	37,113	80.4%	9,064	19.6%
2010	TOTAL	121,999	98,131	80.4%	22,777	18.7%	116,459	93,682	80.4%	22,777	19.6%
2011	1	36,798	29,335	79.7%	7,463	20.3%	38,762	31,299	80.7%	7,463	19.3%
2011	2	36,872	28,619	77.6%	8,253	22.4%	33,206	24,953	75.1%	8,253	24.9%
2011	3	42,329	31,557	74.6%	10,772	25.4%	30,895	20,123	65.1%	10,772	34.9%
2011	TOTAL	115,999	89,511	77.2%	26,488	22.8%	102,863	76,375	74.2%	26,488	25.8%
2012	1	39,657	29,270	73.8%	10,480	26.4%	42,242	31,762	75.2%	10,480	24.8%
2012	2	40,165	29,466	73.4%	10,699	26.6%	33,467	22,768	68.0%	10,699	32.0%
2012	3	49,966	33,398	66.8%	16,568	33.2%	34,071	17,503	51.4%	16,568	48.6%
2012	TOTAL	129,788	92,134	71.0%	37,747	29.1%	109,780	72,033	65.6%	37,747	34.4%
2013	1	43,678	30,204	69.2%	13,474	30.8%	38,110	24,636	64.6%	13,474	35.4%
2013	2	41,473	30,005	72.3%	11,468	27.7%	33,406	21,938	65.7%	11,468	34.3%
2013	3	45,391	27,199	59.9%	18,192	40.1%	39,227	21,035	53.6%	18,192	46.4%
2013	TOTAL	130,542	87,408	67.0%	43,134	33.0%	110,743	67,609	61.1%	43,134	38.9%
2014	1	50,322	32,326	64.2%	17,996	35.8%	38,169	20,173	52.9%	17,996	47.1%
2014	2	42,892	27,360	63.8%	18,200	42.4%	38,484	20,284	52.7%	18,200	47.3%
2014	3	43,659	29,712	68.1%	15,851	36.3%	42,443	26,592	62.7%	15,851	37.3%
2014	TOTAL	136,873	89,398	65.3%	52,047	38.0%	119,096	67,049	56.3%	52,047	43.7%
2015	1	43,960	31,097	70.7%	14,128	32.1%	28,397	14,269	50.2%	14,128	49.8%
2015	2	42,192	30,976	73.4%	11,803	28.0%	35,264	23,461	66.5%	11,803	33.5%
2015	3	34,700	25,026	72.1%	9,400	27.1%	38,838	29,438	75.8%	9,400	24.2%
2015	TOTAL	120,852	87,099	72.1%	35,331	29.2%	102,499	67,168	65.5%	35,331	34.5%
2016	1	37,710	26,530	70.4%	11,362	30.1%	31,470	20,108	63.9%	11,362	36.1%
2016	2	44,251	31,107	70.3%	14,661	33.1%	37,902	23,241	61.3%	14,661	38.7%
2016	3	38,037	27,211	71.5%	11,225	29.5%	32,358	21,133	65.3%	11,225	34.7%
2016	TOTAL	119,998	84,848	70.7%	37,248	31.0%	101,730	64,482	63.4%	37,248	36.6%
2017	1	34,558	26,330	76.2%	8,228	23.8%	24,534	16,306	66.5%	8,228	33.5%
2017	2	34,586	28,931	83.6%	5,655	16.4%	27,844	22,189	79.7%	5,655	20.3%
2017	3	30,823	26,231	85.1%	4,592	14.9%	29,084	24,492	84.2%	4,592	15.8%
2017	TOTAL	99,967	81,492	81.5%	18,475	18.5%	81,461	62,986	77.3%	18,475	22.7%
2018	1	28,178	24,320	86.3%	3,858	13.7%	22,732	18,140	79.8%	4,592	20.2%
2018	2	37,132	32,335	87.1%	4,797	12.9%	29,046	24,252	83.5%	4,794	16.5%
2018	3	30,729	26,166	85.2%	4,563	14.8%	24,620	20,057	81.5%	4,563	18.5%
2018	TOTAL	96,039	82,821	86.2%	13,218	13.8%	76,398	62,449	81.7%	13,949	18.3%

WATER FUND
BALANCE SHEET AND INCOME STATEMENT
July 1, 2012 to June 30, 2018

EXHIBIT 5

STATEMENT OF NET POSITION

	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
CASH & INVESTMENTS	364,083	497,856	581,757	609,256	686,924	620,938
ACCOUNTS RECEIVABLE:	355,167	407,331	402,754	378,706	307,033	316,950
OTHER CURRENT ASSETS	14,843	32,418	37,469	60,809	73,504	70,903
INTERGOVERNMENTAL RECEIVABLE	109,659	92,847	78,929	65,172	54,310	43,448
FIXED ASSETS (NET)	2,458,009	2,338,811	2,219,188	2,127,979	2,036,115	1,982,710
TOTAL ASSETS	3,301,761	3,369,263	3,320,097	3,241,922	3,157,886	3,034,949
MISC CURRENT LIABILITIES	339,124	312,732	202,783	157,888	130,809	99,177
LONG-TERM DEBT	404,393	313,888	264,997	153,448	117,241	81,033
OTHER LONG-TERM LIABILITIES			253,072	325,554	428,456	520,531
TOTAL LIABILITIES	743,517	626,620	720,852	636,890	676,506	700,741
NET DEFERRED INFLOWS (OUTFLOWS) OF RESOURCES			(37,703)	(3,101)	89,453	69,529
NET POSITION	2,558,244	2,742,643	2,561,542	2,601,931	2,570,833	2,403,737
WORKING CAPITAL	394,969	624,873	819,197	890,883	936,652	909,614

STATEMENT INCOME, EXPENSES AND CHANGES IN NET POSITION

Year Ended	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
REVENUES:						
USER FEES	823,536	951,779	894,734	801,983	752,811	694,849
INTERGOVERNMENTAL	5,974	5,377	4,779	4,182	3,584	2,987
MISCELLANEOUS	2,741	625	1,132	19,593	1,864	379
INTEREST	10,212	276	285	761	1,881	4,125
TOTAL REVENUE	842,463	958,057	900,930	826,519	760,140	702,340
EXPENSES:						
OPERATIONS	604,604	639,628	663,913	659,578	669,578	728,704
INTEREST	17,779	14,833	12,022	9,455	7,213	5,221
DEPRECIATION	117,785	119,197	119,625	117,097	114,447	111,229
TOTAL EXPENSE	740,168	773,658	795,560	786,130	791,238	845,154
CHANGE IN NET POSITION	102,295	184,399	105,370	40,389	(31,098)	(142,814)
NET POSITION, BEGINNING (Restated June 30, 2015 and 2017)	2,455,949	2,558,244	2,742,643	2,848,013	2,888,402	2,546,551
NET POSITION, ENDING	2,558,244	2,742,643	2,848,013	2,888,402	2,857,304	2,403,737

AWWARF RECOMMENDATIONS RESERVES:

OPERATING EXPENSES (12 MOS)	728,704
DEBT SERVICE	41,428
5% REVENUES	34,742
RANGE HIGH	841,201
OPERATING EXPENSES (6 MOS)	364,352
DEBT SERVICE	41,428
5% REVENUES	36,435
RANGE LOW	461,131

SEWER FUND

STATEMENTS OF NET POSITION AND INCOME, EXPENSES AND CHANGES IN NET POSITION

July 1, 2012 to June 30, 2018

EXHIBIT 6

STATEMENT OF NET POSITION

	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
CASH & INVESTMENTS	1,489,910	1,778,558	1,984,409	1,904,001	1,705,346	916,512
ACCOUNTS RECEIVABLE:	438,568	465,231	440,995	436,072	332,090	323,849
INTERGOVERNMENTAL RECEIVABLE	31,866	140,142	115,527	92,476	79,265	66,054
FIXED ASSETS (NET)	6,916,383	6,778,098	6,546,691	6,393,970	6,193,904	6,061,307
TOTAL ASSETS	8,876,727	9,162,029	9,087,622	8,826,519	8,310,605	7,367,722
MISC CURRENT LIABILITIES	389,476	460,906	438,913	506,244	763,505	564,931
NET PENSION LIABILITY			208,002	274,153	461,080	362,990
LONG-TERM LIABILITIES	2,977,102	2,872,002	2,809,011	2,683,421	2,635,385	2,686,279
TOTAL LIABILITIES	3,366,578	3,332,908	3,455,926	3,463,818	3,859,970	3,614,200
NET DEFERRED INFLOWS (OUTFLOWS) OF RESOURCES			(30,989)	(2,549)	93,261	56,739
NET POSITION	5,510,149	5,829,121	5,600,707	5,360,152	4,543,896	3,810,261
WORKING CAPITAL	1,539,002	1,782,883	1,986,491	1,833,829	1,273,931	675,430

STATEMENT INCOME, EXPENSES AND CHANGES IN NET POSITION

Year Ended	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
REVENUES:						
USER FEES	1,072,860	1,101,631	1,052,499	916,731	832,106	717,587
INTERGOVERNMENTAL	926	135,761	2,272	3,318	2,016	1,728
MISCELLANEOUS	5,511	3,128	7,663	26,853	21,979	22,531
INTEREST	13,244	437	530	2,840	36,472	9,773
TOTAL REVENUE	1,092,541	1,240,957	1,062,964	949,742	892,573	751,619
EXPENSES:						
OPERATIONS	604,506	682,637	818,717	956,876	1,482,108	1,463,899
INTEREST	9,781	7,879	5,972	4,062	2,670	1,540
DEPRECIATION	239,204	231,469	231,405	229,359	224,051	223,331
TOTAL EXPENSE	853,491	921,985	1,056,094	1,190,297	1,708,829	1,688,770
CHANGE IN NET POSITION	239,050	318,972	6,870	(240,555)	(816,256)	(937,151)
NET POSITION, BEGINNING (Restated June 30, 2015 and 2018)	5,271,099	5,510,149	5,593,837	5,600,707	5,360,152	5,360,152
NET POSITION, ENDING	5,510,149	5,829,121	5,600,707	5,360,152	4,543,896	4,423,001

AWWARF RECOMMENDATIONS RESERVES:

OPERATING EXPENSES (12 MOS)	1,463,899
DEBT SERVICE	5,540
5% REVENUES	35,879
RANGE HIGH	984,912
OPERATING EXPENSES (6 MOS)	731,950
DEBT SERVICE	5,540
5% REVENUES	35,879
RANGE LOW	538,626