

Chapter 9 : Financial Program

The following table shows a six-year financial forecast supporting the planned improvement program. Actual cash revenue is expected to gradually increase for four years, with new services in our residential sector. The SE1 Co-Gen power plant was sold in 2009 to Puget Sound Energy and has become a merchant plant as you can tell looking at the table water sales have dropped off to half of previous years.

All of the firmly-scheduled projects listed in the preceding chapter are spread over the coming five years in a manner such that all projects are funded by cash, and a reserve is maintained at all times. The reserve is necessary for emergencies and for use on identified unscheduled projects that may become necessary during the six-year horizon.

The water rates have been raised three times in the past 10 years the latest in 2011. The increased rates have been for general maintenance and operations all debts and bonds were paid off in 2010. It seems necessary to replace a well at the Sumas Wellfield, if debt must be incurred to support this new well we will apply for a low interest loan available from the Drinking Water State Revolving Fund administered by WDOH. The program operates on an annual funding cycle, with applications due in June for funding available the following spring.

	2009	2010	2011	2012	2013	2014
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Revenue						
Beginning Balance	\$319,897.10	\$380,000.00	\$408,569.00	\$140,035.00	\$ 167,473.00	\$198,492.00
Consumer Sales	\$286,177.10	\$288,677.00	\$291,563.00	\$294,478.00	\$ 297,422.00	\$300,396.00
Cogen Sales	\$ 87,672.61	\$ 62,667.00	\$ 62,667.00	\$ 62,667.00	\$ 62,667.00	\$ 62,667.00
Investment Interest	\$ 665.33	\$ 1,330.00	\$ 2,660.00	\$ 5,320.00	\$ 5,985.00	\$ 6,650.00
Miscellaneous	\$ 3,570.99	\$ 14,728.00	\$ 14,728.00	\$ 14,728.00	\$ 14,728.00	\$ 14,728.00
New Services	\$ 11,180.24	\$ 11,600.00	\$ 14,500.00	\$ 17,400.00	\$ 26,100.00	\$ 37,700.00
Sub Total	\$389,266.27	\$379,002.00	\$386,118.00	\$394,593.00	\$ 406,902.00	\$422,141.00
Total Revenue	\$709,163.37	\$759,002.00	\$794,687.00	\$534,628.00	\$ 574,375.00	\$620,633.00
Expenditures						
Salaries & Benefits	\$134,104.87	\$169,104.00	\$174,104.00	\$179,324.00	\$ 184,703.00	\$190,244.00
Operations & Maintenance	\$164,587.37	\$160,974.00	\$164,193.00	\$167,476.00	\$ 170,825.00	\$174,241.00
Debts & Bonds	\$ 21,104.11	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ 6,876.57	\$ 20,355.00	\$316,355.00	\$ 20,355.00	\$ 20,355.00	\$ 20,355.00
Total Expenditures	\$326,672.92	\$350,433.00	\$654,652.00	\$367,155.00	\$ 375,883.00	\$384,840.00
Ending Balance	\$382,490.45	\$408,569.00	\$140,035.00	\$167,473.00	\$ 198,492.00	\$235,793.00