



FINANCIAL MANAGEMENT REPORT

FOR CALENDAR YEAR ENDED DECEMBER 31, 2021

Town of St. John, Indiana

(MUNICIPAL SEWAGE WORKS)

April 8, 2022

APRIL 8, 2022

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April 8, 2022

Town Council
Town of St. John
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CONSULTANTS' FINANCIAL MANAGEMENT REPORT

This report is directed toward providing information for your review and consideration relative to the financial management of the St. John Municipal Sewage Works. The Sewage Works is owned and operated by the Town of St. John. The report is designed to provide information that may be helpful to Town officials in their role as managers of the Sewage Works.

In the preparation of these schedules, assumptions were made as noted regarding certain future events. As is the case with such assumptions regarding future events and transactions, some or all may not occur as expected, and the resulting differences could be material. We have no responsibility to prepare subsequent reports or update the schedules.

Baker Tilly Municipal Advisors, LLC

ST. JOHN (INDIANA) MUNICIPAL SEWAGE WORKS

FINANCIAL MANAGEMENT REPORT

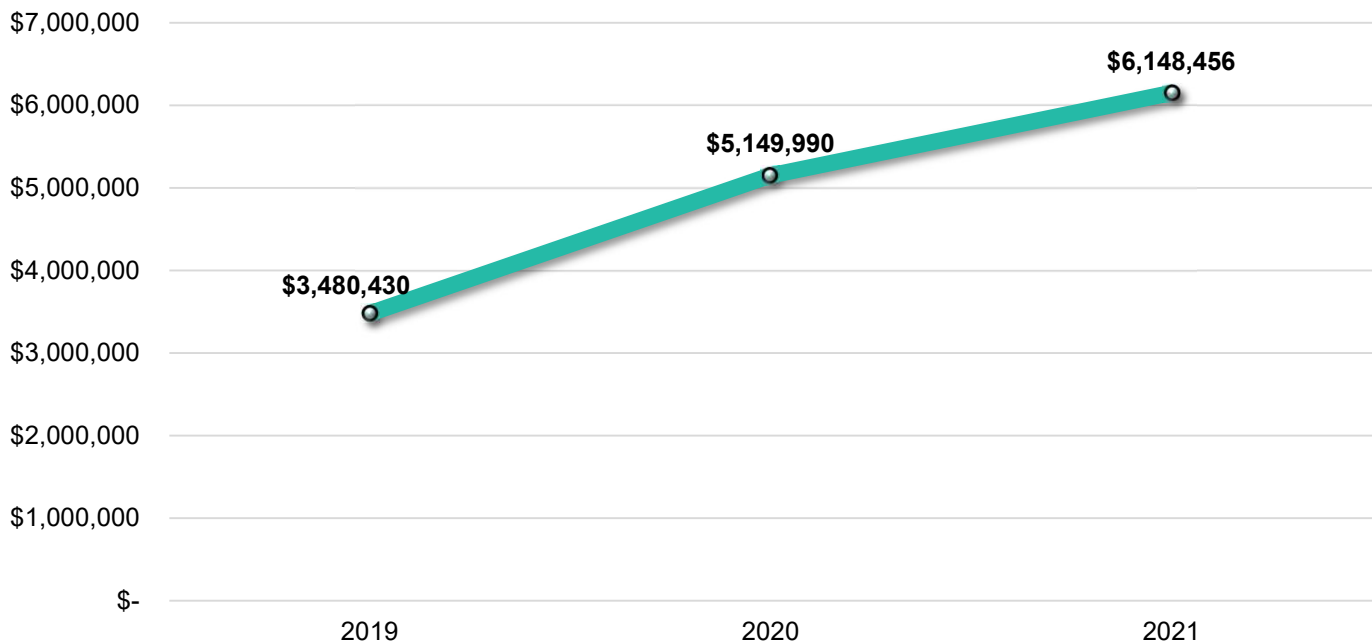
ST. JOHN (INDIANA) MUNICIPAL SEWAGE WORKS

FINANCIAL MANAGEMENT REPORT

Historical Financial Health

When analyzing the financial health of the St. John Municipal Sewage Works (the "Utility"), a good place to start is an understanding of where the Utility has been in order to identify strengths, weaknesses and trends. We have reviewed the last three years (2019-2021) of historical financial activity of the Utility. Fund balances (cash and investment balances) have increased every year since 2019. This is primarily a result of continued growth in customer base and system development charges ("SDC's").

Table 1
Fund Balance History



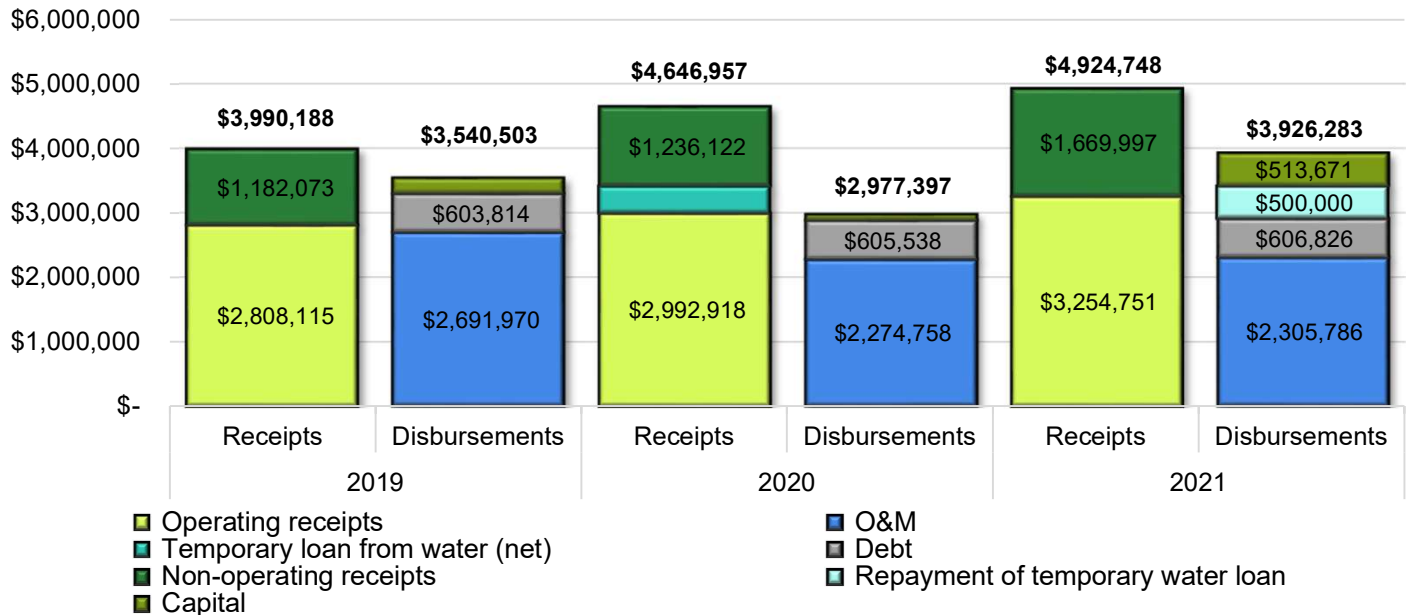
Fund balances are a result of receipt and disbursement activity over time. Spending more money than is received in any accounting period results in fund balances diminishing and vice-a-versa. For the past three years, Utility receipts have primarily consisted of sewer collections and penalties (operating receipts) as well as interest income, sewer tap and capacity charges, SDC's, wastewater 36" transmission line, and miscellaneous receipts (non-operating receipts). Disbursements consist of day-to-day operating costs (salaries & wages, employee benefits, materials & supplies, repairs & maintenance, etc.), payments on debt, and investment in capital improvements (land, buildings, equipment, etc.). Table 2 on the following page shows receipts outpacing disbursements in each of the last three years.

(Subject to the attached letter of Baker Tilly Municipal Advisors dated April 8, 2022)

ST. JOHN (INDIANA) MUNICIPAL SEWAGE WORKS

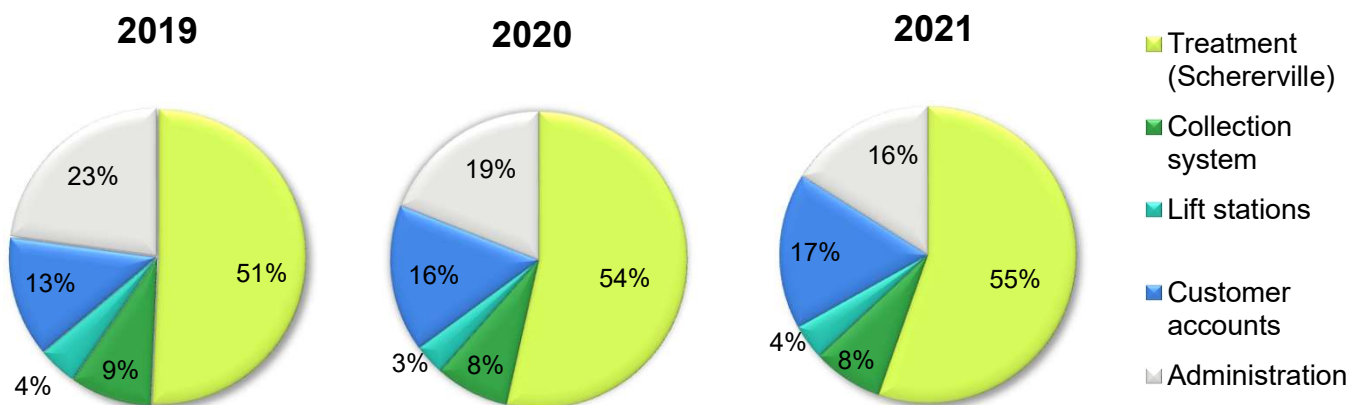
FINANCIAL MANAGEMENT REPORT

Table 2
Receipt and Disbursement History and Budget



Another important aspect of historical trends is analyzing what causes fluctuations year over year. In 2020 the Utility paid off its outstanding loan to the Water Utility in the amount of \$2,082,083 and subsequently received another 5-year temporary water loan in the amount of \$2,500,000. The Utility paid the first installment of five for the loan repayment to the Water Utility in the amount of \$500,000 in 2021. Table 3 is a breakdown of historical operating costs by category. Treatment (Schererville) is approximately half of annual O&M spending for the Utility and has remained fairly consistent year over year. The Utility should continue to proactively monitor this cost to stay in front of any increases.

Table 3
Operating Disbursement Analysis



(Subject to the attached letter of Baker Tilly Municipal Advisors dated April 8, 2022)

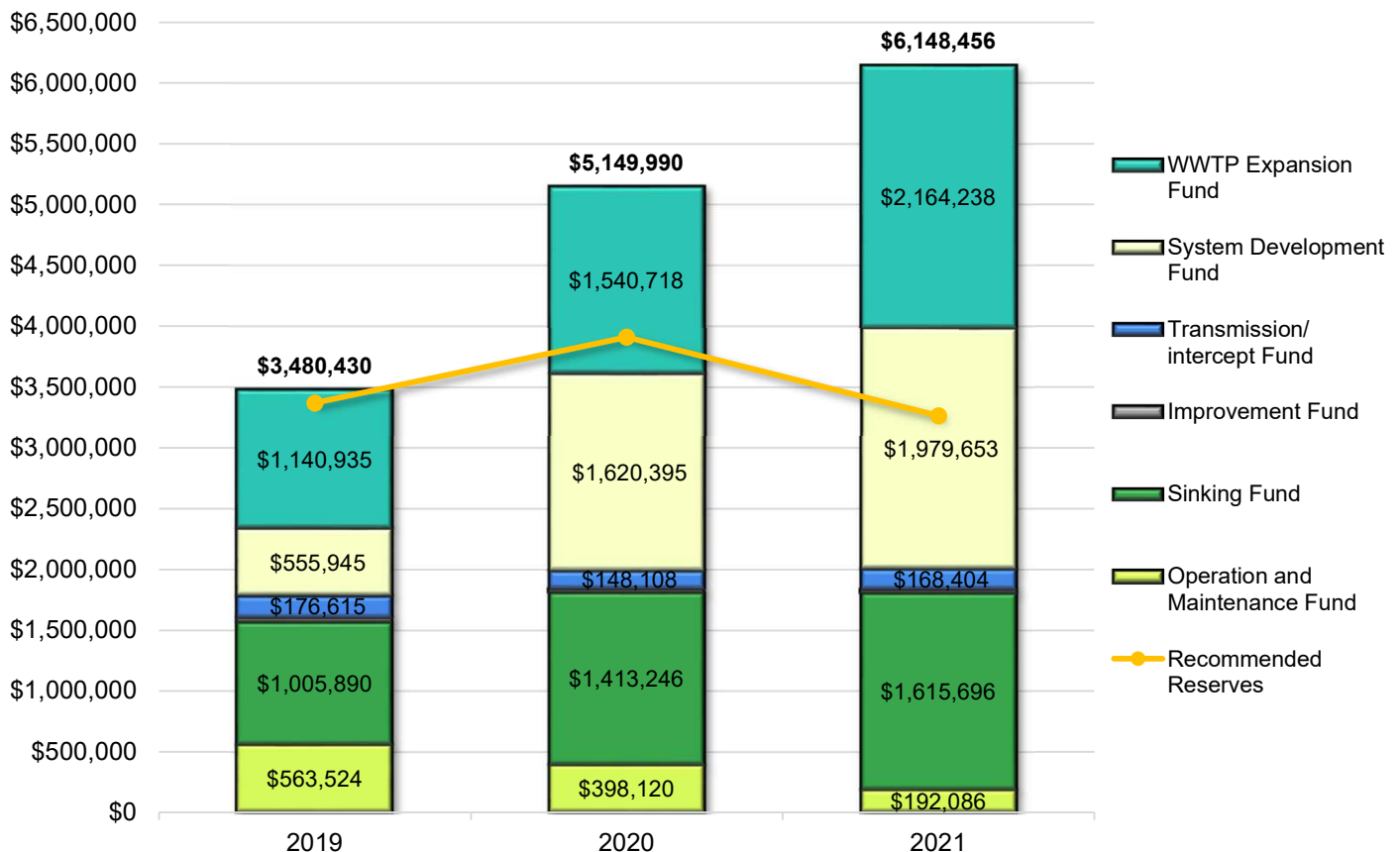
ST. JOHN (INDIANA) MUNICIPAL SEWAGE WORKS

FINANCIAL MANAGEMENT REPORT

Current Financial Health

As of December 31, 2021, total fund balances of the Utility were \$6,148,456. In analyzing the adequacy of the total balance, we compared it to recommended reserve balances. Recommended reserves are based on minimum reserve levels the Town agreed to when bonds were issued as well as industry best practices (such as reserving one year's capital spending). Recommended reserves should be viewed as minimum acceptable balances, and to the extent fund balances exceed those reserve recommendations, the additional dollars are available for future capital needs or other revenue requirements of the Utility. Table 4 shows fund balances above recommended reserves in each of the past three years. Also note, the Operation and maintenance fund balance has been decreasing each of the past 2 years. This is due to a build-up of capital funds and the sinking fund, which are all very healthy at this point. We advise Utility management to focus on the build-up of the operation and maintenance fund in accordance with bond documents.

Table 4
Fund Balances vs. Recommended Reserves



(Subject to the attached letter of Baker Tilly Municipal Advisors dated April 8, 2022)

ST. JOHN (INDIANA) MUNICIPAL SEWAGE WORKS

FINANCIAL MANAGEMENT REPORT

Year-end is also a good time to analyze utility budget accuracy and performance. To do this we compared the 2021 actual results to the 2021 budget.

Table 5
Receipts

	2021 Actual	2021 Budget	Over/(Under) 2021 Budget	
			Dollar	Percentage
Operating Receipts:				
Sewer collections	\$3,223,577	\$3,171,000	\$52,577	
Penalties	31,174	18,900	12,274	
Subtotals	3,254,751	3,189,900	64,851	2.0%
Non-Operating Receipts:				
Interest income	4,370	10,000	(5,630)	
Capacity charges	781,349	450,000	331,349	
System development charges	859,258	500,000	359,258	
Wastewater 36" transmission line (net)	(28,967)	-	(28,967)	
Lotton intercept fee (net)	49,263	-	49,263	
Miscellaneous	4,724	-	4,724	
Subtotals	1,669,997	960,000	709,997	74.0%
Total Receipts	\$4,924,748	\$4,149,900	\$774,848	18.7%

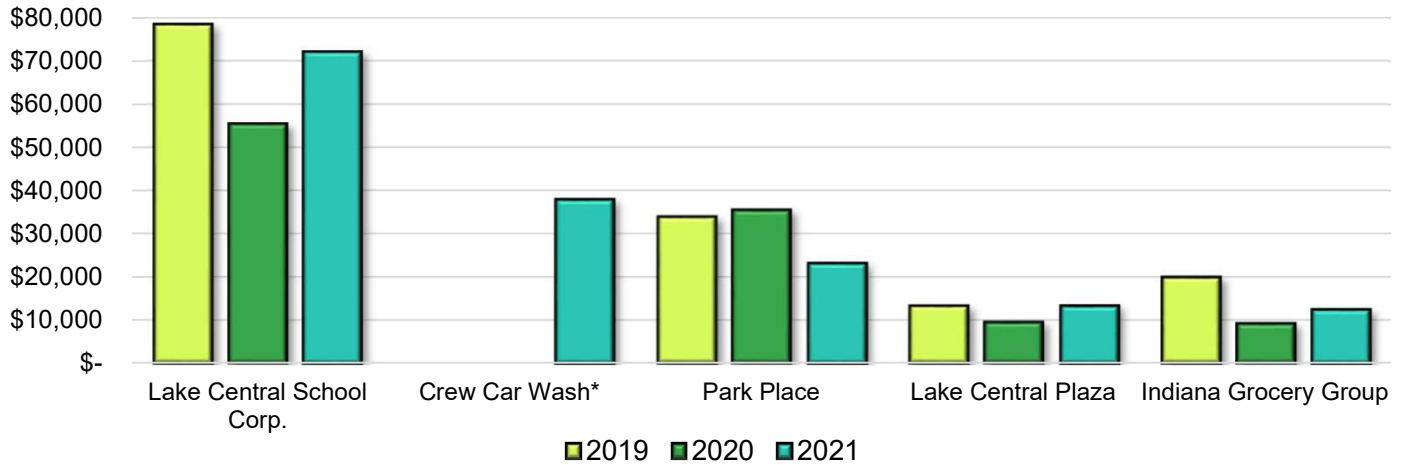
Receipts outpaced the budget by \$774,848 in 2021. This is primarily due to growth outpacing the budget in sewer collections and penalties. In addition, capacity charges and system development charges continue to remain strong outpacing the budget in aggregate by \$690,607.

(Subject to the attached letter of Baker Tilly Municipal Advisors dated April 8, 2022)

ST. JOHN (INDIANA) MUNICIPAL SEWAGE WORKS

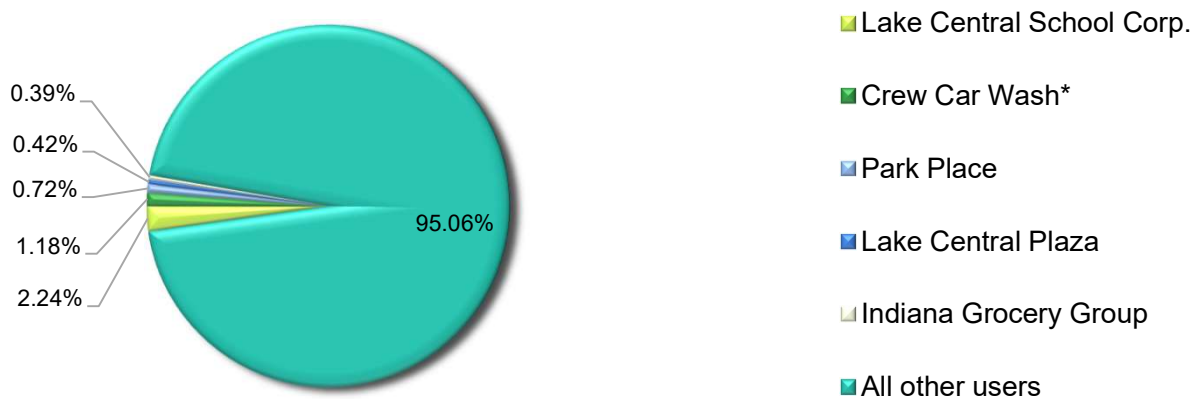
FINANCIAL MANAGEMENT REPORT

Table 5-1
Large Users Historical Receipts



*Crew Car Wash opened during 2020, no prior data.

Table 5-2
Large User Concentration by Receipts



Large customers play an important role in the financial health of the Utility because changes in usage patterns can result in material impacts to the Utility's bottom line. Tables 5-1 and 5-2 summarizes the revenue data for the five largest customers of the Utility. It can be seen that the five largest customers accounted for approximately 5% of the Utility's total sewage collections in 2021. This is a small percentage compared to other communities and is due to St. John's customer base being primarily residential.

(Subject to the attached letter of Baker Tilly Municipal Advisors dated April 8, 2022)

ST. JOHN (INDIANA) MUNICIPAL SEWAGE WORKS

FINANCIAL MANAGEMENT REPORT

Table 6
Operating Disbursements

	2021 Actual	2021 Budget	Over/(Under) Dollar	2021 Budget Percentage
Operating Disbursements:				
Treatment (Schererville)	\$1,277,266	\$1,350,000	(\$72,734)	
Collection system	176,747	187,500	(10,753)	
Lift stations	88,876	93,400	(4,524)	
Customer accounts	392,253	409,100	(16,847)	
Administration	370,644	482,250	(111,606)	
Total Disbursements	<u>\$2,305,786</u>	<u>\$2,522,250</u>	<u>(\$216,464)</u>	<u>-8.6%</u>
PILOT	<u>\$ -</u>	<u>\$128,800</u>	<u>(\$128,800)</u>	

Operating disbursements were below budget by \$216,464 in 2021. This is primarily due to lower spending within administration on salaries & wages and contractual services, and lower than anticipated treatment costs from Schererville. PILOT payments to the General fund were not made in 2021. We recommend the Utility catches up this payment in 2022.

Table 7
Debt Service

	2021 Actual	2021 Budget	Over/(Under) Dollar	2021 Budget Percentage
2012 Bonds - P&I	\$201,588	\$201,588	\$ -	
2016 Bonds - P&I	157,829	157,871	(42)	
Schererville Capital Payments - P&I	214,950	214,950	-	
Schererville DSR	31,859	31,859	-	
Debt administration fee	600	600	-	
Water loan repayment	<u>500,000</u>	<u>500,000</u>	<u>-</u>	
Total Debt Service	<u>\$1,106,826</u>	<u>\$1,106,868</u>	<u>(\$42)</u>	<u>0.0%</u>
Debt service payments were consistent with budget.				

(Subject to the attached letter of Baker Tilly Municipal Advisors dated April 8, 2022)

ST. JOHN (INDIANA) MUNICIPAL SEWAGE WORKS

FINANCIAL MANAGEMENT REPORT

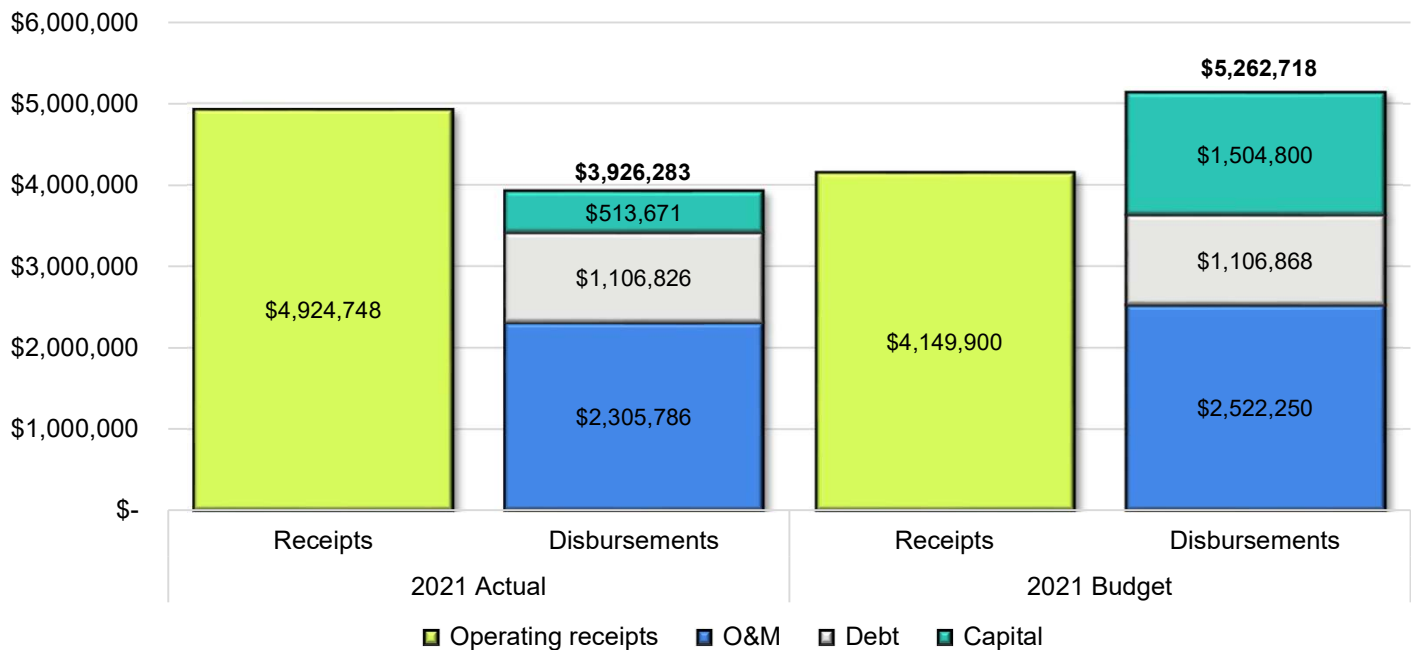
Table 8
Capital

	2021 Actual	2021 Budget	Over/(Under) 2021 Budget Dollar	Percentage
Infrastructure	\$513,671	\$1,500,000	(\$986,329)	
Machinery, equipment and vehicles	-	4,800	(4,800)	
Total Capital	\$513,671	\$1,504,800	(\$991,129)	-65.9%

Capital costs were below budget by \$991,129 in 2021. This is primarily due to lower than budgeted expenditures on the SCADA project.

In total for 2021, the Utility experienced a positive cash flow of \$998,465 as shown below. Town developmental growth continues to be strong, leading to positive cash flows year over year.

Table 9
Budget to Actual Receipts and Disbursements



(Subject to the attached letter of Baker Tilly Municipal Advisors dated April 8, 2022)

ST. JOHN (INDIANA) MUNICIPAL SEWAGE WORKS

FINANCIAL MANAGEMENT REPORT

Estimated Future Health

The most important part of a financial health check is to analyze where the Utility is going in the future. We have used historical trends, management information, and reserve requirements to analyze the adequacy of rates and charges, estimate future fund balances, and provide recommendations to improve the financial health of the Utility.

Table 10
Estimated Receipts

	2021 Actual	Estimated				
		2022	2023	2024	2025	2026
Operating Receipts:						
Sewer collections	\$3,223,577	\$3,569,400	\$3,622,900	\$3,677,200	\$3,732,400	\$3,788,400
Penalties	31,174	34,500	35,000	35,500	36,000	36,500
Subtotals	<u>3,254,751</u>	<u>3,603,900</u>	<u>3,657,900</u>	<u>3,712,700</u>	<u>3,768,400</u>	<u>3,824,900</u>
Non-Operating Receipts:						
Interest income	4,370	8,000	12,000	16,000	20,000	20,000
Capacity charges (1)	781,349	615,000	565,000	515,000	465,000	415,000
System development charges (1)	859,258	684,000	634,000	584,000	534,000	484,000
Wastewater 36" transmission line (net)	(28,967)	-	-	-	-	-
Lotton intercept fee (net)	49,263	-	-	-	-	-
Miscellaneous	4,724	-	-	-	-	-
Subtotals	<u>1,669,997</u>	<u>1,307,000</u>	<u>1,211,000</u>	<u>1,115,000</u>	<u>1,019,000</u>	<u>919,000</u>
Total Receipts	<u>\$4,924,748</u>	<u>\$4,910,900</u>	<u>\$4,868,900</u>	<u>\$4,827,700</u>	<u>\$4,787,400</u>	<u>\$4,743,900</u>

Estimated receipts are based on historical trends and assume conservative customer growth per year. 2022 operating receipts are normalized to account for the 10% rate increased per Ordinance No. 1731 adopted on April 28, 2021.

(1) We have estimated future capacity charges and SDCs conservatively similar to past reports. If the Town would like us to update receipts based on a more aggressive building schedule we can do so.

(Subject to the attached letter of Baker Tilly Municipal Advisors dated April 8, 2022)

ST. JOHN (INDIANA) MUNICIPAL SEWAGE WORKS

FINANCIAL MANAGEMENT REPORT

Table 11
Estimated Operating Disbursements

	2021 Actual	Estimated				
		2022	2023	2024	2025	2026
Operating Disbursements:						
Treatment (Schererville)	\$1,277,266	\$1,322,400	\$1,369,100	\$1,417,400	\$1,467,400	\$1,519,200
Collection system	176,747	194,700	200,540	206,550	212,750	219,130
Lift stations	88,876	114,800	118,240	121,790	125,450	129,210
Customer accounts	392,253	457,500	497,960	512,910	528,300	544,140
Administration	370,644	506,100	521,290	536,940	553,050	569,650
Total Disbursements	<u>\$2,305,786</u>	<u>\$2,595,500</u>	<u>\$2,707,130</u>	<u>\$2,795,590</u>	<u>\$2,886,950</u>	<u>\$2,981,330</u>
PILOT	<u>\$ -</u>	<u>\$257,600</u>	<u>\$128,800</u>	<u>\$128,800</u>	<u>\$128,800</u>	<u>\$128,800</u>

The 2022 O&M budget was calculated based on historical activity, the current salary ordinance, and input from Utility management. Years 2023 through 2026 estimate a conservative customer growth factor based on historical trends and annual Schererville treatment cost increase of 2% as well as 3% inflationary increase on other O&M costs. Purchased power was paid out of collection system, administration, and lift stations categories historically, but is anticipated to be paid solely out of the lift stations category going forward. The Public Works department anticipates to hire three new employees, a Treatment Plant Operator in 2022, and two laborers in 2023. The Utility's allocation for the new hires is anticipated to be 28.5%. In addition, it is assumed the utility catches up the missed PILOT payment in 2022.

Table 12
Estimated Debt Service

	2021 Actual	Estimated				
		2022	2023	2024	2025	2026
2012 Bonds - P&I	\$201,588	\$202,390	\$202,888	\$203,075	\$207,819	\$ -
2016 Bonds - P&I	157,829	156,536	158,156	158,141	159,536	159,296
Schererville Capital Payments - P&I	214,950	214,550	214,000	213,300	217,450	214,708
Schererville DSR	31,859	-	-	-	-	-
Debt administration fee	600	600	600	600	600	600
Water loan repayment	500,000	500,000	500,000	500,000	500,000	-
Total Debt Service	<u>\$1,106,826</u>	<u>\$1,074,076</u>	<u>\$1,075,644</u>	<u>\$1,075,116</u>	<u>\$1,085,405</u>	<u>\$374,604</u>

The debt service budget for years 2022 through 2026 is based on the amortization schedules for the outstanding bonds and temporary loan from the Water Utility. Refer to pages 14 through 18 for additional detail on the outstanding debt.

(Subject to the attached letter of Baker Tilly Municipal Advisors dated April 8, 2022)

ST. JOHN (INDIANA) MUNICIPAL SEWAGE WORKS

FINANCIAL MANAGEMENT REPORT

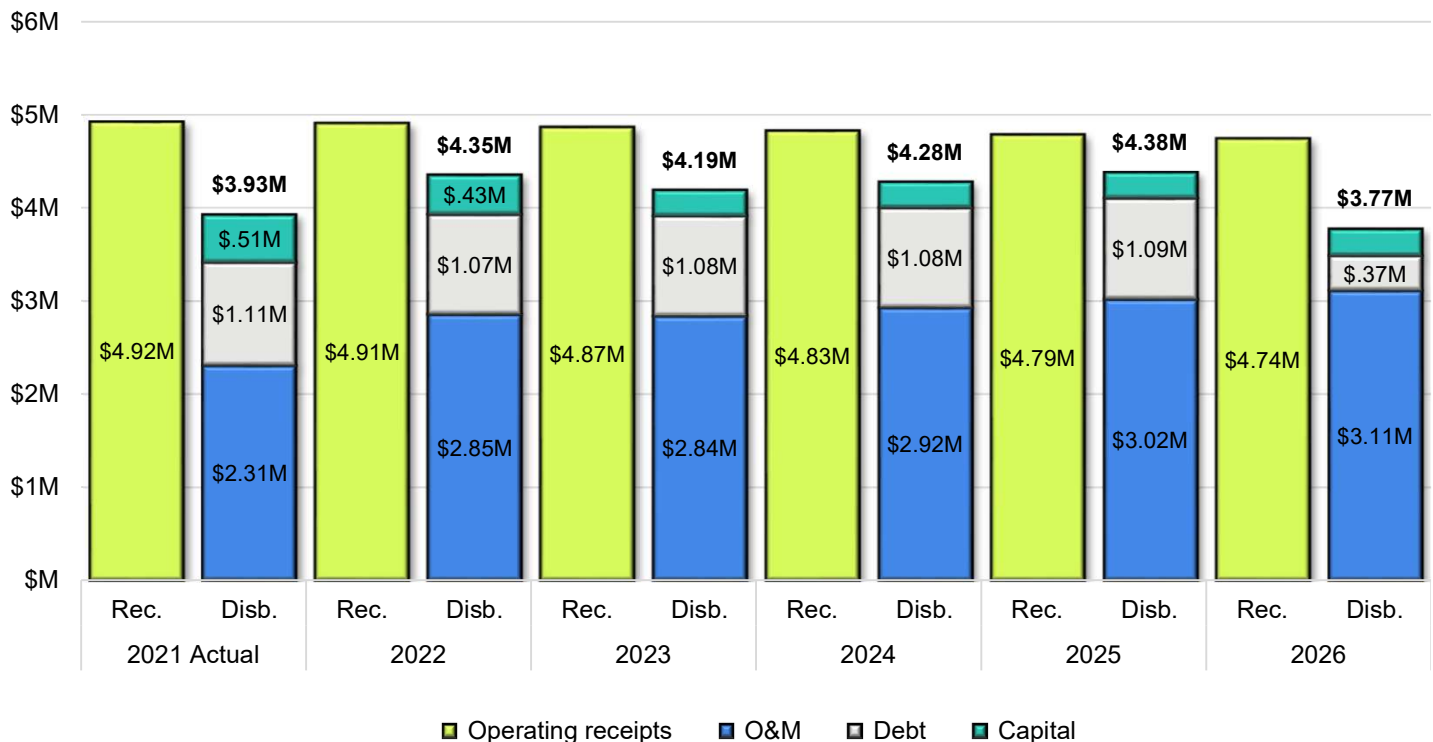
Table 13
Estimated Capital

	2021 Actual	Estimated				
		2022	2023	2024	2025	2026
Infrastructure	\$513,671	\$325,000	\$80,000	\$80,000	\$80,000	\$90,000
Improvements other than buildings	-	100,000	200,000	200,000	200,000	200,000
Total Capital	\$513,671	\$425,000	\$280,000	\$280,000	\$280,000	\$290,000

Capital improvements for years 2022 through 2026 are estimates per Utility management. Refer to page 19 for additional detail on capital needs.

In summary, assuming conservative customer growth, we estimate the Utility will experience positive cash flows in the years 2022 - 2026.

Table 14
Estimated Receipts and Disbursements
(in millions)



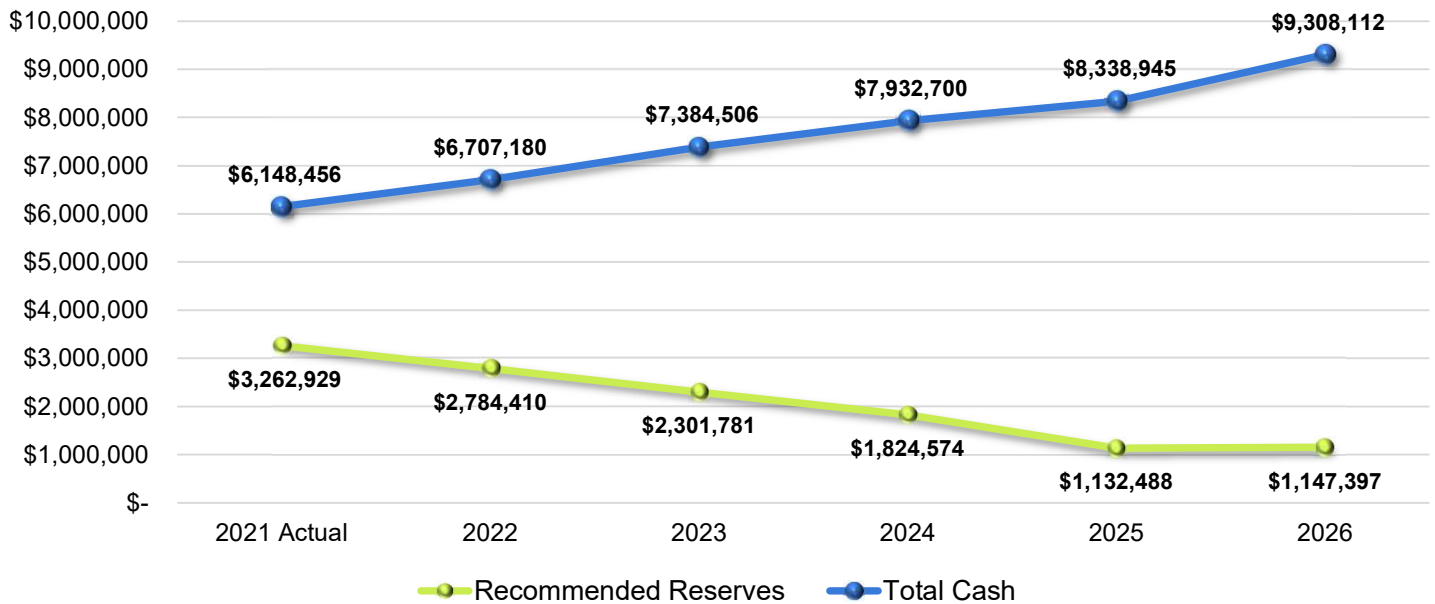
(Subject to the attached letter of Baker Tilly Municipal Advisors dated April 8, 2022)

ST. JOHN (INDIANA) MUNICIPAL SEWAGE WORKS

FINANCIAL MANAGEMENT REPORT

The estimated impact on fund balances can be seen below in Table 15. Fund balances are anticipated to increase in 2022 through 2026. Fund balances are estimated to remain above recommended reserves, but management should be aware that any large unexpected capital expenditure could drive fund balances below required reserves. Also, after 2025 debt payments drop materially due to the 2012 Bonds and the loan from the Water Utility being paid off (see page 18).

Table 15
Estimated Fund Balances vs. Recommended Reserves



Conclusion

Based on the current assumptions as provided herein, it appears that the 10% increase in rates and charges adopted in 2021 is adequate to operate the Utility, make debt payments and reinvest in the system via capital improvement spending. We recommend Town management continue to take a proactive approach in monitoring operating expenditures and planning for future capital improvements in years to come. This will help ensure the sufficiency of the current and future rates and charges.

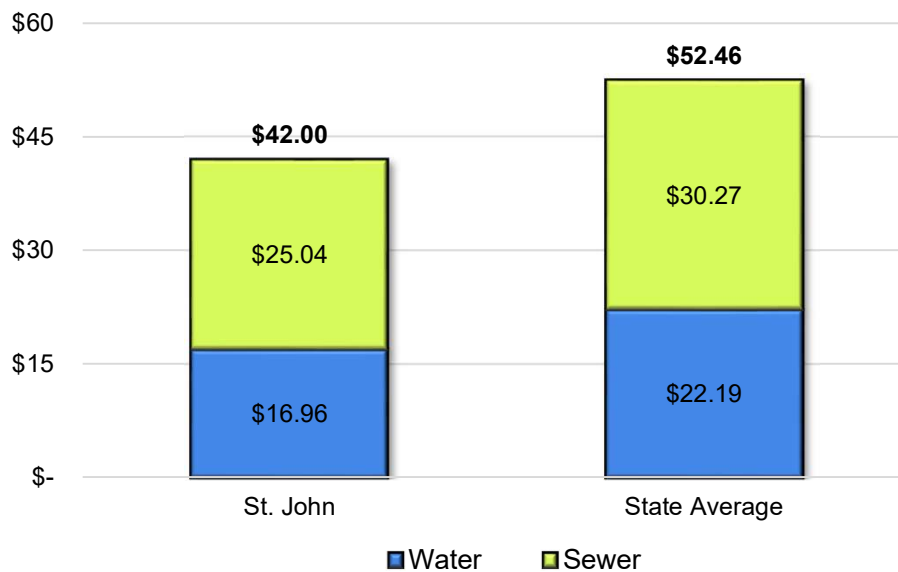
(Subject to the attached letter of Baker Tilly Municipal Advisors dated April 8, 2022)

ST. JOHN (INDIANA) MUNICIPAL SEWAGE WORKS

FINANCIAL MANAGEMENT REPORT

Decision makers and rate payers often want to know how their Utility rates compare. Comparisons are a great reference point, but there are a number of factors that should be considered to put a rate comparison in perspective. These factors include debt, regulatory requirements, and utility size. Table 16 compares St. John's water and sewer rates to State averages for similar sized towns. The State averages shown includes 19 municipalities for water and 19 municipalities for sewer that fall in a population range of 15,001 - 25,000.

Table 16
Comparison of Combined Monthly Rates
(based on 4,000 gallons)



(Subject to the attached letter of Baker Tilly Municipal Advisors dated April 8, 2022)

ST. JOHN (INDIANA) MUNICIPAL SEWAGE WORKS

SUPPLEMENTAL DATA

ST. JOHN (INDIANA) MUNICIPAL SEWAGE WORKS

**SCHEDULE OF AMORTIZATION OF \$775,000 OUTSTANDING PRINCIPAL AMOUNT OF
SEWAGE WORKS REFUNDING REVENUE BONDS OF 2012**

Principal Payable Annually on January 1

Interest Payable Semiannually on January 1 and July 1.

Interest Rates as Indicated.

Bonds dated February 29, 2012

Payment Date	Principal Balance (-----In \$1,000's-----)	Principal (%)	Interest (-----In Dollars-----)	Total	Bond Year Total
01/01/22	\$775	\$185	2.30%	\$9,758.75	\$194,758.75
07/01/22			7,631.25	7,631.25	\$202,390.00
01/01/23	590	190	2.50%	7,631.25	197,631.25
07/01/23			5,256.25	5,256.25	202,887.50
01/01/24	400	195	2.50%	5,256.25	200,256.25
07/01/24			2,818.75	2,818.75	203,075.00
01/01/25	205	205	2.75%	2,818.75	207,818.75
Totals		<u>\$775</u>	<u>\$41,171.25</u>	<u>\$816,171.25</u>	<u>\$816,171.25</u>

(Subject to the attached letter of Baker Tilly Municipal Advisors dated April 8, 2022)

ST. JOHN (INDIANA) MUNICIPAL SEWAGE WORKS

**SCHEDULE OF AMORTIZATION OF \$1,791,000,000 OUTSTANDING PRINCIPAL AMOUNT OF
TOWN OF SCHERERVILLE'S SEWAGE WORKS REVENUE BONDS, SERIES 2016**

(Portion Allocated to St. John)

Principal Payable Annually on January 1

Interest Payable Semiannually on January 1 and July 1.

Interest Rates as Indicated.

Bonds dated December 15, 2016

Payment Date	Principal Balance (-----In Dollars-----)	Principal	(%)	Interest (-----In Dollars-----)	Total	Bond Year Total
07/01/22				\$30,268.13	\$30,268.13	
01/01/23	\$1,791,000	\$96,000	3.00%	30,268.13	126,268.13	\$156,536.26
07/01/23				28,828.13	28,828.13	
01/01/24	1,695,000	100,500	3.00%	28,828.13	129,328.13	158,156.26
07/01/24				27,320.63	27,320.63	
01/01/25	1,594,500	103,500	3.00%	27,320.63	130,820.63	158,141.26
07/01/25				25,768.13	25,768.13	
01/01/26	1,491,000	108,000	3.00%	25,768.13	133,768.13	159,536.26
07/01/26				24,148.13	24,148.13	
01/01/27	1,383,000	111,000	3.00%	24,148.13	135,148.13	159,296.26
07/01/27				22,483.13	22,483.13	
01/01/28	1,272,000	67,500	3.25%	22,483.13	89,983.13	112,466.26
07/01/28				21,386.25	21,386.25	
01/01/29	1,204,500	72,000	3.25%	21,386.25	93,386.25	114,772.50
07/01/29				20,216.25	20,216.25	
01/01/30	1,132,500	123,000	3.50%	20,216.25	143,216.25	163,432.50
07/01/30				18,063.75	18,063.75	
01/01/31	1,009,500	127,500	3.50%	18,063.75	145,563.75	163,627.50
07/01/31				15,832.50	15,832.50	
01/01/32	882,000	132,000	3.50%	15,832.50	147,832.50	163,665.00
07/01/32				13,522.50	13,522.50	
01/01/33	750,000	138,000	3.50%	13,522.50	151,522.50	165,045.00
07/01/33				11,107.50	11,107.50	
01/01/34	612,000	144,000	3.50%	11,107.50	155,107.50	166,215.00
07/01/34				8,587.50	8,587.50	
01/01/35	468,000	150,000	3.50%	8,587.50	158,587.50	167,175.00
07/01/35				5,962.50	5,962.50	
01/01/36	318,000	156,000	3.75%	5,962.50	161,962.50	167,925.00
07/01/36				3,037.50	3,037.50	
01/01/37	162,000	162,000	3.75%	3,037.50	165,037.50	168,075.00
Totals		<u>\$1,791,000</u>		<u>\$553,065.06</u>	<u>\$2,344,065.06</u>	<u>\$2,344,065.06</u>

Note: The above principal and interest payments amounts were taken from the Town of Schererville's Sewage Works Revenue Bonds, Series 2016 debt service schedule and multiplied times 30%.

(Subject to the attached letter of Baker Tilly Municipal Advisors dated April 8, 2022)

ST. JOHN (INDIANA) MUNICIPAL SEWAGE WORKS

SCHEDULE OF AMORTIZATION OF \$985,000 SCHERERVILLE CAPITAL PAYMENTS SCHEDULE

Principal Payable Annually on January 1

Interest Payable Semiannually on January 1 and July 1.

Interest Rate as Indicated.

Bonds dated December 15, 2016

<u>Payment Date</u>	<u>Principal Balance</u>	<u>Principal</u>	<u>(%)</u>	<u>Interest</u>	<u>Total</u>	<u>Bond Year Total</u>
	(-----In \$1,000's-----)			(-----In Dollars-----)		
07/01/22				\$14,775.00	\$14,775.00	
01/01/23	\$985	\$185	3.00%	14,775.00	199,775.00	\$214,550.00
07/01/23				12,000.00	12,000.00	
01/01/24	800	190	3.00%	12,000.00	202,000.00	214,000.00
07/01/24				9,150.00	9,150.00	
01/01/25	610	195	3.00%	9,150.00	204,150.00	213,300.00
07/01/25				6,225.00	6,225.00	
01/01/26	415	205	3.00%	6,225.00	211,225.00	217,450.00
07/01/26				3,150.00	3,150.00	
09/30/26	210	<u>210</u>	3.00%	<u>1,557.50</u>	<u>211,557.50</u>	<u>214,707.50</u>
Totals		<u><u>\$985</u></u>		<u><u>\$89,007.50</u></u>	<u><u>\$1,074,007.50</u></u>	<u><u>\$1,074,007.50</u></u>

Note: The total additional purchased capacity from the Town of Schererville was
\$2,830,000 less \$1,000,000 capital payment by the Town of St. John on December 15, 2016.

(Subject to the attached letter of Baker Tilly Municipal Advisors dated April 8, 2022)

ST. JOHN (INDIANA) MUNICIPAL SEWAGE WORKS

SCHEDULE OF AMORTIZATION OF TEMPORARY LOAN FROM WATER UTILITY

Principal Payable Annually on July 1st

Interest Rates as Indicated.

Payment Year	Principal Balance	Principal	(%)	Interest	Total	Annual Total
	(-----In \$1,000's-----)				(-----In Dollars-----)	
2022	\$2,000	\$500	0.00%	\$ -	\$500,000	\$500,000
2023	1,500	500	0.00%	-	500,000	500,000
2024	1,000	500	0.00%	-	500,000	500,000
2025	500	500	0.00%	-	500,000	500,000
Totals		\$2,000		\$ -	\$2,000,000	\$2,000,000

(Subject to the attached letter of Baker Tilly Municipal Advisors dated April 8, 2022)

ST. JOHN (INDIANA) MUNICIPAL SEWAGE WORKS

COMBINED DEBT SERVICE REQUIREMENTS

<u>Fiscal Year (1)</u>	<u>2012 Bonds (Page 14)</u>	<u>2016 Bonds*</u> (Page 15)	<u>Capital Payments*</u> (Page 16)	<u>Temporary Water Loan (Page 17)</u>	<u>Totals</u>
2022	\$202,390.00	\$156,536.26	\$214,550.00	\$500,000.00	\$1,073,476.26
2023	202,887.50	158,156.26	214,000.00	500,000.00	1,075,043.76
2024	203,075.00	158,141.26	213,300.00	500,000.00	1,074,516.26
2025	207,818.75	159,536.26	217,450.00	500,000.00	1,084,805.01
2026		159,296.26	214,707.50		374,003.76
2027		112,466.26			112,466.26
2028		114,772.50			114,772.50
2029		163,432.50			163,432.50
2030		163,627.50			163,627.50
2031		163,665.00			163,665.00
2032		165,045.00			165,045.00
2033		166,215.00			166,215.00
2034		167,175.00			167,175.00
2035		167,925.00			167,925.00
2036		168,075.00			168,075.00
Totals	<u>\$816,171.25</u>	<u>\$2,344,065.06</u>	<u>\$1,074,007.50</u>	<u>\$2,000,000.00</u>	<u>\$6,234,243.81</u>

(1) Assumes 2012 Bonds are paid on due date while 2016 Bonds and Capital Payments are made one month prior.

* St. John allocation.

(Subject to the attached letter of Baker Tilly Municipal Advisors dated April 8, 2022)

ST. JOHN (INDIANA) MUNICIPAL SEWAGE WORKS

SCHEDULE OF ESTIMATED CAPITAL IMPROVEMENTS

(Per Utility Management)

Project	SBOA Category	2022	2023	2024	2025	2026	Totals
Annual allowance for capital	Improvements other than buildings	\$100,000	\$200,000	\$200,000	\$200,000	\$200,000	\$900,000
Lift station maintenance	Infrastructure	75,000	75,000	75,000	75,000	85,000	385,000
SCADA system (1)	Infrastructure	250,000	5,000	5,000	5,000	5,000	270,000
Total annual cash funded capital budget		<u>\$425,000</u>	<u>\$280,000</u>	<u>\$280,000</u>	<u>\$280,000</u>	<u>\$290,000</u>	1,555,000
Divided by: 5 years							<u>5</u>
Average annual capital improvements							<u>\$311,000</u>

(1) Approximately \$350,000 was spent on the SCADA project in 2021, leaving \$250,000 remaining to be completed in 2022.

(Subject to the attached letter of Baker Tilly Municipal Advisors dated April 8, 2022)

ST. JOHN (INDIANA) MUNICIPAL SEWAGE WORKS

SCHEDULE OF CURRENT RATES AND CHARGES

(Per Ordinance No. 1731 adopted April 28, 2021)

	<u>Current</u>
<u>Flow rate (per 1,000 gallons):</u>	
First 2,500 gallons	\$3.86
Over 2,500 gallons	5.45
<u>Plus: Base rate</u>	
<u>Water Meter Size</u>	
5/8" - 3/4"	\$7.21
1"	16.34
1 1/4" - 1 1/2"	36.85
2"	62.68
3"	142.54
4"	258.04
6"	570.15
<u>Unmetered:</u>	
Residential:	
Single-family residence/unit	\$29.91
Apartment/unit	22.47
Commercial:	
Retail establishment:	
First three employees	\$29.91
Each additional employee	7.59

(Subject to the attached letter of Baker Tilly Municipal Advisors dated April 8, 2022)