

Appendices

Town of Concord, Massachusetts

3/25/2004

Water Fund: Plan and Projection

	PLAN										10 years cumulative	
	FY04 ⁽¹⁾	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13		
Operating Revenue												
User fees	\$ 2,967	\$ 3,424	\$ 3,574	\$ 3,731	\$ 3,880	\$ 4,055	\$ 4,237	\$ 4,428	\$ 4,627	\$ 4,836	\$ 39,760	
Other	96	96	96	96	96	96	96	96	96	96	962	
Subtotal	\$ 3,063	\$ 3,520	\$ 3,670	\$ 3,827	\$ 3,977	\$ 4,151	\$ 4,334	\$ 4,524	\$ 4,724	\$ 4,932	\$ 40,722	
Operating Expense												
O&M	\$ 1,955	\$ 2,073	\$ 2,137	\$ 2,376	\$ 2,447	\$ 2,645	\$ 2,725	\$ 3,004	\$ 3,094	\$ 3,186	\$ 25,642	
Depreciation & capital reserve	567	621	771	891	1,007	1,015	1,047	1,135	1,169	1,189	9,412	
Subtotal	\$ 2,522	\$ 2,694	\$ 2,907	\$ 3,267	\$ 3,454	\$ 3,661	\$ 3,771	\$ 4,138	\$ 4,263	\$ 4,375	\$ 35,053	
Operating Income	\$ 541	\$ 826	\$ 763	\$ 561	\$ 522	\$ 491	\$ 562	\$ 386	\$ 461	\$ 556	\$ 5,669	
ADD: Interest income	\$ 43	\$ 30	\$ 32	\$ 31	\$ 30	\$ 32	\$ 33	\$ 35	\$ 36	\$ 37	\$ 338	
LESS: Interest expense												
Existing debt	124	100	82	66	48	33	24	16	8	-	501	
New debt	-	-	161	295	425	394	365	334	304	274	2,553	
BAN	-	-	-	-	-	-	-	-	-	-	132	
Other expense	-	33	29	30	-	7	25	8	-	-	132	
Net Income	\$ 124	\$ 133	\$ 273	\$ 391	\$ 473	\$ 435	\$ 413	\$ 358	\$ 312	\$ 274	\$ 3,186	
	\$ 459	\$ 723	\$ 522	\$ 200	\$ 80	\$ 88	\$ 182	\$ 63	\$ 184	\$ 320	\$ 2,821	
Available Resources from:												
Net income	\$ 459	\$ 723	\$ 522	\$ 200	\$ 80	\$ 88	\$ 182	\$ 63	\$ 184	\$ 320	\$ 2,821	
Depreciation expense	415	474	628	753	874	886	922	1,014	1,052	1,076	8,093	
Capital reserve charge	152	147	142	138	133	129	125	121	117	113	1,318	
Bond proceeds	\$ 1,026	\$ 1,344	\$ 1,293	\$ 1,091	\$ 1,087	\$ 1,103	\$ 1,228	\$ 1,198	\$ 1,353	\$ 1,509	\$ 12,232	
LESS: Principal repayment	\$ -	\$ 3,250	\$ 2,900	\$ 3,000	\$ -	\$ 700	\$ 2,500	\$ 800	\$ -	\$ -	\$ 13,150	
Existing debt	\$ 555	\$ 420	\$ 405	\$ 405	\$ 355	\$ 235	\$ 210	\$ 200	\$ 200	\$ -	\$ 2,985	
New debt	-	-	217	410	610	610	610	610	610	610	4,287	
Net Available	\$ 471	\$ 4,174	\$ 3,571	\$ 3,276	\$ 122	\$ 958	\$ 2,908	\$ 1,188	\$ 543	\$ 899	\$ 18,111	
Capital Plan	\$ 1,491	\$ 4,325	\$ 3,735	\$ 3,552	\$ 257	\$ 928	\$ 2,695	\$ 1,019	\$ 534	\$ 602	\$ 19,138	
Cash Position ⁽²⁾												
Beginning cash	\$ 3,259	\$ 2,239	\$ 2,088	\$ 1,924	\$ 1,648	\$ 1,513	\$ 1,543	\$ 1,756	\$ 1,925	\$ 1,935		
ADD: Net available	471	4,174	3,571	3,276	122	958	2,908	1,188	543	899		
LESS: Planned capital	1,491	4,325	3,735	3,552	257	928	2,695	1,019	534	602		
Ending Cash	\$ 2,239	\$ 2,088	\$ 1,924	\$ 1,648	\$ 1,513	\$ 1,543	\$ 1,756	\$ 1,925	\$ 1,935	\$ 2,232		

⁽¹⁾ Updated plan for FY04.

⁽²⁾ Cash position does not account for changes in current assets and current liabilities.

Town of Concord, Massachusetts

3/25/2004

Sewer Fund: Plan and Projection (1)

	PROJECTION										10 years cumulative
	FY04 (1)	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	
Operating Revenue	\$ 1,592	\$ 1,701	\$ 1,760	\$ 1,887	\$ 1,954	\$ 2,022	\$ 2,083	\$ 2,167	\$ 2,242	\$ 2,316	\$ 19,735
User fees	56	57	59	60	61	63	64	66	67	69	623
Other	1,648	1,758	1,819	1,947	2,015	2,085	2,158	2,233	2,310	2,386	20,358
Subtotal											
Operating Expense	\$ 965	\$ 1,014	\$ 1,046	\$ 1,121	\$ 1,154	\$ 1,187	\$ 1,221	\$ 1,256	\$ 1,293	\$ 1,332	\$ 11,589
O&M	612	667	741	932	945	976	1,004	1,032	1,061	1,090	9,060
Depreciation	1,577	1,681	1,786	2,053	2,099	2,163	2,225	2,289	2,353	2,421	20,648
Subtotal											
Operating Income	\$ 71	\$ 77	\$ 32	\$ (105)	\$ (84)	\$ (78)	\$ (68)	\$ (56)	\$ (43)	\$ (36)	\$ (290)
ADD:	\$ 82	\$ 81	\$ 92	\$ 103	\$ 103	\$ 99	\$ 96	\$ 94	\$ 92	\$ 91	\$ 933
Interest income	-	-	52	-	-	-	-	-	-	-	52
SRF Interest Subsidy	-	10	21	20	19	18	17	16	15	14	151
General Fund Interest Support	-	-	-	218	214	211	207	204	200	196	1,450
Betterments	-	-	-	21	21	21	21	21	21	21	149
Sewer Improvement Fees	-	-	-	-	-	-	-	-	-	-	-
LESS:											
Interest expense	-	-	52	201	191	181	170	160	150	140	1,244
Existing debt	-	-	304	-	-	-	-	-	-	-	50
New debt	-	52	-	-	-	-	-	-	-	-	-
BAN	-	-	50	-	-	-	-	-	-	-	-
Issuance expense	-	-	-	-	-	-	-	-	-	-	-
Net Income	\$ 153	\$ 116	\$ (208)	\$ 56	\$ 84	\$ 91	\$ 104	\$ 118	\$ 135	\$ 147	\$ 795
Available Resources from:	\$ 153	\$ 116	\$ (208)	\$ 56	\$ 84	\$ 91	\$ 104	\$ 118	\$ 135	\$ 147	\$ 795
Net income	612	667	741	932	945	976	1,004	1,032	1,061	1,090	9,060
Depreciation expense	765	783	533	988	1,029	1,067	1,108	1,151	1,196	1,236	9,854
Bond proceeds	-	2,588	7,588	-	-	-	-	-	-	-	10,175
LESS:											
Principal repayment	-	-	129	509	509	509	509	509	509	509	3,691
Existing debt	765	3,370	7,991	479	520	558	599	642	687	728	16,339
New debt	1,105	3,720	7,839	305	840	803	811	820	830	839	17,913
Net Available	\$ 1,105	\$ 3,720	\$ 7,839	\$ 305	\$ 840	\$ 803	\$ 811	\$ 820	\$ 830	\$ 839	\$ 17,913
Capital Plan (3)	\$ 5,131	\$ 4,790	\$ 4,440	\$ 4,592	\$ 4,766	\$ 4,446	\$ 4,202	\$ 3,989	\$ 3,811	\$ 3,668	\$ 36,668
Cash Position (2)	765	3,370	7,991	479	520	558	599	642	687	728	728
Beginning cash	1,105	3,720	7,839	305	840	803	811	820	830	839	839
ADD: Net available	4,790	4,440	4,592	4,766	4,446	4,202	3,989	3,811	3,668	3,556	3,556
LESS: Planned capital											
Ending Cash											

(1) Updated plan for FY04.
 (2) Cash position may not fully account for non-cash changes in current assets and current liabilities.
 (3) Capital Plan does not include phosphorus-reduction plant improvements (FY05-06); \$TBD

Water Rates
Per 100 Cubic Feet

W-04	Class of Customer	Current	Proposed	% Chg.
1&2	Residential Service (1 and 2)			
	1st Step: (all year)	\$ 3.03	\$ 3.13	3.3%
	Conservation Step*: (2,500 - 4,800 cf)	\$ 5.30	\$ 5.48	3.4%
	Conservation Step*: (over 4,800 cf)	\$ 6.36	\$ 6.74	6.0%
	*May 1st through October 31st for consumption over 2,400 cubic feet bimonthly			
3	General Service			
	1st Step: (all year)	\$ 3.03	\$ 3.13	3.3%
	2nd Step: (all year) (over 5,000 cf bimonthly)	\$ 3.77	\$ 3.90	3.4%
4	Municipal Service			
	1st Step: (all year)	\$ 2.98	\$ 3.08	3.4%
	Interruptible Outdoor Irrigation use			
5	Second Meters Service			
	A. Seasonal Meters/Dedicated Outdoor Irrigation use			
	All consumption	\$ 5.30	\$ 5.48	3.4%
	B. Non-Irrigation, Non-sewered	\$ 3.77	\$ 3.90	3.4%

Sample Impacts	Current Annual	Proposed Annual	Annual Change	Monthly Change	% Chg.
1a Average Residential Customer (2,000 cubic feet bimonthly) <i>Approximately two-thirds of residential customers normally use less than the Conservation step threshold.</i>	\$ 364	\$ 376	\$ 12.00	\$ 1.00	3.3%
1b Large Summertime Residential Customer (4,000 cubic feet bimonthly during summer; 2,500 cubic feet bimonthly rest of year)	\$ 700	\$ 723	\$ 23.34	\$ 1.95	3.3%
1c Larger Summertime Residential Customer (6,000 cubic feet bimonthly during summer; 2,500 cubic feet bimonthly rest of year)	\$ 1,056	\$ 1,097	\$ 41.34	\$ 3.45	3.9%
3a Small Commercial Customer (4,000 cubic feet bimonthly) <i>Approximately two-thirds of commercial/institutional/Gov't customers normally use less than the 2nd step threshold.</i>	\$ 727	\$ 751	\$ 24.00	\$ 2.00	3.3%
3b Large Commercial Customer (500,000 cubic feet bimonthly)	\$ 112,878	\$ 116,769	\$ 3,891.00	\$ 324.25	3.4%
5a Small Municipal Customer (4,700 cubic feet bimonthly)	\$ 840	\$ 869	\$ 28.20	\$ 2.35	3.4%
5b Large Municipal Customer (60,000 cubic feet bimonthly)	\$ 10,728	\$ 11,088	\$ 360.00	\$ 30.00	3.4%

Sewer Rates
Per 100 Cubic Feet

Class of Customer		Current	Proposed	% Chg.
S-04				
1	Residential Service Rate billed year around but uses wintertime average consumption for non-wintertime months.	\$ 6.16	\$ 6.37	3.4%
2	Non-Residential Service Rate billed year around using actual readings for each billing period.	\$ 6.16	\$ 6.37	3.4%

Sample Impacts		Current Annual	Proposed Annual	Annual Change	Monthly Change	% Chg.
1	Average Residential Customer (1,666 cubic feet bimonthly wintertime use)	\$ 616	\$ 637	\$ 21.00	\$ 1.75	3.4%
2	Typical Non-Residential Customer (1,800 cubic feet bimonthly)	\$ 665	\$ 688	\$ 22.68	\$ 1.89	3.4%

TOWN OF CONCORD, MASSACHUSETTS

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

JUNE 30, 2003

(DECEMBER 31, 2002 FOR THE MUNICIPAL LIGHT PLANT ENTERPRISE FUND)

Business-Type Activities
Enterprise Funds

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Electric Fund</u>
<u>ASSETS</u>			
Current:			
Cash and short-term investments	\$ 75	\$ -	\$ -
Investments	-	-	2,060,455
Investments due from other funds	3,258,478	5,130,689	4,542,731
User fees, net of allowance for uncollectibles	574,179	287,077	2,310,074
Materials and supplies, at average cost	-	-	683,540
Prepaid expenses	-	-	197,023
Inventory	<u>31,064</u>	<u>-</u>	<u>-</u>
Total current assets	3,863,796	5,417,766	9,793,823
Noncurrent:			
Capital assets, net of accumulated depreciation	11,509,315	11,771,115	27,907,892
Other assets	<u>-</u>	<u>-</u>	<u>343,418</u>
Total noncurrent assets	<u>11,509,315</u>	<u>11,771,115</u>	<u>28,251,310</u>
TOTAL ASSETS	15,373,111	17,188,881	38,045,133
<u>LIABILITIES</u>			
Current:			
Warrants payable	133,083	84,269	1,703,421
Accrued liabilities	-	-	166,064
Customer deposits	-	-	154,730
Provision for Boston Edison overcharge	-	-	85,340
Provision for purchased power adjustment	-	-	183,865
Provision for rate stabilization	-	-	1,129,322
Other current liabilities	-	-	498,696
Current portion of long-term liabilities:			
Bonds payable	555,000	-	500,000
Accrued employee benefits	<u>2,940</u>	<u>735</u>	<u>3,405</u>
Total current liabilities	691,023	85,004	4,424,843
Noncurrent:			
Bonds payable, net of current portion	2,430,000	-	3,700,000
Accrued employee benefits, net of current portion	<u>55,860</u>	<u>13,965</u>	<u>64,696</u>
Total noncurrent liabilities	<u>2,485,860</u>	<u>13,965</u>	<u>3,764,696</u>
TOTAL LIABILITIES	3,176,883	98,969	8,189,539
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	11,450,515	11,771,115	21,437,081
Unrestricted	<u>745,713</u>	<u>5,318,797</u>	<u>8,418,513</u>
TOTAL NET ASSETS	\$ <u>12,196,228</u>	\$ <u>17,089,912</u>	\$ <u>29,855,594</u>

TOWN OF CONCORD, MASSACHUSETTS

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2003

(DECEMBER 31, 2002 FOR THE MUNICIPAL LIGHT PLANT ENTERPRISE FUND)

	Business-Type Activities Enterprise Funds		
	Water Fund	Sewer Fund	Electric Fund
Operating Revenues:			
Charges for services	\$ 3,360,108	\$ 1,694,299	\$ 15,975,614
Other	-	173,758	-
Total Operating Revenues	3,360,108	1,868,057	15,975,614
Operating Expenses:			
Personnel services	724,735	647,240	-
Non-personnel services	1,097,888	288,930	-
Depreciation	369,469	582,343	1,152,640
Electric operations	-	-	13,342,390
Total Operating Expenses	2,192,092	1,518,513	14,495,030
Operating Income	1,168,016	349,544	1,480,584
Nonoperating Revenues (Expenses):			
Investment income	67,645	88,556	147,339
Interest expense	(151,280)	(2,700)	(227,964)
Other Nonoperating income, net	-	-	217,679
Total Nonoperating Revenues (Expenses), Net	(83,635)	85,856	137,054
Income Before Transfers	1,084,381	435,400	1,617,638
Transfers:			
Operating transfers out	(32,365)	(8,091)	(340,000)
Change in Net Assets	1,052,016	427,309	1,277,638
Net Assets at Beginning of Year	11,144,212	16,662,603	28,577,956
Net Assets at End of Year	\$ 12,196,228	\$ 17,089,912	\$ 29,855,594

See notes to financial statements.

TOWN OF CONCORD, MASSACHUSETTS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2003 (DECEMBER 31, 2002 FOR THE MUNICIPAL LIGHT PLANT ENTERPRISE FUND)

	Business-Type Activities Enterprise Funds		
	Water Fund	Sewer Fund	Electric Fund
Cash Flows From Operating Activities:			
Receipts from customers and users	\$ 3,387,001	\$ 1,274,723	\$ 16,233,689
Payments to vendors and employees	(1,824,053)	(916,033)	(13,451,409)
Receipts from noncurrent deposits	-	-	52,217
Payments of refunds to customers	-	-	(322,801)
Net Cash Provided By Operating Activities	<u>1,562,948</u>	<u>358,690</u>	<u>2,511,696</u>
Cash Flows From Noncapital Financing Activities:			
Operating transfers out	<u>(32,365)</u>	<u>(8,091)</u>	<u>(340,000)</u>
Net Cash Used for Noncapital Financing Activities	(32,365)	(8,091)	(340,000)
Cash Flows From Capital and Related Financing Activities:			
Proceeds from issuance of bonds and notes			
Acquisition and construction of capital assets	(831,948)	(356,455)	-
Acquisition and construction of utility plant	-	-	(776,636)
Net additions to construction in progress	-	-	(810,737)
Principal payments on bonds and notes	(615,000)	(80,000)	(655,000)
Interest expense	(151,280)	(2,700)	(227,964)
Net reductions to customer advances for construction	-	-	(115,527)
Net Cash (Used For) Capital and Related Financing Activities	<u>(1,598,228)</u>	<u>(439,155)</u>	<u>(2,585,864)</u>
Cash Flows From Investing Activities:			
Investment income	67,645	88,556	147,339
Investment purchases	-	-	9,138
Net Cash Provided By Investing Activities	<u>67,645</u>	<u>88,556</u>	<u>156,477</u>
Net Change in Cash and Short-Term Investments	-	-	(257,691)
Cash and Short Term Investments, Beginning of Year	<u>75</u>	<u>-</u>	<u>3,746,207</u>
Cash and Short Term Investments, End of Year	<u>\$ 75</u>	<u>\$ -</u>	<u>\$ 3,488,516</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating income	\$ 1,168,016	\$ 349,544	\$ 1,480,584
Adjustments to reconcile operating income to net cash provided by operating activities:			
Other income	-	-	384,020
Depreciation	369,469	582,343	1,152,640
Changes in assets and liabilities:			
User fees	(25,100)	(7,650)	(125,945)
Inventory	9,743	-	-
Materials and supplies	-	-	(50,872)
Other assets	51,993	(585,684)	-
Prepaid Expenses	-	-	(14,406)
Noncurrent deposits with Town Treasurer	-	-	52,217
Warrants and accounts payable	(11,173)	20,137	-
Accrued liabilities	-	-	(43,741)
Provisions	-	-	(322,801)
Net Cash Provided By Operating Activities	<u>\$ 1,562,948</u>	<u>\$ 358,690</u>	<u>\$ 2,511,696</u>

See notes to financial statements.