

City of Avondale, Arizona
Revenue Sufficiency Analysis
Pro-Forma and Cash Flow Analysis - By Fund

	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
Water Operating Fund						
Beginning Working Capital	29,958,015	29,526,336	28,953,122	29,303,971	31,520,895	34,287,063
Water Rate Revenue	14,300,668	15,522,517	16,848,761	18,288,319	19,101,783	19,951,431
Plus: Growth	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Water Rate Revenue After Growth	14,643,884	15,895,057	17,253,131	18,727,239	19,560,226	20,430,265
Pct Change in Water Rates	6.00%	6.00%	6.00%	2.00%	2.00%	2.00%
Pct of Year Rate Increase Effective	50%	50%	50%	50%	50%	50%
Water Rate Revenue After Growth and Rate Increase	15,083,201	16,371,909	17,770,725	18,914,511	19,755,829	20,634,568
Other Revenue	687,860	689,996	689,996	689,996	689,996	689,996
Interest Income	447,893	442,894	441,787	456,426	486,935	523,540
Total Revenue	16,218,954	17,504,799	18,902,508	20,060,933	20,932,760	21,848,104
O&M	(12,743,775)	(15,042,033)	(15,524,932)	(15,817,360)	(16,166,592)	(16,628,234)
Debt Service	(36,358)	(35,979)	(26,728)	(26,649)	-	-
Capital Outlay	(370,500)	-	-	-	-	-
Transfers Out	(3,500,000)	(3,000,000)	(3,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Cash Funded Capital	-	-	-	-	-	-
Net Cash Flow	(431,679)	(573,214)	350,849	2,216,924	2,766,168	3,219,870
Ending Working Capital	29,526,336	28,953,122	29,303,971	31,520,895	34,287,063	37,506,933
Working Capital Reserve	9,557,831	11,281,525	11,643,699	11,863,020	12,124,944	12,471,175
Restricted Reserve for Replacement/Refurbishment	19,968,505	17,671,597	17,660,272	19,657,875	22,162,119	25,035,757
Percent of Reserve to Depreciable Assets	7%	6%	6%	7%	7%	8%
Sewer Operating Fund						
Beginning Working Capital	12,541,098	13,727,621	16,988,269	20,955,730	25,203,065	29,578,735
Sewer Rate Revenue	9,158,389	9,940,882	10,790,231	11,049,196	11,314,377	11,585,922
Plus: Growth	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Sewer Rate Revenue After Growth	9,378,190	10,179,463	11,049,196	11,314,377	11,585,922	11,863,984
Pct Change in Sewer Rates	6.00%	6.00%	0.00%	0.00%	0.00%	0.00%
Pct of Year Rate Increase Effective	50%	50%	50%	50%	50%	50%
Sewer Rate Revenue After Growth and Rate Increase	9,659,536	10,484,847	11,049,196	11,314,377	11,585,922	11,863,984
Other Revenue	1,292,900	1,292,900	1,351,826	1,382,353	1,413,614	1,445,624
Interest Income	374,147	404,191	446,262	497,866	562,062	628,807
Total Revenue	11,326,583	12,181,938	12,847,284	13,194,596	13,561,598	13,938,415
O&M	(6,098,451)	(6,175,867)	(6,266,327)	(6,360,295)	(6,529,750)	(6,703,951)
Debt Service	(1,311,234)	(1,245,424)	(1,113,496)	(1,086,966)	(656,178)	(653,073)
Capital Outlay	(230,375)	-	-	-	-	-
Transfers Out	(2,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(2,000,000)	(2,000,000)
Cash Funded Capital	-	-	-	-	-	-
Net Cash Flow	1,186,523	3,260,648	3,967,461	4,247,335	4,375,670	4,581,391
Ending Working Capital	13,727,621	16,988,269	20,955,730	25,203,065	29,578,735	34,160,126
Working Capital Reserve	4,573,838	4,631,900	4,699,745	4,770,222	4,897,312	5,027,964
Restricted Reserve for Replacement/Refurbishment	9,153,783	12,356,369	16,255,985	20,432,843	24,681,423	29,132,162
Percent of Reserve to Depreciable Assets	3%	4%	5%	7%	8%	9%
Summary Results of Combined Water and Sewer Fund						
Debt Service Coverage Calculation						
Rate Revenue	24,742,737	26,856,756	28,819,921	30,228,888	31,341,751	32,498,552
Other Revenue	1,980,760	1,982,896	2,041,822	2,072,349	2,103,610	2,135,620
Interest Income	822,040	847,085	888,049	954,292	1,048,998	1,152,347
Total Revenue	27,545,537	29,686,737	31,749,792	33,255,529	34,494,358	35,786,519
O&M	(18,842,226)	(21,217,900)	(21,791,258)	(22,177,655)	(22,696,341)	(23,332,185)
Net Income	8,703,311	8,468,837	9,958,534	11,077,874	11,798,016	12,454,334
Debt Service - Existing	1,347,592	1,281,403	1,140,224	1,113,615	656,178	653,073
Debt Service Coverage	6.46	6.61	8.73	9.95	17.98	19.07
Summary of Increase in Rate Revenue (excluding Growth related increases)						
Total Full Year Rate Revenue Increase (excluding Growth)	24,866,600	26,991,203	28,649,917	29,703,282	30,798,196	31,936,381
Total Rate Revenue Before Rate Increase	23,459,057	25,463,399	27,638,992	29,337,515	30,416,160	31,537,353
Annual Pct Rate Revenue Increase	6.00%	6.00%	3.66%	1.25%	1.26%	1.27%
Revenue Requirement Water Allocation	66.8%	70.9%	72.1%	72.5%	74.2%	74.5%
Revenue Requirement Sewer Allocation	33.2%	29.1%	27.9%	27.5%	25.8%	25.5%