

ITEM 1

MISSOURI PUBLIC WATER SYSTEM FINANCIAL CAPACITY WORKSHEETS

PAGE 1: CUSTOMERS, REVENUES AND EXPENDITURES WORKSHEET
 Proposed Customers, Revenues and Expenses
 Name: Holtgrewe Farms Sewer Company LLC.

Line No	DESCRIPTION	Current Year	Inflation Factor (%)	Year 2	Year 3	Year 4	Year 5	Year 6
1	PROJECTED CUSTOMERS	7		17	27	37	47	47
2	Annual Increase in customers (%)			142.86	58.82	37.04	27.03	0.00
3	ANNUAL MEDIAN HOUSEHOLD INCOME (AMHI)	51500	3.0	59225	61002	62832	64717	66656
4	REVENUES AND EXPENSES							
5	AVAILABLE OPENING CASH BALANCE	0		0	0	0	0	0
6	REVENUES RECEIVED							
7	Sewer Rates (Calculation based on new customers**)	3696		8976	14256	19536	24816	24816
8	Fees and Service Charges	525		750	750	750	750	0
9	Hookup Charges	19000		18000	18000	18000	18000	0
10	Other Revenues	0		0	0	0	0	0
11	TOTAL REVENUES AVAILABLE (Lines 5 through 10)	18421		25726	31006	38286	41986	24816
12	OPERATING & MAINTENANCE EXPENSES							
13	Operating Expenses							
14	Salaries and Benefits	0	3.0	0	0	0	0	0
15	Power and other utility*	400	3.0	1001	1637	2310	3023	3113
16	Chemicals and Treatment*	0	0.0	0	0	0	0	0
17	Motorist/Sample Collection	4800	3.0	4944	5092	5245	5402	5565
18	Materials, Supplies, and Parts	200	3.0	206	212	219	225	232
19	Transportation	0	0.0	0	0	0	0	0
20	Purchase Water*	0	0.0	0	0	0	0	0
21	Equipment Rental	100	0.0	250	409	578	756	778
22	Miscellaneous*	100	3.0	6401	7351	8362	9406	9688
23	Total Operating Expenses (Lines 14 through 22)	5500		6401	7351	8362	9406	9688
24	General and Administrative							
25	Salaries and Benefits	0	3.0	0	0	0	0	0
26	Office Supplies and Postage/Billing	1000	3.0	2501	4092	5776	7567	7784
27	Real Property/Office Equipment Rental	0	3.0	0	0	0	0	0
28	Insurance/Vehicles, liability, workers compensation	1000	3.0	1030	1061	1093	1126	1159
29	Legal and accounting	1000	3.0	1030	1061	1093	1126	1159
30	Contractor Services/Professional services	500	3.0	515	530	546	563	580
31	Fees	800	3.0	824	849	874	900	927
32	Advertising	0	0.0	0	0	0	0	0
33	Miscellaneous*	100	3.0	103	106	109	113	116
34	Total General and Administrative (Lines 25 through 33)	4400		6003	7689	9491	11384	11728
35	Other Expenses							
36	Other Deductions, Fees and Expenses	0		0	0	0	0	0
37	Income Taxes	0		0	0	0	0	0
38	Other Taxes	200		200	200	200	200	200
39	Total Other Expenses (Lines 36 through 38)	200		200	200	200	200	200
40	TOTAL O&M EXPENSES (Lines 23, 34, and 39)	10100		12804	15250	18043	20990	21613
41	Operating Reserve							
41a	Minimum operating reserve must equal 10% of Line 40 over 10 yrs	101		151	205	264	328	247
41b	Annual O&M Reserve Needed	101		151	206	264	328	247
42	Cumulative Operating Reserve Needed	101		252	457	722	1,049	1,297
43	TOTAL EXPENSES INCLUDING OPERATING RESERVE (Lines 40 + 41)	10201		12756	15455	18307	21318	21861
44	NET REVENUES FOR CIP & RESERVES (Line 11 - Line 42)	5220		12971	15551	17979	20248	2955

** This expense item is forecasted using both the inflation factor and increase in number of customers.

Assumed 5,000 gal/month/phone

Pumping solids from septic tank

MISSOURI PUBLIC WATER SYSTEM FINANCIAL CAPACITY WORKSHEETS

PAGE 2: CAPITAL INVESTMENT / RESERVES WORKSHEET
 Name: Holgrew Farms Sewer Company LLC.
 Capital Expenses and Reserves

Line No	DESCRIPTION	Current Year	Year 2	Year 3	Year 4	Year 5	Year 6
44	REVENUES AVAILABLE FOR CAPITAL IMPROVEMENTS AND RESERVES (Line 43 from Page 1)	5220	12971	15551	17979	20248	2945
45	OTHER FUNDS/RESOURCES AVAILABLE						
46	Depreciation Reserves						
47	Capital Contribution from Owner/stockholder (own source)	65200					
48	Contribution/Advance from Customer/Others						
49	Grants						
50	DWSRF Loan (if applicable)						
51	Business loans						
52	Withdrawal from capital or other reserves						
53	Other Fund Sources						
54	TOTAL SOURCE OF FUNDS (Lines 46 through 53)	76420	12971	15551	17979	20248	2945
55	CAPITAL/RESERVE USE OF FUNDS (in excess of operational expenses)						
56	Capital Improvement Plan Expenditures						
57	New Capital Facilities	65200					
58	Renewal and Replacement Facilities						
59	Safe Drinking Water Act Facilities						
60	Non-facility Costs						
61	Other Use of Funds						
62	Total CIP Expenditures (Lines 57 through 61)	65200	0	0	0	0	0
63	Debt Obligations (principal and interest expenses)						
64	Repayment to Customers/Others						
65	Repayment of Business Loans	4100	8600	8600	8600	8600	0
66	Repayment of SRF Loan						
67	Other Use of Funds						
68	Total Debt Obligations (Lines 64 through 67)	4100	8600	8600	8600	8600	0
69	Depreciation Expenses (Funded)						
	[Funded depreciation in excess of all other P&L payments]	0	0	0	0	0	0
70	Addition to Reserves						
71	Debt Service/Reserve	0	0	0	0	0	0
72	Emergency Reserve	35,500.00	1100	1100	1100	1100	1100
72a	Cumulative Emergency Reserve Needed	1100	2200	3300	4400	5500	6600
73	TOTAL CAPITAL/RESERVE EXPENSES (Lines 62, 68, 69, 71, 72)	70400	9700	9700	9700	9700	1100
74	END OF YEAR SURPLUS OR DEFICIT (Line 54 - Line 73)	20	3271	5851	8279	10548	1855
75	PROJECTED MONTHLY RESIDENTIAL BILL	44	44	44	44	44	44
76	Current and expected monthly water rate divided by number of residential customers (Line 7/12/Line 11)	0.9%	0.9%	0.9%	0.8%	0.8%	0.8%
76	AFROABILITY INDEX (Annual Projection of Line 75 / Line 3)	0.9%	0.9%	0.9%	0.8%	0.8%	0.8%
	Percent of monthly household income dedicated to water utility services [Rates Paid should not exceed 1.5 to 2.0%]						

This is the loan amount that the sewer company will be responsible for. The rest of the infrastructure cost will be the responsibility of Holgrew Farms LLC as part of the subdivision development

Surplus will be utilized to pay down the principle on the loan. The loan should be paid in full at the end of year 5.