# City of Lincoln Wastewater System
# Cash Flow Projections
# CIP Costs (Category 5)

| | 2003/4 | 2006/07 | 2009/10 | Bonds | CIP Cash | CIP Total |
|---|---|---|---|---|---|---|
| Proposed Additional Bonds | $65,000,000 | $35,000,000 | $15,000,000 | 115,000,000 | 28,039,170 | 143,039,170 |
| Average Interest Cost | 5.50% | 5.50% | 5.50% | | | |
| Term | 25 | 25 | 25 | | | |
| Average Annual Debt Service | $4,845,708 | $2,609,227 | $1,118,240 | | | |

| Fiscal Year | Annual Discharge in HCF (1) | Revenue from Wastewater Charges (2) | Operation Costs (3) | Net Operating Revenue | Projected Impact Fees | Interest Income | Revenue Available for Debt Service | SRF Loan Debt Service Requirement | Additional Bonds Debt Service Requirement | Projected Debt Service Coverage (4) | Capital Replacements | Capital Improvements | Operating Coverage (5) | End of Year Cash Balance (6) | CIP Costs Category 5 | Project Funds Available |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2002-03 | | | | | | | | | | | | | | 4,751,828 | | |
| 2003-04 | 13,361,633 | 16,607,000 | 9,610,383 | 6,996,617 | 210,000 | 750,000 | 7,956,617 | 1,296,972 | | 6.1348 | 645,185 | 6,014,460 | 1.0000 | 4,751,828 | ***23,720,000*** | 47,294,460 |
| 2004-05 | 13,495,250 | 17,277,000 | 9,754,539 | 7,522,461 | 240,000 | 750,000 | 8,512,461 | 1,287,285 | 4,845,708 | 1.3880 | 654,883 | 1,724,585 | 1.0000 | 4,751,828 | ***24,621,000*** | 24,398,045 |
| 2005-06 | 13,630,202 | 17,973,000 | 9,900,857 | 8,072,143 | 310,000 | 750,000 | 9,132,143 | 1,279,356 | 4,845,708 | 1.4909 | 664,685 | 2,342,394 | 1.0000 | 4,751,828 | ***19,769,000*** | 6,971,439 |
| 2006-07 | 13,766,504 | 18,697,000 | 10,049,370 | 8,647,630 | 410,000 | 750,000 | 9,807,630 | 1,217,356 | 4,845,708 | 1.5176 | 674,656 | 3,069,910 | 1.0000 | 4,751,828 | ***14,272,000*** | 30,769,349 |
| 2007-08 | 13,904,169 | 19,451,000 | 10,200,111 | 9,250,889 | 470,000 | 750,000 | 10,470,889 | | 7,454,935 | 1.4046 | 684,776 | 2,331,178 | 1.0000 | 4,751,828 | ***8,377,000*** | 24,723,527 |
| 2008-09 | 14,043,211 | 19,846,000 | 10,353,112 | 9,292,888 | 500,000 | 750,000 | 10,542,888 | | 7,454,935 | 1.4142 | 695,047 | 2,392,906 | 1.0000 | 4,751,828 | ***12,957,000*** | 14,159,433 |
| 2009-10 | 14,183,643 | 19,842,000 | 10,508,409 | 9,333,591 | 540,000 | 750,000 | 10,623,591 | | 7,454,935 | 1.4250 | 705,473 | 2,463,183 | 1.0000 | 4,751,828 | ***17,973,000*** | 13,649,615 |
| 2010-11 | 14,325,480 | 20,040,000 | 10,686,035 | 9,353,965 | 570,000 | 750,000 | 10,673,965 | | 8,573,176 | 1.2450 | 716,055 | 1,384,734 | 1.0000 | 4,751,828 | ***13,160,000*** | 1,874,350 |
| 2011-12 | 14,468,734 | 20,240,000 | 10,826,026 | 9,413,974 | 600,000 | 750,000 | 10,763,974 | | 8,573,176 | 1.2555 | 726,796 | 1,464,002 | 1.0000 | 4,751,828 | ***8,367,000*** | (5,048,648) |
| 2012-13 | 14,613,422 | 20,442,000 | 10,988,416 | 9,453,584 | 670,000 | 750,000 | 10,873,584 | | 8,573,176 | 1.2683 | 737,698 | 1,562,710 | 1.0000 | 4,751,828 | ***6,180,000*** | (9,665,937) |
| 2013-14 | 14,759,556 | 20,646,000 | 11,153,242 | 9,492,758 | 700,000 | 750,000 | 10,942,758 | | 8,573,176 | 1.2764 | 748,763 | 1,620,819 | 1.0000 | 4,751,828 | ***3,592,000*** | (11,637,118) |
| 2014-15 | 14,907,151 | 20,852,000 | 11,320,541 | 9,531,459 | 720,000 | 750,000 | 11,001,459 | | 8,573,176 | 1.2832 | 759,995 | 1,668,288 | 1.0000 | 4,751,828 | ***5,145,000*** | (15,113,830) |
| | | | | | | | | | | | | | | | ***158,153,000*** | |

(1) Assumes 1% increase in annual usage.
(2) Assumes 7% rate increase 2003/04 then 3% increase next 4 years - 0% thereafter.
(3) Assumes 1.50% annual increase in operating expense.
(4) Minimum debt service coverage requirement for additional bonds is 1.25 times.
(5) Assumes enterprise manages to 1:1 cash flow coverage.
(6) Assumes no spend down of projected year end cash balances for fiscal 2002/03.

Note: The above projections do not include an inflation factor.

AMERITAS INVESTMENT CORP.

Prepared on January 7, 2003 by Ameritas Investment Corp. using information provided by the City of Lincoln.

# City of Lincoln Water System
# Cash Flow Projections
# CIP Costs (Category 5)

| | 2003/4 | 2006/07 | 2009/10 | Bonds | CIP Cash | CIP Total |
|---|---|---|---|---|---|---|
| Proposed Additional Bonds | $35,000,000 | $50,000,000 | $42,000,000 | $127,000,000 | 27,029,078 | 154,029,078 |
| Average Interest Cost | 5.50% | 5.50% | 5.50% | | | |
| Term | 25 | 25 | 25 | | | |
| Average Annual Debt Service | $2,609,227 | $3,727,468 | $3,262,125 | | | |

| Fiscal Year | Annual Consumption In HCF (1) | Revenue from Water Sales (2) | Operation Costs (3) | Net Operating Revenue | Projected Impact Fees | Interest Income | Revenue Available for Debt Service | Series 2002 Debt Service Requirement | Additional Bonds Debt Service Requirement | Projected Debt Service Coverage (4) | Capital Replacements | Capital Improvements | Operating Coverage (5) | End of Year Cash Balance (6) | CIP Costs Category 5 | Project Funds Available |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2002-03 | | | | | | | | | | | | | | 10,236,124 | | |
| 2003-04 | 17,954,132 | 23,071,000 | 12,287,440 | 10,783,560 | 420,000 | 750,000 | 11,953,560 | 5,526,633 | | 2.1629 | 2,073,645 | 4,353,282 | 1.0000 | 10,236,124 | ***15,662,000*** | 23,691,282 |
| 2004-05 | 18,133,673 | 24,001,000 | 12,471,751 | 11,529,249 | 490,000 | 750,000 | 12,769,249 | 6,255,863 | 2,609,227 | 1.4404 | 2,104,750 | 1,799,409 | 1.0000 | 10,236,124 | ***10,500,000*** | 14,990,691 |
| 2005-06 | 18,315,010 | 24,968,000 | 12,658,828 | 12,309,172 | 620,000 | 750,000 | 13,679,172 | 6,247,420 | 2,609,227 | 1.5445 | 2,136,321 | 2,686,204 | 1.0000 | 10,236,124 | ***12,245,000*** | 5,431,894 |
| 2006-07 | 18,498,160 | 25,974,000 | 12,848,710 | 13,125,290 | 830,000 | 750,000 | 14,705,290 | 6,243,770 | 2,609,227 | 1.6611 | 2,166,366 | 3,685,927 | 1.0000 | 10,236,124 | ***16,180,000*** | 42,937,821 |
| 2007-08 | 18,683,141 | 27,021,000 | 13,041,441 | 13,979,559 | 950,000 | 750,000 | 15,679,559 | 6,232,220 | 6,336,695 | 1.2475 | 2,200,898 | 909,746 | 1.0000 | 10,236,124 | ***16,050,000*** | 27,797,567 |
| 2008-09 | 18,869,973 | 27,281,000 | 13,237,062 | 14,043,938 | 1,020,000 | 750,000 | 15,813,938 | 6,229,283 | 6,336,695 | 1.2585 | 2,233,905 | 1,014,055 | 1.0000 | 10,236,124 | ***18,706,000*** | 10,105,622 |
| 2009-10 | 19,056,583 | 27,564,000 | 13,485,818 | 14,078,182 | 1,090,000 | 750,000 | 15,918,182 | 6,230,145 | 6,336,695 | 1.2667 | 2,267,413 | 1,083,929 | 1.0000 | 10,236,124 | ***18,500,000*** | 34,689,551 |
| 2010-11 | 19,249,259 | 27,840,000 | 13,637,153 | 14,202,847 | 1,150,000 | 750,000 | 16,102,847 | 6,223,120 | 6,336,695 | 1.2821 | 2,301,424 | 1,241,608 | 1.0000 | 10,236,124 | ***12,600,000*** | 23,331,159 |
| 2011-12 | 19,441,752 | 28,118,000 | 13,841,710 | 14,276,290 | 1,220,000 | 750,000 | 16,246,290 | 4,303,703 | 8,646,695 | 1.2545 | 2,335,946 | 959,946 | 1.0000 | 10,236,124 | ***15,300,000*** | 8,991,105 |
| 2012-13 | 19,636,169 | 28,399,000 | 14,049,315 | 14,349,685 | 1,350,000 | 750,000 | 16,449,685 | 1,537,328 | 9,598,820 | 1.4771 | 2,370,985 | 2,942,552 | 1.0000 | 10,236,124 | ***13,900,000*** | (1,966,343) |
| 2013-14 | 19,832,531 | 28,863,000 | 14,260,075 | 14,602,925 | 1,420,000 | 750,000 | 16,772,925 | 1,539,888 | 9,598,820 | 1.5058 | 2,406,550 | 3,227,667 | 1.0000 | 10,236,124 | ***3,700,000*** | (2,438,676) |
| 2014-15 | 20,030,855 | 28,970,000 | 14,473,977 | 14,496,023 | 1,460,000 | 750,000 | 16,706,023 | 1,539,800 | 9,598,820 | 1.4998 | 2,442,648 | 3,124,755 | 1.0000 | 10,236,124 | ***7,200,000*** | (6,513,922) |
| | | | | | | | | | | | | | | | ***160,543,000*** | |

(1) Assumes 1% increase in annual usage.
(2) Assumes 7% rate increase 2002/03 then 3% increase next 5 years - 0% thereafter.
(3) Assumes 1.50% annual increase in operating expense.
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