

Petitioner’s Exhibit 16

Financial Analysis Report

Town of Winfield Sewage Works
April 21, 2025

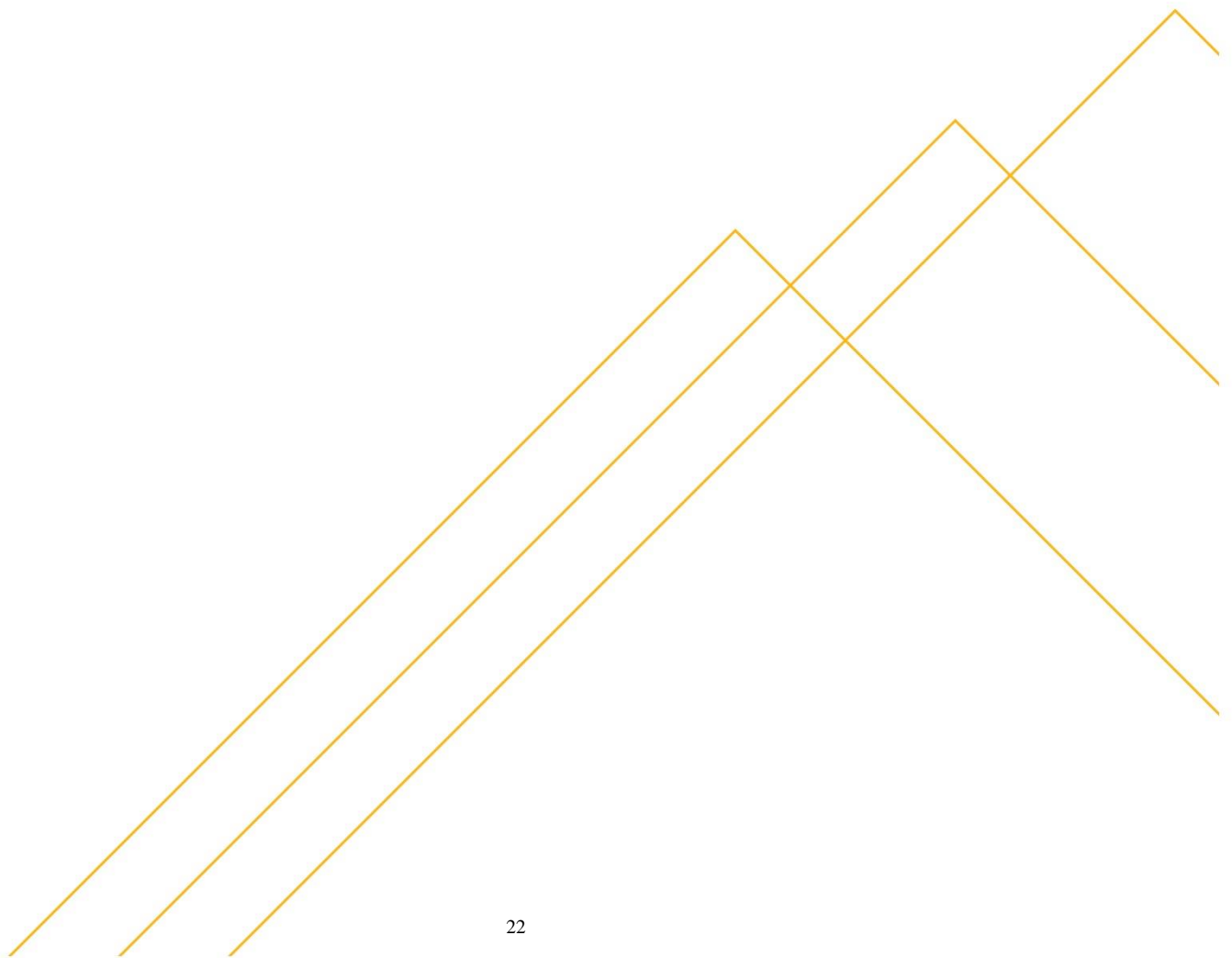




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Purpose of the Report

Crowe LLP (“Crowe” or “we”) has performed a study and analysis of the operating and financial reports and other data pertaining to the Town of Winfield Sewage Works (“Utility”). The results of our analysis are contained in this Financial Analysis Report (“Report”).

The purpose of this Report is to calculate the debt service coverage of the Utility on current debt service payments. This Report is based on data for the twelve months ended December 31, 2024, 2023, and 2022. The historical information used in this Report was provided by the Utility and their representatives from the books and records of the Utility.

In the course of preparing this Report, we have not conducted an audit of any financial or supplemental data used in the accompanying exhibits and schedules. We have made certain projections based on assumptions provided by the Utility that may vary from actual results because events and circumstances frequently do not occur as estimated and such variances may be material. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

If you have any questions regarding this Report, please call Jennifer Wilson at (317) 269-6696.

Financial Statements

Statements of Receipts and Disbursements for the twelve months ended December 31, 2024, 2023, and 2022

	2024	2023	2022
<u>Operating Receipts</u>			
Sales and Forfeited Discounts	\$ 1,538,307	\$ 1,459,672	\$ 1,333,075
Other Operating Receipts	36,311	43,357	56,719
Total Operating Receipts	<u>1,574,618</u>	<u>1,503,029</u>	<u>1,389,794</u>
<u>Operating Disbursements</u>			
Operation and Maintenance Expenses			
Sewer Operations			
Sludge Removal Expenses	128,315	111,567	112,496
Purchased Power	177,075	175,684	134,265
Chemicals	41,234	23,035	31,660
Repairs	100,436	72,125	134,530
Billing Expense	37,053	19,059	14,002
Contractual Services - Operator	62,400	61,182	48,150
Contractual Services - Professional	4,382	1,500	1,500
Contractual Services - Legal	22,068	55,754	15,542
Contractual Services - Engineering	7,291	24,654	5,113
Contractual Services - Other	26,539	21,341	25,556
Insurance Expense	20,691	13,666	13,385
Regulatory Fees	7,210	7,210	5,400
Miscellaneous Expense	26,085	46,582	12,982
Administrative and General	126,000	126,000	126,000
Taxes Other Than Income Taxes			
Payment In Lieu of Taxes	-	68,955	52,518
Total Operating Disbursements	<u>786,779</u>	<u>828,314</u>	<u>733,099</u>
Net Operating Receipts	<u>787,839</u>	<u>674,715</u>	<u>656,695</u>

Data Source: Utility

Statements of Receipts and Disbursements for the twelve months ended December 31, 2024, 2023, and 2022 (Continued)

	2024	2023	2022
<u>Other Receipts</u>			
Interest on Investments	\$ 139,114	\$ 106,646	\$ 18,862
System Development Fees	790,348	629,134	526,350
Net Recapture Fees	1,434	975	337
Proceeds of Sale of Bonds - Notes	-	-	7,080,000
Total Other Receipts	<u>930,896</u>	<u>736,755</u>	<u>7,625,549</u>
<u>Other Disbursements</u>			
Principal Repayment	260,000	250,000	325,000
Interest Expense	261,104	268,173	247,558
BAN Repayment	-	-	6,800,000
Capital Improvements	-	510,365	689,162
Bond Cost of Issuance	-	-	213,649
Total Other Disbursements	<u>521,104</u>	<u>1,028,538</u>	<u>8,275,369</u>
Net Receipts	<u>\$ 1,197,631</u>	<u>\$ 382,932</u>	<u>\$ 6,875</u>

Note: A capital payment for Hasse Construction was incorrectly made from the Utility's SDC Fund in 2024 instead of the 2023 Building Corporation Bond Construction Fund. The summary above for 2024 excludes this expense since it was made in error and the correction occurred in February 2025.

Data Source: Utility

Combined Outstanding Debt

Pay Year	2013A Bond	2013B Bonds	2022A Bonds	2022B Bonds	Total Debt
2025	\$ 60,780	\$ 91,198	\$ 224,119	\$ 142,716	\$ 518,813
2026		158,192	185,022	172,442	515,656
2027		153,966	191,670	171,346	516,982
2028		154,742	193,019	170,252	518,013
2029		154,801	194,294	169,156	518,251
2030		154,621	195,345	168,062	518,028
2031		154,163	196,323	166,966	517,452
2032			350,959	165,872	516,831
2033			351,944	164,776	516,720
2034			352,632	163,682	516,314
2035			358,021	162,586	520,607
2036			357,963	161,492	519,455
2037			177,608	340,396	518,004
2038				519,356	519,356
2039				519,664	519,664
2040				514,425	514,425
2041				518,731	518,731
2042				517,305	517,305
2043				515,424	515,424
2044				517,904	517,904
2045				259,654	259,654
Totals	<u>\$ 60,780</u>	<u>\$ 1,021,683</u>	<u>\$ 3,328,919</u>	<u>\$ 6,202,207</u>	<u>\$ 10,613,589</u>
Maximum Annual Debt Service					<u>\$ 520,607</u>

Sewage Works Refunding Revenue Bonds of 2013, Series A Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
7/1/25	<u>\$ 60,000</u>	2.60 %	<u>\$ 780</u>	<u>\$ 60,780</u>	\$ 60,780
Totals	<u><u>\$ 60,000</u></u>		<u><u>\$ 780</u></u>	<u><u>\$ 60,780</u></u>	

Data Source: Bond Specimen for the 2013A Bonds, as recalculated by Crowe.

Sewage Works Refunding Revenue Bonds of 2013, Series B Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
7/1/25			\$ 15,599	\$ 15,599	
1/1/26	\$ 60,000	3.25 %	15,599	75,599	\$ 91,198
7/1/26	65,000	3.25	14,624	79,624	
1/1/27	65,000	3.25	13,568	78,568	158,192
7/1/27	65,000	3.25	12,511	77,511	
1/1/28	65,000	3.25	11,455	76,455	153,966
7/1/28	65,000	3.25	10,399	75,399	
1/1/29	70,000	3.70	9,343	79,343	154,742
7/1/29	70,000	3.70	8,048	78,048	
1/1/30	70,000	3.70	6,753	76,753	154,801
7/1/30	70,000	3.70	5,458	75,458	
1/1/31	75,000	3.70	4,163	79,163	154,621
7/1/31	75,000	3.70	2,775	77,775	
1/1/32	75,000	3.70	1,388	76,388	154,163
Totals	<u>\$ 890,000</u>		<u>\$ 131,683</u>	<u>\$ 1,021,683</u>	

Data Source: Bond Specimen for the 2013B Bonds, as recalculated by Crowe.

Sewage Works Revenue Bonds of 2022, Series A Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
7/1/25	\$ 70,000	2.98 %	\$ 40,081	\$ 110,081	
1/1/26	75,000	2.98	39,038	114,038	\$ 224,119
7/1/26	55,000	2.98	37,921	92,921	
1/1/27	55,000	2.98	37,101	92,101	185,022
7/1/27	60,000	2.98	36,282	96,282	
1/1/28	60,000	2.98	35,388	95,388	191,670
7/1/28	65,000	2.98	34,494	99,494	
1/1/29	60,000	2.98	33,525	93,525	193,019
7/1/29	65,000	2.98	32,631	97,631	
1/1/30	65,000	2.98	31,663	96,663	194,294
7/1/30	70,000	2.98	30,694	100,694	
1/1/31	65,000	2.98	29,651	94,651	195,345
7/1/31	70,000	2.98	28,683	98,683	
1/1/32	70,000	2.98	27,640	97,640	196,323
7/1/32	150,000	2.98	26,597	176,597	
1/1/33	150,000	2.98	24,362	174,362	350,959
7/1/33	155,000	2.98	22,127	177,127	
1/1/34	155,000	2.98	19,817	174,817	351,944
7/1/34	160,000	2.98	17,508	177,508	
1/1/35	160,000	2.98	15,124	175,124	352,632
7/1/35	165,000	2.98	12,740	177,740	
1/1/36	170,000	2.98	10,281	180,281	358,021
7/1/36	170,000	2.98	7,748	177,748	
1/1/37	175,000	2.98	5,215	180,215	357,963
7/1/37	175,000	2.98	2,608	177,608	177,608
Totals	<u>\$ 2,690,000</u>		<u>\$ 638,919</u>	<u>\$ 3,328,919</u>	

Data Source: Bond Specimen for the 2022 A Bonds, as recalculated by Crowe.

Sewage Works Revenue Bonds of 2022, Series B Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
7/1/25			\$ 71,358	\$ 71,358	
1/1/26			71,358	71,358	\$ 142,716
7/1/26	\$ 15,000	3.65 %	71,358	86,358	
1/1/27	15,000	3.65	71,084	86,084	172,442
7/1/27	15,000	3.65	70,810	85,810	
1/1/28	15,000	3.65	70,536	85,536	171,346
7/1/28	15,000	3.65	70,263	85,263	
1/1/29	15,000	3.65	69,989	84,989	170,252
7/1/29	15,000	3.65	69,715	84,715	
1/1/30	15,000	3.65	69,441	84,441	169,156
7/1/30	15,000	3.65	69,168	84,168	
1/1/31	15,000	3.65	68,894	83,894	168,062
7/1/31	15,000	3.65	68,620	83,620	
1/1/32	15,000	3.65	68,346	83,346	166,966
7/1/32	15,000	3.65	68,073	83,073	
1/1/33	15,000	3.65	67,799	82,799	165,872
7/1/33	15,000	3.65	67,525	82,525	
1/1/34	15,000	3.65	67,251	82,251	164,776
7/1/34	15,000	3.65	66,978	81,978	
1/1/35	15,000	3.65	66,704	81,704	163,682
7/1/35	15,000	3.65	66,430	81,430	
1/1/36	15,000	3.65	66,156	81,156	162,586
7/1/36	15,000	3.65	65,883	80,883	
1/1/37	15,000	3.65	65,609	80,609	161,492
7/1/37	15,000	3.65	65,335	80,335	
1/1/38	195,000	3.65	65,061	260,061	340,396
7/1/38	200,000	3.65	61,503	261,503	
1/1/39	200,000	3.65	57,853	257,853	519,356
7/1/39	205,000	3.65	54,203	259,203	
1/1/40	210,000	3.65	50,461	260,461	519,664
7/1/40	210,000	3.65	46,629	256,629	
1/1/41	215,000	3.65	42,796	257,796	514,425
7/1/41	220,000	3.65	38,873	258,873	
1/1/42	225,000	3.65	34,858	259,858	518,731
7/1/42	230,000	3.65	30,751	260,751	
1/1/43	230,000	3.65	26,554	256,554	517,305
7/1/43	235,000	3.65	22,356	257,356	
1/1/44	240,000	3.65	18,068	258,068	515,424
7/1/44	245,000	3.65	13,688	258,688	
1/1/45	250,000	3.65	9,216	259,216	517,904
7/1/45	255,000	3.65	4,654	259,654	259,654
Totals	\$ 3,910,000		\$ 2,292,207	\$ 6,202,207	

Data Source: Bond Specimen for the 2022 B Bonds, as recalculated by Crowe.

Statement of Fund Balances for twelve months ended December 31, 2024, 2023, and 2022

	2024	2023	2022
Sewer Operating (1)	\$ 80,000	\$ 80,000	\$ 80,000
Debt Service 2013A Bonds	10,260	-	-
Debt Service 2013B Bonds	2,600	-	-
Debt Service 2022 Bonds	30,415	-	-
Debt Service Reserve	362,102	279,657	214,878
Improvement Fund	242,159	58,666	69,055
System Development Charges	2,562,080	2,062,470	1,584,859
Sewer Recapture Fees	2,746	1,312	337
Net Receipts	<u>\$ 3,292,362</u>	<u>\$ 2,482,105</u>	<u>\$ 1,949,129</u>

(1) The Operating Fund is required to maintain an \$80,000 minimum balance.

Data Source: Utility.

Estimated Debt Service Coverage

	2024	2023	2022
Operating Receipts	\$ 1,574,618	\$ 1,503,029	\$ 1,389,794
Less: Operating Disbursements	(786,779)	(828,314)	(733,099)
Add: System Development Fees	790,348	629,134	526,350
Add: Interest	139,114	106,646	18,862
Net Receipts Available for Debt Service	1,717,301	1,410,495	1,201,907
Maximum Annual Debt Service	520,607	520,607	520,607
Coverage - \$	<u>\$ 1,196,694</u>	<u>\$ 889,888</u>	<u>\$ 681,300</u>
Coverage - %	<u>330%</u>	<u>271%</u>	<u>231%</u>

Note: System Development Charges ("SDC") are one-time capacity charges paid by new customers to the Sewage Works for system capacity. SDCs may be used for capital expenditures or payment of debt service. The collection of SDCs is contingent on new customers connecting to the Sewage Works. The coverage excluding the SDC charges was \$154,950 or 130% for the year 2022, \$260,754 or 150% for the year 2023, and \$406,346 or 178% for the year 2024.

Note: According to the parity provisions listed in the bond ordinances of the currently outstanding bonds, the Net Revenues available for debt service is required to be 125% of the maximum annual debt service on the outstanding debt and the proposed additional debt to be issued on parity with the outstanding debt. The definition of "Net Revenues" is defined as gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance and which reasonable expenses of operation, repair and maintenance specifically do not include any rates or charges in lieu of taxes ("PILOT Payment").

Schedule of Current Rates and Charges

Monthly Treatment Rate Per 1,000 Gallons	\$	11.95
Automotive Car Washes - Required to Use Metered Rates		
Evaporation Discount on Metered Water Usage	15% Discount	
Minimum Monthly Charge (up to 2,000 Gallons allowed)		23.90
<u>Flat Rate Charges (For Non-Metered Customers)</u>		
Single Family Residential Dwelling		
User Class I	Per Home	59.75
User Class II (includes Double Tree		
Project Area Surcharge)	Per Home	69.75
Duplex Residential Dwelling	Per Duplex	120.00
Apartment and Condominiums		
One Bedroom	Per Unit	39.00
Two Bedrooms	Per Unit	58.20
Three Bedrooms	Per Unit	67.80
Assembly Hall	Per Seat	0.60
Bar (without Food Service)	Per Seat	1.80
Beauty Salon	Per Customer	6.60
Bowling Alley		
With Bar and/or Food Service	Per Lane	24.00
Without Food Service	Per Lane	14.40
Church		
With Kitchen	Per Sanctuary Seat	1.20
Without Kitchen	Per Sanctuary Seat	0.60
Day Care Center	Per Person	3.60
Dentist	Per Chair Plus	145.20
	Per Employee	14.40
Food Service Operations		
Cocktail Lounge	Per Seat	6.60
Non 24 Hour Restaurant	Per Seat	6.60
24 Hour Restaurant	Per Seat	9.60
Interstate 24 Hour restaurant	Per Seat	13.80
Tavern	Per Seat	6.60
Curb Service (Drive In) Restaurant	Per Seat	9.60
Governmental Entities or Public Authorities		
Required to use metered rates based on water		