

Appendices

Town of Concord, Massachusetts

Water Fund: Plan and Projection

	PROJECTION										10 years cumulative	
	FY03 ⁽¹⁾	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12		
Operating Revenue												
User fees	\$ 3,415	\$ 3,530	\$ 3,648	\$ 3,769	\$ 3,939	\$ 4,055	\$ 4,174	\$ 4,296	\$ 4,485	\$ 4,617	\$ 39,927	
Other	77	77	77	77	77	77	77	77	77	77	770	
Subtotal	\$ 3,492	\$ 3,607	\$ 3,725	\$ 3,846	\$ 4,016	\$ 4,132	\$ 4,251	\$ 4,373	\$ 4,562	\$ 4,694	\$ 40,697	
Operating Expense												
O&M	\$ 1,925	\$ 2,008	\$ 2,068	\$ 2,130	\$ 2,493	\$ 2,568	\$ 2,645	\$ 2,725	\$ 3,003	\$ 3,093	\$ 24,658	
Depreciation & capital reserve	525	572	656	821	1,016	1,037	1,052	1,083	1,182	1,218	9,152	
Subtotal	\$ 2,449	\$ 2,580	\$ 2,723	\$ 2,951	\$ 3,510	\$ 3,605	\$ 3,697	\$ 3,808	\$ 4,186	\$ 4,311	\$ 33,821	
Operating Income	\$ 1,043	\$ 1,027	\$ 1,001	\$ 895	\$ 507	\$ 527	\$ 553	\$ 565	\$ 377	\$ 382	\$ 6,877	
ADD: Interest income	\$ 82	\$ 46	\$ 44	\$ 52	\$ 50	\$ 37	\$ 28	\$ 23	\$ 18	\$ 13	\$ 393	
LESS: Interest expense	151	124	100	82	66	48	33	24	16	8	653	
Existing debt	-	-	-	204	465	433	407	376	344	312	2,541	
New debt	-	-	-	-	-	-	-	-	-	-	-	
BAN	-	-	-	-	-	-	-	-	-	-	-	
Other expense	-	-	41	55	-	-	4	25	5	-	130	
Net Income	\$ 151	\$ 124	\$ 141	\$ 341	\$ 531	\$ 481	\$ 444	\$ 425	\$ 365	\$ 320	\$ 3,324	
	\$ 973	\$ 949	\$ 904	\$ 606	\$ 26	\$ 82	\$ 137	\$ 163	\$ 30	\$ 75	\$ 3,946	
Available Resources from:												
Net income	\$ 973	\$ 949	\$ 904	\$ 606	\$ 26	\$ 82	\$ 137	\$ 163	\$ 30	\$ 75	\$ 3,946	
Depreciation expense	368	420	509	679	878	904	923	958	1,061	1,101	7,801	
Capital reserve charge	157	152	147	142	138	133	129	125	121	117	1,361	
Bond proceeds	\$ 1,498	\$ 1,521	\$ 1,560	\$ 1,428	\$ 1,042	\$ 1,119	\$ 1,189	\$ 1,247	\$ 1,212	\$ 1,293	\$ 13,108	
LESS: Principal repayment	-	-	\$ 4,100	\$ 5,500	-	-	-	\$ 400	\$ 2,500	\$ 500	\$ 13,000	
Existing debt	\$ 615	\$ 555	\$ 420	\$ 405	\$ 405	\$ 355	\$ 235	\$ 210	\$ 200	\$ 200	\$ 3,600	
New debt	-	-	-	273	640	640	640	640	640	640	4,113	
Net Available	\$ 883	\$ 966	\$ 5,240	\$ 6,249	\$ (3)	\$ 124	\$ 714	\$ 2,897	\$ 872	\$ 453	\$ 18,394	
Capital Plan	\$ 1,018	\$ 1,368	\$ 5,103	\$ 6,043	\$ 569	\$ 552	\$ 934	\$ 3,050	\$ 1,066	\$ 582	\$ 17,186	
Cash Position⁽²⁾												
Beginning cash & investment	\$ 3,310	\$ 3,175	\$ 2,773	\$ 2,910	\$ 3,116	\$ 2,544	\$ 2,116	\$ 1,895	\$ 1,742	\$ 1,548		
ADD: Net available	883	966	5,240	6,249	(3)	124	714	2,897	872	453		
LESS: Planned capital	1,018	1,368	5,103	6,043	569	552	934	3,050	1,066	582		
Ending Cash & Investment	\$ 3,175	\$ 2,773	\$ 2,910	\$ 3,116	\$ 2,544	\$ 2,116	\$ 1,895	\$ 1,742	\$ 1,548	\$ 1,419		

⁽¹⁾ Updated plan for FY03.

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

Town of Concord, Massachusetts

	PROJECTION											10 years cumulative	
	PLAN FY03 ⁽¹⁾	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12			
Operating Revenue													
User fees	\$ 1,657	\$ 1,656	\$ 1,696	\$ 1,738	\$ 1,837	\$ 1,920	\$ 2,018	\$ 2,110	\$ 2,223	\$ 2,330		\$ 19,184	
Other	54	54	57	59	60	61	63	64	66	67		606	
Subtotal	\$ 1,711	\$ 1,710	\$ 1,753	\$ 1,797	\$ 1,896	\$ 1,981	\$ 2,081	\$ 2,174	\$ 2,289	\$ 2,397		\$ 19,790	
Operating Expense													
O&M	\$ 1,097	\$ 981	\$ 1,010	\$ 1,040	\$ 1,123	\$ 1,181	\$ 1,251	\$ 1,305	\$ 1,374	\$ 1,428		\$ 11,789	
Depreciation	573	604	665	741	820	916	1,007	1,079	1,151	1,191		8,745	
Subtotal	\$ 1,669	\$ 1,584	\$ 1,675	\$ 1,782	\$ 1,942	\$ 2,097	\$ 2,258	\$ 2,383	\$ 2,525	\$ 2,619		\$ 20,534	
Operating Income	\$ 42	\$ 126	\$ 78	\$ 15	\$ (46)	\$ (116)	\$ (177)	\$ (209)	\$ (236)	\$ (221)		\$ (744)	
ADD: Interest income	\$ 84	\$ 70	\$ 67	\$ 55	\$ 44	\$ 35	\$ 29	\$ 26	\$ 28	\$ 38		\$ 476	
Betterments	-	-	-	-	392	584	856	982	1,222	1,326		5,362	
Sewer Improvement Fees	162	-	-	-	429	282	375	299	428	352		2,326	
LESS: Interest expense	3	-	-	-	-	-	-	-	-	-		3	
Existing debt	-	-	-	110	214	339	457	533	605	615		2,872	
New debt	-	-	88	90	114	117	89	91	42	42			
BAN	-	-	22	22	27	27	20	20	9	9		156	
Issuance expense	3	-	110	222	355	483	566	644	655	666		\$ 3,703	
Net Income	\$ 285	\$ 196	\$ 35	\$ (151)	\$ 464	\$ 302	\$ 517	\$ 454	\$ 787	\$ 829		\$ 3,717	
Available Resources from:													
Net income	\$ 285	\$ 196	\$ 35	\$ (151)	\$ 464	\$ 302	\$ 517	\$ 454	\$ 787	\$ 829		\$ 3,717	
Depreciation expense	573	604	665	741	820	916	1,007	1,079	1,151	1,191		8,745	
Bond proceeds	\$ 858	\$ 799	\$ 700	\$ 590	\$ 1,284	\$ 1,219	\$ 1,524	\$ 1,532	\$ 1,937	\$ 2,020		\$ 12,462	
LESS: Principal repayment	-	-	-	-	-	-	-	-	-	-		\$ 15,648	
Existing debt	80	-	-	110	219	355	491	592	693	738		\$ 80	
New debt	-	-	-	-	-	-	-	-	-	-		3,198	
Net Available	\$ 778	\$ 799	\$ 2,894	\$ 2,675	\$ 3,779	\$ 3,578	\$ 3,053	\$ 2,961	\$ 2,147	\$ 2,168		\$ 24,832	
Capital Plan⁽²⁾	\$ 519	\$ 822	\$ 3,536	\$ 3,535	\$ 4,316	\$ 4,258	\$ 3,214	\$ 3,223	\$ 1,559	\$ 1,501		\$ 26,484	
Cash Position⁽²⁾													
Beginning cash & investment	\$ 4,545	\$ 4,804	\$ 4,781	\$ 4,139	\$ 3,279	\$ 2,742	\$ 2,062	\$ 1,901	\$ 1,638	\$ 2,226		\$ 2,226	
ADD: Net available	778	799	2,894	2,675	3,779	3,578	3,053	2,961	2,147	2,168		2,168	
LESS: Planned capital	519	822	3,536	3,535	4,316	4,258	3,214	3,223	1,559	1,501		1,501	
Ending Cash & Investment	\$ 4,804	\$ 4,781	\$ 4,139	\$ 3,279	\$ 2,742	\$ 2,062	\$ 1,901	\$ 1,638	\$ 2,226	\$ 2,893		\$ 2,893	

(1) Updated plan for FY03.
 (2) Cash and investment 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) or any improvements funded through the General Fund.

Water Rates
Per 100 Cubic Feet

W-03	Class of Customer	Current	Proposed	% Chg.
1&2	Residential Service (1 and 2)			
	1st Step: (all year)	\$ 2.94	\$ 3.03	3.1%
	Conservation Step*: (2,500 - 4,800 cf)	\$ 5.13	\$ 5.30	3.3%
	Conservation Step*: (over 4,800 cf)	\$ 6.03	\$ 6.36	5.5%
	*May 1st through October 31st for consumption over 2,400 cubic feet bimonthly			
3	General Service			
	1st Step: (all year)	\$ 2.94	\$ 3.03	3.1%
	2nd Step: (all year) (over 5,000 cf bimonthly)	\$ 3.60	\$ 3.77	4.7%
4	Municipal Service			
	1st Step: (all year)	\$ 2.89	\$ 2.98	3.1%
	Interruptible Outdoor Irrigation use			
5	Second Meters Service			
	A. Seasonal Meters/Dedicated Outdoor Irrigation use			
	All consumption	\$ 5.13	\$ 5.30	3.3%
	B. Non-Irrigation, Non-sewered			
		\$ 3.60	\$ 3.77	4.7%

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 use less than the Conservation step threshold.</i>	\$ 353	\$ 364	\$ 10.80	\$ 0.90	3.1%
1b	Large Summertime Residential Customer (4,000 cubic feet bimonthly during summer; 2,500 cubic feet bimonthly rest of year)	\$ 678	\$ 700	\$ 21.39	\$ 1.78	3.2%
1c	Larger Summertime Residential Customer (6,000 cubic feet bimonthly during summer; 2,500 cubic feet bimonthly rest of year)	\$ 1,019	\$ 1,056	\$ 37.35	\$ 3.11	3.7%
3a	Small Commercial Customer (4,000 cubic feet bimonthly) <i>Approximately two-thirds of commercial/institutional/Gov't customers use less than the 2nd step threshold.</i>	\$ 706	\$ 727	\$ 21.60	\$ 1.80	3.1%
3b	Large Commercial Customer (500,000 cubic feet bimonthly)	\$ 107,802	\$ 112,878	\$ 5,076.00	\$ 423.00	4.7%
5a	Small Municipal Customer (4,700 cubic feet bimonthly)	\$ 815	\$ 840	\$ 25.38	\$ 2.12	3.1%
5b	Large Municipal Customer (60,000 cubic feet bimonthly)	\$ 10,404	\$ 10,728	\$ 324.00	\$ 27.00	3.1%

Sewer Rates
Per 100 Cubic Feet

Class of Customer		Current	Proposed	% Chg.
S-02				
1	Residential Service Rate billed year around but uses wintertime average consumption for non-wintertime months.	\$ 6.16	\$ 6.16	0.0%
2	Non-Residential Service Rate billed year around using actual readings for each billing period.	\$ 6.16	\$ 6.16	0.0%

Sample Impacts		Current Annual	Proposed Annual	Annual Change	Monthly Change	% Chg.
1	Average Residential Customer (1,666 cubic feet bimonthly wintertime use)	\$ 616	\$ 616	\$ -	\$ -	0.0%
2	Typical Non-Residential Customer (1,800 cubic feet bimonthly)	\$ 665	\$ 665	\$ -	\$ -	0.0%

TOWN OF CONCORD, MASSACHUSETTS

Municipal Light Plant
Statement of Income and Unappropriated Earned Surplus

For the Year Ended December 31, 2001

Operating Revenues	\$ 16,260,951
Operating Expenses:	
Power supply expense	11,630,990
Transmission	133,210
Distribution	544,008
Customer accounts	226,758
Administrative and general	1,872,299
Depreciation	<u>1,145,493</u>
Total Operating Expenses	<u>15,552,758</u>
Operating Income	708,193
Other Income and (Deductions):	
Underground surcharge	290,009
Income from merchandise and jobbing	33,581
Interest and dividend income	303,690
Other non-operating income	95,091
Interest expense	(257,511)
Amortization of debt expense	<u>(3,984)</u>
Total Other Income	<u>460,876</u>
Net Income	<u>\$ 1,169,069</u>
Earned Surplus:	
Unappropriated earned surplus (at beginning of period)	\$ 21,045,083
Balance transferred from income	<u>1,169,009</u>
Total Credits	22,214,092
Deductions From Earned Surplus:	
Appropriated for loan repayment	644,500
Appropriated to reduce tax levy	340,000
Appropriated surplus applied to retirement of plant	<u>138,136</u>
Total Deductions From Earned Surplus	<u>1,122,636</u>
Unappropriated Earned Surplus (at end of period)	<u>\$ 21,091,456</u>

See accompanying notes to the financial statements.

TOWN OF CONCORD, MASSACHUSETTS

Municipal Light Plant
Statement of Cash Flows

For the Year Ended December 31, 2001

Reconciliation of Operating Income to	
Net Cash Provided by Operating Activities:	
Operating income	\$ 708,193
Adjustments to Reconcile Operating Income to	
Net Cash Provided by Operating Activities:	
Non-operating income	418,621
Depreciation	1,145,493
Decrease (increase) in assets:	
Non-current deposits with Town Treasurer	164,836
Customer accounts receivable	412,834
Other receivables	29,875
Unbilled accounts receivable	285,022
Receivable from Town of Concord	50,675
Materials and supplies	23,546
Prepaid expenses	(5,171)
Increase (decrease) in liabilities:	
Accounts payable	(446,468)
Customer deposits	208
Accrued expenses	54,288
Provision for Boston Edison overcharge	(2,356,456)
Provision for rate refund	412,054
Provision for injuries & damages - net	(3,726)
Accrued employee benefits	1,419
Appropriations to reduce tax levy	<u>(340,000)</u>
Total Adjustments	<u>(152,950)</u>
Net Cash Provided by Operating Activities	555,243
Cash Flows from Capital and Related Financing Activities:	
Net additions to plant assets	(505,616)
Net additions to construction in progress	(1,275,364)
Net additions to customer advances for construction	10,123
Payments on bond principal	(613,000)
Interest expense	<u>(257,511)</u>
Net Cash Used in Capital and Related Financing Activities	(2,641,368)
Cash Flows from Investing Activities:	
Interest and dividend income	303,690
Sale of investment shares	<u>6,532</u>
Net Cash Flows from Investing Activities	<u>310,222</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,775,903)
Deposits with Town Treasurer, Beginning of Year	<u>5,522,110</u>
Deposits with Town Treasurer, End of Year	<u>\$ 3,746,207</u>
Supplemental Cash Flow Disclosure:	
Interest paid	<u>\$ 297,728</u>

See accompanying notes to the financial statements.

TOWN OF CONCORD, MASSACHUSETTS

Water and Sewer Enterprise Funds

Combining Balance Sheet
June 30, 2002

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Current Assets:			
Cash and cash equivalents	\$ 75	\$ -	\$ 75
Investments due from other funds	3,310,471	4,545,005	7,855,476
Accounts receivable	549,079	279,427	828,506
Inventory	<u>40,807</u>	<u>-</u>	<u>40,807</u>
Total Current Assets	3,900,432	4,824,432	8,724,864
Non-Current Assets:			
Fixed assets	12,823,071	18,118,520	30,941,591
Accumulated depreciation	<u>(1,776,235)</u>	<u>(6,121,517)</u>	<u>(7,897,752)</u>
Total Non-Current Assets	<u>11,046,836</u>	<u>11,997,003</u>	<u>23,043,839</u>
Total Assets	<u>\$ 14,947,268</u>	<u>\$ 16,821,435</u>	<u>\$ 31,768,703</u>
<u>LIABILITIES, CONTRIBUTED CAPITAL AND RETAINED EARNINGS</u>			
Current Liabilities:			
Accounts payable	\$ 135,196	\$ 60,943	\$ 196,139
Accrued liabilities	67,860	17,889	85,749
Current maturities of long-term debt	<u>615,000</u>	<u>80,000</u>	<u>695,000</u>
Total Current Liabilities	818,056	158,832	976,888
Non-Current Liabilities:			
Long-term debt, net of current maturities	<u>2,985,000</u>	<u>-</u>	<u>2,985,000</u>
Total Non-Current Liabilities	<u>2,985,000</u>	<u>-</u>	<u>2,985,000</u>
Total Liabilities	3,803,056	158,832	3,961,888
Contributed Capital and Retained Earnings:			
Contributed capital	797,704	14,508,620	15,306,324
Retained earnings	<u>10,346,508</u>	<u>2,153,983</u>	<u>12,500,491</u>
Total Contributed Capital and Retained Earnings	<u>11,144,212</u>	<u>16,662,603</u>	<u>27,806,815</u>
Total Liabilities, Contributed Capital and Retained Earnings	<u>\$ 14,947,268</u>	<u>\$ 16,821,435</u>	<u>\$ 31,768,703</u>

See Independent Auditors' Report.

TOWN OF CONCORD, MASSACHUSETTS

Water and Sewer Enterprise Funds

Combining Statement of Revenues, Expenses
and Changes in Retained Earnings
For the Fiscal Year Ended June 30, 2002

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ <u>3,275,200</u>	\$ <u>1,599,015</u>	\$ <u>4,874,215</u>
Total Operating Revenues	3,275,200	1,599,015	4,874,215
Operating Expenses:			
Depreciation	355,470	604,102	959,572
Salaries and payroll	666,146	197,267	863,413
Repairs and maintenance	28,337	8,249	36,586
Cost of resources	165,196	23,010	188,206
Material and supplies	219,715	20,909	240,624
Contract management	-	432,121	432,121
Interfund allocation	387,276	126,255	513,531
Other	<u>243,929</u>	<u>61,872</u>	<u>305,801</u>
Total Operating Expenses	<u>2,066,069</u>	<u>1,473,785</u>	<u>3,539,854</u>
Operating Income	1,209,131	125,230	1,334,361
Nonoperating Revenue (Expenses):			
Interest expense	(298,808)	(9,787)	(308,595)
Investment income	164,038	137,991	302,029
Other non-operating income	3,134,079	45,150	3,179,229
Other non-operating expenses	<u>(3,100,000)</u>	<u>-</u>	<u>(3,100,000)</u>
Total Nonoperating Revenue (Expenses)	<u>(100,691)</u>	<u>173,354</u>	<u>72,663</u>
Net Income Before Operating Transfers	1,108,440	298,584	1,407,024
Other Financing (Uses):			
Transfers out	<u>(37,277)</u>	<u>(9,319)</u>	<u>(46,596)</u>
Total Operating Transfers (Out)	<u>(37,277)</u>	<u>(9,319)</u>	<u>(46,596)</u>
Net Income	1,071,163	289,265	1,360,428
Fund Equity, Beginning	<u>10,073,049</u>	<u>16,373,338</u>	<u>26,446,387</u>
Fund Equity, Ending	<u>\$ 11,144,212</u>	<u>\$ 16,662,603</u>	<u>\$ 27,806,815</u>

See Independent Auditors' Report.

TOWN OF CONCORD, MASSACHUSETTS

Water and Sewer Enterprise Funds
Combining Statement of Cash Flows

For the Year Ended June 30, 2002

	Water <u>Fund</u>	Sewer <u>Fund</u>	<u>Totals</u>
Cash Flows Provided From Operating Activities:			
Operating income	\$ 1,209,131	\$ 125,230	\$ 1,334,361
Adjustments to reconcile operating loss to net cash provided from operating activities:			
Depreciation	355,470	604,102	959,572
(Increase) decrease in:			
Other assets	692		692
Accounts receivable	167,746	17,294	185,040
Increase (decrease) in:			
Accounts payable	(127,329)	46,359	(80,970)
Accrued liabilities	(22,485)	(7,817)	(30,302)
Net Cash Provided From Operating Activities	<u>1,583,225</u>	<u>785,168</u>	<u>2,368,393</u>
Cash Flows Provided From Investing Activities:			
Investment income	<u>164,038</u>	<u>137,991</u>	<u>302,029</u>
Net Cash Provided From Investing Activities	<u>164,038</u>	<u>137,991</u>	<u>302,029</u>
Cash Flows Provided From Capital and Related Financing Activities:			
(Increase) in due from other funds	(40,300)	(447,992)	(488,292)
Purchase of fixed assets	(974,957)	(371,211)	(1,346,168)
Payment of bonds	(430,000)	(130,000)	(560,000)
Interest expense	(298,808)	(9,787)	(308,595)
Net Cash Used in Capital and Related Financing Activities	<u>(1,744,065)</u>	<u>(958,990)</u>	<u>(2,703,055)</u>
Cash Flows Provided From Non-Capital Financing Activities:			
Other non-operating income (net)	34,079	45,150	79,229
Operating transfer out	<u>(37,277)</u>	<u>(9,319)</u>	<u>(46,596)</u>
Net Cash Provided From Non-Capital Financing Activities	<u>(3,198)</u>	<u>35,831</u>	<u>32,633</u>
Net Increase in Cash	-	-	-
Cash and Cash Equivalents, Beginning of Year	<u>75</u>	<u>-</u>	<u>75</u>
Cash and Cash Equivalents, End of Year	<u>\$ 75</u>	<u>\$ -</u>	<u>\$ 75</u>

See Independent Auditors' Report.