

TOWN OF LAPEL

MUNICIPAL WATER UTILITY

2026 RATE STUDY

May 15, 2026

KROHN
— ASSOCIATES —
CPAS AND CONSULTANTS

Chad Blake, President
And Members of the Town Council
Lapel Municipal Water Utility
1011 North Main Street
Lapel, IN 46051

May 15, 2026

Re: Lapel Municipal Water Utility - 2026 Special Purpose Report

Dear Chad,

The attached schedules and related information are intended solely for discussion and consideration by Town management, officials of the Town and the advisors of the Water Utility in evaluating potential across-the-board water rate adjustments. This information is preliminary in nature, limited in scope, and subject to future revision, refinement, and inclusion in a final report or other subsequent analysis.

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- 2 - Statements of Selected Financial Information Arising from Cash Transactions
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- 4 - Schedule of Amortization of \$270,000 Outstanding Waterworks Revenue Bonds, Series 2024
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Our engagement was limited to presenting unaudited and limited information provided by the Town in the form of selected financial statements, supplementary financial data, and related schedules prepared for use in the preliminary planning stage of the Town's water utility rate study.

We did not audit or review the selected financial information, supplementary data, or related schedules and, accordingly, do not express an opinion, conclusion, or any other form of assurance on the accuracy, completeness, or presentation of such information. The purpose of this special purpose report is to provide Town management with relevant financial and supplementary information to assist in the consideration of water utility rate study matters.

We have no responsibility to update this information or to prepare subsequent reports unless separately engaged to do so. This report and the accompanying schedules are intended solely for the internal use of Town management, appropriate Town officers and officials, and advisors of the Water Utility, and should not be used for any other purpose.

Should you have any questions, please contact Jarrod Hall at jhall@owkcpa.com.

O. W. Krohn & Associates LLP
O.W. Krohn & Associates LLP

LAPEL MUNICIPAL WATER UTILITY

HISTORICAL FINANCIAL STATEMENTS

LAPEL MUNICIPAL WATER UTILITY

STATEMENTS OF SELECTED FINANCIAL INFORMATION
ARISING FROM CASH TRANSACTIONS
AS OF

	<u>12/31/2025</u>	<u>12/31/2024</u>	<u>12/31/2023</u>
UTILITY PLANT IN SERVICE - WATER	<u>\$ 9,595,062</u>	<u>\$ 7,623,083</u>	<u>\$ 5,740,436</u>
TOTAL UTILITY PLANT IN SERVICE	<u>\$ 9,595,062</u>	<u>\$ 7,623,083</u>	<u>\$ 5,740,436</u>
CASH & INVESTMENTS:			
OPERATING FUND	\$ 1,394,528	\$ 936,442	\$ 432,570
BOND AND INTEREST FUND	241,715	383,240	346,270
DEBT SERVICE RESERVE FUND	280,464	243,642	206,219
DEPRECIATION/IMPROVEMENT FUND	481,936	505,824	429,374
METER DEPOSIT FUND	19,818	18,558	16,914
CONSTRUCTION FUND	-	-	-
TOTAL CASH & INVESTMENTS:	<u>\$ 2,418,461</u>	<u>\$ 2,087,706</u>	<u>\$ 1,431,347</u>
LONG-TERM DEBT:			
WATERWORKS REVENUE BONDS, SERIES 2024	\$ 270,000	\$ 285,000	\$ -
WATERWORKS REVENUE BONDS, SERIES 2021A	2,247,000	2,369,000	2,491,000
WATERWORKS REVENUE BONDS, SERIES 2021B	3,786,000	3,787,000	3,788,000
WATERWORKS REFUNDING REVENUE BONDS, SERIES 2021A	1,670,000	1,860,000	1,950,000
TOTAL LONG-TERM DEBT	<u>\$ 7,973,000</u>	<u>\$ 8,301,000</u>	<u>\$ 8,229,000</u>

(Subject to the attached consultant's letter)

LAPEL MUNICIPAL WATER UTILITY

STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE TWELVE MONTHS ENDED

	12/31/2025	12/31/2024	12/31/2023
OPERATING RECEIPTS:			
METERED SALES (NET OF SALES TAX)	\$ 1,546,681	\$ 1,385,942	\$ 1,245,559
TOWER RENT	1,300	1,100	1,374
TOTAL OPERATING RECEIPTS	1,547,981	1,387,042	1,246,933
OPERATING DISBURSEMENTS:			
SALARIES AND WAGES	236,842	180,292	194,821
EMPLOYEE BENEFITS	72,539	58,437	60,290
FUEL AND POWER PURCHASED	41,677	40,461	43,020
CONTRACTUAL SERVICES	151,585	88,071	71,539
REPAIRS AND MAINTENANCE	26,048	26,695	30,239
MATERIALS AND SUPPLIES	62,949	45,091	60,941
TOWN INSURANCE	13,743	11,517	11,681
UTILITY RECEIPT TAX	-	-	8,680
OTHER	23,573	24,376	49,750
TOTAL OPERATING DISBURSEMENTS	628,956	474,940	530,961
NET OPERATING RECEIPTS	919,025	912,102	715,972
NON-OPERATING RECEIPTS			
BOND PROCEEDS	1,790,135	1,825,461	753,947
TAP FEES	8,000	16,000	49,000
IMPACT FEES	14,000	30,000	98,000
RECONNECT FEES	1,900	2,200	1,775
NET CUSTOMER DEPOSITS	1,305	1,760	970
LOAN FOR DURANGO	-	-	3,688
INTEREST ON INVESTMENTS	13,770	29,554	-
OTHER	6,678	35,338	147,000
TOTAL NON-OPERATING RECEIPTS	1,835,788	1,940,313	1,054,380
NON-OPERATING DISBURSEMENTS			
BOND - PRINCIPAL	(328,000)	(228,000)	(203,000)
BOND - INTEREST	(76,913)	(54,357)	(56,766)
LEASE PAYMENTS	(47,166)	(31,052)	(34,637)
CAPITAL OUTLAYS	(1,971,979)	(1,882,647)	(804,439)
TOTAL NON-OPERATING DISBURSEMENTS	(2,424,058)	(2,196,056)	(1,098,842)
INCREASE (DECREASE) IN CASH	330,755	656,359	671,510
BEGINNING CASH BALANCE	2,087,706	1,431,347	759,837
ENDING CASH BALANCE	\$ 2,418,461	\$ 2,087,706	\$ 1,431,347

(Subject to the attached consultant's letter)

LAPEL MUNICIPAL WATER UTILITY

SUPPLEMENTARY FINANCIAL INFORMATION

LAPEL MUNICIPAL WATER UTILITY

SCHEDULE OF AMORTIZATION OF \$270,000 OUTSTANDING WATERWORKS
REVENUE BONDS, SERIES 2024

DATED: OCTOBER 10, 2024

<u>PAYMENT DATE</u>	<u>PRINCIPAL BALANCE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PERIOD TOTAL</u>	<u>BOND YEAR TOTAL</u>
7/1/2026						
1/1/2027	\$ 270,000	0.000%	\$ 15,000	\$ -	\$ 15,000	\$ 15,000
7/1/2027						
1/1/2028	255,000	0.000%	15,000	-	15,000	15,000
7/1/2028						
1/1/2029	240,000	0.000%	15,000	-	15,000	15,000
7/1/2029						
1/1/2030	225,000	0.000%	15,000	-	15,000	15,000
7/1/2030						
1/1/2031	210,000	0.000%	15,000	-	15,000	15,000
7/1/2031						
1/1/2032	195,000	0.000%	15,000	-	15,000	15,000
7/1/2032						
1/1/2033	180,000	0.000%	15,000	-	15,000	15,000
7/1/2033						
1/1/2034	165,000	0.000%	15,000	-	15,000	15,000
7/1/2034						
1/1/2035	150,000	0.000%	15,000	-	15,000	15,000
7/1/2035						
1/1/2036	135,000	0.000%	15,000	-	15,000	15,000
7/1/2036						
1/1/2037	120,000	0.000%	15,000	-	15,000	15,000
7/1/2037						
1/1/2038	105,000	0.000%	15,000	-	15,000	15,000
7/1/2038						
1/1/2039	90,000	0.000%	15,000	-	15,000	15,000
7/1/2039						
1/1/2040	75,000	0.000%	15,000	-	15,000	15,000
7/1/2040						
1/1/2041	60,000	0.000%	15,000	-	15,000	15,000
7/1/2041						
1/1/2042	45,000	0.000%	15,000	-	15,000	15,000
7/1/2042						
1/1/2043	30,000	0.000%	15,000	-	15,000	15,000
7/1/2043						
1/1/2044	15,000	0.000%	15,000	-	15,000	15,000
TOTALS			<u>\$ 270,000</u>	<u>\$ -</u>	<u>\$ 270,000</u>	<u>\$ 270,000</u>

(Subject to the attached consultant's letter)

LAPEL MUNICIPAL WATER UTILITY

SCHEDULE OF AMORTIZATION OF \$2,247,000 OUTSTANDING WATERWORKS
REVENUE BONDS, SERIES 2021A

DATED: DECEMBER 7, 2021

<u>PAYMENT DATE</u>	<u>PRINCIPAL BALANCE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PERIOD TOTAL</u>	<u>BOND YEAR TOTAL</u>
7/1/2026						
1/1/2027	\$ 2,247,000	0.000%	\$ 122,000	\$ -	\$ 122,000	\$ 122,000
7/1/2027						
1/1/2028	2,125,000	0.000%	122,000	-	122,000	122,000
7/1/2028						
1/1/2029	2,003,000	0.000%	122,000	-	122,000	122,000
7/1/2029						
1/1/2030	1,881,000	0.000%	122,000	-	122,000	122,000
7/1/2030						
1/1/2031	1,759,000	0.000%	122,000	-	122,000	122,000
7/1/2031						
1/1/2032	1,637,000	0.000%	122,000	-	122,000	122,000
7/1/2032						
1/1/2033	1,515,000	0.000%	122,000	-	122,000	122,000
7/1/2033						
1/1/2034	1,393,000	0.000%	122,000	-	122,000	122,000
7/1/2034						
1/1/2035	1,271,000	0.000%	122,000	-	122,000	122,000
7/1/2035						
1/1/2036	1,149,000	0.000%	122,000	-	122,000	122,000
7/1/2036						
1/1/2037	1,027,000	0.000%	122,000	-	122,000	122,000
7/1/2037						
1/1/2038	905,000	0.000%	122,000	-	122,000	122,000
7/1/2038						
1/1/2039	783,000	0.000%	123,000	-	123,000	123,000
7/1/2039						
1/1/2040	660,000	0.000%	123,000	-	123,000	123,000
7/1/2040						
1/1/2041	537,000	0.000%	268,000	-	268,000	268,000
7/1/2041						
1/1/2042	269,000	0.000%	269,000	-	269,000	269,000
TOTALS			<u>\$ 2,247,000</u>	<u>\$ -</u>	<u>\$ 2,247,000</u>	<u>\$ 2,247,000</u>

(Subject to the attached consultant's letter)

LAPEL MUNICIPAL WATER UTILITY

SCHEDULE OF AMORTIZATION OF \$3,786,000 OUTSTANDING WATERWORKS
REVENUE BONDS, SERIES 2021B

DATED: DECEMBER 7, 2021

<u>PAYMENT DATE</u>	<u>PRINCIPAL BALANCE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PERIOD TOTAL</u>	<u>BOND YEAR TOTAL</u>
7/1/2026						
1/1/2027	\$ 3,786,000	0.000%	\$ 1,000	\$ -	\$ 1,000	\$ 1,000
7/1/2027						
1/1/2028	3,785,000	0.000%	1,000	-	1,000	1,000
7/1/2028						
1/1/2029	3,784,000	0.000%	1,000	-	1,000	1,000
7/1/2029						
1/1/2030	3,783,000	0.000%	1,000	-	1,000	1,000
7/1/2030						
1/1/2031	3,782,000	0.000%	1,000	-	1,000	1,000
7/1/2031						
1/1/2032	3,781,000	0.000%	1,000	-	1,000	1,000
7/1/2032						
1/1/2033	3,780,000	0.000%	1,000	-	1,000	1,000
7/1/2033						
1/1/2034	3,779,000	0.000%	1,000	-	1,000	1,000
7/1/2034						
1/1/2035	3,778,000	0.000%	1,000	-	1,000	1,000
7/1/2035						
1/1/2036	3,777,000	0.000%	1,000	-	1,000	1,000
7/1/2036						
1/1/2037	3,776,000	0.000%	1,000	-	1,000	1,000
7/1/2037						
1/1/2038	3,775,000	0.000%	1,000	-	1,000	1,000
7/1/2038						
1/1/2039	3,774,000	0.000%	1,000	-	1,000	1,000
7/1/2039						
1/1/2040	3,773,000	0.000%	1,000	-	1,000	1,000
7/1/2040						
1/1/2041	3,772,000	0.000%	1,000	-	1,000	1,000
7/1/2041						
1/1/2042	3,771,000	0.000%	1,000	-	1,000	1,000
7/1/2042						
1/1/2043	3,770,000	0.000%	265,000	-	265,000	265,000
7/1/2043						
1/1/2044	3,505,000	0.000%	265,000	-	265,000	265,000
7/1/2044						
1/1/2045	3,240,000	0.000%	270,000	-	270,000	270,000
7/1/2045						
1/1/2046	2,970,000	0.000%	270,000	-	270,000	270,000
7/1/2046						
1/1/2047	2,700,000	0.000%	270,000	-	270,000	270,000
7/1/2047						
1/1/2048	2,430,000	0.000%	270,000	-	270,000	270,000

(Subject to the attached consultant's letter)

LAPEL MUNICIPAL WATER UTILITY

SCHEDULE OF AMORTIZATION OF \$3,786,000 OUTSTANDING WATERWORKS
REVENUE BONDS, SERIES 2021B

DATED: DECEMBER 7, 2021

<u>PAYMENT DATE</u>	<u>PRINCIPAL BALANCE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PERIOD TOTAL</u>	<u>BOND YEAR TOTAL</u>
7/1/2048						
1/1/2049	\$ 2,160,000	0.000%	\$ 270,000	\$ -	270,000	270,000
7/1/2049						
1/1/2050	1,890,000	0.000%	270,000	-	270,000	270,000
7/1/2050						
1/1/2051	1,620,000	0.000%	270,000	-	270,000	270,000
7/1/2051						
1/1/2052	1,350,000	0.000%	270,000	-	270,000	270,000
7/1/2052						
1/1/2053	1,080,000	0.000%	270,000	-	270,000	270,000
7/1/2053						
1/1/2054	810,000	0.000%	270,000	-	270,000	270,000
7/1/2054						
1/1/2055	540,000	0.000%	270,000	-	270,000	270,000
7/1/2055						
1/1/2056	270,000	0.000%	270,000	-	270,000	270,000
TOTALS			<u>\$ 3,786,000</u>	<u>\$ -</u>	<u>\$ 3,786,000</u>	<u>\$ 3,786,000</u>

(Subject to the attached consultant's letter)

LAPEL MUNICIPAL WATER UTILITY

SCHEDULE OF AMORTIZATION OF \$1,670,000 OUTSTANDING WATERWORKS
REFUNDING REVENUE BONDS, SERIES 2021A

DATED: NOVEMBER 23, 2021

<u>PAYMENT DATE</u>	<u>PRINCIPAL BALANCE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PERIOD TOTAL</u>	<u>BOND YEAR TOTAL</u>
7/1/2026				\$ 23,797.50	\$ 23,797.50	
1/1/2027	\$ 1,670,000	2.850%	\$ 100,000	23,797.50	123,797.50	\$ 147,595.00
7/1/2027				22,372.50	22,372.50	
1/1/2028	1,570,000	2.850%	100,000	22,372.50	122,372.50	144,745.00
7/1/2028				20,947.50	20,947.50	
1/1/2029	1,470,000	2.850%	105,000	20,947.50	125,947.50	146,895.00
7/1/2029				19,451.25	19,451.25	
1/1/2030	1,365,000	2.850%	110,000	19,451.25	129,451.25	148,902.50
7/1/2030				17,883.75	17,883.75	
1/1/2031	1,255,000	2.850%	110,000	17,883.75	127,883.75	145,767.50
7/1/2031				16,316.25	16,316.25	
1/1/2032	1,145,000	2.850%	115,000	16,316.25	131,316.25	147,632.50
7/1/2032				14,677.50	14,677.50	
1/1/2033	1,030,000	2.850%	115,000	14,677.50	129,677.50	144,355.00
7/1/2033				13,038.75	13,038.75	
1/1/2034	915,000	2.850%	120,000	13,038.75	133,038.75	146,077.50
7/1/2034				11,328.75	11,328.75	
1/1/2035	795,000	2.850%	125,000	11,328.75	136,328.75	147,657.50
7/1/2035				9,547.50	9,547.50	
1/1/2036	670,000	2.850%	125,000	9,547.50	134,547.50	144,095.00
7/1/2036				7,766.25	7,766.25	
1/1/2037	545,000	2.850%	130,000	7,766.25	137,766.25	145,532.50
7/1/2037				5,913.75	5,913.75	
1/1/2038	415,000	2.850%	135,000	5,913.75	140,913.75	146,827.50
7/1/2038				3,990.00	3,990.00	
1/1/2039	280,000	2.850%	140,000	3,990.00	143,990.00	147,980.00
7/1/2039				1,995.00	1,995.00	
1/1/2040	140,000	2.850%	140,000	1,995.00	141,995.00	143,990.00
TOTALS			<u>\$ 1,670,000</u>	<u>\$ 378,052.50</u>	<u>\$ 2,048,052.50</u>	<u>\$ 2,048,052.50</u>

(Subject to the attached consultant's letter)

LAPEL MUNICIPAL WATER UTILITY

SCHEDULE OF COMBINED DEBT SERVICE

PAYMENT DATE	2024 BONDS	2021 REF BONDS	2021A BONDS	2021B BONDS	PERIOD TOTAL	BOND YEAR TOTAL
7/1/2026	\$ -	\$ -	\$ -	\$ 23,797.50	\$ 23,797.50	
1/1/2027	15,000.00	122,000.00	1,000.00	123,797.50	261,797.50	\$ 285,595.00
7/1/2027	-	-	-	22,372.50	22,372.50	
1/1/2028	15,000.00	122,000.00	1,000.00	122,372.50	260,372.50	282,745.00
7/1/2028	-	-	-	20,947.50	20,947.50	
1/1/2029	15,000.00	122,000.00	1,000.00	125,947.50	263,947.50	284,895.00
7/1/2029	-	-	-	19,451.25	19,451.25	
1/1/2030	15,000.00	122,000.00	1,000.00	129,451.25	267,451.25	286,902.50
7/1/2030	-	-	-	17,883.75	17,883.75	
1/1/2031	15,000.00	122,000.00	1,000.00	127,883.75	265,883.75	283,767.50
7/1/2031	-	-	-	16,316.25	16,316.25	
1/1/2032	15,000.00	122,000.00	1,000.00	131,316.25	269,316.25	285,632.50
7/1/2032	-	-	-	14,677.50	14,677.50	
1/1/2033	15,000.00	122,000.00	1,000.00	129,677.50	267,677.50	282,355.00
7/1/2033	-	-	-	13,038.75	13,038.75	
1/1/2034	15,000.00	122,000.00	1,000.00	133,038.75	271,038.75	284,077.50
7/1/2034	-	-	-	11,328.75	11,328.75	
1/1/2035	15,000.00	122,000.00	1,000.00	136,328.75	274,328.75	285,657.50
7/1/2035	-	-	-	9,547.50	9,547.50	
1/1/2036	15,000.00	122,000.00	1,000.00	134,547.50	272,547.50	282,095.00
7/1/2036	-	-	-	7,766.25	7,766.25	
1/1/2037	15,000.00	122,000.00	1,000.00	137,766.25	275,766.25	283,532.50
7/1/2037	-	-	-	5,913.75	5,913.75	
1/1/2038	15,000.00	122,000.00	1,000.00	140,913.75	278,913.75	284,827.50
7/1/2038	-	-	-	3,990.00	3,990.00	
1/1/2039	15,000.00	123,000.00	1,000.00	143,990.00	282,990.00	286,980.00
7/1/2039	-	-	-	1,995.00	1,995.00	
1/1/2040	15,000.00	123,000.00	1,000.00	141,995.00	280,995.00	282,990.00
7/1/2040	-	-	-	-	-	
1/1/2041	15,000.00	268,000.00	1,000.00	-	284,000.00	284,000.00
7/1/2041	-	-	-	-	-	
1/1/2042	15,000.00	269,000.00	1,000.00	-	285,000.00	285,000.00
7/1/2042	-	-	-	-	-	
1/1/2043	15,000.00	-	265,000.00	-	280,000.00	280,000.00
7/1/2043	-	-	-	-	-	
1/1/2044	15,000.00	-	265,000.00	-	280,000.00	280,000.00
7/1/2044	-	-	-	-	-	
1/1/2045	-	-	270,000.00	-	270,000.00	270,000.00
7/1/2045	-	-	-	-	-	
1/1/2046	-	-	270,000.00	-	270,000.00	270,000.00
7/1/2046	-	-	-	-	-	
1/1/2047	-	-	270,000.00	-	270,000.00	270,000.00
7/1/2047	-	-	-	-	-	
1/1/2048	-	-	270,000.00	-	270,000.00	270,000.00
7/1/2048	-	-	-	-	-	
1/1/2049	-	-	270,000.00	-	270,000.00	270,000.00
7/1/2049	-	-	-	-	-	
1/1/2050	-	-	270,000.00	-	270,000.00	270,000.00
7/1/2050	-	-	-	-	-	
1/1/2051	-	-	270,000.00	-	270,000.00	270,000.00
7/1/2051	-	-	-	-	-	
1/1/2052	-	-	270,000.00	-	270,000.00	270,000.00
7/1/2052	-	-	-	-	-	

(Subject to the attached consultant's letter)

LAPEL MUNICIPAL WATER UTILITY

SCHEDULE OF COMBINED DEBT SERVICE

<u>PAYMENT DATE</u>	<u>2024 BONDS</u>	<u>2021 REF BONDS</u>	<u>2021A BONDS</u>	<u>2021B BONDS</u>	<u>PERIOD TOTAL</u>	<u>BOND YEAR TOTAL</u>
1/1/2053	\$ -	\$ -	\$ 270,000.00	\$ -	\$ 270,000.00	\$ 270,000.00
7/1/2053	-	-	-	-	-	-
1/1/2054	-	-	270,000.00	-	270,000.00	270,000.00
7/1/2054	-	-	-	-	-	-
1/1/2055	-	-	270,000.00	-	270,000.00	270,000.00
7/1/2055	-	-	-	-	-	-
1/1/2056	-	-	270,000.00	-	270,000.00	270,000.00
TOTALS	<u>\$ 270,000.00</u>	<u>\$ 2,247,000.00</u>	<u>\$ 3,786,000.00</u>	<u>\$ 2,048,052.50</u>	<u>\$ 8,351,052.50</u>	<u>\$ 8,351,052.50</u>

(Subject to the attached consultant's letter)

LAPEL MUNICIPAL WATER UTILITY
SCHEDULE OF DOLLARS, GALLONS AND CUSTOMERS BILLED BY USER CLASS

	DOLLARS BILLED								
	RESIDENTIAL	COMMERCIAL	INDUSTRIAL BROCKWAY (ADJUSTED)	(1) GOVERNMENT	MULTI FAMILY	PUBLIC FIRE	EDUCATIONAL	CHURCH	TOTAL
JANUARY, 2025	\$ 34,516	\$ 5,685	\$ 8,413	\$ 954	\$ 1,604	\$ 94	\$ 3,041	\$ 250	\$ 54,557
FEBRUARY	34,745	5,521	3,733	412	1,565	94	4,006	276	50,352
MARCH	31,516	4,930	7,525	368	1,528	94	5,374	293	51,628
APRIL	34,256	5,472	4,870	457	1,616	94	5,143	349	52,257
MAY	34,834	5,143	3,971	468	1,552	94	7,185	564	53,811
JUNE	39,015	5,500	8,365	489	1,482	94	3,965	727	59,637
JULY	38,358	5,321	11,356	699	1,479	94	3,563	889	61,759
AUGUST	37,904	5,851	13,454	634	1,581	94	4,728	1,142	65,388
SEPTEMBER	39,337	5,724	12,893	598	1,581	94	6,777	1,034	68,038
OCTOBER	37,065	5,311	15,280	590	1,537	94	7,233	660	67,770
NOVEMBER	35,554	5,350	4,545	634	1,585	94	17,906	481	66,149
DECEMBER	33,978	5,090	3,726	347	2,022	94	6,937	481	52,675
TOTAL	<u>\$ 431,078</u>	<u>\$ 64,898</u>	<u>\$ 98,129</u>	<u>\$ 6,650</u>	<u>\$ 19,132</u>	<u>\$ 1,128</u>	<u>\$ 75,858</u>	<u>\$ 7,146</u>	<u>\$ 704,019</u>
PERCENT	<u>61.23%</u>	<u>9.22%</u>	<u>13.94%</u>	<u>0.94%</u>	<u>2.72%</u>	<u>0.16%</u>	<u>10.77%</u>	<u>1.02%</u>	<u>100.00%</u>

	GALLONS BILLED								
	RESIDENTIAL	COMMERCIAL	INDUSTRIAL BROCKWAY (ADJUSTED)	(1) GOVERNMENT	MULTI FAMILY	PUBLIC FIRE	EDUCATIONAL	CHURCH	TOTAL
JANUARY, 2025	2,902,300	421,600	1,405,400	115,200	99,000	600	379,000	11,400	5,334,500
FEBRUARY	2,998,600	406,500	614,900	36,500	93,400	600	542,100	14,600	4,707,200
MARCH	2,792,500	327,600	1,255,500	30,700	89,800	300	773,000	15,500	5,284,900
APRIL	2,862,700	393,000	807,000	42,500	99,500	900	734,000	22,000	4,961,600
MAY	2,920,000	341,100	655,100	33,500	93,000	1,300	1,079,200	48,000	5,171,200
JUNE	3,381,200	380,700	1,397,300	54,800	84,500	800	535,000	69,200	5,903,500
JULY	3,306,100	370,300	1,902,500	59,600	86,500	800	471,100	99,800	6,296,700
AUGUST	3,262,300	431,700	2,257,000	46,400	98,800	500	664,100	129,800	6,890,600
SEPTEMBER	3,421,900	428,800	2,162,200	38,800	95,400	500	1,010,700	119,400	7,277,700
OCTOBER	3,174,100	370,400	2,565,400	31,300	90,900	500	1,087,800	59,800	7,380,200
NOVEMBER	2,997,200	377,300	752,000	37,400	97,400	1,000	2,890,700	37,400	7,190,400
DECEMBER	2,809,200	336,300	613,700	30,400	171,500	600	1,037,200	37,400	5,036,300
TOTAL	<u>36,828,100</u>	<u>4,585,300</u>	<u>16,388,000</u>	<u>557,100</u>	<u>1,199,700</u>	<u>8,400</u>	<u>11,203,900</u>	<u>664,300</u>	<u>71,434,800</u>
PERCENT	<u>51.56%</u>	<u>6.42%</u>	<u>22.94%</u>	<u>0.78%</u>	<u>1.68%</u>	<u>0.01%</u>	<u>15.68%</u>	<u>0.93%</u>	<u>100.00%</u>

	CUSTOMER COUNT								
	RESIDENTIAL	COMMERCIAL	INDUSTRIAL BROCKWAY	GOVERNMENT	MULTI FAMILY	PUBLIC FIRE	EDUCATIONAL	CHURCH	TOTAL
JANUARY, 2025	854	96	1	7	7	1	5	5	976
FEBRUARY	856	96	1	7	7	1	5	5	978
MARCH	857	96	1	7	7	1	5	5	979
APRIL	859	96	1	7	7	1	5	5	981
MAY	859	98	1	8	7	1	5	5	984
JUNE	858	99	1	9	7	1	5	5	985
JULY	859	99	1	11	7	1	5	5	988
AUGUST	858	100	1	11	7	1	5	5	988
SEPTEMBER	861	102	1	11	7	1	5	5	993
OCTOBER	864	102	1	11	7	1	5	5	996
NOVEMBER	864	102	1	11	7	1	5	5	996
DECEMBER	864	102	1	11	7	1	5	5	996
AVERAGE	<u>859</u>	<u>99</u>	<u>1</u>	<u>9</u>	<u>7</u>	<u>1</u>	<u>5</u>	<u>5</u>	<u>987</u>

(1) ACTUAL GALLONS BILLED TOTALED 163,880,000 DUE TO A BILLING DISCREPANCY. THE TOTAL AMOUNT CHARGED WAS \$971,282.

(Subject to the attached consultant's letter)

LAPEL MUNICIPAL WATER UTILITY

CALCULATION OF LINE LOSS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2025

	<u>GALLONS PUMPED</u>	<u>GALLONS SOLD</u>	<u>LINE LOSS</u>
JANUARY	11,333,000	5,334,500	5,998,500
FEBRUARY	7,566,000	4,707,200	2,858,800
MARCH	8,081,000	5,284,900	2,796,100
APRIL	7,942,000	4,961,600	2,980,400
MAY	8,412,000	5,171,200	3,240,800
JUNE	9,114,000	5,903,500	3,210,500
JULY	10,029,000	6,296,700	3,732,300
AUGUST	9,609,000	6,890,600	2,718,400
SEPTEMBER	9,009,000	7,277,700	1,731,300
OCTOBER	9,180,000	7,380,200	1,799,800
NOVEMBER	8,551,000	7,190,400	1,360,600
DECEMBER	<u>7,327,000</u>	<u>5,036,300</u>	<u>2,290,700</u>
TOTALS	<u>106,153,000</u>	<u>71,434,800</u>	<u>34,718,200</u>
			<u>32.7%</u>

(Subject to the attached consultant's letter)

LAPEL MUNICIPAL WATER UTILITY

PRO FORMA FINANCIAL INFORMATION

LAPEL MUNICIPAL WATER UTILITY

SCHEDULE OF PRO FORMA OPERATING DISBURSEMENTS
 BASED UPON THE TWELVE MONTHS ENDED DECEMBER 31, 2025

	<u>TEST YEAR</u>	<u>ADJUSTMENTS</u>	<u>PRO FORMA AMOUNT</u>
OPERATION AND MAINTENANCE:			
SALARIES AND WAGES	\$ 236,842	\$ 22,158	\$ 259,000 (1)
EMPLOYEE BENEFITS	72,539	7,461	80,000 (1)
FUEL AND POWER PURCHASED	41,677	4,323	46,000 (1)
CONTRACTUAL SERVICES	151,585	(31,585)	120,000 (2)
REPAIRS AND MAINTENANCE	26,048	3,952	30,000 (2)
MATERIALS AND SUPPLIES	62,949	2,051	65,000 (2)
TOWN INSURANCE	13,743	2,257	16,000 (1)
OTHER	23,573	6,427	30,000 (2)
TOTAL OPERATING DISBURSEMENTS	<u>\$ 628,956</u>	<u>\$ 17,044</u>	<u>\$ 646,000</u>

(1) Assumes a 3.00% annual inflationary factor for three years, rounded to the nearest thousand.

(2) Estimates based on previous periods.

(Subject to the attached consultant's letter)

LAPEL MUNICIPAL WATER UTILITY

SCHEDULE OF PRO FORMA REVENUE REQUIREMENTS
BASED ON THE TEST YEAR ENDED DECEMBER 31, 2025

<u>Pro Forma Revenue Requirements:</u>	<u>Current</u>	<u>Proposed</u>
Operating Disbursements (1)	\$ 646,000	\$ 646,000
Annual Lease Payments (2)	53,500	53,500
Debt Service on Outstanding Bonds (3)	286,980	286,980
Depreciation and Bond Coverage (4)	561,501	114,792
Total Pro Forma Revenues Required	<u>\$ 1,547,981</u>	<u>\$ 1,101,272</u>
<u>Pro Forma Revenues (5):</u>		
Water Collections	1,546,681	1,546,681
Adjustment to Normalize for Revised Billings	-	(873,153)
Tower Rent	1,300	1,300
Total Pro Forma Revenues Available	<u>\$ 1,547,981</u>	<u>\$ 674,828</u>
Revenue Shortfall	<u>\$ -</u>	<u>\$ 426,444</u>
Proposed Increase in Rates and Charges	<u>0.0%</u>	<u>63.3%</u>
Residential Bill - State Average (4,000 gallons)	<u>\$ 44.68</u>	<u>\$ 72.97</u>

- (1) Equal to estimated operating disbursements.
- (2) Portion of outstanding lease payments. Annual payments split 50/50 between water and sewer.
- (3) Equal to the maximum annual debt service on the outstanding Bonds.
- (4) Provides allowance for depreciation and bond coverage.
- (5) Based on test year amounts.

(Subject to the attached consultant's letter)

LAPEL MUNICIPAL WATER UTILITY

SCHEDULE OF CURRENT AND PROPOSED WATER RATES AND CHARGES

			<u>Current (1)</u>	<u>Proposed</u>
				63.3%
<u>Metered Flow Rates (per 1,000 gallons):</u>				
First	2,000	Gallons	\$ 11.71	\$ 19.12
Next	4,000	Gallons	10.63	17.36
Next	9,000	Gallons	9.04	14.76
Next	15,000	Gallons	8.20	13.39
Over	30,000	Gallons	5.92	9.67
<u>Minimum Charge Per Month</u>	<u>Gallons</u>		<u>Current (1)</u>	<u>Proposed</u>
				63.3%
<u>Water Meter size:</u>				
5/8 - 3/4	Inch meter	2,000	\$ 23.43	\$ 38.24
1	Inch meter	3,120	35.32	57.68
1 1/4	Inch meter	5,300	58.80	95.53
1 1/2	Inch meter	7,800	82.20	134.25
2	Inch meter	9,120	94.14	153.73
3	Inch meter	11,700	117.54	191.81
4	Inch meter	20,000	188.27	307.47
6	Inch meter	34,000	293.93	480.05
Tap Fees			\$ 1,000.00	\$ 1,000.00
Impact Fees			\$ 2,000.00	\$ 2,000.00

(1) Per Ordinance No. 17-2021.

(Subject to the attached consultant's letter)