

Department of Waterworks Financial Report

January 15, 2009

Presented By: Ryan Pastorius

NOTE: This report is for management purposes only. The report is presented on a cash accounting basis and therefore cannot be used to verify data contained in any financial report presented on an accrual accounting basis, such as the IURC Annual Report or the City of Indianapolis' Comprehensive Annual Financial Report.

Cash Flow Summary

This flowchart illustrates the flow of money through the waterworks in a given month. The chart starts with operating expenses. The leftover funding then goes to servicing debt, and finally the money leftover from debt servicing goes towards capital projects. The detail for the flowchart is found on the following page.

The first step in calculating the available balance is to calculate the Operating Revenue.

The Operating Revenue to date: **\$144,081,396**

The next step is to calculate Operating Expenses.

The Operating Expense to date: **\$67,148,774**

To arrive at the amount available for Debt Service, subtract the Operating Expenses from the Operating Revenue.

Operating Revenue: **\$144,081,396**

Operating Expenses: **\$67,148,774**

Total Remaining for Debt Service: \$76,932,622

To arrive at the amount available for Capital, take the amount calculated above as available for Debt Service: **\$76,932,622**

Then subtract Debt Service Expenses to date: **\$46,682,116**

Amount Available for Capital: \$30,250,506

To arrive at the final balance, take the amount remaining for Capital: **\$30,250,506**

Then add in the Capital Revenue: **\$3,012,793**

Then subtract the Capital Expenses to date: **\$17,808,681**

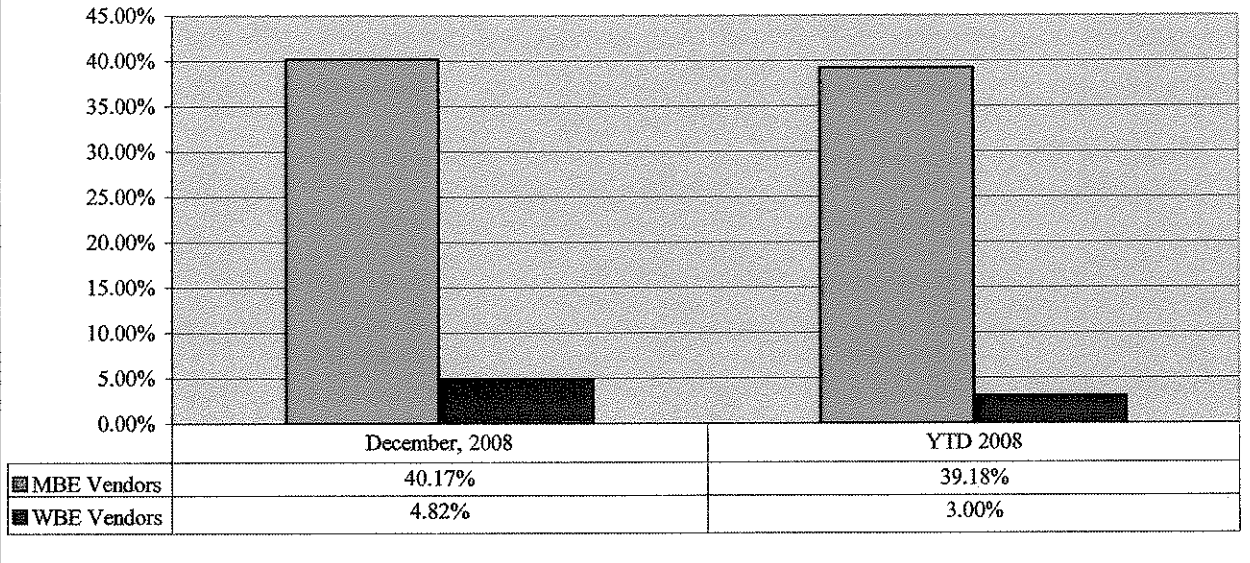
Balance: \$15,454,618

Statement of Cash Flows

Indianapolis Water

	December 2008	2008 YTD	2008 Budget	% of Budget Spent/Collected
Operating Revenue				
Receipts from Sale of Water	11,239,508	125,486,478	124,610,333	100.70%
Interest Income	82,733	1,728,097	3,750,000	46.08%
Other Utility Receipts	817,512	864,820	250,000	345.93%
System Development Charges	343,200	3,370,964	3,250,000	103.72%
Reserved for Prior Year Encumbrances	147,802	10,002,790	19,978,554	50.07%
Rate Stabilization Account Transfer	1,000,000	1,000,000	0	N/A
Other Operating Receipts	7,653	1,628,248	2,250,000	72.37%
Total Operating Revenue	13,638,407	144,081,396	154,088,887	93.51%
Operating Expenses				
Veolia Water Fixed Fee and Service Level Payments	3,377,839	45,084,978	51,541,258	87.47%
Veolia Reimbursement Agreement	0	1,667,000	1,667,000	100.00%
PILOT	522,648	1,827,672	11,000,000	16.62%
Pension Trust Payments	291,667	3,500,000	3,500,000	100.00%
Financial Services	12,101	144,311	200,000	72.16%
Attorney	83,101	228,948	1,000,000	22.89%
Consulting Services	114,755	1,148,454	1,425,000	80.59%
Miscellaneous Expenses	1,697	32,655	34,350	95.07%
Purchased Water and Water Rights	130,711	927,076	900,000	103.01%
Personal Services	38,012	466,908	645,842	72.29%
Supplies	322	4,556	1,600	284.72%
Damage Claims	82,088	345,126	650,000	53.10%
IDEM Fees	0	283,591	300,000	94.53%
IUPPS	0	0	500,000	0.00%
Prior Year Encumbrances Paid in 2008	209	4,353,066	10,281,945	42.34%
Sales and Utility Receipts Taxes	582,486	7,134,435	1,793,545	397.78%
Total Operating Expenses	5,237,635	67,148,774	85,440,539	N/A
Net Available for Debt Service	8,400,772	76,932,622	68,648,348	112.07%
Debt Service Revenue				
Operating Balance	8,400,772	76,932,622	68,648,348	N/A
Total Debt Service Revenue	8,400,772	76,932,622	68,648,348	N/A
Debt Service Expenses				
Bond Interest and Principal	589,216	44,507,735	42,209,000	105.45%
Note Principal	0	216,889	217,222	99.85%
Bank and Trustee Service Fees	174,559	1,957,492	1,287,075	152.09%
Total Debt Service Expenses	763,775	46,682,116	43,713,297	106.79%
Net Available for Capital	7,636,997	30,250,506	24,935,051	N/A
Capital Revenue				
Bond Proceeds Reimbursement	573,158	3,012,793	N/A	N/A
Prior Year System Development Charge Receipts	N/A	N/A	3,007,130	N/A
Operating and Debt Service Balance	7,636,997	30,250,506	24,935,051	N/A
Total Capital Revenue	8,210,155	33,263,299	27,942,181	N/A
Capital Expenses				
2008 Capital Projects	999,466	11,397,418	16,470,692	69.20%
Prior Year Capital Encumbrances Paid in 2008	147,593	5,649,724	9,696,610	58.26%
Property and Equipment	3,400	815,551	1,000,250	81.53%
Main Extension Refunds and Deposits	450,530	(54,011)	N/A	N/A
Total Capital Expenses	1,600,989	17,808,681	27,167,552	N/A
BALANCE	6,609,166	15,454,618	774,629	N/A

Department of Waterworks MBE/WBE Utilization Rates



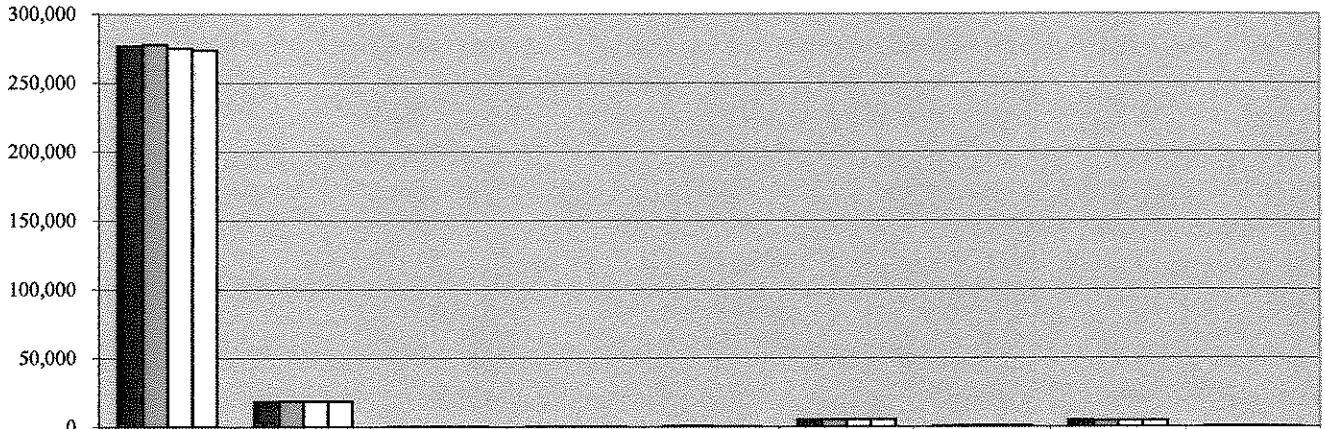
<u>MBE/WBE Disbursements</u>	<u>December, 2008</u>	<u>YTD 2008</u>
Total Disbursements (Non-Committed)	\$ 199,553	\$ 1,410,057

<u>MBE Vendors</u>		
Shrewsberry & Associates	\$ 38,899	\$ 241,742
DLZ Indiana	\$ 41,271	\$ 310,784
Total MBE	\$ 80,169	\$ 552,526
MBE %	40.17%	39.18%

<u>WBE Vendors</u>		
Shrewsberry & Associates		
Decisions, Inc.	\$ 9,620	\$ 42,273
Total MBE	\$ 9,620	\$ 42,273
MBE %	4.82%	3.00%

* Decisions, Inc. is a WBE subcontractor utilized by Shrewsberry and Associates.

Active Service Connections



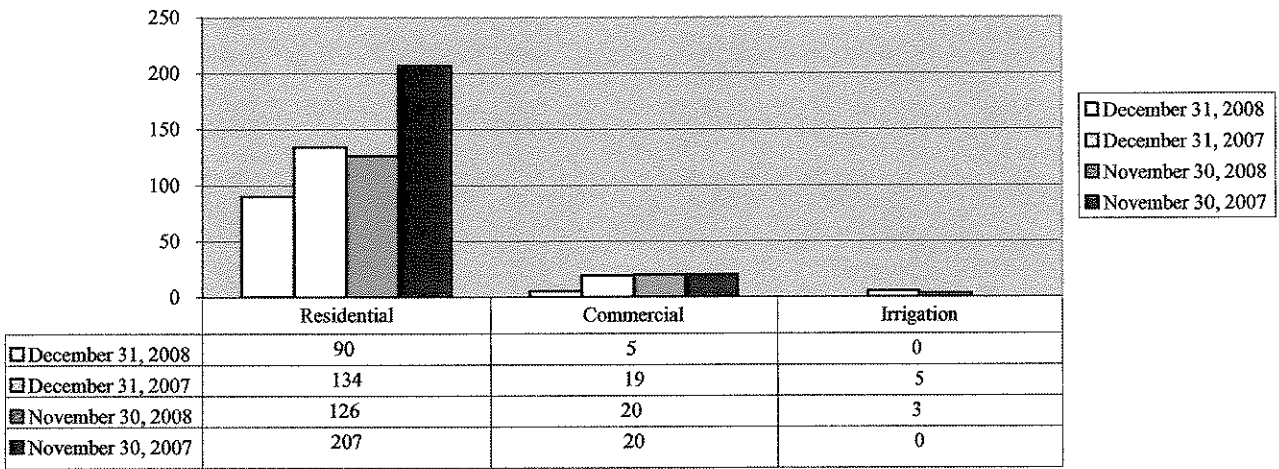
	Residential	Commercial	Industrial	Public Authorities	Irrigation	Multiple Family Dwellings	Temporary Hydrant	Fire Protection	Other/No Customer Type
■ December 31, 2008	276,562	18,407	312	309	351	5,154	535	4,583	219
■ November 30, 2008	277,850	18,584	320	313	352	5,183	612	4,453	221
□ December 31, 2007	274,874	18,514	322	297	294	5,276	581	4,320	226
□ November 30, 2007	273,468	18,473	320	297	283	5,271	637	4,299	226

Net Increase or Decrease from November to December **-0.47%**

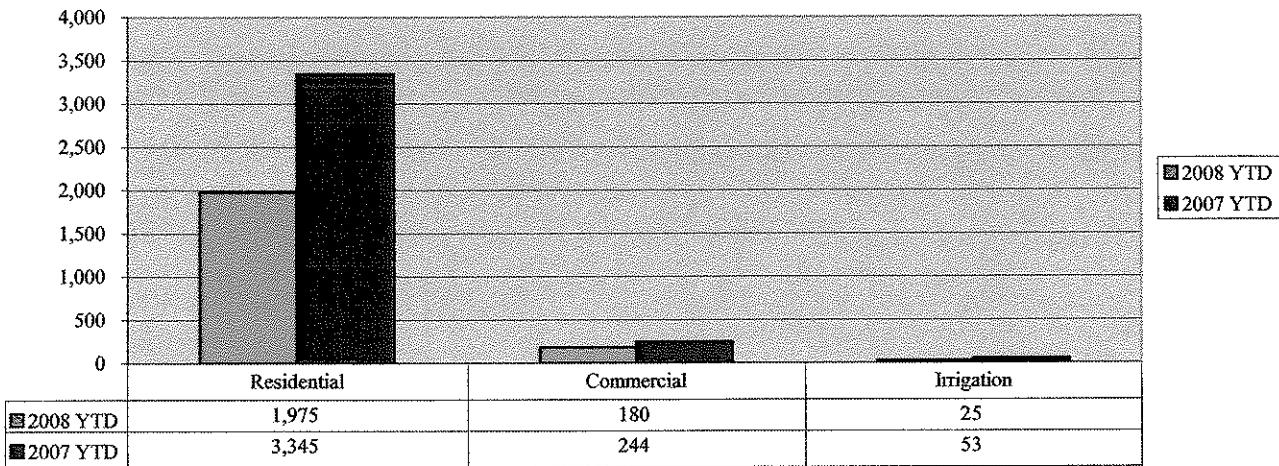
December 2008 SDC Billings **\$603,000**

Year to Date SDC Billings **\$3,532,200**

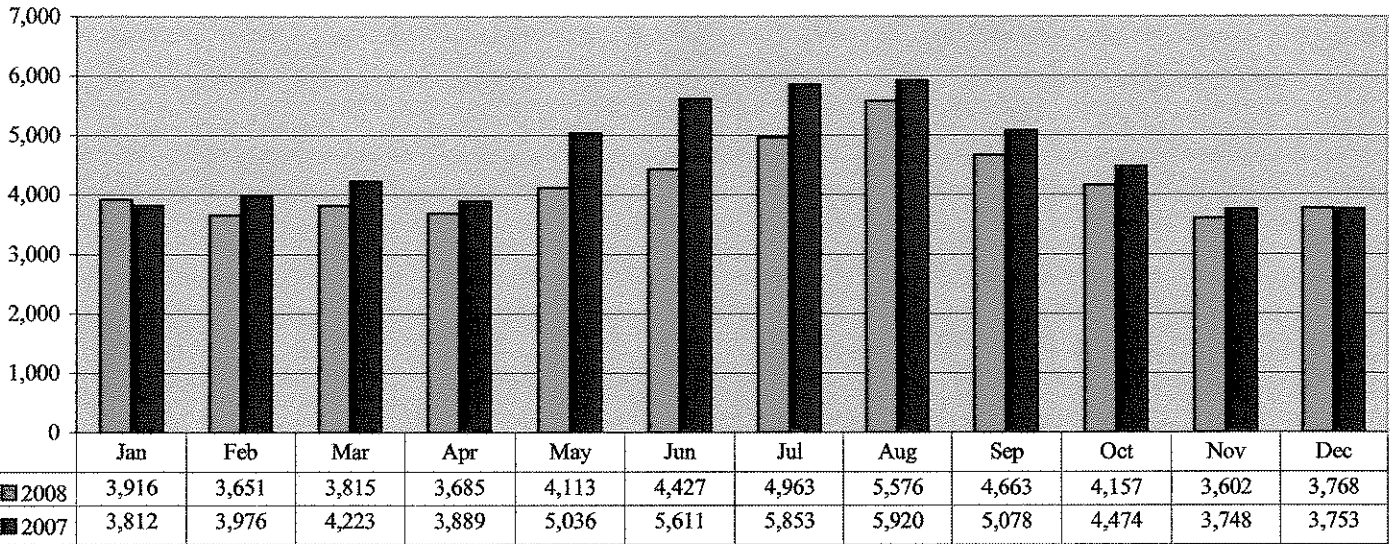
Monthly Tapping Report



Year to Date Tapping Totals



Monthly Water Production (in Millions of Gallons)

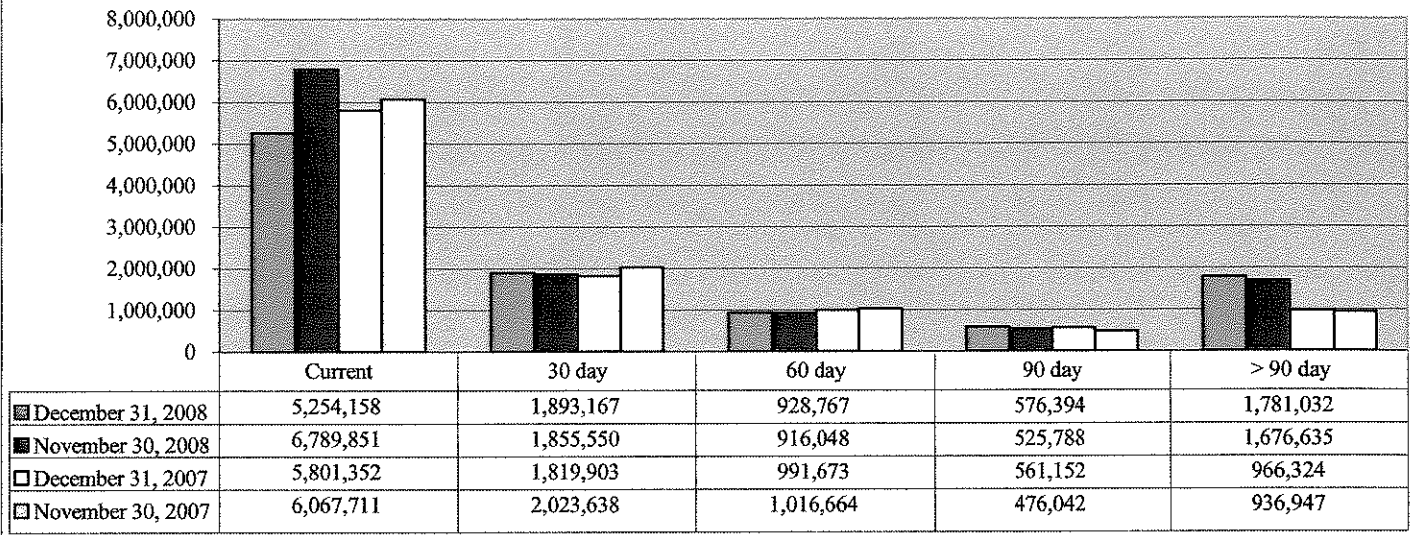


Total Production YTD

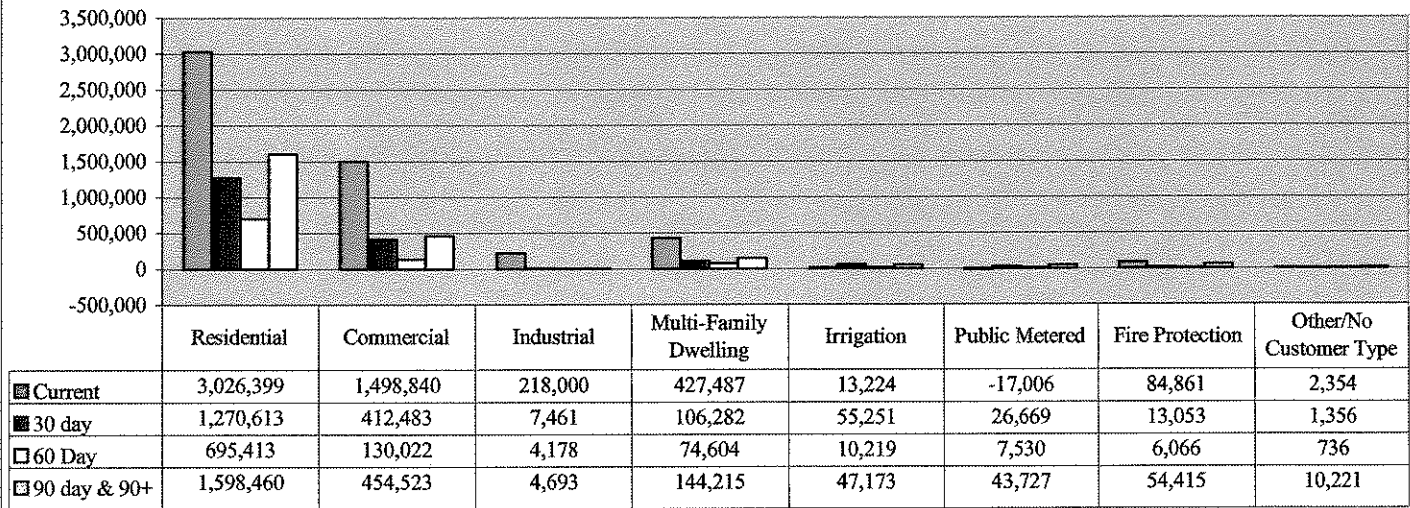
2008	50,335
2007	55,370

Percent Increase or Decrease	-9.09%
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Aging Accounts Receivable

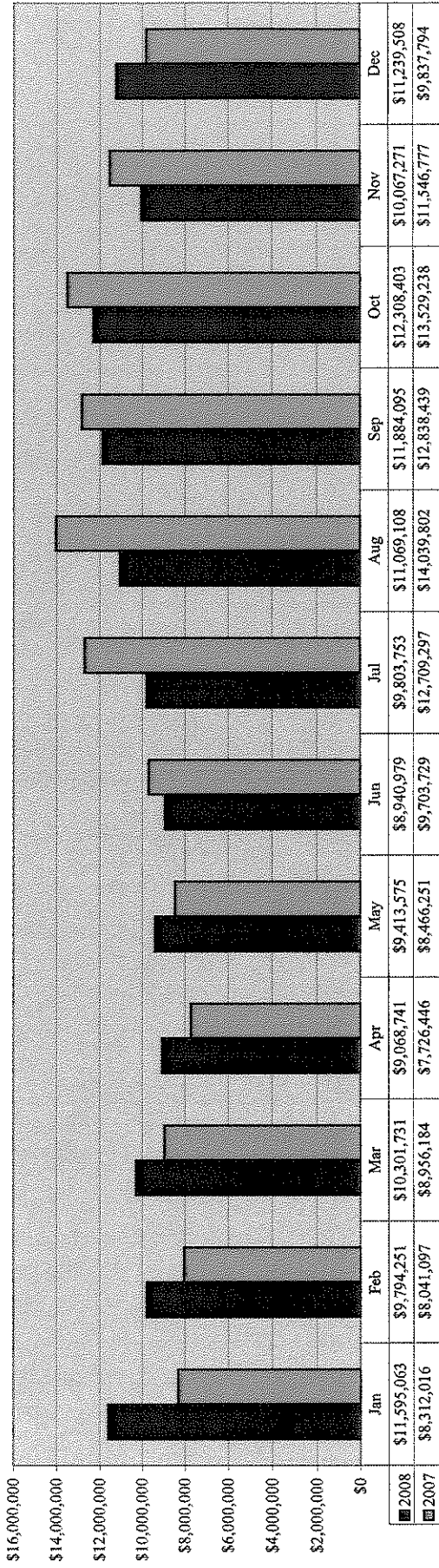


Comparison Accounts Receivable

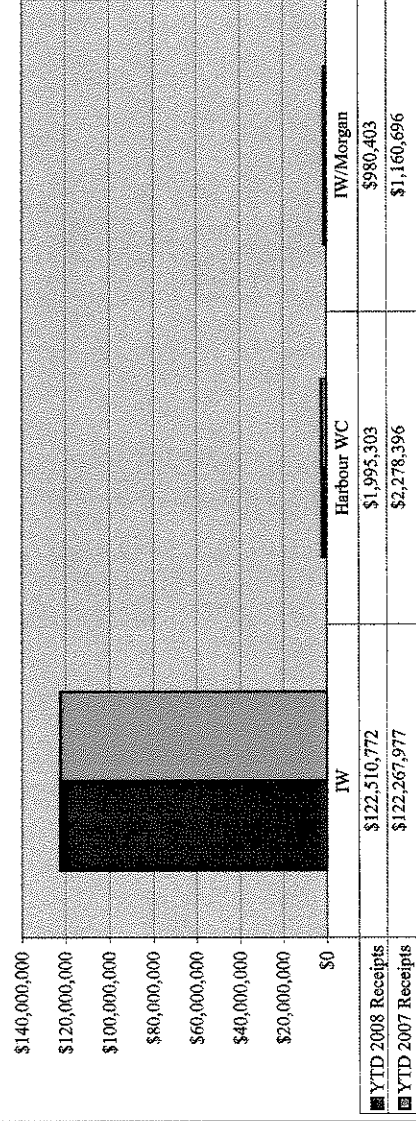


<u>Billed Pumpage By Class</u>	<u>December 2008 Million Gallons</u>	<u>YTD Million Gallons</u>	<u>Billed December 2008 Revenue</u>	<u>Billed YTD 2008 Revenue</u>
Residential	1,181.04	16,561.93	\$5,164,723	\$68,479,106
Commercial	978.41	12,904.85	\$2,421,720	\$29,541,329
Industrial	287.30	3,546.96	\$409,655	\$5,113,962
Multi-Family Dwelling	299.45	3,978.73	\$729,085	\$9,229,029
Irrigation	8.76	138.56	\$24,460	\$371,730
Public Metered	41.00	710.83	\$93,076	\$1,379,774
Fire Protection	-	11.02	\$154,525	\$1,769,714
Other/No Customer Type	1.98	22.76	\$6,386	\$84,268
Temporary Hydrant	9.05	146.83	\$36,629	\$627,846
Totals	2,806.99	38,022.47	\$9,040,257	\$116,596,758

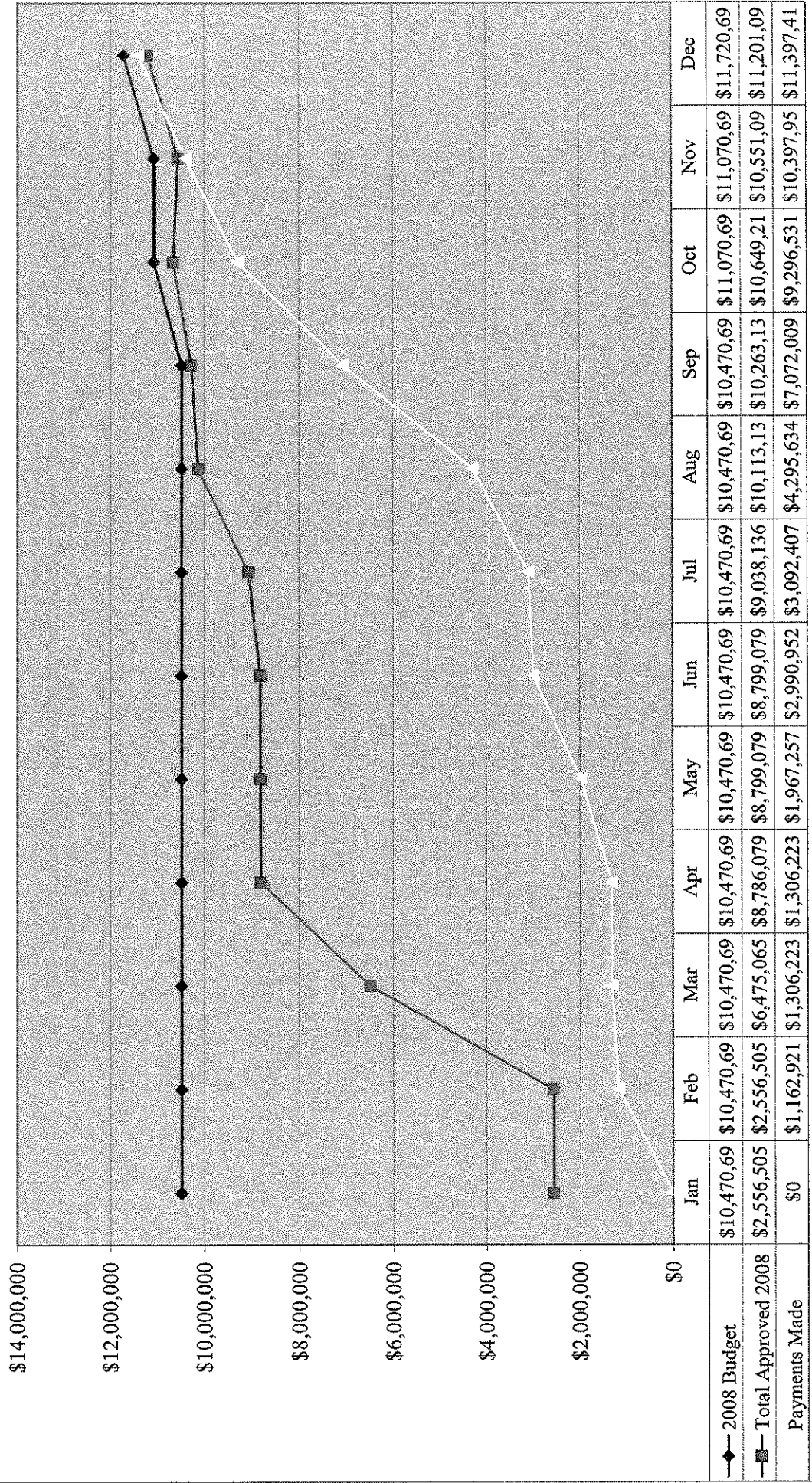
Monthly Water Service Receipts



YTD Receipts by Source



Cash Capital Activity



Supplemental Information

Bond Interest Payments

This month several bond interest payments are due. For informational purposes, the chart below shows the activity associated with the payments for each of the applicable bonds.

<u>Bond Issuance</u>	<u>Payment Due</u> <u>Date</u>	<u>Payment Amount</u>
2004 A	12/22/2008	\$286,563
2005 H	12/4/2008	\$302,653
Total		\$589,216