

Cause No. 45535
Gibson Water Auth.

Petitioner's Exhibit 14

IURC
PETITIONER'S
EXHIBIT NO. 14
10-2-81 DATE cl REPORTER

OFFICIAL
EXHIBITS

GIBSON WATER AUTHORITY

**ACCOUNTING REPORT ON PROPOSED IMPROVEMENT
PROJECT FINANCING AND WATER RATES AND CHARGES**

APRIL 26, 2021



TABLE OF CONTENTS

Pages

PRO FORMA FINANCIAL INFORMATION

3	Schedule of Prior and Current Project Costs and Funding
4	Calculation of Estimated Capacity Payment from TMMI
5	Schedule of Estimated Total Project Costs and Funding
6	Schedule of Amortization of \$2,455,100 Principal Amount of Proposed Taxable Secured Notes of 2022, Series A
7	Schedule of Amortization of \$1,784,900 Principal Amount of Proposed Taxable Secured Notes of 2022, Series B
8	Schedule of Amortization of \$1,205,000 Principal Amount of Proposed Taxable Secured Notes of 2021, Series A
9	Schedule of Amortization of \$970,061 Principal Amount of Outstanding Taxable Secured Notes, Series 2018
10	Schedule of Proposed Combined Note Amortization
11 – 14	Pro Forma Operation and Maintenance Expenses
15	Normalized Annual Operating Revenues at Existing Rates
16 – 19	Pro Forma Annual Revenue Requirements and Annual Revenues
20 – 22	Schedule of Present and Proposed Water Rates and Charges

SUPPLEMENTAL DATA

23 – 24	Comparative Statement of Financial Position
25 – 26	Comparative Statement of Activities
27 – 28	Comparative Statement of Cash Flows
29	Comparison of Fund Balances with Minimum Balances Required



April 26, 2021

Board of Directors
Gibson Water Authority
517 East 1250 South
Haubstadt, IN 47639

Baker Tilly US, LLP
8365 Keystone Crossing, Ste 300
Indianapolis, IN 46240
United States of America

T: +1 (317) 465 1500
F: +1 (317) 465 1550
bakertilly.com

ACCOUNTANTS' RATE STUDY AND COMPILATION REPORT

In connection with the proposed increase in the Gibson Water Authority's (the "Authority") schedule of water rates and charges, we have, at your request, compiled this special purpose rate study report for submission to the Indiana Utility Regulatory Commission.

This special purpose rate study report has been prepared for the purpose of requesting approval of a new schedule of water rates and charges from the Indiana Utility Regulatory Commission and should not be used for any other purpose.

Further, the pro forma financial information in this report which has not been compiled, reviewed or audited by us, is based upon unaudited financial information for the twelve months ended September 30, 2020, which was compiled by us and assumptions provided by management and their consulting engineers or obtained from other sources. This pro forma financial information is prepared for the purpose of showing the estimated financial effects on the Authority's revenue and revenue requirements of an adjustment to rates and charges for service and other changes that may be reasonably fixed, known or measured, excluding provisions for future inflation. The actual results achieved may vary from the pro forma information and the variations may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

We have compiled the accompanying comparative statement of net position of the Authority as of December 31, 2017, 2018, 2019 and September 30, 2020 and the related comparative statements of revenues, expenses, and changes in net position, and cash flows for the periods then ended and supplementary data. We have not audited or reviewed the accompanying historical financial statements and supplementary data, and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

(Continued on next page)

Board of Directors
Gibson Water Authority
Date: April 26, 2021
Page 2

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations and its cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Baker Tilly US, LLP

GIBSON WATER AUTHORITY

PRO FORMA FINANCIAL INFORMATION

SCHEDULE OF PRIOR AND CURRENT PROJECT COSTS AND FUNDING

(Per Consulting Engineer)

ESTIMATED PROJECT COSTS

Estimated Construction Costs:

Alternative 2 - County Road 225W Water Main Extension

Alternative 3 - State Route 68 Water Main Extension

Alternative 6 - County Roads 350W and 200S Water Mains

Alternative 7 - State Road 64 Water Line

Alternative 8 - Parallel Booster Station Transmission Main, Additional

Master Meter and Vault, Booster Pump and VFD Replacement

Sub-totals

Construction contingencies

Total Estimated Construction Costs

Estimated Non-Construction Costs:

Land Acquisition, Utility Easements

Alternative 2 - County Road 225W Water Main Extension

Alternative 3 - State Route 68 Water Main Extension

Alternative 6 - County Roads 350W and 200S Water Mains

Alternative 7 - State Road 64 Water Line

Alternative 8 - Parallel Booster Station Transmission Mains

Estimated Additional Easement Acquisition Costs

Estimated Court Appointed Appraiser Costs

Preliminary Engineering

Environmental Assessment

Engineering

Inspection

IURC Testimony (MEI)

Archaeological Reconnaissance

Easement Preparation

Easement Negotiation, Procurement

Legal and Financial

Crop Damage

Miscellaneous and Contingency

Total Estimated Non-Construction Costs

Total Estimated Project Costs

ESTIMATED PROJECT FUNDING

Proposed Rural Development Notes (Yet to be Issued)

Amount Currently Obligated by RD

Additional RD Obligation Required

Additional IURC Approval and RD Obligation Required

Taxable Secured Notes, Series 2018 (Closed 12/21/18)

Total Estimated Project Funding

	Per IURC Order 45080 S1 (01/02/20)			Current Estimates		
	RD	SRF	Total	RD	SRF	Total
Estimated Construction Costs:						
Alternative 2 - County Road 225W Water Main Extension	\$600,000		\$600,000	\$624,000		\$624,000
Alternative 3 - State Route 68 Water Main Extension	309,000		309,000	321,000		321,000
Alternative 6 - County Roads 350W and 200S Water Mains	646,000		646,000	672,000		672,000
Alternative 7 - State Road 64 Water Line	183,000		183,000	190,000		190,000
Alternative 8 - Parallel Booster Station Transmission Main, Additional						
Master Meter and Vault, Booster Pump and VFD Replacement	863,150	\$750,850	1,614,000	898,000	\$750,850	1,648,850
Sub-totals	2,601,150	750,850	3,352,000	2,705,000	750,850	3,455,850
Construction contingencies	285,850	49,150	335,000	285,850	49,150	335,000
Total Estimated Construction Costs	2,887,000	800,000	3,687,000	2,990,850	800,000	3,790,850
Estimated Non-Construction Costs:						
Land Acquisition, Utility Easements						
Alternative 2 - County Road 225W Water Main Extension	32,400		32,400	32,400		32,400
Alternative 3 - State Route 68 Water Main Extension	10,400		10,400	10,400		10,400
Alternative 6 - County Roads 350W and 200S Water Mains	24,000		24,000	24,000		24,000
Alternative 7 - State Road 64 Water Line	8,600		8,600	8,600		8,600
Alternative 8 - Parallel Booster Station Transmission Mains	10,700	10,000	20,700	10,700	10,000	20,700
Estimated Additional Easement Acquisition Costs				138,900		138,900
Estimated Court Appointed Appraiser Costs				200,000		200,000
Preliminary Engineering		25,000	25,000		25,000	25,000
Environmental Assessment		15,000	15,000		15,000	15,000
Engineering	178,300	30,000	208,300	178,300	30,000	208,300
Inspection	134,000	10,000	144,000	134,000	10,000	144,000
IURC Testimony (MEI)	12,000		12,000	12,000		12,000
Archaeological Reconnaissance		15,000	15,000		15,000	15,000
Easement Preparation	22,000		22,000	44,000		44,000
Easement Negotiation, Procurement	30,000		30,000	60,000		60,000
Legal and Financial	283,500	\$6,000	369,500	303,500	\$6,000	389,500
Crop Damage	21,000		21,000	80,000		80,000
Miscellaneous and Contingency	1,100	3,000	4,100	2,350	3,000	5,350
Total Estimated Non-Construction Costs	768,000	194,000	962,000	1,239,150	194,000	1,433,150
Total Estimated Project Costs	\$3,655,000	\$994,000	\$4,649,000	\$4,230,000	\$994,000	\$5,224,000
ESTIMATED PROJECT FUNDING						
Proposed Rural Development Notes (Yet to be Issued)						
Amount Currently Obligated by RD	\$2,445,100	(1)	\$2,445,100	\$2,445,100	(1)	\$2,445,100
Additional RD Obligation Required	1,209,900	(2)	1,209,900	1,209,900	(2)	1,209,900
Additional IURC Approval and RD Obligation Required				575,000	(5)	575,000
Taxable Secured Notes, Series 2018 (Closed 12/21/18)		\$994,000	(4)	994,000	(4)	994,000
Total Estimated Project Funding	\$3,655,000	(3)	\$994,000	\$4,230,000	(6)	\$994,000

(1) Amount approved by the IURC and obligated by Rural Development per 2018 Letter of Conditions.

(2) Amount approved by the IURC but not yet obligated by Rural Development.

(3) Total RD financing amount currently approved by the IURC.

(4) Amount approved by the IURC and closed with the SRF on 12/21/18.

(5) Additional authorization needed from IURC and additional obligation required from Rural Development.

(6) Total estimate of required RD financing to complete project.

(See Accountants' Report)

GIBSON WATER AUTHORITY

CALCULATION OF ESTIMATED CAPACITY PAYMENT FROM TMMI

	<u>Total</u>	<u>All Other Customers</u>	<u>TMMI</u>	<u>Ref.</u>
Lump Sum Payment to Evansville (1)	\$3,181,541	\$1,049,909	\$2,131,632	(2)
Estimated Negotiation, Agreement Drafting, Rate Case and Related Costs	<u>386,843</u>	<u>155,091</u>	<u>231,752</u>	(3)
Total Estimated Costs	<u>\$3,568,384</u>	<u>\$1,205,000</u>	<u>\$2,363,384</u>	

Reference Explanations:

- (1) Net lump sum payment per Second Amendment to Agreement for Sale and Purchase of Water dated January 26, 2021 between Gibson Water Authority ("GWA") and Evansville Municipal Water District.
- (2) Lump sum payment allocated 66% to Toyota Motor Manufacturing Indiana ("TMMI") and 34% to remainder of GWA system based on an additional request from TMMI of 1.0 MGD and a GWA request to Evansville of 1.5 MGD.
- (3) Allocated pro rata based on allocation of lump sum payment.

(See Accountants' Report)

GIBSON WATER AUTHORITY

SCHEDULE OF ESTIMATED TOTAL PROJECT COSTS AND FUNDING
(Per Consulting Engineer)

<u>ESTIMATED PROJECT COSTS</u>	<u>RD Project</u>	<u>SRF Capacity</u>	<u>Interim BAN</u>
Estimated Construction Costs:			
Alternative 2 - County Road 225W Water Main Extension	\$624,000		
Alternative 3 - State Route 68 Water Main Extension	321,000		
Alternative 6 - County Roads 350W and 200S Water Mains	672,000		
Alternative 7 - State Road 64 Water Line	190,000		
Alternative 8 - Parallel Booster Station Transmission Main, Additional Master Meter and Vault, Booster Pump and VFD Replacement	898,000		
Evansville Capacity Fee		\$3,181,541	\$1,205,000
Sub-totals	2,705,000	3,181,541	1,205,000
Construction contingencies	285,850		
Total Estimated Construction Costs	2,990,850	3,181,541	1,205,000
Estimated Non-Construction Costs:			
Land Acquisition, Utility Easements			
Alternative 2 - County Road 225W Water Main Extension	32,400		32,400
Alternative 3 - State Route 68 Water Main Extension	10,400		10,400
Alternative 6 - County Roads 350W and 200S Water Mains	24,000		24,000
Alternative 7 - State Road 64 Water Line	8,600		8,600
Alternative 8 - Parallel Booster Station Transmission Mains	10,700		10,700
Estimated Additional Easement Acquisition Costs	138,900		138,900
Estimated Court Appointed Appraiser Costs	200,000		200,000
Preliminary Engineering		10,000	10,000
Environmental Assessment			
Engineering	178,300		178,300
Inspection	134,000		
IURC Testimony (MEI)	12,000	30,000	30,000
Archaeological Reconnaissance			
Easement Preparation	44,000		44,000
Easement Negotiation, Procurement	60,000		60,000
Legal and Financial	303,500	340,000	643,500
Crop Damage	80,000		
Miscellaneous and Contingency	2,350	6,843	4,200
Total Estimated Non-Construction Costs	1,239,150	386,843	1,395,000
Total Estimated Project Costs	\$4,230,000	\$3,568,384	\$2,600,000
<u>ESTIMATED PROJECT FUNDING</u>			
Proposed Rural Development Notes (Yet to be Issued)			
Amount Currently Obligated by RD	\$2,445,100 (1)		
Additional RD Obligation Required	1,209,900 (2)		
Additional IURC Approval and RD Obligation Required	575,000 (3)		
Proposed SRF Taxable Secured Notes		\$1,205,000 (5)	
TMM1 Direct Payment		2,363,384 (6)	
Proposed Interim Financing with SRF			
Note 1 - Repaid from Long-Term SRF Notes and TMM1 Direct Payment			\$1,589,000 (7)
Note 2 - Repaid from Long-Term RD Financing			991,000 (8)
Total Estimated Project Funding	\$4,230,000 (4)	\$3,568,384	\$2,580,000

(1) Amount approved by the IURC and obligated by Rural Development per 2018 Letter of Conditions.

(2) Amount approved by the IURC but not yet obligated by Rural Development.

(3) Additional authorization needed from IURC and additional obligation required from Rural Development.

(4) Total estimate of required RD financing to complete project.

(5) Proposed notes to be issued with SRF to fund capacity payment to Evansville, see page 4.

(6) Proposed payment by TMM1 for allocated capacity, see page 4.

(7) Interim financing to be obtained from SRF and repaid with long-term SRF notes and the TMM1 direct payment.

(8) Interim financing to be obtained from SRF and repaid with long-term Rural Development notes.

(See Accountants' Report)

GIBSON WATER AUTHORITY

Rural DevelopmentSCHEDULE OF AMORTIZATION OF \$2,445,100 PRINCIPAL AMOUNT OF
PROPOSED TAXABLE SECURED NOTES OF 2022, SERIES A

Principal and interest payable monthly

Assumed interest rate as indicated

Assumes Notes dated May 1, 2022

Note Year Ending January 1,	Principal Balance (---In Dollars---)	Assumed Interest Rate (%)	Debt Service		
			Principal	Interest	Total
			(-----In Dollars-----)		
2023	\$2,445,100			\$49,920.78	\$49,920.78
2024	2,445,100	3.50	\$29,905.85	85,101.78	115,007.63
2025	2,415,194	3.50	30,969.50	84,038.14	115,007.64
2026	2,384,225	3.50	32,071.00	82,936.64	115,007.64
2027	2,352,154	3.50	33,211.67	81,795.97	115,007.64
2028	2,318,942	3.50	34,392.92	80,614.72	115,007.64
2029	2,284,549	3.50	35,616.16	79,391.48	115,007.64
2030	2,248,933	3.50	36,882.91	78,124.73	115,007.64
2031	2,212,050	3.50	38,194.73	76,812.91	115,007.64
2032	2,173,855	3.50	39,553.20	75,454.44	115,007.64
2033	2,134,302	3.50	40,959.97	74,047.67	115,007.64
2034	2,093,342	3.50	42,416.80	72,590.84	115,007.64
2035	2,050,925	3.50	43,925.44	71,082.20	115,007.64
2036	2,007,000	3.50	45,487.75	69,519.89	115,007.64
2037	1,961,512	3.50	47,105.60	67,902.04	115,007.64
2038	1,914,407	3.50	48,781.00	66,226.64	115,007.64
2039	1,865,626	3.50	50,515.98	64,491.66	115,007.64
2040	1,815,110	3.50	52,312.70	62,694.94	115,007.64
2041	1,762,797	3.50	54,173.30	60,834.34	115,007.64
2042	1,708,624	3.50	56,100.08	58,907.56	115,007.64
2043	1,652,523	3.50	58,095.39	56,912.25	115,007.64
2044	1,594,428	3.50	60,161.65	54,845.98	115,007.63
2045	1,534,266	3.50	62,301.42	52,706.22	115,007.64
2046	1,471,965	3.50	64,517.30	50,490.34	115,007.64
2047	1,407,448	3.50	66,811.98	48,195.66	115,007.64
2048	1,340,636	3.50	69,188.28	45,819.36	115,007.64
2049	1,271,447	3.50	71,649.11	43,358.53	115,007.64
2050	1,199,798	3.50	74,197.44	40,810.20	115,007.64
2051	1,125,601	3.50	76,836.42	38,171.22	115,007.64
2052	1,048,764	3.50	79,569.26	35,438.37	115,007.63
2053	969,195	3.50	82,399.30	32,608.34	115,007.64
2054	886,796	3.50	85,329.98	29,677.66	115,007.64
2055	801,466	3.50	88,364.91	26,642.73	115,007.64
2056	713,101	3.50	91,507.79	23,499.85	115,007.64
2057	621,593	3.50	94,762.43	20,245.21	115,007.64
2058	526,831	3.50	98,132.85	16,874.79	115,007.64
2059	428,698	3.50	101,623.12	13,384.52	115,007.64
2060	327,075	3.50	105,237.55	9,770.08	115,007.63
2061	221,837	3.50	108,980.53	6,027.11	115,007.64
2062	112,857	3.50	112,856.73	2,150.99	115,007.72
Totals			<u>\$2,445,100.00</u>	<u>\$2,090,118.78</u>	<u>\$4,535,218.78</u>

Average annual principal and interest payment for the
four note years ending January 1, 2027.\$115,007.64

(See Accountants' Report)

GIBSON WATER AUTHORITY

Rural Development

**SCHEDULE OF AMORTIZATION OF \$1,784,900 PRINCIPAL AMOUNT OF
PROPOSED TAXABLE SECURED NOTES OF 2022, SERIES B**

Principal and interest payable monthly

Assumed interest rate as indicated

Assumes Notes dated May 1, 2022

Note Year Ending January 1,	Principal Balance (---In Dollars---)	Assumed Interest Rate (%)	Debt Service		
			Principal	Interest	Total
			(-----In Dollars-----)		
2023	\$1,784,900			\$23,426.83	\$23,426.83
2024	1,784,900	2.25	\$28,923.56	39,863.18	68,786.74
2025	1,755,976	2.25	29,581.09	39,205.66	68,786.75
2026	1,726,395	2.25	30,253.57	38,533.18	68,786.75
2027	1,696,142	2.25	30,941.34	37,845.40	68,786.74
2028	1,665,200	2.25	31,644.76	37,141.99	68,786.75
2029	1,633,556	2.25	32,364.15	36,422.59	68,786.74
2030	1,601,192	2.25	33,099.88	35,686.85	68,786.73
2031	1,568,092	2.25	33,852.38	34,934.38	68,786.76
2032	1,534,239	2.25	34,621.96	34,164.79	68,786.75
2033	1,499,617	2.25	35,409.03	33,377.72	68,786.75
2034	1,464,208	2.25	36,214.01	32,572.75	68,786.76
2035	1,427,994	2.25	37,037.28	31,749.46	68,786.74
2036	1,390,957	2.25	37,879.25	30,907.50	68,786.75
2037	1,353,078	2.25	38,740.38	30,046.37	68,786.75
2038	1,314,337	2.25	39,621.09	29,165.66	68,786.75
2039	1,274,716	2.25	40,521.82	28,264.94	68,786.76
2040	1,234,194	2.25	41,443.01	27,343.73	68,786.74
2041	1,192,751	2.25	42,385.15	26,401.60	68,786.75
2042	1,150,366	2.25	43,348.72	25,438.03	68,786.75
2043	1,107,018	2.25	44,334.19	24,452.56	68,786.75
2044	1,062,683	2.25	45,342.06	23,444.68	68,786.74
2045	1,017,341	2.25	46,372.85	22,413.90	68,786.75
2046	970,968	2.25	47,427.06	21,359.69	68,786.75
2047	923,541	2.25	48,505.25	20,281.49	68,786.74
2048	875,036	2.25	49,607.93	19,178.82	68,786.75
2049	825,428	2.25	50,735.70	18,051.06	68,786.76
2050	774,693	2.25	51,889.08	16,897.64	68,786.72
2051	722,803	2.25	53,068.71	15,718.03	68,786.74
2052	669,735	2.25	54,275.15	14,511.59	68,786.74
2053	615,460	2.25	55,509.02	13,277.73	68,786.75
2054	559,951	2.25	56,770.93	12,015.82	68,786.75
2055	503,180	2.25	58,061.53	10,725.20	68,786.73
2056	445,118	2.25	59,381.48	9,405.28	68,786.76
2057	385,737	2.25	60,731.43	8,055.31	68,786.74
2058	325,005	2.25	62,112.04	6,674.70	68,786.74
2059	262,893	2.25	63,524.07	5,262.67	68,786.74
2060	199,369	2.25	64,968.21	3,818.53	68,786.74
2061	134,401	2.25	66,445.15	2,341.60	68,786.75
2062	67,956	2.25	67,955.74	831.06	68,786.80
Totals			\$1,784,900.01	\$921,209.97	\$2,706,109.98

Average annual principal and interest payment for the
four note years ending January 1, 2027.

\$68,786.75

(See Accountants' Report)

GIBSON WATER AUTHORITY

SRF

**SCHEDULE OF AMORTIZATION OF \$1,205,000 PRINCIPAL AMOUNT
OF PROPOSED TAXABLE SECURED NOTES OF 2021, SERIES A**

Principal and interest payable semiannually January 1st and July 1st.

Assumed interest rate as indicated.

Assumes Notes dated December 15, 2021

Payment Date	Principal Balance (In \$1,000's)	Assumed Interest Rate (%)	Debt Service			Note Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total (-----In Dollars-----)	
01/01/22	\$1,205					
07/01/22	1,205	2.75	\$23	\$18,041.53	\$41,041.53	
01/01/23	1,182	2.75	23	16,252.50	39,252.50	\$80,294.03
07/01/23	1,159	2.75	23	15,936.25	38,936.25	
01/01/24	1,136	2.75	24	15,620.00	39,620.00	78,556.25
07/01/24	1,112	2.75	24	15,290.00	39,290.00	
01/01/25	1,088	2.75	24	14,960.00	38,960.00	78,250.00
07/01/25	1,064	2.75	25	14,630.00	39,630.00	
01/01/26	1,039	2.75	25	14,286.25	39,286.25	78,916.25
07/01/26	1,014	2.75	25	13,942.50	38,942.50	
01/01/27	989	2.75	26	13,598.75	39,598.75	78,541.25
07/01/27	963	2.75	26	13,241.25	39,241.25	
01/01/28	937	2.75	27	12,883.75	39,883.75	79,125.00
07/01/28	910	2.75	27	12,512.50	39,512.50	
01/01/29	883	2.75	27	12,141.25	39,141.25	78,653.75
07/01/29	856	2.75	28	11,770.00	39,770.00	
01/01/30	828	2.75	28	11,385.00	39,385.00	79,155.00
07/01/30	800	2.75	28	11,000.00	39,000.00	
01/01/31	772	2.75	29	10,615.00	39,615.00	78,615.00
07/01/31	743	2.75	29	10,216.25	39,216.25	
01/01/32	714	2.75	30	9,817.50	39,817.50	79,033.75
07/01/32	684	2.75	30	9,405.00	39,405.00	
01/01/33	654	2.75	30	8,992.50	38,992.50	78,397.50
07/01/33	624	2.75	31	8,580.00	39,580.00	
01/01/34	593	2.75	31	8,153.75	39,153.75	78,733.75
07/01/34	562	2.75	32	7,727.50	39,727.50	
01/01/35	530	2.75	32	7,287.50	39,287.50	79,015.00
07/01/35	498	2.75	33	6,847.50	39,847.50	
01/01/36	465	2.75	33	6,393.75	39,393.75	79,241.25
07/01/36	432	2.75	33	5,940.00	38,940.00	
01/01/37	399	2.75	34	5,486.25	39,486.25	78,426.25
07/01/37	365	2.75	34	5,018.75	39,018.75	
01/01/38	331	2.75	35	4,551.25	39,551.25	78,570.00
07/01/38	296	2.75	35	4,070.00	39,070.00	
01/01/39	261	2.75	36	3,588.75	39,588.75	78,658.75
07/01/39	225	2.75	36	3,093.75	39,093.75	
01/01/40	189	2.75	37	2,598.75	39,598.75	78,692.50
07/01/40	152	2.75	37	2,090.00	39,090.00	
01/01/41	115	2.75	38	1,581.25	39,581.25	78,671.25
07/01/41	77	2.75	38	1,058.75	39,058.75	
01/01/42	39	2.75	39	536.25	39,536.25	78,595.00
Totals			\$1,205	\$371,141.53	\$1,576,141.53	\$1,576,141.53

Average annual principal and interest payment for the
four note years ending January 1, 2027.

\$78,565.94

(See Accountants' Report)

GIBSON WATER AUTHORITY

**SCHEDULE OF AMORTIZATION OF \$970,061 PRINCIPAL AMOUNT
OF OUTSTANDING TAXABLE SECURED NOTES, SERIES 2018**
Principal and interest payable semi-annually January 1st and July 1st.
Interest rate as indicated

Payment Date	Principal Balance (In Dollars)	Interest Rate (%)	Debt Service			Note Year Total
			Principal	Interest	Total	
			(-----In Dollars-----)			
07/01/21	\$970,061	3.55	\$8,265	\$17,218.58	\$25,483.58	
01/01/22	961,796	3.55	8,411	17,071.88	25,482.88	\$50,966.46
07/01/22	953,385	3.55	8,561	16,922.58	25,483.58	
01/01/23	944,824	3.55	8,713	16,770.63	25,483.63	50,967.21
07/01/23	936,111	3.55	8,867	16,615.97	25,482.97	
01/01/24	927,244	3.55	9,025	16,458.58	25,483.58	50,966.55
07/01/24	918,219	3.55	9,185	16,298.39	25,483.39	
01/01/25	909,034	3.55	9,348	16,135.35	25,483.35	50,966.74
07/01/25	899,686	3.55	9,514	15,969.43	25,483.43	
01/01/26	890,172	3.55	9,683	15,800.55	25,483.55	50,966.98
07/01/26	880,489	3.55	9,855	15,628.68	25,483.68	
01/01/27	870,634	3.55	10,029	15,453.75	25,482.75	50,966.43
07/01/27	860,605	3.55	10,207	15,275.74	25,482.74	
01/01/28	850,398	3.55	10,389	15,094.56	25,483.56	50,966.30
07/01/28	840,009	3.55	10,573	14,910.16	25,483.16	
01/01/29	829,436	3.55	10,761	14,722.49	25,483.49	50,966.65
07/01/29	818,675	3.55	10,952	14,531.48	25,483.48	
01/01/30	807,723	3.55	11,146	14,337.08	25,483.08	50,966.56
07/01/30	796,577	3.55	11,344	14,139.24	25,483.24	
01/01/31	785,233	3.55	11,545	13,937.89	25,482.89	50,966.13
07/01/31	773,688	3.55	11,750	13,732.96	25,482.96	
01/01/32	761,938	3.55	11,959	13,524.40	25,483.40	50,966.36
07/01/32	749,979	3.55	12,171	13,312.13	25,483.13	
01/01/33	737,808	3.55	12,387	13,096.09	25,483.09	50,966.22
07/01/33	725,421	3.55	12,607	12,876.22	25,483.22	
01/01/34	712,814	3.55	12,831	12,652.45	25,483.45	50,966.67
07/01/34	699,983	3.55	13,058	12,424.70	25,482.70	
01/01/35	686,925	3.55	13,290	12,192.92	25,482.92	50,965.62
07/01/35	673,635	3.55	13,526	11,957.02	25,483.02	
01/01/36	660,109	3.55	13,766	11,716.93	25,482.93	50,965.95
07/01/36	646,343	3.55	14,011	11,472.59	25,483.59	
01/01/37	632,332	3.55	14,259	11,223.89	25,482.89	50,966.48
07/01/37	618,073	3.55	14,512	10,970.80	25,482.80	
01/01/38	603,561	3.55	14,770	10,713.21	25,483.21	50,966.01
07/01/38	588,791	3.55	15,032	10,451.04	25,483.04	
01/01/39	573,759	3.55	15,299	10,184.22	25,483.22	50,966.26
07/01/39	558,460	3.55	15,571	9,912.67	25,483.67	
01/01/40	542,889	3.55	15,847	9,636.28	25,483.28	50,966.95
07/01/40	527,042	3.55	16,128	9,355.00	25,483.00	
01/01/41	510,914	3.55	16,414	9,068.72	25,482.72	50,965.72
07/01/41	494,500	3.55	16,706	8,777.38	25,483.38	
01/01/42	477,794	3.55	17,002	8,480.84	25,482.84	50,966.22
07/01/42	460,792	3.55	17,304	8,179.06	25,483.06	
01/01/43	443,488	3.55	17,611	7,871.91	25,482.91	50,965.97
07/01/43	425,877	3.55	17,924	7,559.32	25,483.32	
01/01/44	407,953	3.55	18,242	7,241.17	25,483.17	50,966.49
07/01/44	389,711	3.55	18,566	6,917.37	25,483.37	
01/01/45	371,145	3.55	18,895	6,587.82	25,482.82	50,966.19
07/01/45	352,250	3.55	19,231	6,252.44	25,483.44	
01/01/46	333,019	3.55	19,572	5,911.09	25,483.09	50,966.53
07/01/46	313,447	3.55	19,920	5,563.68	25,483.68	
01/01/47	293,527	3.55	20,273	5,210.10	25,483.10	50,966.78
07/01/47	273,254	3.55	20,633	4,850.26	25,483.26	
01/01/48	252,621	3.55	20,999	4,484.02	25,483.02	50,966.28
07/01/48	231,622	3.55	21,372	4,111.29	25,483.29	
01/01/49	210,250	3.55	21,751	3,731.94	25,482.94	50,966.23
07/01/49	188,499	3.55	22,137	3,345.86	25,482.86	
01/01/50	166,362	3.55	22,530	2,952.93	25,482.93	50,965.79
07/01/50	143,832	3.55	22,930	2,553.02	25,483.02	
01/01/51	120,902	3.55	23,337	2,146.01	25,483.01	50,966.03
07/01/51	97,565	3.55	23,751	1,731.78	25,482.78	
01/01/52	73,814	3.55	24,173	1,310.20	25,483.20	50,965.98
07/01/52	49,641	3.55	24,602	881.13	25,483.13	
01/01/53	25,039	3.55	25,039	444.44	25,483.44	50,966.57
Totals			\$970,061	\$660,862.31	\$1,630,923.31	\$1,630,923.31
Average annual debt service						\$50,966.35

(See Accountants' Report)

GIBSON WATER AUTHORITY

SCHEDULE OF PROPOSED COMBINED NOTE AMORTIZATION

Note Year Ending January 1,	Outstanding 2018 Notes	Proposed			Total
		2021 A Notes	2022 A Notes	2022 B Notes	
2022	\$50,966.46	\$0.00			\$50,966.46
2023	50,967.21	80,294.03	\$49,920.78	\$23,426.83	204,608.85
2024	50,966.55	78,556.25	115,007.63	68,786.74	313,317.17
2025	50,966.74	78,250.00	115,007.64	68,786.75	313,011.13
2026	50,966.98	78,916.25	115,007.64	68,786.75	313,677.62
2027	50,966.43	78,541.25	115,007.64	68,786.74	313,302.06
2028	50,966.30	79,125.00	115,007.64	68,786.75	313,885.69
2029	50,966.65	78,653.75	115,007.64	68,786.74	313,414.78
2030	50,966.56	79,155.00	115,007.64	68,786.73	313,915.93
2031	50,966.13	78,615.00	115,007.64	68,786.76	313,375.53
2032	50,966.36	79,033.75	115,007.64	68,786.75	313,794.50
2033	50,966.22	78,397.50	115,007.64	68,786.75	313,158.11
2034	50,966.67	78,733.75	115,007.64	68,786.76	313,494.82
2035	50,965.62	79,015.00	115,007.64	68,786.74	313,775.00
2036	50,965.95	79,241.25	115,007.64	68,786.75	314,001.59
2037	50,966.48	78,426.25	115,007.64	68,786.75	313,187.12
2038	50,966.01	78,570.00	115,007.64	68,786.75	313,330.40
2039	50,966.26	78,658.75	115,007.64	68,786.76	313,419.41
2040	50,966.95	78,692.50	115,007.64	68,786.74	313,453.83
2041	50,965.72	78,671.25	115,007.64	68,786.75	313,431.36
2042	50,966.22	78,595.00	115,007.64	68,786.75	313,355.61
2043	50,965.97		115,007.64	68,786.75	234,760.36
2044	50,966.49		115,007.63	68,786.74	234,760.86
2045	50,966.19		115,007.64	68,786.75	234,760.58
2046	50,966.53		115,007.64	68,786.75	234,760.92
2047	50,966.78		115,007.64	68,786.74	234,761.16
2048	50,966.28		115,007.64	68,786.75	234,760.67
2049	50,966.23		115,007.64	68,786.76	234,760.63
2050	50,965.79		115,007.64	68,786.72	234,760.15
2051	50,966.03		115,007.64	68,786.74	234,760.41
2052	50,965.98		115,007.63	68,786.74	234,760.35
2053	50,966.57		115,007.64	68,786.75	234,760.96
2054			115,007.64	68,786.75	183,794.39
2055			115,007.64	68,786.73	183,794.37
2056			115,007.64	68,786.76	183,794.40
2057			115,007.64	68,786.74	183,794.38
2058			115,007.64	68,786.74	183,794.38
2059			115,007.64	68,786.74	183,794.38
2060			115,007.63	68,786.74	183,794.37
2061			115,007.64	68,786.75	183,794.39
2062			115,007.72	68,786.80	183,794.52
Totals	<u>\$1,630,923.31</u>	<u>\$1,576,141.53</u>	<u>\$4,535,218.78</u>	<u>\$2,706,109.98</u>	<u>\$10,448,393.60</u>

(See Accountants' Report)

GIBSON WATER AUTHORITY

PRO FORMA ANNUAL OPERATION AND MAINTENANCE EXPENSES

See Explanation of Adjustments, pages 12 to 14

No inflation adjustment made

	12 Months Ended 9/30/2020	Adjustments	Ref.	Pro Forma
<u>Annual Operating Expenses:</u>				
Salaries and wages	\$341,423	\$50,613	(1)	\$392,036
Employee benefits	168,262	19,545	(2)	187,807
Purchased water	1,282,973	116,768	(3)	1,399,741
Purchased power	39,554			39,554
Insurance	31,035	339	(4)	31,374
Contractual services	33,390	(24,798)	(6)	8,592
Materials and supplies	26,487			26,487
Transportation	8,601			8,601
Periodic maintenance	105,416	87,754	(5)	193,170
Bad debt expense	1,345			1,345
Miscellaneous	21,412			21,412
	<u>21,412</u>	<u> </u>		<u>21,412</u>
Total Annual Operating Expenses	<u>\$2,059,898</u>	<u>\$250,221</u>		<u>\$2,310,119</u>

(Continued on next page)

(See Accountants' Report)

GIBSON WATER AUTHORITY

(Cont'd)

PRO FORMA ANNUAL OPERATION AND MAINTENANCE EXPENSES

Explanation of Adjustments

Adjustment (1) - Salaries and Wages

To adjust test year salaries and wages to reflect pro forma salaries and wages with an additional full-time position anticipated based on Board action.

Pro forma salaries and wages	\$390,868
Less test year amount (net of accrued wages)	<u>(340,255)</u>
Adjustment	<u><u>\$50,613</u></u>

Adjustment (2) - Employee Benefits

To adjust test year FICA to reflect pro forma salaries and wages subject to FICA.

Pro forma salaries and wages	\$366,868
Times FICA rate	<u>7.65%</u>
Sub-total	\$28,065

To adjust test year employee pension expense to reflect eligible pro forma salaries and wages.

Pro forma salaries and wages	366,868
Times 5% contribution rate	<u>5.00%</u>
Sub-total	18,343

To adjust test year employee health, life, dental and vision insurance expense to reflect pro forma expense adjusted for an assumed additional full-time position at single rates.

Current monthly health insurance premium and administrative fee	10,999
Times 12 months	<u>12</u>
Sub-total	131,988
Current monthly vision and dental insurance	519
Times 12 months	<u>12</u>
Sub-total	<u>6,228</u>
Sub-total forward	<u><u>\$184,624</u></u>

(Continued on next page)

(See Accountants' Report)

GIBSON WATER AUTHORITY

(Cont'd)

PRO FORMA ANNUAL OPERATION AND MAINTENANCE EXPENSES

Explanation of Adjustments

Adjustment (2) - Employee Benefits (cont'd)

Sub-total carried forward	\$184,624
Test year medical reimbursements	<u>3,183</u>
Total	187,807
Less test year employee benefits	<u>(168,262)</u>
Adjustment	<u><u>\$19,545</u></u>

Adjustment (3) - Purchased Water

To adjust the test year purchased water expense to reflect the increase in Evansville rates.

Pro forma purchased water (From 30-Day Filing #50399)	\$1,399,741
Less test year amount	<u>(1,282,973)</u>
Adjustment	<u><u>\$116,768</u></u>

Adjustment (4) - Insurance

To adjust the test year insurance expense to reflect pro forma expense.

Pro forma insurance expense	\$31,374
Less test year amount	<u>(31,035)</u>
Adjustment	<u><u>\$339</u></u>

(Continued on next page)

(See Accountants' Report)

GIBSON WATER AUTHORITY

(Cont'd)

PRO FORMA ANNUAL OPERATION AND MAINTENANCE EXPENSES

Explanation of Adjustments

Adjustment (5) - Periodic Maintenance

SCADA, instrumentation:		
(\$100,000 every 10 years)		\$10,000
Pumping:		
(128,000 every 15 years, for 3 high service pumps and VFDs)		8,533
Tank maintenance:		
300,000 gallon elevated tank		
(\$44,865 every year)		44,865
300,000 gallon standpipe tank		
(\$20,133 every year)		20,133
Toyota tank		
(\$103,772 every year)		103,772
Meters:		
Turbine type flow meters		
(\$11,000 each, every 15 years, for 5 meters)		3,667
6" compound flow meters		
(\$13,000 each, every 15 years, for 1 meter)		867
8" compound flow meters		
(\$20,000 each, every 15 years, for 1 meter)		<u>1,333</u>
Total		193,170
Less test year amount		<u>(105,416)</u>
Adjustment		<u><u>\$87,754</u></u>

Adjustment (6) - Capital or Non-Recurring Items

To eliminate test year expenditures that are considered non-recurring or capital.

<u>Date</u>	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
January 2020	Baker Tilly Municipal Advisors, LLC	Professional services	(\$19,148)
February 2020	Baker Tilly Municipal Advisors, LLC	Water rate case	(2,850)
August 2020	Bose McKinney & Evans	Investigate COVID 19 IURC	<u>(2,800)</u>
Adjustment			<u><u>(\$24,798)</u></u>

(See Accountants' Report)

GIBSON WATER AUTHORITY

NORMALIZED ANNUAL OPERATING REVENUES AT EXISTING RATES

Billing Cycle	Existing Customers Billed Residential	Increase (Decrease) in Residential Users	Times Additional Monthly Bills	Additional Monthly Bills Residential
Oct-19	1,689			
Nov-19	1,689	0	1	0
Dec-19	1,691	2	2	4
Jan-20	1,693	2	3	6
Feb-20	1,695	2	4	8
Mar-20	1,697	2	5	10
Apr-20	1,698	1	6	6
May-20	1,701	3	7	21
Jun-20	1,705	4	8	32
Jul-20	1,707	2	9	18
Aug-20	1,707	0	10	0
Sep-20	1,708	1	11	11
Totals		<u>19</u>		116

Times residential monthly bill for 4,100 gallons at existing rates x \$40.94

Total normalized increase in metered
sales for existing customers 4,749

Plus test year metered sales 2,205,576

Sub-total 2,210,325

Plus tracking factor increase (#50399) 220,198

Normalized metered sales \$2,430,523

(See Accountants' Report)

GIBSON WATER AUTHORITY

PRO FORMA ANNUAL REVENUE REQUIREMENTS AND ANNUAL REVENUES

See Explanation of References, page 17

<u>Pro Forma Annual Revenue Requirements</u>	<u>12 Months Ended 9/30/2020</u>	<u>Adjustments</u>	<u>Ref.</u>	<u>Total Pro forma</u>
Operation and maintenance expenses	\$2,059,898	\$250,221	(1)	\$2,310,119
Debt service:				
Outstanding 2018 Notes	42,035	8,931	(2)	50,966
Proposed RD Notes				
2022 Series A Notes		115,008	(3)	115,008
2022 Series B Notes		68,787	(4)	68,787
Proposed 2021 SRF Notes		78,566	(5)	78,566
Debt service reserve:				
Outstanding 2018 Notes	10,200	-	(6)	10,200
Proposed RD Notes		18,380	(6)	18,380
Proposed 2021 SRF Notes		16,059	(6)	16,059
Depreciation	<u>113,060</u>	<u>205,135</u>	(7)	<u>318,195</u>
Total annual revenue requirements	2,225,193	761,087		2,986,280
Less interest income	(601)	-	(8)	(601)
Less miscellaneous income	<u>(29,627)</u>	<u>-</u>	(8)	<u>(29,627)</u>
Net annual revenue requirements	<u>\$2,194,965</u>	<u>\$761,087</u>		<u>\$2,956,052</u>
<u>Pro Forma Annual Revenues</u>				
Normalized water sales	\$2,205,576	\$224,947	(9)	\$2,430,523
Fire protection	<u>22,680</u>	<u>-</u>	(8)	<u>22,680</u>
Total annual revenues	<u>\$2,228,256</u>	<u>\$224,947</u>		<u>\$2,453,203</u>
Additional revenues required			(10)	<u>\$502,849</u>

(Continued on next page)

(See Accountants' Report)

GIBSON WATER AUTHORITY

(Cont'd)

PRO FORMA ANNUAL REVENUE REQUIREMENTS AND ANNUAL REVENUES (Explanation of References)

- (1) See "Pro Forma Annual Operation and Maintenance Expenses," pages 11 - 14.
- (2) To reflect the average annual debt service on the outstanding 2018 Notes. See page 9.
- (3) To reflect the average annual debt service on the proposed 2022 A RD Notes. See page 6.
- (4) To reflect the average annual debt service on the proposed 2022 B RD Notes. See page 7.
- (5) To reflect the average annual debt service on the proposed 2021 A SRF Notes. See page 8.
- (6) Monthly transfers of \$850 are required for the outstanding 2018 Notes. Annual debt service reserve requirement on the proposed 2021 and 2022 Notes calculated below:

Maximum debt service on proposed 2022 A RD Notes	\$115,008
Maximum debt service on proposed 2022 B RD Notes	<u>68,787</u>
Sub-total	183,795
Divided by 10 years	<u>10</u>
Annual debt service reserve funding	<u><u>\$18,380</u></u>
Maximum debt service on proposed 2021 A SRF Notes	\$80,294
Divided by 5 years	<u>5</u>
Annual debt service reserve funding	<u><u>\$16,059</u></u>

- (7) To provide an annual allowance for replacements and improvements based on depreciation expense calculated at the composite rate of 1.7%.

Utility plant in service as of 9/30/20	\$18,717,359
Times composite rate of 1.7%	<u>1.7%</u>
Calculated depreciation expense	<u><u>\$318,195</u></u>

- (8) Assumed at test year ended 9/30/2020 amounts.
- (9) To normalize test year operating revenues for additional customers added to the system and assumed tracking factor revenues, see page 15.

A portion of this increase was previously authorized by the IURC in Cause No. 45080 S1 and related to the additional revenues required associated with the proposed RD Notes and RD Reserve. This increase has not yet been implemented.

(See Accountants' Report)

GIBSON WATER AUTHORITY

**PRO FORMA ANNUAL REVENUE REQUIREMENTS
AND ANNUAL REVENUES**

See Explanation of References, page 19

<u>Pro Forma Annual Revenue Requirements</u>	Total Pro forma	Initial Rate Increase (1)		RD Increase All Users (4)
		Part 1 All Users (2)	Part 2 No TMMI (3)	
Operation and maintenance expenses	\$2,310,119	\$2,310,119	\$2,310,119	\$2,310,119
Debt service:				
Outstanding 2018 Note	50,966	50,966	50,966	50,966
Proposed RD Note				
2022 Series A Note	115,008			115,008
2022 Series B Note	68,787			68,787
Proposed 2021 SRF Note	78,566		78,566	78,566
Debt service reserve:				
Outstanding 2018 Note	10,200	10,200	10,200	10,200
Proposed RD Notes	18,380			18,380
Proposed 2021 SRF Note	16,059		16,059	16,059
Depreciation	318,195	318,195	318,195	318,195
Total annual revenue requirements	2,986,280	2,689,480	2,784,105	2,986,280
Less interest income	(601)	(601)	(601)	(601)
Less miscellaneous income	(29,627)	(29,627)	(29,627)	(29,627)
Net annual revenue requirements	<u>\$2,956,052</u>	<u>\$2,659,252</u>	<u>\$2,753,877</u>	<u>\$2,956,052</u>
<u>Pro Forma Annual Revenues</u>				
Water sales	\$1,527,837	\$1,527,837	\$1,527,837	\$1,527,837
Additional sales from Initial Part 1 increase			128,318	128,318
Additional sales from Initial Part 2 increase				93,241
TMMI water sales	902,686	902,686	902,686	902,686
Additional TMMI sales from Initial Part 1 increase			75,826	75,826
Fire protection	22,680	22,680	22,680	22,680
Additional sales from Initial Part 1 increase			1,905	1,905
Additional sales from Initial Part 2 increase				1,384
Total annual revenues	<u>\$2,453,203</u>	<u>\$2,453,203</u>	<u>\$2,659,252</u>	<u>\$2,753,877</u>
Additional revenues required	<u>\$502,849</u>	<u>\$206,049</u>	<u>\$94,625</u>	<u>\$202,175</u>
Approximate Across-The-Board Increase In Present Rates and Charges		<u>8.40%</u>	<u>5.63%</u>	<u>7.34%</u>

(Continued on next page)

(See Accountants' Report)

GIBSON WATER AUTHORITY

(Cont'd)

PRO FORMA ANNUAL REVENUE REQUIREMENTS
AND ANNUAL REVENUES
(Explanation of References)

- (1) The proposed initial rate increase would take effect immediately upon issuance of an Order by the Commission and approval of a revised tariff.
- (2) Part 1 of the initial rate increase would be applied to all users of the system and relates to pro forma operation and maintenance expense, outstanding debt and debt service reserve and depreciation.
- (3) Part 2 of the initial rate increase would not be applicable to TMMI based on their initial cash capital contribution for additional capacity from Evansville.
- (4) Upon receipt of bids for the RD project, Gibson Water Authority would true-up the debt service and debt service reserve for the RD financing as well as the SRF debt service. This final portion of the proposed rate increase would likely apply to all* customers and would be implemented after receipt of the construction bids but prior to RD closing in order to satisfy RD underwriting requirements.

* If a true-up is necessary for the SRF bonds, TMMI would be excluded from that component of the final rate increase.

(See Accountants' Report)

GIBSON WATER AUTHORITY

SCHEDULE OF PRESENT AND PROPOSED WATER RATES AND CHARGES

(a) Metered Consumption

Consumption Per Month				Rate per 1,000 gallons		
		Present (1)	Plus Existing Tracking Factor (2)	Effective Base Rates	Initial Increase (3)	RD Increase (4)
First	2,000 gallons	\$9.29 *	\$0.87	\$10.16 *	\$11.59 *	\$12.44 *
Next	5,000 gallons	8.95 *	0.87	9.82 *	11.20 *	12.02 *
Next	18,000 gallons	8.61 *	0.87	9.48 *	10.81 *	11.60 *
Next	75,000 gallons	8.27 *	0.87	9.14 *	10.42 *	11.18 *
Next	100,000 gallons	6.21 *	0.87	7.08 *	8.07 *	8.66 *
Next	300,000 gallons	4.16 *	0.87	5.03 *	5.74 *	6.16 *
Over	500,000 gallons	3.47 *	0.87	4.34 *	4.95 *	5.31 *

(b) Minimum Charge

Meter Size		Gallons Allowed	Present (1)	Plus Existing Tracking Factor (2)	Minimum Charge		
5/8 and 3/4 inch meter		2,000	\$18.58 *	\$1.74	\$20.32 *	\$23.18 *	\$24.88 *
1 inch meter		3,400	31.11 *	2.96	34.07 *	38.86 *	41.71 *
1 1/2 inch meter		6,900	62.44 *	6.00	68.44 *	78.06 *	83.78 *
2 inch meter		11,315	100.48 *	9.85	110.33 *	125.83 *	135.03 *
3 inch meter		21,630	189.29 *	18.82	208.11 *	237.33 *	254.69 *
4 inch meter		37,000	317.55 *	32.19	349.74 *	398.80 *	427.94 *
6 inch meter		75,890	639.17 *	66.02	705.19 *	804.03 *	862.73 *

(c) Sale for Resale Schedule

	Present (1)	Plus Existing Tracking Factor (2)	Rate per 1,000 gallons		
Haubstadt Municipal Water Utility (3)	\$3.15 *	\$0.87	\$4.02 *	\$4.58 *	\$4.92 *
Toyota Motor Manufacturing, Indiana, Inc. (4)	3.15 *	0.87	4.02 *	4.36 *	4.68 *

(1) Pursuant to IURC Order in Cause No. 45080, dated November 21, 2018. Excludes the additional increase authorized in Cause No. 45080 S1 as that increase has not been implemented.

(2) Cumulative tracking factor approved No. 50399 dated March 24, 2021.

(3) Assumes a 14.03% across-the-board increase in present rates and charges except for TMMI which only receives an 8.40% increase.

(4) Assumes a 7.34% across-the-board increase in the rates and charges calculated after the initial rate increase.

* Subject to the wholesale water tracking factor listed in "Appendix A".

(Continued on next page)

(See Accountants' Report)

GIBSON WATER AUTHORITY

(Cont'd)

SCHEDULE OF PRESENT AND PROPOSED WATER RATES AND CHARGES

		Rate per 1,000 gallons		
		Initial	RD	
		Increase (2)	Increase (3)	
		Present (1)		
(d) Temporary Users - Vehicle		\$9.29 *	\$10.59 *	\$11.37 *
		Per Annum		
		Initial	RD	
		Increase (2)	Increase (3)	
		Present (1)		
(e) Fire Protection Service				
	1 inch connection	\$34.98	\$39.89	\$42.82
	1 1/4 inch connection	52.47	59.83	64.22
	1 1/2 inch connection	75.79	86.42	92.76
	2 inch connection	134.09	152.90	164.12
	3 inch connection	291.50	332.40	356.80
	4 inch connection	518.87	591.67	635.10
	6 inch connection	1,166.00	1,329.59	1,427.18
	8 inch connection	2,075.48	2,366.67	2,540.38
		Present (4)	Proposed (4)	Proposed (4)
(f) Temporary Users - Conduit				
Water furnished to temporary users such as contractors shall be charged on the basis of the metered rates hereinbefore set forth as estimated and established by the Waterworks Superintendent.				
(g) Connection Charge	-5/8 x 3/4 inch meter	\$1,500.00	\$1,500.00	\$1,500.00
	-Larger than 5/8 x 3/4 inch meter	\$1,500.00	\$1,500.00	\$1,500.00
(h) Membership Fees		\$100.00	\$100.00	\$100.00
(i) Delinquencies				
A water service bill which has remained unpaid for a period of more than 17 days following the mailing of the bill shall have a late payment charge added to it, which charge shall be the amount of 10 percent of the first \$3.00 and 3 percent of the excess of \$3.00.				
(j) Reconnection Charge		\$25.00	\$25.00	\$25.00
(k) Insufficient Funds Charge		\$20.00	\$20.00	\$20.00

(1) Pursuant to IURC Order in Cause No. 45080, dated November 21, 2018. Excludes the additional increase authorized in Cause No. 45080 S1 as that increase has not been implemented.

(2) Assumes a 14.03% across-the-board increase in present rates and charges.

(3) Assumes a 7.34% across-the-board increase in the rates and charges calculated after the initial increase.

(4) Pursuant to 30-Day Filing No. 50188, dated June 13, 2018.

* Subject to the wholesale water tracking factor listed in "Appendix A".

(Continued on next page)

(See Accountants' Report)

GIBSON WATER AUTHORITY

(Cont'd)

SCHEDULE OF PRESENT AND PROPOSED WATER RATES AND CHARGES

APPENDIX A

Water Tracking Adjustment - The water tracking factor set forth in this schedule is applicable where clearly denoted on other rate schedules and shall be occasioned solely by changes in the wholesale cost of water, in accordance with 170 IAC 6-5-1.

Water Tracking Rate	\$0.87 per 1,000 gallons *
---------------------	----------------------------

* Inclusive of the following separate tracking factors:

\$0.35	per 1,000 gallons approved per conference minutes in filing No. 50239 dated February 6, 2019.
<u>0.52</u>	<u>per 1,000 gallons approved per conference minutes in filing No. 50399 dated March 24, 2021.</u>

Total	<u>\$0.87</u>
-------	---------------

Note: The existing tracking factor of \$0.87 is rolled into the proposed base rates as part of the rate case and will be reset to \$0.00 upon the issuance of an Order by IURC and filing of the revised tariff.

(See Accountants' Report)

GIBSON WATER AUTHORITY

SUPPLEMENTAL DATA

GIBSON WATER AUTHORITY

COMPARATIVE STATEMENT OF FINANCIAL POSITION

	As of December 31st			As of
	2017	2018	2019	9/30/2020
<u>ASSETS:</u>				
Current Assets:				
Operating cash and cash equivalents	\$616,494	\$670,256	\$692,523	\$621,232
Restricted cash and cash equivalents:				
Bond and interest	-	-	42,480	81,180
Debt service reserve	-	-	10,286	17,936
Customer deposits	100	100	700	100
Accounts receivable - customer (net)	132,108	161,069	128,558	142,076
Accounts receivable - other	-	28	-	-
Inventory - materials and supplies	12,893	32,580	38,107	40,698
Prepaid expenses	16,978	19,460	22,474	9,566
	<u>778,573</u>	<u>883,493</u>	<u>935,128</u>	<u>912,788</u>
Total Current Assets				
Non-Current Assets:				
Capital Assets:				
Utility plant in service	16,907,079	17,113,030	18,608,726	18,717,359
Accumulated depreciation	<u>(5,858,174)</u>	<u>(6,149,095)</u>	<u>(6,465,485)</u>	<u>(6,702,779)</u>
Sub-total	11,048,905	10,963,935	12,143,241	12,014,580
Construction work in progress	<u>45,860</u>	<u>449,182</u>	<u>826,819</u>	<u>828,601</u>
Net Capital Assets	<u>11,094,765</u>	<u>11,413,117</u>	<u>12,970,060</u>	<u>12,843,181</u>
Other Assets:				
Deferred tank painting net of amortization	<u>1,106,100</u>	<u>1,009,262</u>	<u>924,066</u>	<u>924,066</u>
Total Non-Current Assets	<u>12,200,865</u>	<u>12,422,379</u>	<u>13,894,126</u>	<u>13,767,247</u>
Total Assets	<u>\$12,979,438</u>	<u>\$13,305,872</u>	<u>\$14,829,254</u>	<u>\$14,680,035</u>

(Continued on next page)

(See Accountants' Compilation Report)

GIBSON WATER AUTHORITY

(Cont'd)

COMPARATIVE STATEMENT OF FINANCIAL POSITION

LIABILITIES:	As of December 31st			As of
	2017	2018	2019	9/30/2020
Current and Accrued Liabilities:				
Accounts payable	\$156,763	\$412,265	\$276,133	\$0
Payroll liabilities	7,601	9,327	10,604	1,168
Accrued interest payable	-	-	10,459	-
Sales tax payable	4,974	5,051	6,060	5,847
Customer deposits	100	100	100	100
Unclaimed membership refunds	3,281	4,100	4,332	4,332
Current portion of long-term debt	-	-	15,819	15,819
Total Current Liabilities	172,719	430,843	323,507	27,266
Non-Current Liabilities:				
Contracts payable - less current portion	299,418	218,534	137,650	75,688
Long-term debt	-	-	860,626	860,626
Total Non-Current Liabilities	299,418	218,534	998,276	936,314
Total Liabilities	<u>\$472,137</u>	<u>\$649,377</u>	<u>\$1,321,783</u>	<u>\$963,580</u>
NET ASSETS:				
Temporarily restricted assets	\$100	\$100	\$53,466	\$99,216
Unrestricted	12,507,201	12,656,395	13,454,005	13,617,239
Total Net Assets	<u>\$12,507,301</u>	<u>\$12,656,495</u>	<u>\$13,507,471</u>	<u>\$13,716,455</u>

(See Accountants' Compilation Report)

GIBSON WATER AUTHORITY

COMPARATIVE STATEMENT OF ACTIVITIES

	Calendar Year			12 Months Ended 9/30/2020
	2017	2018	2019	
Operating Revenues:				
Metered sales				
Residential	\$651,387	\$668,873	\$791,949	\$838,668
Commercial	185,562	199,090	252,556	237,280
Industrial	727,218	878,996	1,028,877	925,625
Public authorities	13,023	8,700	8,368	14,601
Agricultural	32,537	25,096	32,510	36,141
Sales for resale	128,659	118,810	147,470	153,261
Fire protection service charge	22,680	22,680	22,680	22,680
Miscellaneous income	8,952	12,181	34,924	29,627
Total Operating Revenues	<u>1,770,018</u>	<u>1,934,426</u>	<u>2,319,334</u>	<u>2,257,883</u>
Operating Expenses:				
Salaries and wages	318,418	331,676	339,718	341,423
Employee benefits	139,094	149,542	168,489	168,262
Purchased water	828,961	1,063,804	1,212,727	1,282,973
Purchased power	41,247	47,324	41,192	39,554
Insurance	27,563	35,751	28,562	31,035
Contractual services	67,112	56,180	51,718	33,390
Materials and supplies	30,758	24,414	24,411	26,487
Transportation	14,198	14,294	14,799	8,601
Periodic maintenance	131,390	117,057	105,416	105,416
Bad debt expense	2,579	1,136	1,345	1,345
Miscellaneous	29,232	29,941	26,568	21,412
Sub-Total	<u>1,630,552</u>	<u>1,871,119</u>	<u>2,014,945</u>	<u>2,059,898</u>
Depreciation expense	<u>81,689</u>	<u>83,524</u>	<u>93,958</u>	<u>113,060</u>
Total Operating Expenses	<u>1,712,241</u>	<u>1,954,643</u>	<u>2,108,903</u>	<u>2,172,958</u>
Net Operating Revenues	<u>\$57,777</u>	<u>(\$20,217)</u>	<u>\$210,431</u>	<u>\$84,925</u>

(Continued on next page)

(See Accountants' Compilation Report)

GIBSON WATER AUTHORITY

(Cont'd)

COMPARATIVE STATEMENT OF ACTIVITIES

	Calendar Year			12 Months Ended 9/30/2020
	2017	2018	2019	
Non-Operating Revenues				
Non-utility income	\$2,008	\$824	\$3,288	(\$60,436)
Interest income	211	206	617	601
Memberships issued	14,300	12,600	2,102	3,404
Contributions in aid of construction	77,802	373,680	870,275	107,574
Total Non-Operating Revenue	94,321	387,310	876,282	51,143
Non-Operating Expenses				
Interest expense	-	1	13,305	2,846
Memberships redeemed	12,489	10,500	-	-
Amortization of grants	33,333	33,333	33,333	33,333
Amortization of CIAC	172,398	174,065	189,099	189,099
Total Non-Operating Expenses	218,220	217,899	235,737	225,278
Change in Net Assets	(66,122)	149,194	850,976	(89,210)
Total Net Assets - Beginning	12,573,423	12,507,301	12,656,495	13,805,665
Total Net Assets - Ending	<u>\$12,507,301</u>	<u>\$12,656,495</u>	<u>\$13,507,471</u>	<u>\$13,716,455</u>

(See Accountants' Compilation Report)

GIBSON WATER AUTHORITY
COMPARATIVE STATEMENT OF CASH FLOWS
Increase (Decrease) in Cash

	Calendar Year			Twelve Months Ended 9/30/2020
	2017	2018	2019	
Cash flows from Operating Activities:				
Cash received from customers	\$1,778,996	\$1,905,437	\$2,351,873	\$2,243,900
Cash paid to suppliers, employees and others	(1,760,385)	(1,716,048)	(2,227,525)	(2,139,230)
Net Cash provided by Operating Activities	18,611	189,389	124,348	104,670
Cash Flows from Capital and Related Financing Activities:				
Purchases of property and equipment	(169,014)	(609,273)	(1,873,333)	(764,835)
Deferred tank painting expense	90,951	96,837	85,196	85,196
Proceeds from contributions in aid of construction	77,802	373,680	870,275	107,574
Proceeds from memberships	14,300	12,600	2,102	3,404
Refunds of memberships	(12,489)	(10,500)	-	-
Proceeds from long-term debt	-	-	876,445	-
Payment on long-term debt	-	-	-	551,000
Net Cash provided by Investing Activities	1,550	(136,656)	(39,315)	(17,661)
Cash Flows from Investing Activities:				
Interest received	211	206	617	601
Interest paid	-	(1)	(13,305)	(2,846)
Other income	2,008	824	3,288	(60,436)
Net Cash provided by Financing Activities	2,219	1,029	(9,400)	(62,681)
Cash and Cash Equivalents:				
Increase (Decrease)	22,380	53,762	75,633	24,328
Beginning Balance	594,214	616,594	670,356	696,120
Ending Balance	<u>\$616,594</u>	<u>\$670,356</u>	<u>\$745,989</u>	<u>\$720,448</u>

(Continued on next page)

(See Accountants' Compilation Report)

GIBSON WATER AUTHORITY

(Cont'd)

COMPARATIVE STATEMENT OF CASH FLOWS

Increase (Decrease) in Cash

	Calendar Year			Twelve Months Ended 9/30/2020
	2017	2018	2019	
Reconciliation of net operating revenues to cash provided from operations:				
Net Operating Revenues	\$57,777	(\$20,217)	\$210,431	\$84,925
Adjustments to reconcile net operating revenue to net cash provided from operating activities:				
Depreciation Expense	81,689	83,524	93,958	113,060
Change in assets and liabilities:				
Decrease (Increase) in:				
Accounts receivable - customer (net)	8,978	(28,961)	32,511	(14,011)
Accounts receivable - other	-	(28)	28	28
Inventory - materials and supplies	(1,096)	(19,687)	(5,527)	2,908
Prepaid expenses	636	(2,482)	(3,014)	(312)
Increase (Decrease) in:				
Accounts payable	24,242	255,502	(136,132)	-
Accrued liabilities	8,053	2,622	12,977	(244)
Customer deposits	100	-	-	(800)
Contracts payable	(161,768)	(80,884)	(80,884)	(80,884)
Net Cash Provided from Operations	<u>\$18,611</u>	<u>\$189,389</u>	<u>\$124,348</u>	<u>\$104,670</u>

(See Accountants' Compilation Report)

GIBSON WATER AUTHORITY

COMPARISON OF FUND BALANCES WITH MINIMUM BALANCES REQUIRED

<u>Cash and Investments:</u>	Balance As of 09/30/20	Minimum Balance Required (1)	Variance
Operation and Maintenance Fund (2)	\$621,232	\$385,097	\$236,135
Sinking Fund:			
Bond and Interest Account (3)	81,180	12,741	68,439
Debt Service Reserve Account (4)	17,936	17,850	86
Customer Deposit Fund (5)	100	100	-
Improvement Fund (6)	-	318,195	(318,195)
Totals	<u>\$720,448</u>	<u>\$733,983</u>	<u>(\$13,535)</u>

(1) **Required Reserves:** Balances required per the Trust Indenture.

(2) **Operation and Maintenance Fund:** The balance maintained in this fund shall be sufficient to pay the expenses of operation, repair and maintenance of the then next succeeding two (2) calendar months.

Pro forma operation and maintenance expense	\$2,310,119
Times factor for two months	<u>0.1667</u>
Required Reserve	<u>\$385,097</u>

(3) **Bond and Interest Account:** A balance must be maintained equal to the sum of the monthly transfers in the amount of 1/6 of the next succeeding principal payment and the amount of 1/6 of the next succeeding interest payment.

<u>2018 Notes</u>	<u>Amount</u>	<u>Factor</u>	<u>Months</u>	<u>Total</u>
Principal due 1/1/2021	\$8,120	1/6	3	\$4,060
Interest due 1/1/2021	17,363	1/6	3	<u>8,681</u>
Required Reserve				<u>\$12,741</u>

(4) **Debt Service Reserve Account:** Equal to the maximum year debt service on the outstanding Notes accrued over a five-year period.

Required Reserve	<u>\$17,850</u>
------------------	-----------------

(5) **Customer Deposit Fund:** Balance fully restricted.

(6) **Improvement Fund:** As a general rule, an amount equal to one year's replacements and improvements is typically maintained in this account to provide a funding source for capital improvements.

Recommended Reserve	<u>\$318,195</u>
---------------------	------------------

(See Accountants' Report)