

## Projecting New Revenue

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We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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## Projecting New Revenue

Reference Number: MTAS-801

Using the projected new revenue, the finance director repeated the cash flow analysis. Table 7 shows that the rate increases will result in positive ending cash through the study period.

**Table 7: Any City  
Water/Sewer Fund Cash Flow w/Rate Increases**

|   | AUDIT<br>F/Y 2010 | AUDIT<br>F/Y 2011 | CURRENT<br>F/Y 2012 | PROJECTED<br>F/Y 2013 | PROJECTED<br>F/Y 2014 | PROJECTED<br>F/Y 2015 |
|---|-------------------|-------------------|---------------------|-----------------------|-----------------------|-----------------------|
| <b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b> |                   |                   | \$239,821           | \$412,414             | \$470,314             | \$510,404             |
| ADD:  |                   |                   |                     |                       |                       |                       |
| Depreciation-Existing                                   |                   |                   | \$618,471           | \$618,471             | \$618,471             | \$618,471             |
| Depreciation - New                                      |                   |                   |                     | \$67,508              | \$159,295             | \$232,363             |
| Grants  |                   |                   |                     | \$768,000             | \$0                   | \$0                   |
| Proceeds from Existing Debt                             |                   |                   | \$3,215,708         | \$5,800,000           | \$0                   | \$0                   |
| Proceeds from New Debt                                  |                   |                   |                     | \$0                   | \$0                   | \$0                   |
| <b>TOTAL FUNDS AVAILABLE</b>                            |                   |                   | <b>\$4,074,000</b>  | <b>\$7,666,393</b>    | <b>\$1,248,080</b>    | <b>\$1,361,238</b>    |
| Capital Projects  |                   |                   | (\$734,053)         | (\$3,320,032)         | (\$5,280,600)         | (\$1,446,260)         |
| Debt Principal -Existing                                |                   |                   | (\$521,436)         | (\$461,571)           | (\$407,657)           | (\$350,855)           |
| Debt Principal - New Debt                               |                   |                   |                     |                       | (\$175,558)           | (\$184,336)           |
| Transfers Out   |                   |                   | (\$87,130)          | (\$113,441)           | (\$156,108)           | (\$167,130)           |
| <b>CASH INCREASE (DECREASE)</b>                         |                   |                   | <b>\$2,731,381</b>  | <b>\$3,771,349</b>    | <b>(\$4,771,843)</b>  | <b>(\$787,343)</b>    |
| <b>BEGINNING CASH</b>                                   |                   |                   | <b>\$902,965</b>    | <b>\$3,634,346</b>    | <b>\$7,405,695</b>    | <b>\$2,633,852</b>    |
| <b>ENDING CASH</b>                                      |                   | <b>\$902,965</b>  | <b>\$3,634,346</b>  | <b>\$7,405,695</b>    | <b>\$2,633,852</b>    | <b>\$1,846,509</b>    |

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**Source URL (retrieved on 08/21/2019 - 3:11pm):** <http://www.mtas.tennessee.edu/reference/projecting-new-revenue>