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Overview of Financial Projection for Washington Parish Communications District

Attached is a projection or estimate for 2021 through 2025 of operating revenues and expenditures, nonoperating revenues and expenditures, change in net position, debt payment, and net funds available for use. Change in net position represents the revenues less expenditures each year.

The following are factors that are considered in the projection:

1. Legacy 911 call routing is expected to continue to be at \$19,000 until 2024 when it replaced by Next Generation Call Routing at \$36,000 per year.
2. Gage service-related costs are not expected to increase from current budgeted level amounts.
3. Insurance is expected to increase 3% in 2021, 6% in 2022, and 3% per year thereafter.
4. Electricity is expected to increase 3% per year.
5. Payroll is expected to increase 4% per year due to cost of living factors.
6. Solacom managed care services and maintenance agreement costs will start in 2025.
7. Wireline income is expected to decrease by 4% each year.
8. Wireless income will remain level each year.

The net yearly funds available for use include the change in net position before capital expenditures. Depreciation is added back and the yearly principal paid on debt is deducted. This represents the expected and estimated funds available for the District before capital expenditures.

The restricted capital funds balance at the end of 2021 is estimated to be \$200,000. This represents funds available for capital expenditures. The net funds available for use for the District is added back to the restricted capital funds.

Observations to note:

1. The resulting restricted capital fund balance will not be adequate to fund the currently approved capital projects.

2. The District may wish to reclassify a portion of the restricted capital fund as "restricted emergency repair funds" to be available for unexpected equipment replacement or repair.
3. Expected Revenues will not be sufficient to fund the projected operational costs of the District beyond 2025. The District should begin the development of a strategic plan to reduce operating costs and/or increase revenues as appropriate.

	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Actual	Actual	Actual	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
INCOME									
Wireline Income	\$ 244,000	\$ 232,000	\$ 207,000	\$ 210,000	\$ 201,600	\$ 193,536	\$ 185,795	\$ 178,363	\$ 171,228
Wireless Income	\$ 497,000	\$ 513,000	\$ 510,000	\$ 516,000	\$ 516,000	\$ 516,000	\$ 516,000	\$ 516,000	\$ 516,000
Other Income	\$ 18,000								
Total Income	\$ 759,000	\$ 745,000	\$ 717,000	\$ 726,000	\$ 717,600	\$ 709,536	\$ 701,795	\$ 694,363	\$ 687,228
EXPENSE									
ATT Legacy 911 Call Routing	\$ 23,118	\$ 22,000	\$ 21,000	\$ 19,000	\$ 19,000	\$ 19,000	\$ 19,000	\$ 36,000	\$ 36,000
ATT Next Generation Call Routing									
Payroll	\$ 97,411	\$ 99,787	\$ 103,145	\$ 103,279	\$ 107,410	\$ 111,707	\$ 116,175	\$ 120,822	\$ 125,655
Insurance	\$ 33,719	\$ 41,260	\$ 47,082	\$ 50,100	\$ 51,603	\$ 54,699	\$ 56,340	\$ 58,030	\$ 59,771
Electricity	\$ 37,077	\$ 31,425	\$ 33,763	\$ 32,378	\$ 33,349	\$ 34,350	\$ 35,380	\$ 36,442	\$ 37,535
Solacom Managed Services									\$ 3,268
Solacom Maintenance									\$ 13,730
Depreciation	\$ 146,829	\$ 152,583	\$ 153,154	\$ 182,537	\$ 183,000	\$ 183,000	\$ 183,000	\$ 183,000	\$ 183,000
Other	\$ 254,496	\$ 286,243	\$ 286,592	\$ 343,828	\$ 353,628	\$ 353,628	\$ 353,628	\$ 353,628	\$ 353,628
Total Operating Expense	\$ 592,650	\$ 633,298	\$ 644,736	\$ 731,122	\$ 747,991	\$ 756,384	\$ 763,523	\$ 787,922	\$ 812,587
Operating Income	\$ 166,350	\$ 111,702	\$ 72,264	\$ (5,122)	\$ (30,391)	\$ (46,848)	\$ (61,729)	\$ (93,559)	\$ (125,359)
Non Operating Revenue/ (Expense)	\$ (9,000)	\$ (6,000)	\$ (1,000)	\$ (9,000)	\$ (9,000)	\$ (9,000)	\$ (9,000)	\$ (9,000)	\$ (9,000)
Change in Net Position Before Capital	\$ 157,350	\$ 105,702	\$ 71,264	\$ (14,122)	\$ (39,391)	\$ (55,848)	\$ (70,729)	\$ (102,559)	\$ (134,359)
Yearly Funds Available For Use	\$ 304,179	\$ 258,285	\$ 224,418	\$ 168,415	\$ 143,610	\$ 127,152	\$ 112,271	\$ 80,441	\$ 48,641
Less, Principal paid on debt	\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000
Net Funds Available For Use	\$ 279,179	\$ 233,285	\$ 199,418	\$ 138,415	\$ 113,610	\$ 97,152	\$ 82,271	\$ 50,441	\$ 13,641
Restricted Capital Funds Balance					\$ 200,000	\$ 297,152	\$ 379,424	\$ 429,865	\$ 443,506

Current Capital Projects Awaiting Funding

Franklinton 911 Equipment Shelter	\$500,000
Security Fencing at EOC	\$170,000
Replace Franklinton tower	\$135,000
Replace 8 year old Audio Visual System	\$130,000
Replace 8 year old Telephone System	\$50,000
Replace 25 Year Old Vehicle	\$32,000
Replace EOC Tower Lighting System	\$30,000
Total	\$1,047,000