

WEST KNOX UTILITY DISTRICT OF KNOX COUNTY, TENNESSEE

BUDGET

Fiscal Year Ending June 30, 2025

Providing quality water and sewer services with financial transparency and accountability.

West Knox Utility District
2328 Lovell Road • P.O. Box 51370
Knoxville, TN 37950

WEST KNOX UTILITY DISTRICT
BUDGET SUMMARY
FISCAL YEAR ENDING JUNE 30, 2025

| | | |
|---|-----------|------------------------------|
| TOTAL REVENUE | \$ | 38,398,531 |
| LESS: EXPENSES FOR OPERATION, MAINTENANCE & ADMINISTRATION | \$ | (19,849,615) |
| LESS: BOND INTEREST & OTHER RELATED EXPENSES | \$ | (6,129,732) |
| LESS: DEPRECIATION EXPENSE | \$ | <u>(8,870,867.65)</u> |
| NET POSITION | \$ | 3,548,317 |

**WEST KNOX UTILITY DISTRICT
SCHEDULE OF REVENUES AND EXPENSES
BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2025**

| Operating Revenues | Audited Financials June 30, 2023 | Budget Fiscal Year June 30, 2024 | Projected Fiscal Year June 30, 2024 | Budget Fiscal Year June 30, 2025 |
|--------------------------------|--|--|---|--|
| Water | \$ 12,360,814 | \$ 12,529,284 | \$ 12,660,800 | \$ 14,054,712 |
| Wastewater | 18,270,556 | 18,471,740 | 18,756,849 | 19,445,202 |
| E-1 Maintenance Fees | 213,056 | 264,384 | 248,843 | 252,575 |
| WW Inspection Fees | 10,925 | 17,825 | 24,150 | 24,512 |
| Hydrant Rental Revenue | 6,280 | 20,000 | 2,700 | 2,727 |
| Forfeited Discounts | 324,845 | 339,752 | 292,706 | 301,487 |
| Service Fees | 127,666 | 150,000 | 130,140 | 131,441 |
| Tapping Fees | 1,100,176 | 1,624,950 | 1,957,560 | 1,986,923 |
| LP Pump Revenue | 77,097 | 150,000 | 80,000 | 80,800 |
| Backflow Testing | 57,650 | 66,121 | 61,800 | 62,418 |
| Developer Review Fees | 5,675 | 20,000 | 4,530 | 10,000 |
| Reconnect Fees | 86,175 | 90,000 | 41,130 | 41,747 |
| Returned Check Fees | 7,220 | 7,950 | 6,984 | 7,089 |
| Miscellaneous | 75,502 | 65,000 | 115,344 | 116,497 |
| Recovery of Bad Debt | (59) | 100 | (252) | 100 |
| Cash Over/Short | 63 | - | 33 | 100 |
| Total Operating Revenue | \$ 32,723,641 | \$ 33,817,107 | \$ 34,383,317 | \$ 36,518,331 |

**WEST KNOX UTILITY DISTRICT
SCHEDULE OF REVENUES AND EXPENSES
BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2025**

| Other Revenues | Audited Financials June 30, 2023 | Budget Fiscal Year June 30, 2024 | Projected Fiscal Year June 30, 2024 | Budget Fiscal Year June 30, 2025 |
|-----------------------------------|---|---|--|---|
| Visa Rebate Earned | \$ 11,657 | \$ 12,000 | \$ 9,262 | \$ - |
| Interest Earned | 460,775 | 300,000 | 1,520,334 | 1,500,000 |
| Retainage Interest Income | - | - | - | - |
| Unrealized Investment Income | 76,779 | 200,000 | 382,523 | 380,000 |
| Gain (Loss) on Disposal of Assets | - | 5,000 | 335,100 | 5,000 |
| Gain (Loss) on Bond Refunding | (4,280) | - | (4,800) | (4,800) |
| Subtotal | \$ 544,931 | \$ 517,000 | \$ 2,242,420 | \$ 1,880,200 |
| | | | | |
| Total Revenue | \$ 33,268,572 | \$ 34,334,107 | \$ 36,625,736 | \$ 38,398,531 |

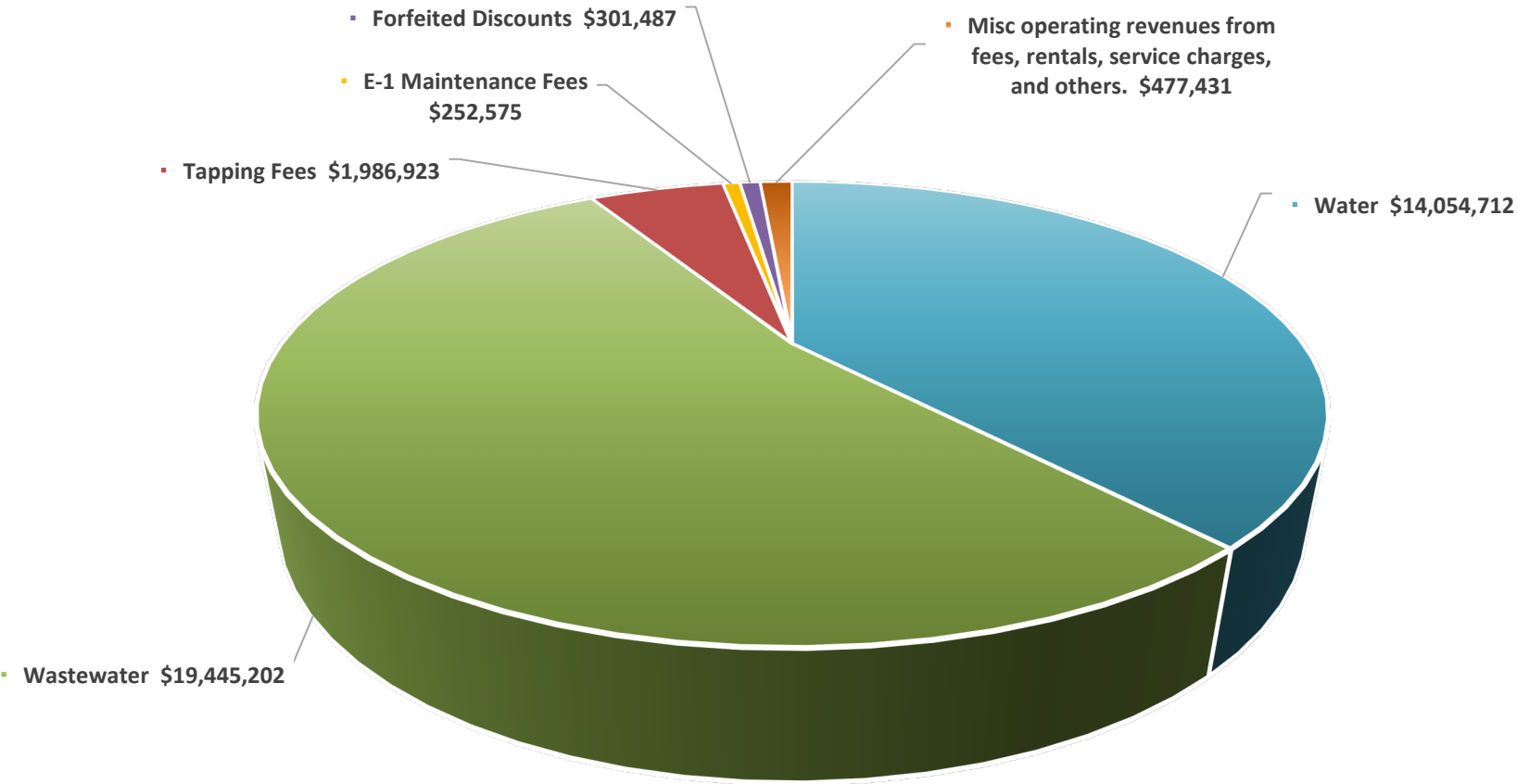
**WEST KNOX UTILITY DISTRICT
SCHEDULE OF REVENUES AND EXPENSES
BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2025**

| Expenses | Audited Financials June 30, 2023 | Budget Fiscal Year June 30, 2024 | Projected Fiscal Year June 30, 2024 | Budget Fiscal Year June 30, 2025 |
|--|---|---|--|---|
| Purification & Supply | \$ 3,082,251 | \$ 3,125,420 | \$ 3,120,245 | \$ 3,517,658 |
| Collection & Treatment | 4,561,910 | 4,595,322 | 4,398,330 | 4,829,024 |
| CMOM Program | 1,556,725 | 1,539,518 | 1,784,417 | 1,905,814 |
| Treatment & Distribution | 3,518,400 | 3,365,969 | 3,362,424 | 3,618,669 |
| Pump Stations and Electrical Maintenance | 384,939 | 607,500 | 602,780 | 644,843 |
| Shop & General Maintenance | 502,507 | 460,000 | 485,673 | 525,000 |
| Depreciation Expense | 8,635,823 | 8,700,000 | 8,783,037 | 8,870,868 |
| Customer Accounting & Collection | 521,872 | 475,000 | 571,504 | 580,000 |
| Administrative & General | 3,557,871 | 3,900,277 | 3,865,923 | 4,228,607 |
| Interest Expense | 5,460,123 | 5,786,898 | 5,833,187 | 6,129,732 |
| Total Expenses | \$ 31,782,422 | \$ 32,555,903 | \$ 32,807,520 | \$ 34,850,214 |
| INCREASE IN NET POSITION - GAAP BASIS | \$ 1,486,150 | \$ 1,778,203 | \$ 3,818,216 | \$ 3,548,317 |

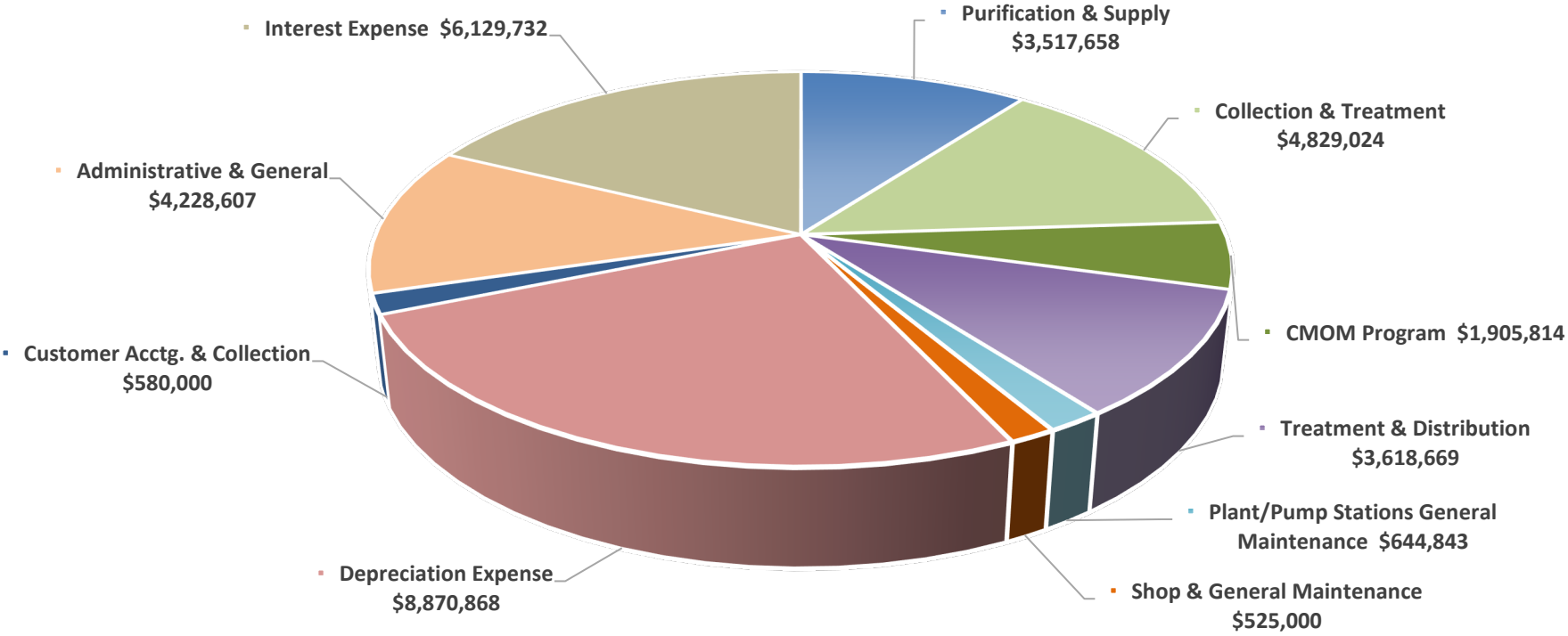
**WEST KNOX UTILITY DISTRICT
SCHEDULE OF REVENUES AND EXPENSES
BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2025**

| Adjustments for Non-Cash Items | Audited Financials June 30, 2023 | Budget Fiscal Year June 30, 2024 | Projected Fiscal Year June 30, 2024 | Budget Fiscal Year June 30, 2025 |
|---|--|--|---|--|
| Add: | | | | |
| Depreciation | \$ 8,635,823 | \$ 8,700,000 | \$ 8,783,037 | \$ 8,870,868 |
| Amortization of Deferred Costs | 27,338 | 30,721 | 58,349 | 60,000 |
| Amortization of Bond Discounts | - | - | - | - |
| Subtotal | \$ 8,663,161 | \$ 8,730,721 | \$ 8,841,386 | \$ 8,930,868 |
| Less: | | | | |
| Payment on Bonds | \$ 3,650,000 | \$ 3,650,000 | \$ 3,705,000 | \$ 3,865,000 |
| Increase in Net Position - Net of Non-Cash Items | \$ 6,499,311 | \$ 6,858,925 | \$ 8,954,603 | \$ 8,614,184 |

WKUD FY 2025 Budget Revenues



WKUD FY 2025 Budget Expenses



WEST KNOX UTILITY DISTRICT
CAPITAL BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2025

| | |
|---|-----------------------|
| Water Distribution Systems: Total estimated funding required for planned water distribution infrastructure improvements, equipment upgrades, maintenance projects, and emergency contingencies across the water system. | \$ 6,285,000 |
| Wastewater Collection And Treatment: Total estimated funding required for wastewater collection system upgrades, treatment plant improvements, equipment replacements, related infrastructure projects, and emergency contingencies across the wastewater system. | \$ 6,225,000 |
| General Plant: Total estimated funding required for general plant equipment purchases, fleet replacements, technology improvements, and facility security upgrades. | \$ 874,000 |
| Total Capital Expenses | \$ 13,384,000 |
| Estimated Capital Grants | \$ (3,575,000) |
| Total Capital Budget After Grants | \$ 9,809,000 |

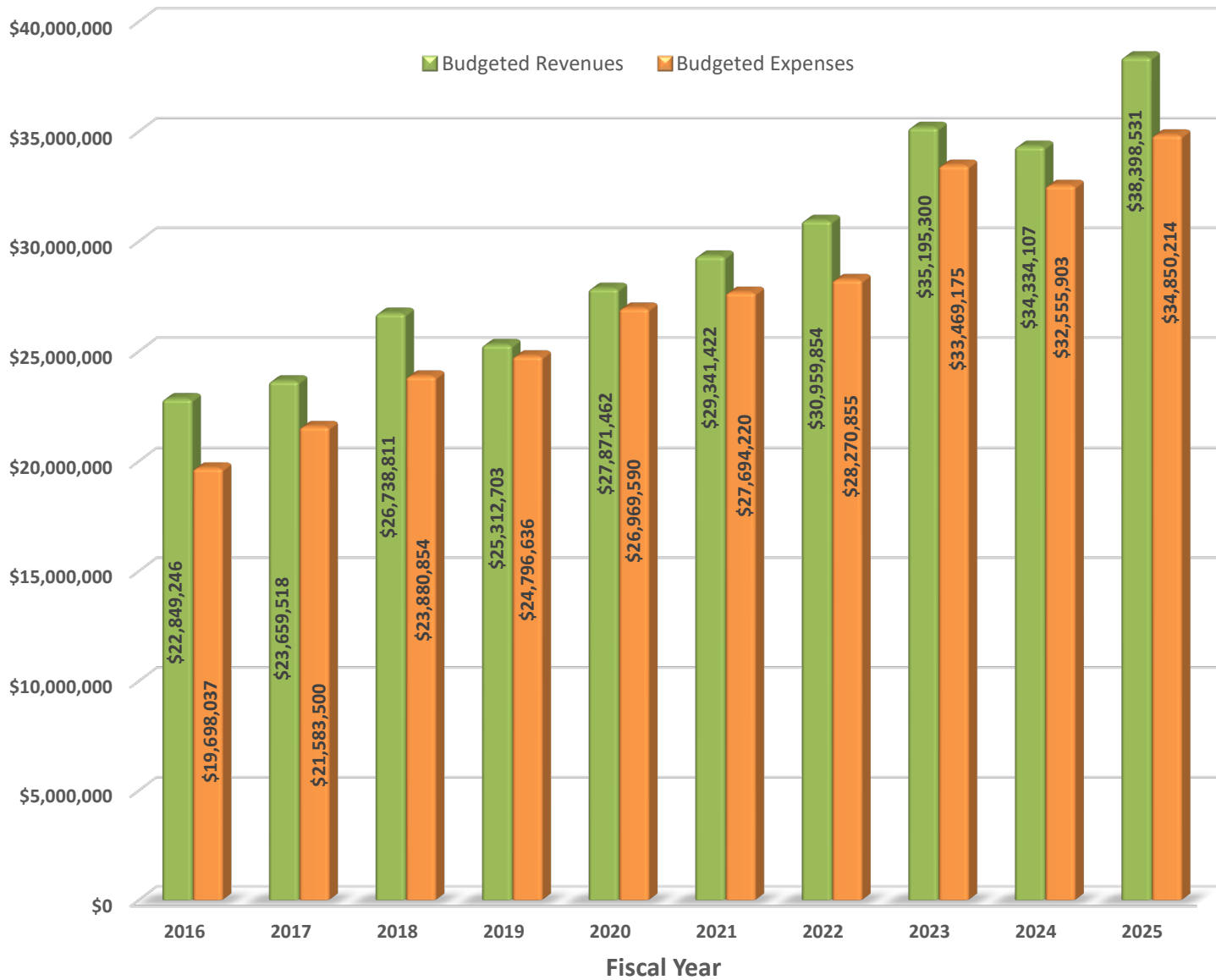
**WEST KNOX UTILITY DISTRICT
BOND COVENANT COVERAGE RATIO
FYE JUNE 30, 2025 BUDGET**

| | | |
|---|-----------|-------------------------------|
| Operating Revenues | \$ | 36,518,331 |
| Interest Income | | 1,880,200 |
| | | <hr/> |
| Estimated Available Cash | \$ | 38,398,531 |
| Operating Expenses, Excluding | \$ | (19,849,615) |
| Depreciation and Interest Expense | | <hr/> |
| Available Cash for Debt Service | \$ | 18,548,916 |
| Debt Service | | |
| Bond Principal Paid | \$ | 3,865,000 |
| Bond Interest Paid | | 6,129,732 |
| | | <hr/> |
| Total FY 2026 Debt Service | \$ | 9,994,732 |
| Required Debt Service Coverage Ratio (160%) | \$ | <hr/> <hr/> 15,991,571 |
| Required Available Cash for Debt Service | | |
| Coverage Over (Short) | \$ | 2,557,345 |
| Budgeted Debt Service Coverage Ratio | | 186% |

WEST KNOX UTILITY DISTRICT
SCHEDULE OF OUTSTANDING DEBT AND BUDGETED DEBT SERVICE
FY 2025

| Bond Issuance | Original Issuance Amount | Total Principal Outstanding at FYE 2024 | FY 2025 Annual Debt Service | | |
|--|--------------------------|--|-----------------------------|---------------------|----------------------|
| | | | Principal | Interest | Total |
| Build America Bonds, Series 2010 | \$ 35,000,000 | \$ 17,325,000 | \$ - | \$ 812,482 | \$ 812,482 |
| Local Government Public Improvement Revenue Bonds, Series VB1 | 33,425,000 | 20,880,000 | 1,470,000 | 1,044,000 | 2,514,000 |
| Water & Sewer Revenue Refunding & Improvement Bonds, Series 2016 | 27,015,000 | 23,850,000 | 480,000 | 982,681 | 1,462,681 |
| Local Government Public Improvement Revenue Bonds, Series VE1 | 25,000,000 | 20,485,000 | 625,000 | 1,024,250 | 1,649,250 |
| Water and Sewer Revenue Bonds, Series 2018 | 8,535,000 | 7,940,000 | 215,000 | 297,819 | 512,819 |
| Water and Sewer Revenue Bonds, Series 2019 | 20,000,000 | 18,755,000 | 460,000 | 625,200 | 1,085,200 |
| Local Government Public Improvement Revenue Bonds, Series VF1 | 15,000,000 | 14,170,000 | 300,000 | 708,500 | 1,008,500 |
| Water & Sewer Revenue Refunding Bonds, Series 2022 | 25,435,000 | 24,965,000 | 315,000 | 824,800 | 1,139,800 |
| Total Debt | \$ 189,410,000 | \$ 148,370,000 | \$ 3,865,000 | \$ 6,319,732 | \$ 10,184,732 |

WKUD Historical Budgeted Revenues & Expenses



WKUD Costumer Historical Growth In Billing Units

