|  |  |  |  |
| --- | --- | --- | --- |
| **Budget Category** | **Year 1** | **Year 2** | **Year 3** |
| Total Revenue Requirements |  |  |  |
| Total Revenues | $590,000 |  |  |
| Revenue Surplus (Deficiency) | ($15,000) |  |  |
| % Revenue Increase Needed to Cover Costs | 2.54% |  |  |

**Instructions:** Use the *Village of Sunflower Stats Sheet* and answer the questions below to fill in the table above.

1. Use the numbers from the forecast exercise to populate the *Total Revenue Requirements* row above (Hint: Use number from Total Expenses).

2. Assume no change in the *total water metered* and *number of accounts* and use the new charges from the *Base/Volume Charge Exercise* (problems 1 and 2) to fill in Year 2’s total revenues.

3. Assume that in Year 3 the *total water metered* decreases by 5% and the *number of accounts* decreases by 2%. Using your new base/volume charges from the *Base/Volume Charge Exercise* (problems 1 and 2), calculate the total revenues for Year 3.

Annual volume charge revenue = Volume charge X (Total Water Metered/1,000)

**Hint: Total Revenue =**  +

Annual base charge revenue = Number of accounts X (Base charge X 12 months)

[**Solution: (ctrl + click here)**](https://www.wichita.edu/academics/fairmount_college_of_liberal_arts_and_sciences/hugowall/efc/EFCWaterTraining/SunflowerVillageFutureRatesSolution.pdf)