



Cash Flow in the State of Delaware

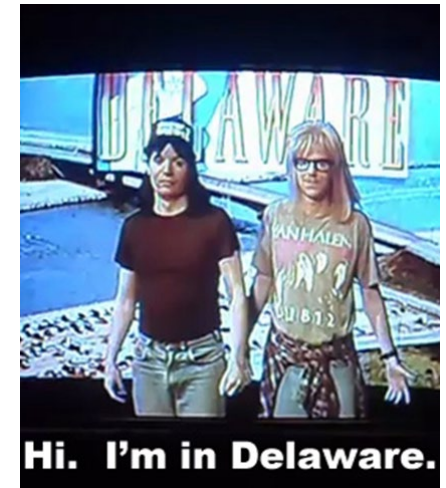
LAURA ROBBINS

CHIEF OF ADMINISTRATION

DEPARTMENT OF NATURAL RESOURCES AND
ENVIRONMENTAL CONTROL

"IMAGINE BEING ABLE TO BE MAGICALLY WHISKED AWAY TO DELAWARE. HI. I'M IN ... DELAWARE."

Delaware??



Delaware SRF Profiles

CWSRF as of June 2023

DWSRF as of June 2023

Assets \$376 Million

Assets \$253 Million

Accounts Receivable \$243 Million
(100 active loans)

Accounts Receivable \$103 Million
(100 active loans)

FY 2023 (18) New NOI 's \$115 Million

FY 2023 (25) New NOI's \$72 Million



Does Delaware need a Cash Flow Model?

OF COURSE!!

NO MATTER HOW "SMALL" YOUR SRF PROGRAM MAY SEEM, YOU NEED IT!!!

Making Sound Financial Decisions

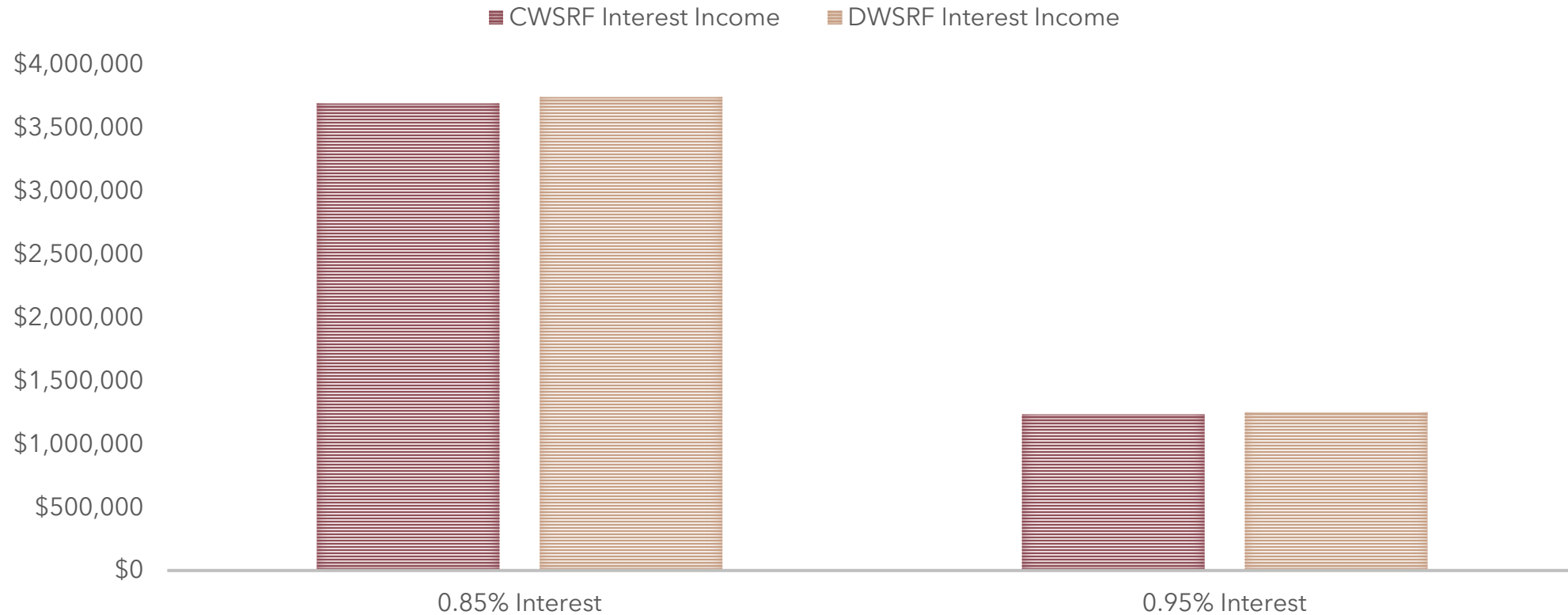
What if you were tasked with answering the following questions for management?

- What would dropping the interest rate in half do to income for our program over the next 5 years?
- What if the program gave its maximum principal forgiveness? What effects would that have on the fund balance? Immediate vs. long term?



What if We Decrease Interest Rates?

CHANGING INTEREST RATES BY .15% AND .05%



Cash Flow Variables for Decision Making



Can we afford to give maximum principal forgiveness?



Can we afford to offer a special solicitation for Green Project Reserve utilizing 10% principal forgiveness?



Do we need to leverage? What minimum balance would be necessary before leveraging?



How will increasing construction costs affect future commitments?



*Its not about what model you are using,
its about how you are using the model!*



Cash Flow Scenarios

Sensitivity

- Ability to perform sensitivity analysis; rate sensitivity, demand sensitivity, etc.

Future Cash Flow

- Ability to evaluate future repayments to fund demand.

Cash Position

- Ability to project need to leverage.

Commitments

- Ability to project amount of commitments.

Summary

Make sure the cash flow model you are using is providing the capabilities to answer those “futuristic” scenarios you need.

Don't rely on your Jedi Powers to give cash flow projections, use a model!



Thank you.



Laura Robbins

Chief of Administration, Environmental Finance
Delaware Natural Resources and Environmental Control

Laura.Robbins@delaware.gov