



**Water Utility
Proposed
2017 Budget**

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CITY OF MUSKEGO WATER PUBLIC UTILITY
STATEMENT OF INCOME AND EXPENSE
2017 BUDGET

	2015 <u>Actual</u>	Aug 31, 2016 <u>Actual</u>	2016 <u>Projected</u>	2016 <u>Adopted Budget</u>	2017 <u>Proposed Budget</u>	2017 <u>Adopted Budget</u>	Change From 2016 <u>Budget</u>
<u>Operating revenue</u>							
Sales of water:							
Sales to general customers	\$1,288,744	658,523	1,337,800	1,360,595	1,349,050	-	-0.85%
Private fire protection	\$41,613	20,942	42,000	45,500	42,500	-	-6.59%
Public fire protection	\$469,237	78,780	485,500	510,000	486,000	-	-4.71%
Other operating revenue	\$64,150	28,195	61,900	60,400	62,400	-	3.31%
Rental of Water property - tower lease	\$118,293	32,431	115,000	103,625	108,800	-	4.99%
Total operating revenue	1,982,038	818,870	2,042,200	2,080,120	2,048,750	-	-1.51%
<u>Operating expenses</u>							
Operation and maintenance:							
Source of supply expense	6,447	5,741	12,708	9,878	13,867	-	40.38%
Pumping expense	150,612	87,628	176,354	175,496	180,252	-	2.71%
Water treatment expense	25,197	22,805	28,461	28,621	30,269	-	5.76%
Transmission and distribution expense	147,290	97,649	152,600	129,162	146,924	-	13.75%
Customer accounts expense	22,732	13,042	28,950	29,418	29,315	-	-0.35%
Administrative expense	344,296	268,606	362,748	378,448	393,613	-	4.01%
Total operation and maintenance expenses	696,573	495,470	761,821	751,023	794,241	-	5.75%
Depreciation	\$786,369	-	800,000	771,000	810,000	-	5.06%
Taxes	\$551,989	16,666	578,533	578,333	582,753	-	0.76%
Total operating expenses	2,034,931	512,136	2,140,354	2,100,356	2,186,994	-	4.12%
Net operating income (loss)	(52,893)	306,734	(98,154)	(20,236)	(138,244)	-	583.17%
<u>Add non-operating income - interest</u>	<u>\$25,576</u>	<u>\$13,001</u>	<u>\$25,397</u>	<u>\$22,961</u>	<u>\$24,261</u>	<u>\$0</u>	<u>5.66%</u>
Income before non-operating expenses	(27,317)	319,735	(72,757)	2,725	(113,983)	-	-4282.36%
<u>Deduct non-operating expenses</u>							
Interest on advances from municipality and revenue bonds	\$199,308	94,876	180,266	182,165	170,655	-	-6.32%
Amortization of debt discount and expense	\$0	-	-	-	-	-	#DIV/0!
Total non-operating expenses	199,308	94,876	180,266	182,165	170,655	-	-6.32%
Net income (loss) before capital contributions	\$ (226,625)	224,859	(253,023)	(179,440)	(284,638)	-	58.63%

CITY OF MUSKEGO WATER PUBLIC UTILITY
SCHEDULE OF CAPITAL OUTLAY COSTS
PROJECTED 2016 AND 2017 BUDGET

	Funding	Estimated 2016 Total Cost	2016 Adopted Budget	2017 Proposed Budget	2017 Adopted Budget
1. 2016 Capital Additions:					
Meters	(A)	75,000	75,000		
Truck - 25% DPW Replacement	(A)	-	46,250	-	-
Truck - 50% Water / Sewer	(A)	13,405	17,500		
Well #4 Abandonment	(A)	30,374	30,000		
Building - Roof, Garage Doors & Wash Station	(A)	-	630,000		
Water Painting - Mercury	(A) & (B)	-	350,000		
		-	-	-	-
		\$ 118,779	1,148,750	-	-
2. 2017 Capital Additions:					
Meters	(B)			50,000	50,000
Truck - 25% DPW Replacement	(A)			-	-
Truck - 50% Water / Sewer	(B)			16,000	16,000
Gas Pump	(B)			6,000	6,000
Building - Roof, Garage Doors & Wash Station	(A)			499,568	499,568
Water Tower Painting - Mercury	(A) & (B)			350,000	350,000
Scada Maintenance	(B)			5,000	5,000
		-	-	926,568	926,568
Grand Total		\$ 118,779	1,148,750	926,568	926,568

Notes:

- (A) - Financed by borrowings.
- (B) - Financed by working capital / Depreciation Fund
- (C) - Anticipated to be financed by a borrowing
- (D) - Anticipated to be financed by a stimulus grant
- (E) - Anticipated to be financed by assessments

CITY OF MUSKEGO WATER PUBLIC UTILITY
SCHEDULE OF CHANGES IN UTILITY WORKING CAPITAL
2017 BUDGET

	Operation and Maintenance Fund	Construction Fund	Depreciation Fund	Debt Service Fund	Total
<u>Funds provided</u>					
From operations:					
Net income (loss) for year	\$ (113,983)	-	-	(170,655)	(284,638)
Add charges to income not requiring funds:					
Depreciation	140,500	-	20,000	649,500	810,000
Amortization	-	-	-	-	-
Amortization on water tower	-	-	-	-	-
Transfer working capital to other funds	-	329,583	(329,583)	-	-
Proceeds from borrowing	-	500,000	-	-	500,000
Increases in collection of special assessments	-	-	-	55,000	55,000
 Total funds provided (applied)	 26,517	829,583	(309,583)	533,845	1,080,362
<u>Funds applied</u>					
Principal payments on debt	-	-	-	481,384	481,384
Capital outlay	-	926,568	-	-	926,568
Paid to utility for implicit cash subsidy	-	-	-	-	-
 Total funds applied	 -	926,568	-	481,384	1,407,952
<u>Interfund transfers - interest earnings</u>	(2,100)	500	100	1,500	-
 Increase (decrease) in working capital	 24,417	(96,485)	(309,483)	53,961	(327,590)
<u>Working capital, beginning of year</u>	75,684	96,485	388,965	1,457,928	2,019,062
<u>Working capital, end of year</u>	\$ 100,101	-	79,482	1,511,889	1,691,472
	132.26%	-100.00%	-79.57%	3.70%	-16.22%

CITY OF MUSKEGO WATER UTILITY
WORKING CAPITAL FUND DESCRIPTIONS
2017 BUDGET

<u>FUND</u>	<u>DESCRIPTION</u>
<u>Operations and Maintenance</u>	Recommended to fund 3 months of operations and maintenance costs.
<u>Construction</u>	Accounts for borrowed funds or interfund transfers from working capital to cover the cost of capital projects.
<u>Depreciation</u>	Is available for the acquisition of capital equipment not financed by a revenue bond issue.
<u>Debt Service</u>	Accounts as a reserve for a required percentage of the annual principal and interest payments on the outstanding debt.