



**WATER UTILITY
PROPOSED
2019 BUDGET**

**Distributed
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CITY OF MUSKEGO WATER PUBLIC UTILITY
STATEMENT OF INCOME AND EXPENSE
2019 BUDGET

	2017 <u>Actual</u>	Aug 31, 2018 <u>Actual</u>	2018 <u>Projected</u>	2018 <u>Adopted Budget</u>	2019 <u>Proposed Budget</u>	2019 <u>Adopted Budget</u>	\$ Change From 2018 <u>Budget</u>	% Change From 2018 <u>Budget</u>
<u>Operating revenue</u>								
Sales of water:								
Sales to general customers	\$1,377,573	692,643	1,399,300	\$1,360,055	\$1,384,250	-	24,195	1.78%
Private fire protection	41,997	22,139	42,500	42,500	43,000	-	500	1.18%
Public fire protection	488,867	81,778	490,000	486,500	492,000	-	5,500	1.13%
Other operating revenue	56,748	77,554	822,300	\$61,250	58,000	-	(3,250)	-5.31%
Rental of Water property - tower lease	113,959	35,755	103,435	103,435	108,605	-	5,170	5.00%
Total operating revenue	2,079,145	909,869	2,857,535	2,053,740	2,085,855	-	32,115	1.56%
<u>Operating expenses</u>								
Operation and maintenance:								
Source of supply expense	2,574	13,801	16,925	13,984	11,439	-	(2,545)	-18.20%
Pumping expense	174,069	81,574	167,275	176,126	171,750	-	(4,376)	-2.48%
Water treatment expense	29,744	19,400	32,250	31,726	31,581	-	(145)	-0.46%
Transmission and distribution expense	533,297	147,599	426,425	152,641	213,634	-	60,992	39.96%
Customer accounts expense	21,940	16,688	29,381	31,996	32,754	-	758	2.37%
Administrative expense	381,704	271,002	350,463	382,900	378,722	-	(4,178)	-1.09%
Total operation and maintenance expenses	1,143,328	550,064	1,022,719	789,373	839,879	-	50,505	6.40%
Depreciation	809,824	-	818,000	825,000	826,250	-	1,250	0.15%
Taxes	528,609	19,018	546,925	577,495	557,371	-	(20,124)	-3.48%
Total operating expenses	2,481,762	569,082	2,387,644	2,191,868	2,223,500	-	31,632	1.44%
Net operating income (loss)	(402,617)	340,787	469,891	(138,128)	(137,645)	-	483	0.35%
<u>Add non-operating income - interest</u>	<u>33,666</u>	<u>15,804</u>	<u>50,573</u>	<u>30,761</u>	<u>51,011</u>	<u>-</u>	<u>20,250</u>	<u>65.83%</u>
Income before non-operating expenses	(368,952)	356,591	520,464	(107,367)	(86,634)	-	20,733	19.31%
<u>Deduct non-operating expenses</u>								
Interest on advances from municipality and revenue bonds	170,585	102,243	154,390	154,390	150,000	-	(4,390)	-2.84%
Total non-operating expenses	170,585	102,243	154,390	154,390	150,000	-	(4,390)	-2.84%
Net income (loss) before capital contributions	\$ (539,536)	254,348	366,074	(261,757)	(236,634)	-	25,123	9.60%

CITY OF MUSKEGO WATER PUBLIC UTILITY
SCHEDULE OF CHANGES IN UTILITY WORKING CAPITAL
2019 BUDGET

	Operation and Maintenance Fund	Construction Fund	Depreciation Fund	Debt Service Fund	Total
<u>Funds provided</u>					
From operations:					
Net income (loss) for year	\$ (236,634)	-	-	-	(236,634)
Add charges to income not requiring funds:					
Depreciation	650,000	-	20,000	156,250	826,250
Amortization	-	-	-	150,000	150,000
Amortization on water tower	-	-	-	-	-
Transfer working capital to other funds	(192,095)	192,095	-	-	-
Implicit cash subsidy from Sewer Utility	-	-	-	-	-
Proceeds from borrowing	-	-	-	-	-
Increases in collection of special assessments	-	-	-	35,000	35,000
Total funds provided (applied)	221,271	192,095	20,000	341,250	774,616
<u>Funds applied</u>					
Principal payments on debt	-	-	-	681,625	681,625
Capital outlay	-	192,095	-	-	192,095
Paid to utility for implicit cash subsidy	-	-	-	-	-
Total funds applied	-	192,095	-	681,625	873,720
<u>Interfund transfers - interest earnings</u>	(27,500)	-	2,500	25,000	-
Increase (decrease) in working capital	193,771	-	22,500	(315,375)	(99,104)
<u>Working capital, beginning of year</u>	446,682	-	199,090	1,167,049	1,812,821
<u>Working capital, end of year</u>	\$ 640,453	-	221,590	851,674	1,713,717
	43.38%	#DIV/0!	11.30%	-27.02%	-5.47%

CITY OF MUSKEGO WATER UTILITY
WORKING CAPITAL FUND DESCRIPTIONS
2019 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.