



Water Utility
Proposed
2022 Budget

Distributed
Tuesday, October 12Th, 2021

W182 S8200 Racine Avenue, Muskego, WI 53150
Waukesha County, Wisconsin
(262) 679-4100

CONTENTS

	<u>Schedule</u>	<u>Page</u>
Statement of income and expense	1	1
Schedule of capital outlay	2	2
Schedule of changes in utility working capital 2022 Budget	3	3
Water Fund Definitions	4	4

CITY OF MUSKEGO WATER PUBLIC UTILITY
STATEMENT OF INCOME AND EXPENSE
2022 BUDGET

	2020 <u>Actual</u>	Aug 31, 2021 <u>Actual</u>	2021 <u>Projected</u>	2021 <u>Adopted Budget</u>	2022 <u>Proposed Budget</u>	2022 <u>Adopted Budget</u>	\$ Change From 2021 <u>Budget</u>	% Change From 2021 <u>Budget</u>
<u>Operating revenue</u>								
Sales of water:								
Sales to general customers	\$1,529,893	756,379	1,402,700	\$1,391,820	\$1,334,250	\$0	(57,570)	-4.14%
Private fire protection	50,056	26,702	50,000	49,000	51,500	\$0	2,500	5.10%
Public fire protection	516,252	93,783	520,000	515,000	525,000	\$0	10,000	1.94%
Other operating revenue	43,933	\$14,953	46,000	\$53,500	46,500	\$0	(7,000)	-13.08%
Rental of Water property - tower lease	114,037	41,391	119,000	119,000	125,000	\$0	6,000	5.04%
Total operating revenue	2,254,171	933,209	2,137,700	2,128,320	2,082,250	-	(46,070)	-2.16%
<u>Operating expenses</u>								
Operation and maintenance:								
Source of supply expense	10,870	3,547	8,200	9,971	9,843	-	(128)	-1.28%
Pumping expense	169,953	110,100	192,200	187,658	189,782	-	2,124	1.13%
Water treatment expense	57,858	24,845	51,000	39,597	55,620	-	16,023	40.46%
Transmission and distribution expense	175,415	198,676	239,050	241,070	265,748	-	24,678	10.24%
Customer accounts expense	29,567	19,627	35,100	34,778	34,895	-	117	0.34%
Administrative expense	414,411	284,606	413,020	468,224	442,895	-	(25,329)	-5.41%
Total operation and maintenance expenses	858,074	641,400	938,570	981,298	998,783	-	17,485	1.78%
Depreciation	870,064	-	875,000	860,000	880,000	\$0	20,000	2.33%
Taxes	501,281	17,355	505,360	530,360	530,106	\$0	(254)	-0.05%
Total operating expenses	2,229,419	658,755	2,318,930	2,371,658	2,408,889	-	37,231	1.57%
Net operating income (loss)	24,752	274,454	(181,230)	(243,338)	(326,639)	-	(83,301)	-34.23%
<u>Add non-operating income - interest</u>	<u>44,762</u>	<u>20,584</u>	<u>30,337</u>	<u>39,134</u>	<u>26,634</u>	<u>\$0</u>	<u>(12,500)</u>	<u>-31.94%</u>
Income before non-operating expenses	69,514	295,038	(150,893)	(204,204)	(300,005)	-	(95,801)	-46.91%
<u>Deduct non-operating expenses</u>								
Interest on advances from municipality and revenue bonds	85,582	41,418	79,230	80,373	70,905	\$0	(9,468)	-11.78%
Total non-operating expenses	85,582	41,418	79,230	80,373	70,905	-	(9,468)	-11.78%
Net income (loss) before capital contributions	\$ (16,068)	253,620	(230,123)	(284,577)	(370,910)	-	(86,333)	-30.34%

CITY OF MUSKEGO WATER PUBLIC UTILITY
SCHEDULE OF CAPITAL OUTLAY COSTS
PROJECTED 2021 AND 2022 BUDGET

	Funding	Estimated 2021 Total Cost	2021 Adopted Budget	2022 Proposed Budget	2022 Adopted Budget
1. 2021 Capital Additions:					
Meters	(B)	150,000	150,000		
Truck (Water & Sewer)	(B)	20,000	20,000		
Replacement Truck (accident Water & Sewer)	(B)	27,500	27,500		
Well Rehap	(B)	150,000	150,000		
Apollo Building - Pavement & Gutters	(B)	90,000	90,000		
Scada	(B)	35,640	35,640		
		-	-		
		\$ 473,139	473,140	-	-
2. 2022 Capital Additions:					
Meters	(B)			200,000	-
Truck (Water & Sewer)	(B)			23,000	-
Well #12 Abandonment	(B)			50,000	-
Well Rehap	(B)			150,000	-
Scada	(B)			12,500	-
		-	-	435,500	-
		\$ 473,139	473,140	435,500	-
	Grand Total				

Notes:

- (A) - Financed by borrowings.
- (B) - Financed by working capital / Depreciation Fund
- (C) - Anticipated to be financed by a Sewer Utility Subsidy
- (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
2022 BUDGET

	Operation and Maintenance Fund	Construction Fund	Depreciation Fund	Debt Service Fund	Total
<u>Funds provided</u>					
From operations:					
Net income (loss) for year	\$ (370,910)	-	-	-	(370,910)
Add charges to income not requiring funds:					
Depreciation	815,000	-	20,000	45,000	880,000
Amortization	-	-	-	70,905	70,905
Amortization on water tower	-	-	-	-	-
Transfer working capital to other funds	(435,500)	435,500	-	-	-
Implicit cash subsidy from Sewer Utility	-	-	-	-	-
Proceeds from borrowing	-	-	-	-	-
Increases in collection of special assessments	-	-	-	50,000	50,000
 Total funds provided (applied)	 8,590	 435,500	 20,000	 165,905	 629,995
<u>Funds applied</u>					
Principal payments on debt	-	-	-	306,402	306,402
Capital outlay	-	435,500	-	-	435,500
Paid to utility for implicit cash subsidy	-	-	-	-	-
 Total funds applied	 -	 435,500	 -	 306,402	 741,902
<u>Interfund transfers - interest earnings</u>	(7,250)	-	2,250	5,000	-
 Increase (decrease) in working capital	 1,340	 -	 22,250	 (135,497)	 (111,907)
<u>Working capital, beginning of year</u>	648,162	-	490,765	1,121,373	2,260,300
<u>Working capital, end of year</u>	\$ 649,502	-	513,015	985,876	2,148,393
	0.21%	#DIV/0!	4.53%	-12.08%	-4.95%

CITY OF MUSKEGO WATER UTILITY
WORKING CAPITAL FUND DESCRIPTIONS
2022 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.