



Water Utility
Proposed
2014 Budget

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CITY OF MUSKEGO WATER PUBLIC UTILITY
STATEMENT OF INCOME AND EXPENSE
2014 BUDGET

	2012 <u>Actual</u>	Aug 31, 2013 <u>Actual</u>	2013 <u>Projected</u>	2013 Adopted <u>Budget</u>	2014 Proposed <u>Budget</u>	2014 Adopted <u>Budget</u>	Change From 2013 <u>Budget</u>
<u>Operating revenue</u>							
Sales of water:							
Sales to general customers	1,219,738	584,124	1,268,000	1,223,000	1,275,500	-	4.29%
Private fire protection	39,757	20,214	40,000	39,500	41,000	-	3.80%
Public fire protection	437,376	70,644	448,000	448,000	448,000	-	0.00%
Other operating revenue	77,204	25,553	65,000	63,000	67,500	-	7.14%
Rental of Water property - tower lease	98,721	54,838	108,444	108,444	113,866	-	5.00%
	<u>1,872,797</u>	<u>755,374</u>	<u>1,929,444</u>	<u>1,881,944</u>	<u>1,945,866</u>	<u>-</u>	<u>3.40%</u>
<u>Operating expenses</u>							
Operation and maintenance:							
Source of supply expense	2,270	7,096	11,640	12,648	12,776	-	1.01%
Pumping expense	158,274	99,680	152,175	151,124	167,839	-	11.06%
Water treatment expense	21,652	22,335	29,180	31,351	30,338	-	-3.23%
Transmission and distribution expense	166,955	84,402	128,053	114,641	116,283	-	1.43%
Customer accounts expense	23,787	19,182	31,688	29,490	32,938	-	11.69%
Administrative expense	311,019	243,718	346,799	349,669	372,286	-	6.47%
	<u>683,956</u>	<u>476,413</u>	<u>699,535</u>	<u>688,923</u>	<u>732,461</u>	<u>-</u>	<u>6.32%</u>
Depreciation	768,089	-	765,000	790,000	770,000	-	-2.53%
Taxes	580,058	16,445	604,510	605,178	610,614	-	0.90%
	<u>2,032,103</u>	<u>492,858</u>	<u>2,069,045</u>	<u>2,084,101</u>	<u>2,113,075</u>	<u>-</u>	<u>1.39%</u>
Net operating income (loss)	(159,305)	262,516	(139,601)	(202,157)	(167,209)	-	-17.29%
<u>Add non-operating income - interest</u>	<u>24,307</u>	<u>13,425</u>	<u>15,754</u>	<u>28,000</u>	<u>12,500</u>	<u>-</u>	<u>-55.36%</u>
Income before non-operating expenses	(134,999)	275,941	(123,847)	(174,157)	(154,709)	-	-11.17%
<u>Deduct non-operating expenses</u>							
Interest on advances from municipality and revenue bonds	289,030	106,467	198,685	210,000	212,584	-	1.23%
Amortization of debt discount and expense	8,638	-	17,731	5,000	10,572	-	111.43%
	<u>297,667</u>	<u>106,467</u>	<u>216,416</u>	<u>215,000</u>	<u>223,156</u>	<u>-</u>	<u>3.79%</u>
Net income (loss) before capital contributions	\$ (432,666)	169,474	(340,263)	(389,157)	(377,864)	-	-2.90%

CITY OF MUSKEGO WATER PUBLIC UTILITY
SCHEDULE OF CHANGES IN UTILITY WORKING CAPITAL
2014 BUDGET

	Operation and Maintenance Fund	Construction Fund	Depreciation Fund	Debt Service Fund	Total
<u>Funds provided</u>					
From operations:					
Net income (loss) for year	\$ (165,280)	-	-	(212,584)	(377,864)
Add charges to income not requiring funds:					
Depreciation	-	-	20,000	750,000	770,000
Amortization	-	-	-	10,572	10,572
Amortization on water tower	-	-	-	-	-
Transfer working capital to other funds	-	-	-	-	-
Proceeds from borrowing	-	-	-	-	-
Increases in collection of special assessments	-	-	-	50,000	50,000
Total funds provided (applied)	(165,280)	-	20,000	597,988	452,707
<u>Funds applied</u>					
Principal payments on debt	-	-	-	503,011	503,011
Capital outlay	-	446,540	-	-	446,540
Total funds applied	-	446,540	-	503,011	949,551
<u>Interfund transfers - interest earnings</u>	(3,000)	500	500	2,000	-
Increase (decrease) in working capital	(168,280)	(446,040)	20,500	96,977	(496,844)
<u>Working capital, beginning of year</u>	170,041	580,147	324,265	1,198,289	2,272,742
<u>Working capital, end of year</u>	\$ 1,761	134,107	344,765	1,295,266	1,775,898
	-98.96%	-76.88%	6.32%	8.09%	-21.86%

CITY OF MUSKEGO WATER UTILITY
WORKING CAPITAL FUND DESCRIPTIONS
2014 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.