



2014
Water Utility
Budget

Prepared by

City of Muskego
Finance & Administration Department

Adopted Tuesday, October 22, 2013

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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 Adopted <u>Budget</u>	Change From 2013 <u>Budget</u>
<u>Operating revenue</u>						
Sales of water:						
Sales to general customers	1,219,738	584,022	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>755,272</u>	<u>1,929,444</u>	<u>1,881,944</u>	<u>1,945,866</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	19,178	31,688	29,490	32,938	11.69%
Administrative expense	311,019	243,714	346,799	349,669	372,376	6.49%
	<u>683,956</u>	<u>476,405</u>	<u>699,535</u>	<u>688,923</u>	<u>732,551</u>	<u>6.33%</u>
Total operation and maintenance expenses	<u>683,956</u>	<u>476,405</u>	<u>699,535</u>	<u>688,923</u>	<u>732,551</u>	<u>6.33%</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>492,850</u>	<u>2,069,045</u>	<u>2,084,101</u>	<u>2,113,165</u>	<u>1.39%</u>
Total operating expenses	<u>2,032,103</u>	<u>492,850</u>	<u>2,069,045</u>	<u>2,084,101</u>	<u>2,113,165</u>	<u>1.39%</u>
Net operating income (loss)	(159,305)	262,422	(139,601)	(202,157)	(167,299)	-17.24%
<u>Add non-operating income - interest</u>	<u>24,307</u>	<u>13,487</u>	<u>15,754</u>	<u>28,000</u>	<u>12,500</u>	<u>-55.36%</u>
Income before non-operating expenses	<u>(134,999)</u>	<u>275,908</u>	<u>(123,847)</u>	<u>(174,157)</u>	<u>(154,799)</u>	<u>-11.12%</u>
<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>3.79%</u>
Total non-operating expenses	<u>297,667</u>	<u>106,467</u>	<u>216,416</u>	<u>215,000</u>	<u>223,156</u>	<u>3.79%</u>
Net income (loss) before capital contributions	<u>\$ (432,666)</u>	<u>169,441</u>	<u>(340,263)</u>	<u>(389,157)</u>	<u>(377,954)</u>	<u>-2.88%</u>

CITY OF MUSKEGO WATER PUBLIC UTILITY
SCHEDULE OF CAPITAL OUTLAY COSTS
PROJECTED 2013 AND 2014

		Estimated 2013 Total Cost	2013 Adopted Budget	2014 Proposed Budget	2014 Adopted Budget
1. <u>2012 Capital Additions:</u>					
Meters	(A)	50,000	75,000		
Truck - 25% DPW Replacement	(A)	43,750	43,750	-	-
Truck - 50% Water / Sewer	(A)	15,000	15,000		
Janesville Road Reconstruction	(A)	264,610	81,050		
Portable Radio Replacement	(A)	-	28,790		
Water Tower - Painting	(A)	-	-	-	-
		<u>\$ 373,360</u>	<u>243,590</u>	<u>-</u>	<u>-</u>
2. <u>2013 Capital Additions:</u>					
Meters	(A)			100,000	100,000
Truck - 25% DPW Replacement	(A)			43,750	43,750
Truck - 50% Water / Sewer	(A)			25,000	25,000
Riding Lawn Mower - 25% DPW Replacement	(B)			3,000	3,000
Portable Radio Replacement	(A)			28,790	28,790
Industrial Park Piping from Water Tower	(A)			129,000	129,000
Belle Chasse Phase III Well Site	(A)			120,000	120,000
				<u>-</u>	<u>-</u>
				<u>449,540</u>	<u>449,540</u>
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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	\$ (165,370)	-	-	(212,584)	(377,954)
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)	(165,370)	-	20,000	597,988	452,617
<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	(168,370)	(446,040)	20,500	96,977	(496,934)
<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>	\$ 1,671	134,107	344,765	1,295,266	1,775,808
	-99.02%	-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.