



**2015**  
**Water Utility**  
**Budget**

**Prepared by**

**City of Muskego**  
**Finance & Administration Department**

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**W182 S8200 Racine Avenue, Muskego, WI 53150-0749**  
**Waukesha County, Wisconsin**  
**(262) 679-4100**

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CITY OF MUSKEGO WATER PUBLIC UTILITY  
STATEMENT OF INCOME AND EXPENSE  
2015 BUDGET

	2013 <u>Actual</u>	Aug 31, 2014 <u>Actual</u>	2014 <u>Projected</u>	2014 <u>Adopted Budget</u>	2015 <u>Proposed Budget</u>	2015 <u>Adopted Budget</u>	Change From 2014 <u>Budget</u>
<u>Operating revenue</u>							
Sales of water:							
Sales to general customers	\$1,221,010	592,131	1,261,800	1,275,500	1,305,315	1,305,315	2.34%
Private fire protection	\$40,657	20,877	41,000	41,000	42,000	42,000	2.44%
Public fire protection	\$450,613	71,732	455,000	448,000	464,000	464,000	3.57%
Other operating revenue	\$57,866	26,220	63,500	67,500	65,550	65,550	-2.89%
Rental of Water property - tower lease	\$107,908	57,425	113,461	113,866	119,135	119,135	4.63%
<b>Total operating revenue</b>	<b>1,878,054</b>	<b>768,385</b>	<b>1,934,761</b>	<b>1,945,866</b>	<b>1,996,000</b>	<b>1,996,000</b>	<b>2.58%</b>
<u>Operating expenses</u>							
Operation and maintenance:							
Source of supply expense	8,194	1,654	5,295	12,776	9,887	9,887	-22.61%
Pumping expense	170,102	95,198	171,730	167,839	171,692	171,692	2.30%
Water treatment expense	32,557	21,310	49,200	30,338	30,819	30,819	1.58%
Transmission and distribution expense	151,514	66,245	116,738	116,283	127,568	127,568	9.70%
Customer accounts expense	27,066	14,126	29,575	32,938	26,627	26,627	-19.16%
Administrative expense	341,010	259,245	352,900	372,376	368,571	368,571	-1.02%
<b>Total operation and maintenance expenses</b>	<b>730,442</b>	<b>457,778</b>	<b>725,438</b>	<b>732,551</b>	<b>735,164</b>	<b>735,164</b>	<b>0.36%</b>
Depreciation	\$754,944	-	755,000	770,000	758,000	758,000	-1.56%
Taxes	\$617,188	16,815	617,614	610,614	620,337	620,337	1.59%
<b>Total operating expenses</b>	<b>2,102,574</b>	<b>474,594</b>	<b>2,098,052</b>	<b>2,113,165</b>	<b>2,113,502</b>	<b>2,113,502</b>	<b>0.02%</b>
<b>Net operating income (loss)</b>	<b>(224,520)</b>	<b>293,791</b>	<b>(163,291)</b>	<b>(167,299)</b>	<b>(117,502)</b>	<b>(117,502)</b>	<b>-29.77%</b>
<u>Add non-operating income - interest</u>	<u>\$34,139</u>	<u>\$13,268</u>	<u>\$25,939</u>	<u>\$20,235</u>	<u>\$25,311</u>	<u>25,311</u>	<u>25.09%</u>
<b>Income before non-operating expenses</b>	<b>(190,381)</b>	<b>307,059</b>	<b>(137,353)</b>	<b>(147,064)</b>	<b>(92,191)</b>	<b>(92,191)</b>	<b>-37.31%</b>
<u>Deduct non-operating expenses</u>							
Interest on advances from municipality and revenue bonds	\$205,888	106,433	210,000	212,584	200,000	200,000	-5.92%
Amortization of debt discount and expense	\$24,625	-	-	10,572	-	-	-100.00%
<b>Total non-operating expenses</b>	<b>230,513</b>	<b>106,433</b>	<b>210,000</b>	<b>223,156</b>	<b>200,000</b>	<b>200,000</b>	<b>-10.38%</b>
<b>Net income (loss) before capital contributions</b>	<b>\$ (420,893)</b>	<b>200,625</b>	<b>(347,353)</b>	<b>(370,219)</b>	<b>(292,191)</b>	<b>(292,191)</b>	<b>-21.08%</b>

CITY OF MUSKEGO WATER PUBLIC UTILITY  
SCHEDULE OF CAPITAL OUTLAY COSTS  
PROJECTED 2014 AND 2015

	Funding	Estimated 2014 Total Cost	2014 Adopted Budget	2015 Proposed Budget	2015 Adopted Budget
<b>1. 2014 Capital Additions:</b>					
Meters	(A)	11,000	25,000		
Truck - 25% DPW Replacement	(A)	-	43,750	-	-
Truck - 50% Water / Sewer	(A)	11,210	25,000		
Riding Lawn Mower - 25% DPW Replacement	(B)	2,720	3,000		
Portable Radio Replacement	(A)	28,790	28,790		
Industrial Park Piping from Water Tower	(A)	129,000	129,000		
Janesville Road Reconstruction	(A)	142,551	-		
Belle Chasse Phase III Well Site	(A)	120,000	120,000	-	-
		<u>\$ 445,271</u>	<u>374,540</u>	<u>-</u>	<u>-</u>
<b>2. 2015 Capital Additions:</b>					
Meters	(A)			25,000	25,000
Truck - 25% DPW Replacement	(A)			46,250	46,250
Truck - 50% Water / Sewer	(A)			22,500	22,500
Well #6 Abandonment	(B)			30,000	30,000
Radio Replacements	(A)			37,500	37,500
Building - Roof, Garage Doors & Wash Station	(A)			96,000	96,000
Water Tower Cleaning & Inspections	(A)			15,000	15,000
		<u>-</u>	<u>-</u>	<u>272,250</u>	<u>272,250</u>
	Grand Total	<u>\$ 445,271</u>	<u>374,540</u>	<u>272,250</u>	<u>272,250</u>

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  
2015 BUDGET

	Operation and Maintenance Fund	Construction Fund	Depreciation Fund	Debt Service Fund	Total
<u>Funds provided</u>					
From operations:					
Net income (loss) for year	\$ (92,191)	-	-	(200,000)	(292,191)
Add charges to income not requiring funds:					
Depreciation	-	-	20,000	738,000	758,000
Amortization	-	-	-	-	-
Amortization on water tower	-	-	-	-	-
Transfer working capital to other funds	-	-	-	-	-
Proceeds from borrowing	-	-	-	-	-
Increases in collection of special assessments	-	-	-	55,000	55,000
 Total funds provided (applied)	<u>(92,191)</u>	<u>-</u>	<u>20,000</u>	<u>593,000</u>	<u>520,809</u>
<u>Funds applied</u>					
Principal payments on debt	-	-	-	503,011	503,011
Capital outlay	-	272,250	-	-	272,250
 Total funds applied	<u>-</u>	<u>272,250</u>	<u>-</u>	<u>503,011</u>	<u>775,261</u>
<u>Interfund transfers - interest earnings</u>	<u>(3,146)</u>	<u>646</u>	<u>500</u>	<u>2,000</u>	<u>-</u>
 Increase (decrease) in working capital	(95,337)	(271,604)	20,500	91,989	(254,452)
<u>Working capital, beginning of year</u>	<u>101,522</u>	<u>271,604</u>	<u>349,265</u>	<u>1,359,853</u>	<u>2,082,243</u>
<u>Working capital, end of year</u>	<u>\$ 6,184</u>	<u>-</u>	<u>369,765</u>	<u>1,451,842</u>	<u>1,827,791</u>
	-93.91%	-100.00%	5.87%	6.76%	-12.22%

CITY OF MUSKEGO WATER UTILITY  
WORKING CAPITAL FUND DESCRIPTIONS  
2015 BUDGET

<b><u>FUND</u></b>	<b><u>DESCRIPTION</u></b>
<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.