



**Water Utility
Proposed
2016 Budget**

**Distributed
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CITY OF MUSKEGO WATER PUBLIC UTILITY
STATEMENT OF INCOME AND EXPENSE
2016 BUDGET

	2014 <u>Actual</u>	Aug 31, 2015 <u>Actual</u>	2015 <u>Projected</u>	2015 <u>Adopted Budget</u>	2016 <u>Proposed Budget</u>	2016 <u>Adopted Budget</u>	Change From 2015 <u>Budget</u>
<u>Operating revenue</u>							
Sales of water:							
Sales to general customers	\$1,223,153	605,388	1,241,735	1,305,315	1,360,595	-	4.23%
Private fire protection	\$41,643	20,870	41,750	42,000	45,500	-	8.33%
Public fire protection	\$456,335	75,264	465,000	464,000	510,000	-	9.91%
Other operating revenue	\$55,976	30,328	55,300	65,550	60,400	-	-7.86%
Rental of Water property - tower lease	\$112,662	60,296	118,300	119,135	103,625	-	-13.02%
Total operating revenue	1,889,769	792,145	1,922,085	1,996,000	2,080,120	-	4.21%
<u>Operating expenses</u>							
Operation and maintenance:							
Source of supply expense	40,843	4,247	9,125	9,887	9,878	-	-0.09%
Pumping expense	174,583	90,412	174,494	171,692	175,496	-	2.22%
Water treatment expense	29,229	15,847	47,950	30,819	28,621	-	-7.13%
Transmission and distribution expense	157,928	80,476	135,965	127,568	129,162	-	1.25%
Customer accounts expense	24,650	17,441	29,500	26,627	29,418	-	10.48%
Administrative expense	357,128	226,550	362,116	368,571	378,448	-	2.68%
Total operation and maintenance expenses	784,362	434,972	759,150	735,164	751,023	-	2.16%
Depreciation	\$767,796	-	770,000	758,000	771,000	-	1.72%
Taxes	\$566,992	15,896	570,300	620,337	578,333	-	-6.77%
Total operating expenses	2,119,150	450,868	2,099,450	2,113,502	2,100,356	-	-0.62%
Net operating income (loss)	(229,381)	341,277	(177,365)	(117,502)	(20,236)	-	-82.78%
<u>Add non-operating income - interest</u>	\$25,345	\$12,310	\$24,138	\$25,311	\$22,961	-	-9.28%
Income before non-operating expenses	(204,036)	353,587	(153,227)	(92,191)	2,725	-	-102.96%
<u>Deduct non-operating expenses</u>							
Interest on advances from municipality and revenue bonds	\$206,774	102,185	198,803	200,000	182,165	-	-8.92%
Amortization of debt discount and expense	\$0	-	-	-	-	-	#DIV/0!
Total non-operating expenses	206,774	102,185	198,803	200,000	182,165	-	-8.92%
Net income (loss) before capital contributions	\$ (410,810)	251,402	(352,030)	(292,191)	(179,440)	-	-38.59%

CITY OF MUSKEGO WATER PUBLIC UTILITY
SCHEDULE OF CAPITAL OUTLAY COSTS
PROJECTED 2015 AND 2016

	<u>Funding</u>	<u>Estimated 2015 Total Cost</u>	<u>2015 Adopted Budget</u>	<u>2016 Proposed Budget</u>	<u>2016 Adopted Budget</u>
1. 2015 Capital Additions:					
Meters	(A)	25,000	100,000		
Truck - 25% DPW Replacement	(A)	-	46,250	-	-
Truck - 50% Water / Sewer	(A)	21,213	22,500		
Well #6 Abandonment	(A)	27,036	30,000		
Radio Replacements	(A)	26,024	37,500		
Building - Roof, Garage Doors & Wash Station	(A)	4,701	96,000		
Well Site Purchase Belle Chasse	(A)	110,871	-		
Water Tower Cleaning & Inspections	(A)	10,000	15,000		
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>\$ 224,845</u>	<u>347,250</u>	<u>-</u>	<u>-</u>
2. 2016 Capital Additions:					
Meters	(A)			75,000	-
Truck - 25% DPW Replacement	(A)			46,250	-
Truck - 50% Water / Sewer	(A)			17,500	-
Well #4 Abandonment	(A)			30,000	-
Building - Roof, Garage Doors & Wash Station	(A)			630,000	-
Water Tower Cleaning & Inspections	(A) & (B)			350,000	-
				<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>	<u>1,148,750</u>	<u>-</u>
		<u>\$ 224,845</u>	<u>347,250</u>	<u>1,148,750</u>	<u>-</u>
Grand Total		\$ 224,845	347,250	1,148,750	-

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
2016 BUDGET

	Operation and Maintenance Fund	Construction Fund	Depreciation Fund	Debt Service Fund	Total
<u>Funds provided</u>					
From operations:					
Net income (loss) for year	\$ 2,725	-	-	(182,165)	(179,440)
Add charges to income not requiring funds:					
Depreciation	-	-	20,000	751,000	771,000
Amortization	-	-	-	-	-
Amortization on water tower	-	-	-	-	-
Transfer working capital to other funds	-	306,465	(306,465)	-	-
Proceeds from borrowing	-	630,000	-	-	630,000
Increases in collection of special assessments	-	-	-	55,000	55,000
 Total funds provided (applied)	<u>2,725</u>	<u>936,465</u>	<u>(286,465)</u>	<u>623,835</u>	<u>1,276,560</u>
<u>Funds applied</u>					
Principal payments on debt	-	-	-	453,220	453,220
Capital outlay	-	1,148,750	-	-	1,148,750
 Total funds applied	<u>-</u>	<u>1,148,750</u>	<u>-</u>	<u>453,220</u>	<u>1,601,970</u>
<u>Interfund transfers - interest earnings</u>	<u>(2,725)</u>	<u>1,125</u>	<u>225</u>	<u>1,375</u>	<u>-</u>
 Increase (decrease) in working capital	<u>0</u>	<u>(211,160)</u>	<u>(286,240)</u>	<u>171,990</u>	<u>(325,410)</u>
<u>Working capital, beginning of year</u>	<u>(0)</u>	<u>211,160</u>	<u>368,965</u>	<u>1,660,074</u>	<u>2,240,199</u>
<u>Working capital, end of year</u>	<u>\$ 0</u>	<u>-</u>	<u>82,725</u>	<u>1,832,064</u>	<u>1,914,789</u>
	0	-100.00%	-77.58%	10.36%	-14.53%

CITY OF MUSKEGO WATER UTILITY
WORKING CAPITAL FUND DESCRIPTIONS
2016 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.