



2013
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
2013 BUDGET

	2011 <u>Actual</u>	Aug 31, 2012 <u>Actual</u>	2012 <u>Projected</u>	2012 <u>Adopted Budget</u>	2013 <u>Proposed Budget</u>	2013 <u>Adopted Budget</u>	Change From 2012 <u>Budget</u>
<u>Operating revenue</u>							
Sales of water:							
Sales to general customers	1,219,739	606,029	1,236,000	1,207,000	1,223,000	1,223,000	1.33%
Private fire protection	39,757	19,950	40,000	40,900	39,500	39,500	-3.42%
Public fire protection	437,376	69,585	450,000	447,000	448,000	448,000	0.22%
Other operating revenue	77,205	26,744	64,375	65,000	63,000	63,000	-3.08%
Rental of Water property - tower lease	98,721	52,086	103,280	103,280	108,444	108,444	5.00%
Total operating revenue	1,872,798	774,394	1,893,655	1,863,180	1,881,944	1,881,944	1.01%
<u>Operating expenses</u>							
Operation and maintenance:							
Source of supply expense	2,269	742	11,850	12,640	12,648	12,648	0.07%
Pumping expense	158,262	95,848	149,257	146,125	151,124	151,124	3.42%
Water treatment expense	21,022	15,317	26,300	33,208	31,352	31,352	-5.59%
Transmission and distribution expense	166,952	58,681	113,672	112,810	114,642	114,642	1.62%
Customer accounts expense	23,786	16,573	27,912	26,400	29,491	29,491	11.71%
Administrative expense	311,018	197,765	324,028	317,972	349,668	349,668	9.97%
Total operation and maintenance expenses	683,309	384,926	653,019	649,155	688,925	688,925	6.13%
Depreciation	768,089	-	785,000	780,000	790,000	790,000	1.28%
Taxes	580,057	13,466	595,085	593,520	605,178	605,178	1.96%
Total operating expenses	2,031,455	398,392	2,033,104	2,022,675	2,084,103	2,084,103	3.04%
Net operating income (loss)	(158,657)	376,002	(139,449)	(159,495)	(202,159)	(202,159)	26.75%
<u>Add non-operating income - interest</u>	24,307	14,456	28,000	28,000	28,000	28,000	0.00%
Income before non-operating expenses	(134,350)	390,458	(111,449)	(131,495)	(174,159)	(174,159)	32.45%
<u>Deduct non-operating expenses</u>							
Interest on advances from municipality and revenue bonds	289,030	97,656	220,000	250,000	210,000	210,000	-16.00%
Amortization of debt discount and expense	8,638	-	6,840	6,840	5,000	5,000	-26.90%
Total non-operating expenses	297,668	97,656	226,840	256,840	215,000	215,000	-16.29%
Net income (loss) before capital contributions	\$ (432,018)	292,802	(338,289)	(388,335)	(389,159)	(389,159)	0.21%

CITY OF MUSKEGO WATER PUBLIC UTILITY
 SCHEDULE OF CAPITAL OUTLAY COSTS
 PROJECTED 2012 AND 2013

		Estimated 2012 Total	2012 Adopted	2013 Proposed	2013 Adopted
1. <u>2012 Capital Additions:</u>					
Meters	(A)	40,000	25,000		
Truck - 25% DPW Replacement	(B)	44,138	44,138		
Janesville Road Reconstruction	(A)	300,715	195,065		
Pioneer Water Extension	(A)	100,000	961,580		
Water Tower - Painting	(A)	-	300,000		
		\$ 484,853	1,525,783	-	-
2. <u>2013 Capital Additions:</u>					
Meters	(A)			75,000	75,000
Truck - 25% DPW Replacement	(B)			43,750	43,750
Truck - 50% Water / Sewer	(A)			15,000	15,000
Janesville Road Reconstruction	(A)			81,050	81,050
Portable Radio Replacement	(A)			28,790	28,790
Water Tower - Painting	(A)			-	
		-	-	243,590	243,590
Grand Total		\$ 484,853	1,525,783	243,590	243,590

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
2013 BUDGET

	Operation and Maintenance Fund	Construction Fund	Depreciation Fund	Debt Service Fund	Total
<u>Funds provided</u>					
From operations:					
Net income (loss) for year	\$ (179,159)	-	-	(210,000)	(389,159)
Add charges to income not requiring funds:					
Depreciation	-	-	20,000	770,000	790,000
Amortization	-	-	-	5,000	5,000
Amortization on water tower	-	-	-	-	-
Transfer working capital to other funds	-	-	-	-	-
Proceeds from borrowing	-	-	-	-	-
Increases in collection of special assessments	-	-	-	65,000	65,000
 Total funds provided (applied)	 (179,159)	 -	 20,000	 630,000	 470,841
<u>Funds applied</u>					
Principal payments on debt	-	-	-	579,590	579,590
Capital outlay	-	243,590	-	-	243,590
 Total funds applied	 -	 243,590	 -	 579,590	 823,180
<u>Interfund transfers - interest earnings</u>	(8,000)	2,500	500	5,000	-
 Increase (decrease) in working capital	 (187,159)	 (241,090)	 20,500	 55,410	 (352,339)
<u>Working capital, beginning of year</u>	191,652	598,436	299,765	1,032,205	2,122,058
<u>Working capital, end of year</u>	\$ 4,493	357,346	320,265	1,087,615	1,769,719
	-97.66%	-40.29%	6.84%	5.37%	-16.60%

CITY OF MUSKEGO WATER UTILITY
WORKING CAPITAL FUND DESCRIPTIONS
2013 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.