

CITY OF NEW LONDON
WISCONSIN

2020 SEWERAGE FUND BUDGET

October 16, 2019

as Recommended by Budget Committee

Prepared by:

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City of New London

Date: 10/09/2019

To: Finance Committee

From: Judy M. Radke, Finance Director

RE: Sewerage Plant

An enterprise fund (the Sewerage Plant) functions more like a business, in that the total cost to run the Plant is collected through user fees (it is **not** supported by the tax levy).

Operating expenses include:

1. Collector System – those things not located at the Plant, including sewer mains and laterals.
2. WWTP – the cost to run the Plant, including the people who work there.
3. Depreciation – decline in value of an asset and the allocation of that cost over the life of the asset. Depreciation money is set aside and used to fund future projects and equipment and provides for the necessary maintenance on the Plant and collection system.

On the following page you will see that the Net Results of Operation is \$108,165, in other words, based on current revenue estimates, depreciation is being funded at 100.00%.

The Sewerage Plant is estimated to add a -\$188,277 to Working Capital at the end of 2020.

SEWERAGE FUND BUDGET

OPERATING REVENUES	
2020 User Fees (Estimated)	1,741,300
Interest	67,700
Special Assessments	10,000
TOTAL OPERATING REVENUE	1,819,000
OPERATING EXPENSES	
Collector System	92,713
WWTP	912,448
Depreciation	552,374
Debt Interest	153,300
TOTAL OPERATING EXPENSES	1,710,835
NET RESULTS OF OPERATIONS	108,165

Capital projects and equipment are paid out of retained earnings. There are accumulated depreciation and construction reserve funds set aside for this purpose.

EXPENDITURES FOR 2020 are:

Debt Principal	205,000
WWTP Equipment	108,000
Collection System Rehab. - Depends on street reconstruction	392,000
General Fund Contribution	143,816
TOTAL NON-OPERATIONAL EXPENDITURES	848,816

USE OF FUNDS SUMMARY - 2020

Results of Operations	108,165
Depreciation Funds Applied	552,374
Available Income	660,539
Non-Operating Expenses	848,816
Increase in Net Assets	-188,277

Audit 2018 Working Capital	851,947
2019 Estimated Results of Operation	167,822
2020 Working Capital - Estimated	-188,277
2020 Year End Working Capital	831,492

Specials to be Collected	
Beacon Ave (2019-2021)	13,719
Division St (2019-2029)	90,264

*Digester upgrade anticipated to bring in more revenue over time