

CITY OF NEW LONDON
WISCONSIN

2023 SEWERAGE FUND BUDGET

October 12, 2022

as Recommended by Budget Committee

Prepared by:

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City Administrator

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City of New London

Date: 10/07/2022

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 \$255,269, in other words, based on current revenue estimates, depreciation is being funded at 100.00%.

The Sewerage Plant is estimated to add a \$48,162 to Working Capital at the end of 2023.

SEWERAGE FUND BUDGET

OPERATING REVENUES	
2023 User Fees (Estimated)	2,105,965
Other Revenue	138,177
Interest	45,000
Special Assessments	9,000
TOTAL OPERATING REVENUE	2,298,142
OPERATING EXPENSES	
Collector System	124,206
WWTP	1,014,267
Depreciation	770,000
Debt Interest	134,400
TOTAL OPERATING EXPENSES	2,042,873
NET RESULTS OF OPERATIONS	255,269
<p>Capital projects and equipment are paid out of retained earnings. There are accumulated depreciation and construction reserve funds set aside for this purpose.</p>	
EXPENDITURES FOR 2023 are:	
Debt Principal	220,000
WWTP Equipment	170,000
Collection System Rehab. - Depends on street reconstruction	430,000
General Fund Contribution	157,107
TOTAL NON-OPERATIONAL EXPENDITURES	977,107
USE OF FUNDS SUMMARY - 2023	
Results of Operations	255,269
Depreciation Funds Applied	770,000
Available Income	1,025,269
Non-Operating Expenses	977,107
Increase in Net Assets	48,162
Audit 2021 Working Capital	1,536,685
2022 Estimated Results of Operation	386,169
2023 Working Capital - Estimated	48,162
2023 Year End Working Capital	1,971,016
<u>Designated Funds</u>	
Equipment	-200,000
Main/Lateral	-475,174
Plow Truck/Salter Box	-68,000
Sewer Cleaning Truck	-330,000
Remaining 2023 Year End Working Capital	897,842
<u>Specials to be Collected</u>	
Division St (2019-2029)	9,026
Werner-Allen Blvd (2022-	
<u>Project List</u>	
Mill Street	781,900
Redoing Water System	375,000
	1,156,900
<u>Revenue List</u>	
Remaining Bond Funds	277,000
Lift Station #1, Electrical to 208V	60,000
Lift Station #4, Electrical to 208V	70,000
Gate/Driveway	175,000
	(28,000)