

**CITY OF NEW LONDON**  
**WISCONSIN**

**2018 SEWERAGE FUND BUDGET**

**October 17, 2017**

**as Recommended by Budget Committee**

**Prepared by:**

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# City of New London

Date: 10/12/2017

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. Deprecation 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 \$358,835, in other words, based on current revenue estimates, depreciation is being funded at 100.00%.

The Sewerage Plant is estimated to use <\$58,706> of Working Capital at the end of 2018.

During 2018 funded by Working Capital

1. A new lift station;
2. An estimated \$600,000 for the sewer replacement under Division Street;
3. Engineering service for the plant upgrade design.

## SEWERAGE FUND BUDGET

OPERATING REVENUES	
2018 User Fees (Estimated)	1,707,000
Interest	45,000
TOTAL OPERATING REVENUE	1,752,000
OPERATING EXPENSES	
Collector System	50,748
WWTP	841,631
Depreciation	499,311
Debt Interest	1,475
TOTAL OPERATING EXPENSES	1,393,165
NET RESULTS OF OPERATIONS	358,835

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 2018 are:

Debt Principal	77,625
WWTP Equipment	187,000
Collection System Rehab. - Depends on street reconstruction	216,000
General Fund Contribution	138,231
TOTAL NON-OPERATIONAL EXPENDITURES	618,856

### USE OF FUNDS SUMMARY - 2018

Results of Operations	358,835
Depreciation Funds Applied	499,311
Available Income	858,146
Non-Operating Expenses	618,856
Increase in Net Assets	239,290

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Audit 2016 Working Capital	1,435,176
2017 Estimated Results of Operation	-297,996
2018 Working Capital - Estimated	239,290
2018 Year End Working Capital	1,376,470