

# **Madison Water Utility**

## **Report to the Utility Board**

**July 26, 2022**

Presented By:

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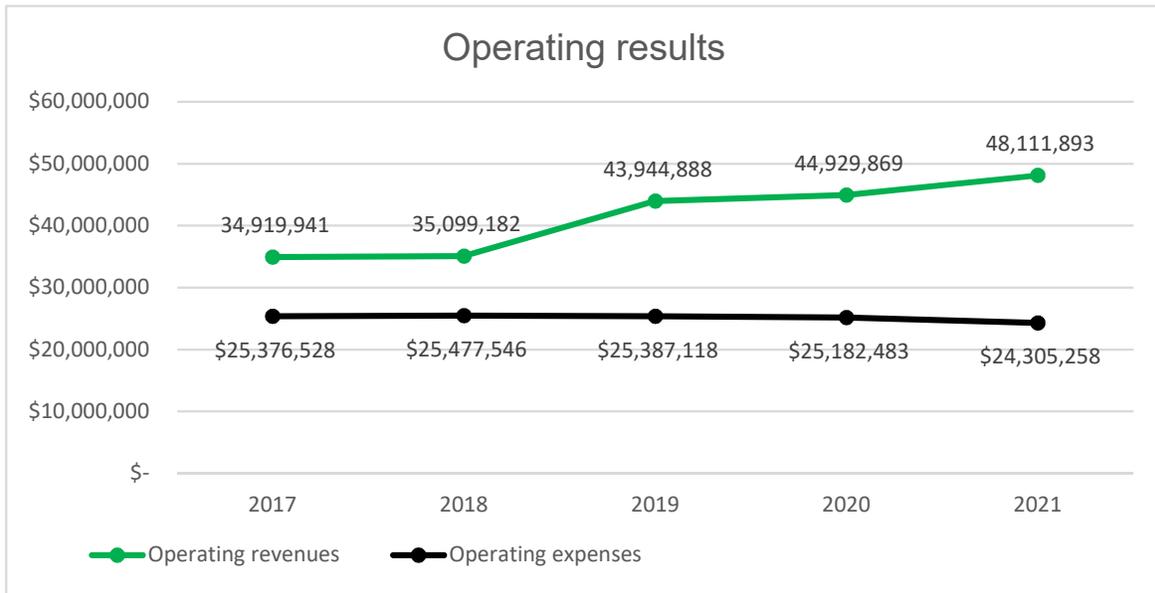
Note: Actual data was derived from current and prior years audited financial statements



# Madison Water Utility

## Water Utility Results

	<u>Current Year</u>	<u>Prior Year</u>
Actual Rate of Return	<b>7.89%</b>	<b>6.63%</b>
Authorized Rate of Return	<b>8.00%</b>	<b>8.00%</b>



### Unrestricted Reserves

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Year end balance	\$ 20,920	\$ 3,036,712	\$ 5,111,108	\$ 10,243,738	\$ 15,133,156
Months on hand	<b>0.01</b>	<b>1.04</b>	<b>1.40</b>	<b>2.74</b>	<b>3.77</b>

### Debt Coverage

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actual	<b>1.04</b>	<b>1.05</b>	<b>1.39</b>	<b>1.50</b>	<b>1.69</b>
Required	1.25	1.25	1.25	1.25	1.25

### Investment in Capital



## Required Audit Communications

- > Auditors' opinion is a clean or unmodified opinion
  - Financial statements are managements' responsibility
  - Our responsibility is to obtain reasonable assurance that the statements are free from material misstatement
- > Material weaknesses – none noted
- > New accounting pronouncements
  - None implemented in 2021
- > Prior year recommendations
  - Debt coverage requirements - Continue to be met in 2021
- > Key estimates include net pension liability/asset and related deferrals, accrued sick leave and net OPEB liability/asset and related deferrals
  - We have evaluated the methods and key assumptions used in these estimates and feel they are reasonable
- > Material adjusting journal entries - none noted
- > Uncorrected misstatements - none noted
- > Future GASB statements
  - GASB 87 – Leases effective for 2022 audit
  - GASB 91 – Conduit Debt effective for 2022 audit
  - GASB 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements effective for 2023 audit
  - GASB 96 – Subscription-Based Information Technology Arrangements effective for 2023 audit