

Financial Reports Presented to the Water Utility Board

Period from 1/1/2016 to 5/22/2018

Internal Monitoring

Policies Monitored

Affordability (O-2D)

Financial Planning/Budgeting (EL-2C)

Financial Condition & Activities (EL-2D)

Reports Accepted

[7/26/2016](#)

[5/23/2017](#)

[4/26/2016](#) (Capital Budget)

[7/26/2016](#) (Operating Budget)

[5/23/2017](#) (Capital Budget)

[7/25/2017](#) (Operating Budget)

[3/22/2016](#) (Audit Workplan Update)

[9/27/2016](#)

[5/23/2017](#)

[6/27/2017](#)

[9/26/2017](#)

[11/28/2017](#)

[4/24/2018](#)

External Monitoring

Presented to the board on July 26, 2016

- [2015 MWU Audit Communications.PDF](#)
- [2015 MWU Financial Statements.PDF](#)
- [2015 Audit Presentation.pdf](#)

Presented to the board on July 25, 2017:

- [2016 MWU Audit Communications.PDF](#)
- [2016 MWU Financial Statements.PDF](#)
- [2016 Audit Presentation.pdf](#)

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Compliance

The General Manager reported compliance with all Outcomes and Executive Limitations policies relating finances/budgeting, with the following exceptions:

- **Affordability (O-2D(3)):** Generate its authorized return on rate base consumption (defined as per F-23 of the Utility's Annual Report to the PSCW)...

Madison Water Utility currently is authorized for a 6.5% return on its rate base by the Public Service Commission of Wisconsin in its last rate order dated September 28, 2015. The return on rate base for the year ending December 31, 2017 was 2.48%. An application to increase rates was filed in 2017 and is currently in process.

- **Financial Condition and Activities EL-2D(6):** Establish an unrestricted reserve equal to a typical three months' operating expenses.

The utility currently is not funding its unrestricted reserve and does not plan to do so until it completes the repayment of its loan from the City of Madison.