

Town of Reading, Massachusetts
Municipal Light Department
Statement of Net Assets
May 31, 2018

	<u>2018</u>	<u>2017</u>
ASSETS		
Current:		
Unrestricted Cash	\$ 15,560,165.89	\$ 15,211,613.87
Restricted Cash	30,013,858.77	23,775,199.94
Restricted Investments	1,329,906.48	1,345,663.06
Receivables, Net	8,317,349.45	8,664,868.78
Prepaid Expenses	1,034,644.51	900,750.08
Inventory	1,498,480.78	1,745,537.98
Total Current Assets	<u>57,754,405.88</u>	<u>51,643,633.71</u>
Noncurrent:		
Investment in Associated Companies	258,521.25	144,418.75
Capital Assets, Net	77,989,663.22	74,822,088.86
Total Noncurrent Assets	<u>78,248,184.47</u>	<u>74,966,507.61</u>
Deferred Outflows - Pension Plan	<u>4,135,078.00</u>	<u>6,338,218.00</u>
TOTAL ASSETS	<u>\$ 140,137,668.35</u>	<u>\$ 132,948,359.32</u>
LIABILITIES		
Current		
Accounts Payable	\$ 7,351,828.91	\$ 6,540,119.65
Accrued Liabilities	590,448.34	657,188.36
Customer Deposits	1,168,514.16	1,073,564.08
Customer Advances for Construction	1,617,146.97	774,223.02
Total Current Liabilities	<u>10,727,938.38</u>	<u>9,045,095.11</u>
Non-current		
Accrued Employee Compensated Absences	3,150,134.05	3,257,809.00
Net OPEB Obligation	138,068.00	-
Net Pension Liability	13,076,538.00	8,833,549.00
Total Non-current Liabilities	<u>16,364,740.05</u>	<u>12,091,358.00</u>
Deferred Inflows - Pension Plan	714,888.00	883,172.00
TOTAL LIABILITIES	27,807,566.43	22,019,625.11
NET POSITION		
Invested in Capital Assets, Net of Related Debt	77,989,663.22	74,822,088.86
Restricted for Depreciation Fund	4,333,302.06	3,473,017.42
Restricted for Pension Trust	5,683,014.26	-
Unrestricted	<u>24,324,122.38</u>	<u>32,633,627.93</u>
TOTAL NET POSITION	<u>112,330,101.92</u>	<u>110,928,734.21</u>
Total Liabilities and Net Assets	<u>\$ 140,137,668.35</u>	<u>\$ 132,948,359.32</u>

Town of Reading, Massachusetts
Municipal Light Department
Schedule of Cash and Investments
May 31, 2018

	<u>2018</u>	<u>2017</u>
Unrestricted Cash		
Cash - Operating Fund	\$ 15,556,665.89	\$ 15,208,613.87
Cash - Petty Cash	3,500.00	3,000.00
Total Unrestricted Cash	<u>15,560,165.89</u>	<u>15,211,613.87</u>
Restricted Cash		
Cash - Depreciation Fund	4,333,302.06	3,473,017.42
Cash - Town Payment	3,613,490.87	3,483,945.63
Cash - Deferred Fuel Reserve	4,809,710.52	5,886,519.89
Cash - Rate Stabilization Fund	6,977,225.35	6,880,497.93
Cash - Pension Trust	5,683,014.26	-
Cash - Uncollectible Accounts Receivable	200,000.00	200,000.00
Cash - Sick Leave Benefits	1,880,164.02	1,963,884.92
Cash - Hazard Waste Reserve	750,000.00	150,000.00
Cash - Customer Deposits	1,168,514.16	1,073,564.08
Cash - Energy Conservation	598,437.53	663,770.07
Total Restricted Cash	<u>30,013,858.77</u>	<u>23,775,199.94</u>
Investments		
Sick Leave Buyback	1,329,906.48	1,345,663.06
Total	<u><u>\$ 46,903,931.14</u></u>	<u><u>\$ 40,332,476.87</u></u>

Town of Reading, Massachusetts
Municipal Light Department
Capital Funds
May 31, 2018

SOURCE OF CAPITAL FUNDS:

DEPRECIATION FUND BALANCE 7/1/17	\$	2,406,969.15
CONSTRUCTION FUND BALANCE 7/1/17		2,500,000.00
ADDITIONAL FUNDS ADDED TO CONSTRUCTION FUND BALANCE 12/31/17		1,200,000.00
INTEREST ON DEPRECIATION FUND FY 18		62,003.29
DEPRECIATION TRANSFER FY 18		3,947,156.62
WEST STREET - MASS DOT FINAL PAYMENT		<u>43,056.31</u>
TOTAL SOURCE OF CAPITAL FUNDS		10,159,185.37

USE OF CAPITAL FUNDS:

ADDITIONS TO PLANT THRU MAY 2018		
TOTAL USE OF CAPITAL FUNDS		5,825,883.31
GENERAL LEDGER CAPITAL FUNDS BALANCE 5/31/18	\$	<u><u>4,333,302.06</u></u>

Town of Reading, Massachusetts
Municipal Light Department
Statement of Revenues, Expenses and Changes in Fund Net Assets
May 31, 2018

	Month Current Year	Month Last Year	Year to Date Current Year	Year to Date Last Year	Percent Change
Operating Revenue					
Base Revenue	\$ 1,893,952.51	\$ 1,830,843.89	\$ 23,796,041.62	\$ 23,490,917.51	1.3%
Fuel Revenue	2,663,962.54	2,240,745.68	28,245,353.52	30,892,040.37	(8.6%)
Purchased Power Capacity & Transmission	2,920,780.63	2,194,184.61	36,061,255.29	30,400,157.92	18.6%
Forfeited Discounts	89,693.50	67,911.86	792,746.80	783,741.60	1.1%
Energy Conservation Revenue	45,778.29	46,870.33	596,517.06	610,453.00	(2.3%)
NYPA Credit	(109,866.89)	(110,489.40)	(1,137,460.74)	(1,093,650.67)	4.0%
Total Operating Revenue	7,504,300.58	6,270,066.97	88,354,453.55	85,083,659.73	3.8%
Expenses					
Power Expenses:					
555 Purchased Power Fuel Expense	1,847,367.08	1,595,728.66	28,172,396.89	29,014,735.68	(2.9%)
555 Purchased Power Capacity	2,139,651.87	1,859,080.09	23,474,589.63	17,716,515.80	32.5%
565 Purchased Power Transmission	924,279.51	819,781.49	12,631,648.26	11,761,519.41	7.4%
Total Purchased Power	4,911,298.46	4,274,590.24	64,278,634.78	58,492,770.89	9.9%
Operations and Maintenance Expenses:					
580 Supervision and Engineering	51,858.84	60,236.31	547,259.26	412,540.78	32.7%
581 Station Supervision	-	498.89	4,577.88	5,693.70	(19.6%)
581 Line General	58,704.85	67,967.48	629,267.56	639,305.84	(1.6%)
582 Control Room	13,778.61	16,595.90	141,393.99	126,713.74	11.6%
585 Street Lighting	29,453.24	723.26	143,638.32	161,175.75	(10.9%)
586 Meter General	10,224.72	25,069.19	201,195.68	206,682.87	(2.7%)
588 Materials Management	39,776.95	43,692.18	501,870.89	426,129.23	17.8%
590 Maintenance of Structures and Equipment	102,929.04	94,791.21	880,873.82	934,405.78	(5.7%)
593 Maintenance of Lines - Overhead	111,797.81	249,530.69	1,686,470.54	1,839,906.02	(8.3%)
594 Maintenance of Lines - Underground	5,724.68	21,558.74	62,041.43	227,037.25	(72.7%)
595 Maintenance of Line Transformers	11,374.20	6,350.60	130,818.38	34,737.88	276.6%
Total Operations and Maintenance Expenses	435,622.94	587,014.45	4,929,407.75	5,014,328.84	(1.7%)
General & Administration Expenses:					
902 Meter Reading	800.92	1,539.72	31,048.68	19,542.71	58.9%
903 Customer Collections	148,037.94	156,862.66	1,540,133.61	1,497,272.12	2.9%
904 Uncollectible Accounts	12,500.00	12,500.00	137,500.00	137,500.00	0.0%
916 Energy Audit	64,079.30	59,952.10	458,939.82	491,211.97	(6.6%)
916 Energy Conservation	38,164.36	54,263.79	601,021.91	664,128.39	(9.5%)
920 Administrative and General Salaries	95,816.46	108,314.85	993,235.88	910,699.49	9.1%
921 Office Supplies and Expense	35,326.77	8,614.00	313,069.58	270,331.54	15.8%
923 Outside Services	69,237.50	92,863.82	753,816.68	663,009.80	13.7%
924 Property Insurance	28,372.95	28,148.98	310,344.53	307,441.77	0.9%
925 Injuries and Damages	4,541.65	3,392.97	58,085.91	57,028.09	1.9%
926 Employee Pensions and Benefits	(80,878.66)	202,690.12	3,316,873.74	3,275,640.58	1.3%
930 Miscellaneous General Expense	5,572.14	5,697.43	112,989.13	121,123.60	(6.7%)
931 Rent Expense	14,032.66	31,348.98	179,362.60	180,102.01	(0.4%)
933 Vehicle Expense	36,449.33	-	266,874.11	-	(100.0%)
933 Vehicle Expense - Capital	(38,112.50)	-	(301,407.95)	-	100.0%
935 Maintenance of General Plant	14,748.29	24,231.56	349,798.15	258,602.65	35.3%
935 Maintenance of Building & Garage	57,035.07	42,912.70	512,666.22	497,143.35	3.1%
Total General & Administration Expenses	505,724.18	833,333.68	9,634,352.60	9,350,778.07	3.0%
Other Operating Expenses:					
403 Depreciation	358,832.42	341,775.67	3,947,156.62	3,759,532.37	5.0%
408 Voluntary Payments to Towns	126,851.67	118,000.00	1,364,027.35	1,293,372.00	5.5%
Total Other Expenses	485,684.09	459,775.67	5,311,183.97	5,052,904.37	5.1%
Operating Income	1,165,970.91	115,352.93	4,200,874.45	7,172,877.56	(41.4%)

Town of Reading, Massachusetts
Municipal Light Department
Statement of Revenues, Expenses and Changes in Fund Net Assets
May 31, 2018

	Month Current Year	Month Last Year	Year to Date Current Year	Year to Date Last Year	Percent Change
Non Operating Revenue (Expenses):					
419 Interest Income	28,838.23	24,309.30	229,896.68	153,384.47	49.9%
419 Other	11,018.21	449,169.40	760,463.72	977,784.42	(22.2%)
426 Return on Investment to Reading	(201,647.50)	(198,722.33)	(2,218,122.50)	(2,185,945.65)	1.5%
431 Interest Expense	(457.80)	(197.59)	(11,069.87)	(3,853.83)	187.2%
Total Non Operating Revenue (Expenses)	(162,248.86)	274,558.78	(1,238,831.97)	(1,058,630.59)	17.0%
Change in Net Assets	1,003,722.05	389,911.71	2,962,042.48	6,114,246.97	(51.6%)
Net Assets at Beginning of Year	109,368,059.44	104,814,487.24	109,368,059.44	104,814,487.24	4.3%
Ending Net Assets	<u>\$ 110,371,781.49</u>	<u>\$ 105,204,398.95</u>	<u>\$ 112,330,101.92</u>	<u>\$ 110,928,734.21</u>	<u>1.3%</u>

Town of Reading, Massachusetts
Municipal Light Department
Statement of Budgeted Revenues, Expenses and Changes in Fund Net Assets
May 31, 2018

	Actual Year to Date	Budget Full Year	Remaining Budget	Remaining Budget %
Operating Revenue				
Base Revenue	\$ 23,796,041.62	\$ 26,337,621.00	\$ 2,541,579.38	9.6%
Fuel Revenue	28,245,353.52	32,491,810.00	4,246,456.48	13.1%
Purchased Power Capacity	36,061,255.29	38,088,978.00	2,027,722.71	5.3%
Forfeited Discounts	792,746.80	800,000.00	7,253.20	0.9%
Energy Conservation Revenue	596,517.06	675,000.00	78,482.94	11.6%
NYPA Credit	(1,137,460.74)	(1,200,000.00)	(62,539.26)	5.2%
Total Operating Revenue	88,354,453.55	97,193,409.00	8,838,955.45	9.1%
Expenses				
Power Expenses:				
555 Purchased Power Fuel Expense	28,172,396.89	31,291,810.00	3,119,413.11	10.0%
555 Purchased Power Capacity	23,474,589.63	24,476,161.00	1,001,571.37	4.1%
565 Purchased Power Transmission	12,631,648.26	13,612,817.00	981,168.74	7.2%
Total Purchased Power	64,278,634.78	69,380,788.00	5,102,153.22	7.4%
Operations and Maintenance Expenses:				
580 Supervision and Engineering	547,259.26	764,615.00	217,355.74	28.4%
581 Station Supervisor	4,577.88	130,662.00	126,084.12	96.5%
581 Line General	629,267.56	596,007.00	(33,260.56)	(5.6%)
582 Control Room	141,393.99	466,783.00	325,389.01	69.7%
585 Street Lighting	143,638.32	156,893.00	13,254.68	8.4%
586 Meter General	201,195.68	212,909.00	11,713.32	5.5%
588 Materials Management	501,870.89	458,328.00	(43,542.89)	(9.5%)
590 Maintenance of Structures and Equipment	880,873.82	494,936.00	(385,937.82)	(78.0%)
593 Maintenance of Lines - Overhead	1,686,470.54	1,980,611.00	294,140.46	14.9%
594 Maintenance of Lines - Underground	62,041.43	197,002.00	134,960.57	68.5%
595 Maintenance of Line Transformers	130,818.38	300,000.00	169,181.62	56.4%
Total Operations and Maintenance Expenses	4,929,407.75	5,758,746.00	829,338.25	14.4%
General & Administration Expenses:				
902 Meter Reading	31,048.68	37,461.00	6,412.32	17.1%
903 Customer Collection	1,540,133.61	1,869,393.00	329,259.39	17.6%
904 Uncollectible Accounts	137,500.00	150,000.00	12,500.00	8.3%
916 Energy Audit	458,939.82	509,232.00	50,292.18	9.9%
916 Energy Conservation	601,021.91	952,565.00	351,543.09	36.9%
920 Administrative and General Salaries	993,235.88	1,017,151.00	23,915.12	2.4%
921 Office Supplies and Expense	313,069.58	350,000.00	36,930.42	10.6%
923 Outside Services	753,816.68	759,191.00	5,374.32	0.7%
924 Property Insurance	310,344.53	427,200.00	116,855.47	27.4%
925 Injuries and Damages	58,085.91	52,613.00	(5,472.91)	(10.4%)
926 Employee Pensions and Benefits	3,316,873.74	3,000,437.00	(316,436.74)	(10.5%)
930 Miscellaneous General Expense	112,989.13	179,215.00	66,225.87	37.0%
931 Rent Expense	179,362.60	212,000.00	32,637.40	15.4%
933 Vehicle Expense	266,874.11	381,116.00	114,241.89	30.0%
933 Vehicle Expense - Capital	(301,407.95)	(301,596.00)	(188.05)	0.1%
935 Maintenance of General Plant	349,798.15	281,880.00	(67,918.15)	(24.1%)
935 Maintenance of Building & Garage	512,666.22	666,457.00	153,790.78	23.1%
Total General & Administration Expenses	9,634,352.60	10,544,315.00	909,962.40	8.6%

Town of Reading, Massachusetts
Municipal Light Department
Statement of Budgeted Revenues, Expenses and Changes in Fund Net Assets
May 31, 2018

	Actual Year to Date	Budget Full Year	Remaining Budget	Remaining Budget %
Other Operating Expenses:				
403 Depreciation	3,947,156.62	4,362,000.00	414,843.38	9.5%
408 Voluntary Payments to Towns	1,364,027.35	1,500,000.00	135,972.65	9.1%
Total Other Expenses	5,311,183.97	5,862,000.00	550,816.03	9.4%
Operating Income	4,200,874.45	5,647,560.00	1,446,685.55	25.6%
Non Operating Revenue (Expenses):				
419 Interest Income	229,896.68	150,000.00	(79,896.68)	(53.3%)
419 Other Income	760,463.72	890,000.00	129,536.28	14.6%
426 Return on Investment to Reading/Loss on Disposal	(2,218,122.50)	(2,570,438.00)	(352,315.50)	13.7%
431 Interest Expense	(11,069.87)	(2,500.00)	8,569.87	(342.8%)
Total Non Operating Revenue (Expenses)	(1,238,831.97)	(1,532,938.00)	(294,106.03)	19.2%
Net Income	\$ 2,962,042.48	\$ 4,114,622.00	\$ 1,152,579.52	28.0%
	19,874,944.32	22,165,061.00		