

Water & Sewer Retained Earnings / Net Capital Assets



Similar to governmental fund balances, “Retained Earnings” in an Enterprise Fund are the historically accumulated difference between fund assets and fund liabilities. Unlike governmental funds, enterprise funds report all related assets, including capital assets, and all liabilities which include debt. Therefore, retained earnings serve as a rough barometer of the economic health of the fund.

Indicator Score = Red/Worse



TREND ANALYSIS:

Since 2005, the Water & Sewer Fund has transferred annual depreciation and capital and lateral revenue to its capital fund for future water & sewer system infrastructure improvements. The net capital asset amount has, and is projected to continue to decrease due to greater system-wide depreciation than assets currently being added (or replaced) within the system. In addition, the cash position of the Water & Sewer system is improving by design of the Water & Sewer Technical Rate Review Committee to fund future infrastructure improvements.

