

Muscatine Power and Water

Water Utility

Statement of Revenues, Expenses and Changes in Net Position

May 2014

**Muscatine Power and Water
Water Utility**

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Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - May 2014

	<u>Budget Estimate</u>	<u>%Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>%Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<u>Water Distribution - 1,000 Gallons</u>					
Contract Customers	632,834	(6.4)	592,222	(3.6)	614,124
Power Plants	42,149	83.3	77,241	1.0X	37,736
Residential	37,577	0.9	37,929	(0.3)	38,031
Commercial	<u>32,112</u>	2.5	<u>32,917</u>	(3.5)	<u>34,094</u>
Total Metered Customers	744,672	(0.6)	740,309	2.3	723,985
Rated Customers - Estimate	---	---	11	57.1	7
City Use, Line Loss, Cycle Billing	<u>44,680</u>	(0.6)	<u>44,419</u>	2.3	<u>43,439</u>
Total Water Pumped	<u>789,352</u>	(0.6)	<u>784,739</u>	2.3	<u>767,431</u>

Calendar Year-to-Date

	<u>Budget Estimate</u>	<u>%Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>%Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<u>Water Distribution - 1,000 Gallons</u>					
Contract Customers	2,915,644	0.6	2,934,479	1.3	2,895,605
Power Plants	350,060	14.7	401,667	23.8	324,519
Residential	183,442	(1.2)	181,309	2.3	177,239
Commercial	<u>146,567</u>	5.7	<u>154,874</u>	1.6	<u>152,397</u>
Total Metered Customers	3,595,713	2.1	3,672,329	3.5	3,549,760
Rated Customers - Estimate	---	---	60	0.0	60
City Use, Line Loss, Cycle Billing	<u>215,743</u>	2.1	<u>220,340</u>	3.5	<u>212,986</u>
Total Water Pumped	<u>3,811,456</u>	2.1	<u>3,892,729</u>	3.5	<u>3,762,806</u>

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - May 2014

	Budget Estimate	% Increase (Decrease) From Budget	This Year	% Increase (Decrease) Fr. Last Yr.	Last Year
<u>Sales of Water</u>					
Contract Customers	\$207,640	(1.1)	\$205,432	5.4	\$194,822
Power Plants	25,174	23.4	31,053	32.2	23,487
Residential	142,834	0.1	143,032	6.8	133,919
Commercial	<u>42,393</u>	12.0	<u>47,475</u>	4.2	<u>45,559</u>
Water Sales	<u>418,041</u>	2.1	<u>426,992</u>	7.3	<u>397,787</u>
<u>Other Revenue</u>					
Penalty Revenue	683	45.7	995	13.7	875
Merchandise & Job Sales-Net	825	(85.9)	116	(55.6)	261
Miscellaneous Revenue	<u>801</u>	61.7	<u>1,295</u>	27.8	<u>1,013</u>
Total Other Revenue	<u>2,309</u>	4.2	<u>2,406</u>	12.0	<u>2,149</u>
Operating Revenue	<u>420,350</u>	2.2	<u>429,398</u>	7.4	<u>399,936</u>
<u>Operating Expense</u>					
Operation	283,119	2.4	289,843	2.8	281,979
Maintenance	91,509	16.0	106,185	13.8	93,283
Depreciation	<u>60,090</u>	0.1	<u>60,159</u>	14.9	<u>52,340</u>
Total Operating Expense	<u>434,718</u>	4.9	<u>456,187</u>	6.7	<u>427,602</u>
Operating Loss	<u>(14,368)</u>	86.4	<u>(26,789)</u>	(3.2)	<u>(27,666)</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	138	(89.1)	15	(6.3)	16
Interest Expense	<u>(5,718)</u>	(87.7)	<u>(706)</u>	5.5	<u>(669)</u>
Net Nonoperating Revenues (Expenses)	<u>(5,580)</u>	(87.6)	<u>(691)</u>	5.8	<u>(653)</u>
<u>Net Income (Loss) before Capital Contributions</u>					
	(19,948)	37.8	(27,480)	(3.0)	(28,319)
Capital Contributions	---	---	<u>28,549</u>	---	---
Change in Net Position	(19,948)	-1.1X	1,069	-1.0X	(28,319)
Beginning Net Position	<u>15,537,692</u>		<u>15,476,009</u>		<u>14,117,824</u>
Ending Net Position	<u>\$15,517,744</u>		<u>\$15,477,078</u>		<u>\$14,089,505</u>
Net Income (Loss) to Operating Revenue	(4.7)		(6.4)		(7.1)
Debt Service Coverage	0.73		0.58		8.22

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - May 2014

	Budget Estimate	%Increase (Decrease) From Budget	This Year	%Increase (Decrease) Fr. Last Yr.	Last Year
<u>Sales of Water</u>					
Contract Customers	\$966,600	3.0	\$995,506	9.4	\$910,237
Power Plants	150,052	3.5	155,268	10.8	140,174
Residential	681,792	(0.7)	676,917	8.1	626,435
Commercial	<u>201,539</u>	<u>9.6</u>	<u>220,854</u>	<u>9.1</u>	<u>202,410</u>
Water Sales	<u>1,999,983</u>	<u>2.4</u>	<u>2,048,545</u>	<u>9.0</u>	<u>1,879,256</u>
<u>Other Revenue</u>					
Penalty Revenue	3,417	(8.9)	3,114	5.5	2,952
Merchandise & Job Sales-Net	4,718	(34.3)	3,101	1.1X	1,495
Miscellaneous Revenue	<u>5,207</u>	<u>61.3</u>	<u>8,400</u>	<u>(25.8)</u>	<u>11,315</u>
Total Other Revenue	<u>13,342</u>	<u>9.5</u>	<u>14,615</u>	<u>(7.3)</u>	<u>15,762</u>
Operating Revenue	<u>2,013,325</u>	<u>2.5</u>	<u>2,063,160</u>	<u>8.9</u>	<u>1,895,018</u>
<u>Operating Expense</u>					
Operation	1,420,117	2.7	1,459,149	9.0	1,338,399
Maintenance	365,803	27.3	465,832	54.2	302,162
Depreciation	<u>300,449</u>	<u>0.1</u>	<u>300,795</u>	<u>14.9</u>	<u>261,700</u>
Total Operating Expense	<u>2,086,369</u>	<u>6.7</u>	<u>2,225,776</u>	<u>17.0</u>	<u>1,902,261</u>
Operating Loss	<u>(73,044)</u>	<u>1.2X</u>	<u>(162,616)</u>	<u>21.5X</u>	<u>(7,243)</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	635	(78.0)	140	38.6	101
Interest Expense	<u>(53,405)</u>	<u>(93.6)</u>	<u>(3,429)</u>	<u>2.5</u>	<u>(3,345)</u>
Net Nonoperating Revenues (Expenses)	<u>(52,770)</u>	<u>(93.8)</u>	<u>(3,289)</u>	<u>1.4</u>	<u>(3,244)</u>
Net Income (Loss) before Capital Contributions	(125,814)	31.9	(165,905)	14.8X	(10,487)
Capital Contributions	<u>29,124</u>	<u>---</u>	<u>28,549</u>	<u>(45.6)</u>	<u>52,503</u>
Change in Net Position	(96,690)	42.1	(137,356)	-4.3X	42,016
Beginning Net Position	<u>15,614,434</u>		<u>15,614,434</u>		<u>14,107,489</u>
Ending Net Position	<u>\$15,517,744</u>		<u>\$15,477,078</u>		<u>\$14,149,505</u>
Net Income (Loss) to Operating Revenue	(6.2)		(8.0)		(0.6)
Debt Service Coverage	0.75		0.48		16.96

Muscatine Power and Water - Water Utility
Statements of Net Position
May 2014

ASSETS

	<u>2014</u>	<u>2013</u>
Current Assets:		
Cash - interest bearing	\$488,617	\$343,724
Receivables:		
Consumer Accounts	561,964	522,933
Interest	2	2
Inventories	291,725	280,768
Prepaid Expenses	46,474	42,744
	<hr/>	<hr/>
Total Current Assets	1,388,782	1,190,171
Property and Equipment:		
At Cost	26,945,800	25,239,840
Less Accumulated Depreciation	<hr/>	<hr/>
	10,293,410	9,748,285
	<hr/>	<hr/>
Net Property and Equipment	16,652,390	15,491,555
	<hr/>	<hr/>
TOTAL ASSETS	<u><u>\$18,041,172</u></u>	<u><u>\$16,681,726</u></u>

Muscatine Power and Water - Water Utility
Statements of Net Position
May 2014

LIABILITIES AND NET POSITION

	<u>2014</u>	<u>2013</u>
Current Liabilities:		
State Revolving Loan	\$29,000	\$29,000
Notes Payable to Electric Utility	900,000	---
Accrued Interest	463	---
Accounts Payable	364,080	152,055
Pension Provision	52,135	20,274
Health & Dental Insurance Provision	23,200	17,316
Retained Percentage on Contracts	2,778	---
Consumer Advances for Construction	212,510	1,150,487
Accrued Payroll	32,264	29,637
Accrued Vacation	111,975	101,810
Accrued Property Taxes	725	---
Miscellaneous Accrued Expenses	<u>66,857</u>	<u>57,914</u>
 Total Current Liabilities	 <u>1,795,987</u>	 <u>1,558,493</u>
 Non-Current Liabilities:		
State Revolving Loan	161,000	190,000
Health & Dental Insurance Provision	133,587	169,798
Post-Employment Health Benefit Provision	34,644	15,618
Consumer Advances for Construction	<u>438,876</u>	<u>598,312</u>
 Total Non-Current Liabilities	 <u>768,107</u>	 <u>973,728</u>
 Net Position:		
Net Investment in Capital Assets	14,911,004	13,523,756
Unrestricted	<u>566,074</u>	<u>625,749</u>
 Total Net Position	 <u>15,477,078</u>	 <u>14,149,505</u>
 TOTAL LIABILITIES AND NET POSITION	 <u>\$18,041,172</u>	 <u>\$16,681,726</u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
May 2014

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$419,184	\$2,021,446
Miscellaneous sources	619	6,372
Cash paid to/for:		
Suppliers	(245,615)	(1,000,313)
Employees payroll, taxes and benefits	<u>(178,760)</u>	<u>(926,826)</u>
Net cash flows from operating activities	<u>(4,572)</u>	<u>100,679</u>
Cash flows from capital and related financing activities:		
State revolving loan fund principal payments	(29,000)	(29,000)
State revolving loan interest payments	(3,833)	(3,833)
Loan from electric utility	250,000	500,000
Loan from electric utility interest payments	--	(208)
Capital expenditures, net	<u>(177,494)</u>	<u>(647,087)</u>
Net cash flows from capital and related financing activities	<u>39,673</u>	<u>(180,128)</u>
Cash flows from investing activities:		
Interest received on investments	<u>15</u>	<u>140</u>
Net cash flows from investing activities	<u>15</u>	<u>140</u>
Net increase (decrease) in cash and investments	<u>35,116</u>	<u>(79,309)</u>
Cash and investments at beginning of period	<u>453,501</u>	<u>567,926</u>
Cash and investments at end of period	<u>\$488,617</u>	<u>\$488,617</u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
May 2014

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Reconciliation of operating loss to net cash flows from operating activities		
Operating loss	(\$26,789)	(\$162,616)
Noncash item in operating income:		
Depreciation of utility plant	60,159	300,795
Changes in assets and liabilities:		
Consumer accounts receivable	(7,159)	(22,482)
Inventories	1,795	64,513
Prepaid and deferred expenses	2,719	(26,581)
Accounts payable	(49,150)	(114,598)
Pension provision	10,427	52,135
Health & dental insurance provision	(5,458)	(9,233)
Other post-employment benefit provision	833	4,166
Retained percentage	0	2,778
Accrued payroll	12,908	(11,920)
Accrued vacation	(651)	16,795
Accrued property taxes	66	(65)
Miscellaneous accrued expenses	<u>(4,272)</u>	<u>6,992</u>
Net cash flows from operating activities	<u>(\$4,572)</u>	<u>\$100,679</u>

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - May 2014

<u>Source of Supply</u>	<u>Budget Est.</u>	<u>This Year</u>	<u>Last Year</u>
Operation Supervision	\$2,524	\$2,265	\$2,496
Operation Labor and Expenses	1,503	1,279	1,625
Miscellaneous Expense	687	340	615
Maintenance of Wells	15,000	17,298	32,720
Maintenance of Supply Mains	80	---	---
Depreciation	<u>6,717</u>	<u>6,546</u>	<u>5,958</u>
 Total Source of Supply Expense	<u>26,511</u>	<u>27,728</u>	<u>43,414</u>
 <u>Pumping</u>			
Operation Supervision	2,999	2,584	2,854
Fuel or Power Purchased	58,900	68,146	59,627
Pumping Labor and Expenses	3,718	4,236	4,577
Miscellaneous Expense	245	264	248
Maintenance of Structures	141	---	4,677
Maintenance of Pumping Equipment	21,820	19,753	12,208
Depreciation	<u>5,498</u>	<u>5,670</u>	<u>5,498</u>
 Total Pumping Expense	<u>93,321</u>	<u>100,653</u>	<u>89,689</u>
 <u>Water Treatment</u>			
Operation Supervision	2,924	2,598	2,875
Chemicals	18,193	15,715	15,133
Operation Labor and Expenses	11,999	11,053	15,316
Miscellaneous Expense	1,490	312	66
Maintenance of Structures	1,292	243	49
Maintenance of Purification Equip.	1,512	2,090	2,217
Depreciation	<u>3,205</u>	<u>3,229</u>	<u>2,338</u>
 Total Water Treatment Expense	<u>40,615</u>	<u>35,240</u>	<u>37,994</u>
 <u>Distribution</u>			
Operation Supervision	2,910	2,657	2,695
Storage Facilities Expense	4,329	5,689	4,935
Trans. & Distr. Lines Expense	5,588	14,501	11,891
Meter Expense	12,222	6,033	8,154
Consumer Installation Expense	4,892	4,558	4,911
Miscellaneous Expense	10,217	14,806	14,233
Vehicle Expense	4,867	4,133	4,571
Maintenance:			
Supervision	4,549	4,208	4,304
Structures	616	262	406
Reservoirs and Standpipes	15,027	37	7
Mains	13,280	53,551	25,579
Valves	4,575	637	4,014
Meters	4,714	1,447	1,221
Hydrants	3,336	1,827	993
Miscellaneous Plant	3,096	2,740	2,867
Vacation, Holiday, Sick Leave	14,261	12,745	13,696
Depreciation	<u>32,396</u>	<u>32,462</u>	<u>31,035</u>
 Total Distribution Expense	<u>\$140,875</u>	<u>33.5</u>	<u>\$162,293</u>

**Muscatine Power and Water - Water Utility
Summary of Expenses
Calendar Year-to-Date - May 2014**

	<u>Budget Est.</u>	<u>This Year</u>		<u>Last Year</u>	
<u>Source of Supply</u>					
Operation Supervision	\$12,459	\$12,570		\$12,015	
Operation Labor and Expenses	7,884	4,853		7,342	
Miscellaneous Expense	1,350	546		1,851	
Maintenance of Wells	60,000	86,490		65,569	
Maintenance of Supply Mains	1,086	5,564		4,287	
Depreciation	33,586	32,730		29,790	
 Total Source of Supply Expense	 116,365	 5.8	 142,753	 6.9	 120,854
<u>Pumping</u>					
Operation Supervision	14,603	14,370		13,884	
Fuel or Power Purchased	296,900	337,971		284,900	
Pumping Labor and Expenses	18,225	22,230		16,421	
Miscellaneous Expense	1,111	1,379		1,611	
Maintenance of Structures	793	120		4,727	
Maintenance of Pumping Equipment	104,948	193,984		58,277	
Depreciation	27,489	28,350		27,490	
 Total Pumping Expense	 464,069	 23.0	 598,404	 29.0	 407,310
<u>Water Treatment</u>					
Operation Supervision	14,586	14,506		14,017	
Chemicals	90,965	79,547		77,249	
Operation Labor and Expenses	66,948	66,937		69,348	
Miscellaneous Expense	10,105	7,037		4,987	
Maintenance of Structures	5,392	4,329		8,553	
Maintenance of Purification Equip.	9,844	10,902		16,130	
Depreciation	16,025	16,145		11,690	
 Total Water Treatment Expense	 213,865	 10.6	 199,403	 9.7	 201,974
<u>Distribution</u>					
Operation Supervision	14,566	14,547		13,730	
Storage Facilities Expense	20,539	23,746		21,123	
Trans. & Distr. Lines Expense	36,261	36,078		45,979	
Meter Expense	53,010	49,781		51,794	
Consumer Installation Expense	25,528	21,034		20,138	
Miscellaneous Expense	50,728	74,722		58,710	
Vehicle Expense	24,661	24,690		20,374	
Maintenance:					
Supervision	22,870	23,151		22,271	
Structures	1,137	2,031		1,919	
Reservoirs and Standpipes	15,593	1,722		1,088	
Mains	60,383	89,697		59,988	
Valves	20,168	6,736		20,115	
Meters	23,391	8,829		6,327	
Hydrants	9,953	6,545		9,027	
Miscellaneous Plant	15,482	12,182		14,565	
Vacation, Holiday, Sick Leave	62,211	70,574		65,213	
Depreciation	161,979	162,310		155,175	
 Total Distribution Expense	 \$618,460	 30.7	 \$628,375	 30.5	 \$587,536
					31.0

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - May 2014

	<u>Budget Est.</u>	<u>This Year</u>	<u>Last Year</u>	
<u>Customer Service Expense</u>				
Customer Information Expense	<u>\$1,830</u>	0.4	<u>\$1,517</u>	0.4
				<u>\$2,268</u>
				0.6
<u>Consumer Accounts</u>				
Supervision	1,267	1,263	1,427	
Meter Reading Expense	3,743	4,406	4,256	
Consumer Records and Collection	13,860	13,772	15,884	
Uncollectible Accounts Expense	735	735	569	
Vacation, Holiday, Sick Leave	<u>2,120</u>	<u>2,581</u>	<u>1,897</u>	
Total Consumer Accounts Expense	<u>21,725</u>	5.2	<u>22,757</u>	5.3
				<u>24,033</u>
				6.0
<u>Administrative and General</u>				
Administrative and General Salaries	18,367	19,631	16,519	
Office Supplies and Expenses	1,676	1,416	1,055	
Outside Services Employed	3,750	2,988	1,183	
Property Insurance	1,734	1,757	1,560	
Casualty Ins, Injuries & Damages	3,886	5,428	3,999	
Employee Pensions and Benefits	50,252	48,633	48,360	
Fringe Benefits Charged to Constr.	(3,067)	(4,057)	(1,434)	
Miscellaneous General Expense	9,305	6,247	5,733	
Rents	5,746	5,746	5,579	
Maintenance of General Plant	2,471	2,092	2,021	
Vacation, Holiday, Sick Leave	3,447	3,866	2,606	
Depreciation	<u>12,274</u>	<u>12,252</u>	<u>7,511</u>	
Total Administrative and General	<u>109,841</u>	26.1	<u>105,999</u>	24.7
				<u>94,692</u>
				23.7
Total Operating Expense	<u>\$434,718</u>		<u>\$456,187</u>	
				<u>\$427,602</u>
Percent to Operating Revenue		103.4		106.2
				106.9

Muscatine Power and Water - Water Utility
Summary of Expenses
Calendar Year-to-Date - May 2014

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>
<u>Customer Service Expense</u>					
Customer Information Expense	<u>\$12,194</u>	0.6	<u>\$5,054</u>	0.2	<u>\$5,700</u>
<u>Consumer Accounts</u>					
Supervision	6,288		6,244		6,717
Meter Reading Expense	18,935		22,316		20,856
Customer Records and Collection	69,044		67,056		69,963
Uncollectible Accounts Expense	3,675		3,675		2,845
Vacation, Holiday, Sick Leave	<u>9,220</u>		<u>10,753</u>		<u>9,900</u>
Total Consumer Accounts Expense	<u>107,162</u>	5.3	<u>110,044</u>	5.3	<u>110,281</u>
<u>Administrative and General</u>					
Administrative and General Salaries	91,841		96,383		76,017
Office Supplies and Expenses	8,825		7,141		7,080
Outside Services Employed	18,778		16,679		5,922
Property Insurance	8,321		8,193		6,033
Casualty Ins, Injuries & Damages	19,670		23,525		14,518
Employee Pensions and Benefits	250,370		243,553		234,850
Fringe Benefits Charged to Constr.	(11,210)		(14,056)		(7,696)
Miscellaneous General Expense	47,750		40,196		43,508
Rents	28,732		28,731		27,895
Maintenance of General Plant	14,763		13,550		9,319
Vacation, Holiday, Sick Leave	15,044		16,588		13,605
Depreciation	<u>61,370</u>		<u>61,260</u>		<u>37,555</u>
Total Administrative and General	<u>554,254</u>	27.5	<u>541,743</u>	26.3	<u>468,606</u>
Total Operating Expense	<u>\$2,086,369</u>		<u>\$2,225,776</u>		<u>\$1,902,261</u>
Percent to Operating Revenue		103.6		107.9	
					100.4

Muscatine Power and Water - Water Utility
Statistical Data
Current Month - May 2014

	<u>2014</u>		<u>2013</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.544	0.577	0.518	0.549
Cost Per 1,000 Gallons	<u>0.581</u>	<u>0.616</u>	<u>0.557</u>	<u>0.591</u>
Margin	(0.037)	(0.039)	(0.039)	(0.041)

	<u>2014</u>		<u>2013</u>	
Maximum Daily Water Pumped (1,000 gallons)	30,275		29,721	
Date of Maximum	05/19		05/01	

Calendar Year-to-Date

	<u>2014</u>		<u>2013</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.526	0.558	0.499	0.529
Cost Per 1,000 Gallons	<u>0.572</u>	<u>0.606</u>	<u>0.506</u>	<u>0.536</u>
Margin	(0.046)	(0.048)	(0.006)	(0.006)

	<u>2014</u>		<u>2013</u>	
Maximum Daily Water Pumped (1,000 gallons)	30,275		30,947	
Date of Maximum	05/19		04/30	

Services

Contract Customers	2	2
Power Plants	2	2
Residential	8,587	8,598
Commercial	<u>1,075</u>	<u>1,095</u>
Total	<u>9,666</u>	<u>9,697</u>