

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	32,112	2.5	32,917	(3.5)	34,094
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	44,680	(0.6)	44,419	2.3	43,439
Total Water Pumped	789,352	(0.6)	784,739	2.3	767,431

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	146,567	5.7	154,874	1.6	152,397
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	215,743	2.1	220,340	3.5	212,986
Total Water Pumped	3,811,456	2.1	3,892,729	3.5	3,762,806

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
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>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	42,393	12.0	47,475	4.2	45,559
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>
Net Income (Loss) before Capital Contributions	<u>(19,948)</u>	37.8	<u>(27,480)</u>	(3.0)	<u>(28,319)</u>
Capital Contributions	<u>---</u>	---	<u>28,549</u>	---	<u>---</u>
Change in Net Position	<u>(19,948)</u>	-1.1X	<u>1,069</u>	-1.0X	<u>(28,319)</u>
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

	<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>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>	9.6	<u>220,854</u>	9.1	<u>202,410</u>
Water Sales	<u>1,999,983</u>	2.4	<u>2,048,545</u>	9.0	<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>	61.3	<u>8,400</u>	(25.8)	<u>11,315</u>
Total Other Revenue	<u>13,342</u>	9.5	<u>14,615</u>	(7.3)	<u>15,762</u>
Operating Revenue	<u>2,013,325</u>	2.5	<u>2,063,160</u>	8.9	<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>	0.1	<u>300,795</u>	14.9	<u>261,700</u>
Total Operating Expense	<u>2,086,369</u>	6.7	<u>2,225,776</u>	17.0	<u>1,902,261</u>
Operating Loss	<u>(73,044)</u>	1.2X	<u>(162,616)</u>	21.5X	<u>(7,243)</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	635	(78.0)	140	38.6	101
Interest Expense	<u>(53,405)</u>	(93.6)	<u>(3,429)</u>	2.5	<u>(3,345)</u>
Net Nonoperating Revenues (Expenses)	<u>(52,770)</u>	(93.8)	<u>(3,289)</u>	1.4	<u>(3,244)</u>
<u>Net Income (Loss) before Capital Contributions</u>	<u>(125,814)</u>	31.9	<u>(165,905)</u>	14.8X	<u>(10,487)</u>
Capital Contributions	<u>29,124</u>	---	<u>28,549</u>	(45.6)	<u>52,503</u>
<u>Change in Net Position</u>	<u>(96,690)</u>	42.1	<u>(137,356)</u>	-4.3X	<u>42,016</u>
<u>Beginning Net Position</u>	<u>15,614,434</u>		<u>15,614,434</u>		<u>14,107,489</u>
<u>Ending Net Position</u>	<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	<u>46,474</u>	<u>42,744</u>
Total Current Assets	<u>1,388,782</u>	<u>1,190,171</u>
Property and Equipment:		
At Cost	26,945,800	25,239,840
Less Accumulated Depreciation	<u>10,293,410</u>	<u>9,748,285</u>
Net Property and Equipment	<u>16,652,390</u>	<u>15,491,555</u>
 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	66,857	57,914
	<hr/>	<hr/>
Total Current Liabilities	1,795,987	1,558,493
	<hr/>	<hr/>
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	438,876	598,312
	<hr/>	<hr/>
Total Non-Current Liabilities	768,107	973,728
	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets	14,911,004	13,523,756
Unrestricted	566,074	625,749
	<hr/>	<hr/>
Total Net Position	15,477,078	14,149,505
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$18,041,172</u></u>	<u><u>\$16,681,726</u></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><u>\$488,617</u></u>	<u><u>\$488,617</u></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	(4,272)	6,992
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>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Source of Supply</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	6,717		6,546		5,958	
Total Source of Supply Expense	26,511	6.3	27,728	6.5	43,414	10.9
<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	5,498		5,670		5,498	
Total Pumping Expense	93,321	22.2	100,653	23.4	89,689	22.4
<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	3,205		3,229		2,338	
Total Water Treatment Expense	40,615	9.7	35,240	8.2	37,994	9.5
<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	32,396		32,462		31,035	
Total Distribution Expense	\$140,875	33.5	\$162,293	37.8	\$135,512	33.9

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</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	6.4
<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	21.5
<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	10.7
<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>	0.3
<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>	5.8
<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>	24.7
Total Operating Expense	<u><u>\$2,086,369</u></u>		<u><u>\$2,225,776</u></u>		<u><u>\$1,902,261</u></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	<u>(0.037)</u>	<u>(0.039)</u>	<u>(0.039)</u>	<u>(0.041)</u>
	<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	<u>(0.046)</u>	<u>(0.048)</u>	<u>(0.006)</u>	<u>(0.006)</u>
	<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>