

Muscatine Power and Water

Water Utility

Statement of Revenues, Expenses and Changes in Net Position

September 2014

**Muscatine Power and Water
Water Utility**

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Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - September 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	606,286	(1.5)	597,435	(0.9)	603,126
Power Plants	76,240	(24.7)	57,424	(33.3)	86,109
Residential	44,820	(14.6)	38,275	(31.2)	55,606
Commercial	39,137	(10.9)	34,855	(28.4)	48,674
Total Metered Customers	766,483	(5.0)	727,990	(8.3)	793,515
Rated Customers - Estimate	---	---	15	(31.8)	22
City Use, Line Loss, Cycle Billing	45,989	(5.0)	43,679	(8.3)	47,611
Total Water Pumped	812,472	(5.0)	771,684	(8.3)	841,148

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	5,381,290	1.1	5,441,155	1.1	5,383,490
Power Plants	706,658	(2.9)	686,199	1.4	676,775
Residential	371,871	(7.2)	345,205	(7.6)	373,605
Commercial	308,861	(2.3)	301,729	(6.2)	321,564
Total Metered Customers	6,768,680	0.1	6,774,288	0.3	6,755,434
Rated Customers - Estimate	---	---	120	3.4	116
City Use, Line Loss, Cycle Billing	406,121	0.1	406,457	0.3	405,326
Total Water Pumped	7,174,801	0.1	7,180,865	0.3	7,160,876

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - September 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	\$202,974	1.2	\$205,368	3.6	\$198,200
Power Plants	31,877	(14.8)	27,169	(14.2)	31,652
Residential	151,102	(5.0)	143,585	(6.0)	152,699
Commercial	55,578	(12.0)	48,900	(12.4)	55,827
Water Sales	441,531	(3.7)	425,022	(3.0)	438,378
<u>Other Revenue</u>					
Penalty Revenue	683	37.3	938	38.8	676
Merchandise & Job Sales-Net	825	5.6X	5,456	5.3X	864
Miscellaneous Revenue	432	61.1	696	55.0	449
Total Other Revenue	1,940	2.7X	7,090	2.6X	1,989
Operating Revenue	443,471	(2.6)	432,112	(1.9)	440,367
<u>Operating Expense</u>					
Operation	290,297	(2.4)	283,330	(3.3)	293,016
Maintenance	44,312	1.9	45,148	(16.0)	53,741
Depreciation	60,090	0.1	60,159	14.9	52,340
Total Operating Expense	394,699	(1.5)	388,637	(2.6)	399,097
Operating Income	48,772	(10.9)	43,475	5.3	41,270
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	159	(79.2)	33	22.2	27
Interest Expense	(48,890)	(98.4)	(759)	21.2	(626)
Net Nonoperating Revenues (Expenses)	(48,731)	(98.5)	(726)	21.2	(599)
<u>Net Income (Loss) before Capital Contributions</u>	41	1041.7X	42,749	5.1	40,671
Capital Contributions	112,686	---	112,566	---	---
Change in Net Position	112,727	37.8	155,315	2.8X	40,671
Beginning Net Position	15,530,711		15,655,192		14,288,902
Ending Net Position	\$15,643,438		\$15,810,507		\$14,329,573
Net Income (Loss) to Operating Revenue	0.0		9.9		9.2
Debt Service Coverage	1.53		1.81		30.78

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - September 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	\$1,785,961	2.8	\$1,835,343	7.0	\$1,715,766
Power Plants	287,617	(4.5)	274,779	1.6	270,577
Residential	1,296,658	(2.6)	1,263,402	4.5	1,209,248
Commercial	417,448	1.3	423,010	3.6	408,170
Water Sales	<u>3,787,684</u>	0.2	<u>3,796,534</u>	5.3	<u>3,603,761</u>
<u>Other Revenue</u>					
Penalty Revenue	6,150	7.9	6,637	7.6	6,170
Merchandise & Job Sales-Net	8,018	35.0	10,824	61.4	6,708
Miscellaneous Revenue	8,064	41.5	11,412	(20.9)	14,432
Total Other Revenue	<u>22,232</u>	29.9	<u>28,873</u>	5.7	<u>27,310</u>
Operating Revenue	<u>3,809,916</u>	0.4	<u>3,825,407</u>	5.4	<u>3,631,071</u>
<u>Operating Expense</u>					
Operation	2,575,350	1.1	2,604,679	5.4	2,470,503
Maintenance	657,622	5.2	691,856	30.3	530,858
Depreciation	540,805	0.1	541,431	14.9	471,060
Total Operating Expense	<u>3,773,777</u>	1.7	<u>3,837,966</u>	10.5	<u>3,472,421</u>
Operating Income (Loss)	<u>36,139</u>	-1.3X	<u>(12,559)</u>	-1.1X	<u>158,650</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	1,239	(81.5)	229	(2.6)	235
Interest Expense	<u>(166,590)</u>	(96.2)	<u>(6,305)</u>	8.2	<u>(5,825)</u>
Net Nonoperating Revenues (Expenses)	<u>(165,351)</u>	(96.3)	<u>(6,076)</u>	8.7	<u>(5,590)</u>
<u>Net Income (Loss) before Capital Contributions</u>	<u>(129,212)</u>	(85.6)	<u>(18,635)</u>	-1.1X	<u>153,060</u>
Capital Contributions	<u>158,216</u>	35.7	<u>214,708</u>	2.1X	<u>69,024</u>
Change in Net Position	29,004	5.8X	196,073	(11.7)	222,084
Beginning Net Position	<u>15,614,434</u>		<u>15,614,434</u>		<u>14,107,489</u>
Ending Net Position	<u>\$15,643,438</u>		<u>\$15,810,507</u>		<u>\$14,329,573</u>
Net Income (Loss) to Operating Revenue	(3.4)		(0.5)		4.2
Debt Service Coverage	1.00		1.03		23.20

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

ASSETS

	<u>2014</u>	<u>2013</u>
Current Assets:		
Cash - interest bearing	\$532,288	\$627,288
Receivables:		
Consumer Accounts	568,399	585,673
Interest	2	1
Inventories	273,127	290,069
Prepaid Expenses	<u>31,827</u>	<u>25,654</u>
Total Current Assets	<u>1,405,643</u>	<u>1,528,685</u>
Property and Equipment:		
At Cost	27,869,805	25,783,024
Less Accumulated Depreciation	<u>10,520,660</u>	<u>9,930,764</u>
Net Property and Equipment	<u>17,349,145</u>	<u>15,852,260</u>
 TOTAL ASSETS	 <u><u>\$18,754,788</u></u>	 <u><u>\$17,380,945</u></u>

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

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LIABILITIES AND NET POSITION

	<u>2014</u>	<u>2013</u>
Current Liabilities:		
State Revolving Loan	\$29,000	\$29,000
Notes Payable to Electric Utility	1,650,000	400,000
Accrued Interest	3,339	2,480
Accounts Payable	215,995	231,761
Pension Provision	33,982	19,479
Health & Dental Insurance Provision	23,200	17,316
Retained Percentage on Contracts	34,918	15,077
Consumer Advances for Construction	187,691	1,143,409
Accrued Payroll	12,267	72,034
Accrued Vacation	105,974	97,122
Accrued Property Taxes	198	---
Miscellaneous Accrued Expenses	40,373	56,881
Total Current Liabilities	2,336,937	2,084,559
Non-Current Liabilities:		
State Revolving Loan	161,000	190,000
Health & Dental Insurance Provision	134,065	166,928
Post-Employment Health Benefit Provision	37,978	23,151
Consumer Advances for Construction	274,301	586,734
Total Non-Current Liabilities	607,344	966,813
Net Position:		
Net Investment in Capital Assets	15,047,153	13,503,117
Unrestricted	763,354	826,456
Total Net Position	15,810,507	14,329,573
TOTAL LIABILITIES AND NET POSITION	<u>\$18,754,788</u>	<u>\$17,380,945</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$450,301	\$3,769,276
Miscellaneous sources	268	13,228
Cash paid to/for:		
Suppliers	(95,750)	(1,599,347)
Employees payroll, taxes and benefits	(272,416)	(1,760,629)
Net cash flows from operating activities	<u>82,403</u>	<u>422,528</u>
Cash flows from capital and related financing activities:		
State revolving loan fund principal payments	---	(29,000)
State revolving loan interest payments	---	(3,833)
Loan from electric utility	---	1,250,000
Loan from electric utility interest payments	---	(208)
Capital expenditures, net	(176,748)	(1,675,353)
Net cash flows from capital and related financing activities	<u>(176,748)</u>	<u>(458,394)</u>
Cash flows from investing activities:		
Interest received on investments	33	228
Net cash flows from investing activities	<u>33</u>	<u>228</u>
Net decrease in cash and investments	<u>(94,312)</u>	<u>(35,638)</u>
Cash and investments at beginning of period	<u>626,600</u>	<u>567,926</u>
Cash and investments at end of period	<u><u>\$532,288</u></u>	<u><u>\$532,288</u></u>

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

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$43,475	(\$12,559)
Noncash item in operating income:		
Depreciation of utility plant	60,159	541,431
Changes in assets and liabilities:		
Consumer accounts receivable	18,991	(28,917)
Inventories	13,055	83,111
Prepaid and deferred expenses	4,563	(11,934)
Accounts payable	13,178	(175,043)
Pension provision	(20,854)	33,982
Health & dental insurance provision	1,456	(8,755)
Other post-employment benefit provision	834	7,500
Retained percentage	3,764	34,918
Accrued payroll	(54,665)	(31,917)
Accrued vacation	2,989	10,794
Accrued property taxes	(725)	(592)
Miscellaneous accrued expenses	(3,817)	(19,491)
Net cash flows from operating activities	<u>\$82,403</u>	<u>\$422,528</u>

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$2,601		\$2,366		\$2,512	
Operation Labor and Expenses	1,522		956		642	
Miscellaneous Expense	687		760		300	
Maintenance of Wells	---		---		---	
Maintenance of Supply Mains	252		588		336	
Depreciation	6,717		6,546		5,958	
Total Source of Supply Expense	11,779	2.7	11,216	2.6	9,748	2.2
<u>Pumping</u>						
Operation Supervision	3,043		2,756		2,831	
Fuel or Power Purchased	64,100		78,272		66,813	
Pumping Labor and Expenses	3,982		4,561		3,233	
Miscellaneous Expense	216		264		264	
Maintenance of Structures	142		---		---	
Maintenance of Pumping Equipment	6,108		11,057		3,501	
Depreciation	5,498		5,670		5,498	
Total Pumping Expense	83,089	18.7	102,580	23.7	82,140	18.7
<u>Water Treatment</u>						
Operation Supervision	3,014		2,790		2,860	
Chemicals	18,193		15,525		15,842	
Operation Labor and Expenses	12,322		12,329		14,169	
Miscellaneous Expense	689		445		630	
Maintenance of Structures	831		29		495	
Maintenance of Purification Equip.	2,620		4,062		465	
Depreciation	3,205		3,229		2,338	
Total Water Treatment Expense	40,874	9.2	38,409	8.9	36,799	8.4
<u>Distribution</u>						
Operation Supervision	2,952		2,802		2,860	
Storage Facilities Expense	4,581		5,467		4,554	
Trans. & Distr. Lines Expense	4,731		7,584		10,669	
Meter Expense	12,159		10,913		11,709	
Consumer Installation Expense	5,104		4,277		3,743	
Miscellaneous Expense	10,245		15,104		16,596	
Vehicle Expense	4,872		4,401		5,796	
Maintenance:						
Supervision	4,643		4,386		4,466	
Structures	145		160		127	
Reservoirs and Standpipes	27		88		14	
Mains	12,892		9,611		35,385	
Valves	4,425		6,081		3,632	
Meters	4,583		2,400		830	
Hydrants	1,937		60		758	
Miscellaneous Plant	3,096		3,562		1,872	
Vacation, Holiday, Sick Leave	14,433		14,132		14,140	
Depreciation	32,396		32,462		31,035	
Total Distribution Expense	\$123,221	27.8	\$123,490	28.6	\$148,186	33.7

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$22,696		\$21,506		\$21,495	
Operation Labor and Expenses	14,240		8,269		10,298	
Miscellaneous Expense	4,098		2,339		3,162	
Maintenance of Wells	75,000		88,490		65,569	
Maintenance of Supply Mains	2,092		7,093		6,015	
Depreciation	60,454		58,914		53,622	
Total Source of Supply Expense	178,580	4.7	186,611	4.9	160,161	4.4
<u>Pumping</u>						
Operation Supervision	26,464		25,011		24,679	
Fuel or Power Purchased	553,600		631,979		548,054	
Pumping Labor and Expenses	33,878		44,249		33,992	
Miscellaneous Expense	2,005		2,458		3,155	
Maintenance of Structures	1,359		120		5,124	
Maintenance of Pumping Equipment	156,141		239,314		99,978	
Depreciation	49,480		51,030		49,482	
Total Pumping Expense	822,927	21.6	994,161	26.0	764,464	21.1
<u>Water Treatment</u>						
Operation Supervision	26,553		25,220		24,913	
Chemicals	163,737		141,057		139,493	
Operation Labor and Expenses	116,522		118,821		122,335	
Miscellaneous Expense	13,801		9,939		18,448	
Maintenance of Structures	10,443		6,361		13,342	
Maintenance of Purification Equip.	19,781		29,904		27,860	
Depreciation	28,844		29,061		21,042	
Total Water Treatment Expense	379,681	10.0	360,363	9.4	367,433	10.1
<u>Distribution</u>						
Operation Supervision	26,391		25,302		24,687	
Storage Facilities Expense	39,719		43,280		38,750	
Trans. & Distr. Lines Expense	50,217		54,036		82,704	
Meter Expense	101,922		99,603		101,971	
Consumer Installation Expense	45,824		41,143		38,513	
Miscellaneous Expense	91,953		133,438		125,462	
Vehicle Expense	44,440		44,419		38,918	
Maintenance:						
Supervision	41,604		40,582		39,480	
Structures	2,215		2,568		3,467	
Reservoirs and Standpipes	85,702		5,264		4,174	
Mains	112,306		170,041		167,641	
Valves	38,167		22,622		29,059	
Meters	42,038		19,250		16,279	
Hydrants	17,702		11,623		14,745	
Miscellaneous Plant	27,868		24,180		22,648	
Vacation, Holiday, Sick Leave	110,605		113,944		112,322	
Depreciation	291,562		292,158		279,315	
Total Distribution Expense	\$1,170,235	30.7	\$1,143,453	29.9	\$1,140,135	31.4

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$1,743</u>	0.4	<u>\$788</u>	0.2	<u>\$2,061</u>	0.5
<u>Consumer Accounts</u>						
Supervision	1,306		1,476		1,393	
Meter Reading Expense	3,743		4,130		3,151	
Consumer Records and Collection	14,099		13,329		13,531	
Uncollectible Accounts Expense	735		735		569	
Vacation, Holiday, Sick Leave	<u>2,168</u>		<u>2,284</u>		<u>2,176</u>	
Total Consumer Accounts Expense	<u>22,051</u>	5.0	<u>21,954</u>	5.1	<u>20,820</u>	4.7
<u>Administrative and General</u>						
Administrative and General Salaries	18,936		21,225		27,061	
Office Supplies and Expenses	1,815		2,031		1,484	
Outside Services Employed	5,650		2,423		1,247	
Property Insurance	1,734		1,757		1,560	
Casualty Ins, Injuries & Damages	3,886		(1,924)		2,680	
Employee Pensions and Benefits	49,404		43,991		43,717	
Fringe Benefits Charged to Constr.	(2,999)		(8,776)		(1,863)	
Miscellaneous General Expense	9,332		5,053		4,214	
Rents	5,746		5,746		5,579	
Maintenance of General Plant	2,611		3,064		1,860	
Vacation, Holiday, Sick Leave	3,553		3,358		4,293	
Depreciation	<u>12,274</u>		<u>12,252</u>		<u>7,511</u>	
Total Administrative and General	<u>111,942</u>	25.2	<u>90,200</u>	20.9	<u>99,343</u>	22.6
Total Operating Expense	<u><u>\$394,699</u></u>		<u><u>\$388,637</u></u>		<u><u>\$399,097</u></u>	
Percent to Operating Revenue		89.0		89.9		90.6

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$24,963</u>	0.7	<u>\$10,096</u>	0.3	<u>\$12,886</u>	0.4
<u>Consumer Accounts</u>						
Supervision	11,471		12,082		12,223	
Meter Reading Expense	33,911		39,316		35,239	
Customer Records and Collection	125,137		120,208		123,656	
Uncollectible Accounts Expense	6,616		6,616		5,121	
Vacation, Holiday, Sick Leave	<u>16,447</u>		<u>18,517</u>		<u>17,114</u>	
Total Consumer Accounts Expense	<u>193,582</u>	5.1	<u>196,739</u>	5.1	<u>193,353</u>	5.3
<u>Administrative and General</u>						
Administrative and General Salaries	166,988		178,218		150,842	
Office Supplies and Expenses	16,743		14,625		12,297	
Outside Services Employed	50,678		39,138		11,200	
Property Insurance	15,258		15,221		12,272	
Casualty Ins, Injuries & Damages	35,374		31,008		23,244	
Employee Pensions and Benefits	446,780		428,875		417,586	
Fringe Benefits Charged to Constr.	(26,027)		(40,739)		(18,645)	
Miscellaneous General Expense	83,705		65,316		67,618	
Rents	51,717		51,717		50,211	
Maintenance of General Plant	25,204		24,444		15,477	
Vacation, Holiday, Sick Leave	26,924		28,452		24,288	
Depreciation	<u>110,465</u>		<u>110,268</u>		<u>67,599</u>	
Total Administrative and General	<u>1,003,809</u>	26.3	<u>946,543</u>	24.7	<u>833,989</u>	23.0
Total Operating Expense	<u>\$3,773,777</u>		<u>\$3,837,966</u>		<u>\$3,472,421</u>	
Percent to Operating Revenue		99.1		100.3		95.6

**Muscatine Power and Water - Water Utility
Statistical Data
Current Month - September 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	0.551	0.584	0.521	0.552
Cost Per 1,000 Gallons	<u>0.504</u>	<u>0.534</u>	<u>0.474</u>	<u>0.503</u>
Margin	<u>0.047</u>	<u>0.050</u>	<u>0.047</u>	<u>0.050</u>
	<u>2014</u>	<u>2013</u>		
Maximum Daily Water Pumped (1,000 gallons)	30,608	32,136		
Date of Maximum	09/04	09/09		

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	0.529	0.560	0.503	0.533
Cost Per 1,000 Gallons	<u>0.534</u>	<u>0.567</u>	<u>0.485</u>	<u>0.514</u>
Margin	<u>(0.006)</u>	<u>(0.006)</u>	<u>0.018</u>	<u>0.019</u>
	<u>2014</u>	<u>2013</u>		
Maximum Daily Water Pumped (1,000 gallons)	31,253	34,475		
Date of Maximum	07/28	07/18		

Services

Contract Customers	2	2		
Power Plants	2	2		
Residential	8,613	8,591		
Commercial	<u>1,075</u>	<u>1,086</u>		
Total	<u>9,692</u>	<u>9,681</u>		