

Muscatine Power and Water

Water Utility

Statement of Revenues, Expenses and Changes in Net Position

October 2014

**Muscatine Power and Water
Water Utility**

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Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - October 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	613,430	(2.2)	599,777	(7.4)	647,563
Power Plants	66,297	(31.9)	45,127	(45.9)	83,344
Residential	39,326	(9.3)	35,666	(9.9)	39,585
Commercial	<u>34,271</u>	(3.5)	<u>33,074</u>	(10.1)	<u>36,770</u>
Total Metered Customers	753,324	(5.3)	713,644	(11.6)	807,262
Rated Customers - Estimate	---	---	7	(53.3)	15
City Use, Line Loss, Cycle Billing	<u>45,199</u>	(5.3)	<u>42,819</u>	(11.6)	<u>48,436</u>
Total Water Pumped	<u>798,523</u>	(5.3)	<u>756,469</u>	(11.6)	<u>855,713</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	5,994,720	0.8	6,040,932	0.2	6,031,053
Power Plants	772,955	(5.4)	731,326	(3.8)	760,118
Residential	411,197	(7.4)	380,871	(7.8)	413,190
Commercial	<u>343,132</u>	(2.4)	<u>334,803</u>	(6.6)	<u>358,334</u>
Total Metered Customers	7,522,004	(0.5)	7,487,932	(1.0)	7,562,695
Rated Customers - Estimate	---	---	127	(3.1)	131
City Use, Line Loss, Cycle Billing	<u>451,320</u>	(0.5)	<u>449,276</u>	(1.0)	<u>453,762</u>
Total Water Pumped	<u>7,973,324</u>	(0.5)	<u>7,937,335</u>	(1.0)	<u>8,016,588</u>

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

	<u>Budget</u> <u>Estimate</u>	<u>%Increase (Decrease)</u> <u>From Budget</u>	<u>This Year</u>	<u>%Increase (Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last Year</u>
<u>Sales of Water</u>					
Contract Customers	\$204,216	1.8	\$207,877	1.2	\$205,447
Power Plants	29,930	(17.4)	24,734	(20.6)	31,168
Residential	144,845	(2.7)	140,920	3.9	135,568
Commercial	<u>46,832</u>	1.8	<u>47,670</u>	1.0	<u>47,210</u>
Water Sales	<u>425,823</u>	(1.1)	<u>421,201</u>	0.4	<u>419,393</u>
<u>Other Revenue</u>					
Penalty Revenue	683	63.5	1,117	6.3	1,051
Merchandise & Job Sales-Net	825	(89.7)	85	(79.4)	412
Miscellaneous Revenue	<u>812</u>	1.3X	<u>1,895</u>	81.5	<u>1,044</u>
Total Other Revenue	<u>2,320</u>	33.5	<u>3,097</u>	23.5	<u>2,507</u>
Operating Revenue	<u>428,143</u>	(0.9)	<u>424,298</u>	0.6	<u>421,900</u>
<u>Operating Expense</u>					
Operation	296,168	1.4	300,181	2.9	291,610
Maintenance	49,417	61.6	79,882	5.2	75,953
Depreciation	<u>60,090</u>	0.1	<u>60,159</u>	14.9	<u>52,340</u>
Total Operating Expense	<u>405,675</u>	8.5	<u>440,222</u>	4.8	<u>419,903</u>
Operating Income (Loss)	<u>22,468</u>	-1.7X	<u>(15,924)</u>	-9.0X	<u>1,997</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	164	(86.0)	23	(30.3)	33
Interest Expense	<u>(13,890)</u>	(94.5)	<u>(767)</u>	22.3	<u>(627)</u>
Net Nonoperating Revenues (Expenses)	<u>(13,726)</u>	(94.6)	<u>(744)</u>	25.3	<u>(594)</u>
<u>Net Income (Loss) before Capital Contributions</u>					
	8,742	-2.9X	(16,668)	-12.9X	1,403
Capital Contributions	---	---	---	---	---
Change in Net Position	8,742	-2.9X	(16,668)	-12.9X	1,403
Beginning Net Position	<u>15,643,438</u>		<u>15,810,507</u>		<u>14,329,573</u>
Ending Net Position	<u>\$15,652,180</u>		<u>\$15,793,839</u>		<u>\$14,330,976</u>
Net Income (Loss) to Operating Revenue	2.0		(3.9)		0.3
Debt Service Coverage	1.16		0.77		17.86

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - October 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	\$1,990,177	2.7	\$2,043,220	6.4	\$1,921,213
Power Plants	317,547	(5.7)	299,513	(0.7)	301,746
Residential	1,441,503	(2.6)	1,404,322	4.4	1,344,816
Commercial	<u>464,280</u>	1.4	<u>470,680</u>	3.4	<u>455,379</u>
Water Sales	<u>4,213,507</u>	0.1	<u>4,217,735</u>	4.8	<u>4,023,154</u>
<u>Other Revenue</u>					
Penalty Revenue	6,833	13.5	7,754	7.4	7,221
Merchandise & Job Sales-Net	8,843	23.4	10,909	53.2	7,120
Miscellaneous Revenue	<u>8,877</u>	49.9	<u>13,306</u>	(14.0)	<u>15,476</u>
Total Other Revenue	<u>24,553</u>	30.2	<u>31,969</u>	7.2	<u>29,817</u>
Operating Revenue	<u>4,238,060</u>	0.3	<u>4,249,704</u>	4.9	<u>4,052,971</u>
<u>Operating Expense</u>					
Operation	2,871,520	1.2	2,904,860	5.2	2,762,113
Maintenance	707,039	9.2	771,737	27.2	606,811
Depreciation	<u>600,894</u>	0.1	<u>601,590</u>	14.9	<u>523,400</u>
Total Operating Expense	<u>4,179,453</u>	2.4	<u>4,278,187</u>	9.9	<u>3,892,324</u>
Operating Income (Loss)	<u>58,607</u>	-1.5X	<u>(28,483)</u>	-1.2X	<u>160,647</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	1,403	(82.1)	251	(6.3)	268
Interest Expense	<u>(180,480)</u>	(96.1)	<u>(7,071)</u>	9.6	<u>(6,452)</u>
Net Nonoperating Revenues (Expenses)	<u>(179,077)</u>	(96.2)	<u>(6,820)</u>	10.3	<u>(6,184)</u>
<u>Net Income (Loss) before Capital Contributions</u>					
Capital Contributions	(120,470)	(70.7)	(35,303)	-1.2X	154,463
Capital Contributions	<u>158,216</u>	35.7	<u>214,708</u>	2.1X	<u>69,024</u>
Change in Net Position	37,746	3.8X	179,405	(19.7)	223,487
Beginning Net Position	<u>15,614,434</u>		<u>15,614,434</u>		<u>14,107,489</u>
Ending Net Position	<u>\$15,652,180</u>		<u>\$15,793,839</u>		<u>\$14,330,976</u>
Net Income (Loss) to Operating Revenue	(2.8)		(0.8)		3.8
Debt Service Coverage	1.02		1.00		22.66

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

ASSETS

	<u>2014</u>	<u>2013</u>
Current Assets:		
Cash - interest bearing	\$481,412	\$534,030
Receivables:		
Consumer Accounts	556,237	558,436
Interest	2	1
Inventories	267,132	248,271
Prepaid Expenses	24,715	21,094
	<hr/>	<hr/>
Total Current Assets	1,329,498	1,361,832
Property and Equipment:		
At Cost	27,995,091	25,854,095
Less Accumulated Depreciation	<hr/>	<hr/>
	10,580,819	9,983,104
Net Property and Equipment	<hr/>	<hr/>
	17,414,272	15,870,991
TOTAL ASSETS	<hr/> <hr/>	<hr/> <hr/>
	\$18,743,770	\$17,232,823

Muscatine Power and Water - Water Utility
Statements of Net Position
October 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	1,650,000	400,000
Accrued Interest	4,106	3,107
Accounts Payable	259,803	168,299
Pension Provision	13,128	2,714
Health & Dental Insurance Provision	23,200	17,316
Retained Percentage on Contracts	7,217	---
Consumer Advances for Construction	74,228	1,254,607
Accrued Payroll	30,609	23,727
Accrued Vacation	104,764	96,406
Accrued Property Taxes	264	263
Miscellaneous Accrued Expenses	<u>33,223</u>	<u>50,893</u>
 Total Current Liabilities	 <u>2,229,542</u>	 <u>2,046,332</u>
 Non-Current Liabilities:		
State Revolving Loan	161,000	190,000
Health & Dental Insurance Provision	132,814	164,386
Post-Employment Health Benefit Provision	38,811	25,593
Consumer Advances for Construction	<u>387,764</u>	<u>475,536</u>
 Total Non-Current Liabilities	 <u>720,389</u>	 <u>855,515</u>
 Net Position:		
Net Investment in Capital Assets	15,112,280	13,521,848
Unrestricted	<u>681,559</u>	<u>809,128</u>
 Total Net Position	 <u>15,793,839</u>	 <u>14,330,976</u>
 TOTAL LIABILITIES AND NET POSITION	 <u><u>\$18,743,770</u></u>	 <u><u>\$17,232,823</u></u>

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

	Current Month	Year- To-Date
Cash flows from operating activities:		
Cash received from:		
Water sales	\$431,097	\$4,200,373
Miscellaneous sources	2,842	16,071
Cash paid to/for:		
Suppliers	(154,481)	(1,753,829)
Employees payroll, taxes and benefits	<u>(205,071)</u>	<u>(1,965,700)</u>
Net cash flows from operating activities	<u>74,387</u>	<u>496,915</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	<u>(125,286)</u>	<u>(1,800,639)</u>
Net cash flows from capital and related financing activities	<u>(125,286)</u>	<u>(583,680)</u>
Cash flows from investing activities:		
Interest received on investments	<u>23</u>	<u>251</u>
Net cash flows from investing activities	<u>23</u>	<u>251</u>
Net decrease in cash and investments	<u>(50,876)</u>	<u>(86,514)</u>
Cash and investments at beginning of period	<u>532,288</u>	<u>567,926</u>
Cash and investments at end of period	<u>\$481,412</u>	<u>\$481,412</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating loss to net cash flows from operating activities		
Operating loss	(\$15,924)	(\$28,483)
Noncash item in operating income:		
Depreciation of utility plant	60,159	601,590
Changes in assets and liabilities:		
Consumer accounts receivable	12,162	(16,755)
Inventories	5,995	89,106
Prepaid and deferred expenses	7,112	(4,822)
Accounts payable	43,808	(131,235)
Pension provision	(20,854)	13,128
Health & dental insurance provision	(1,251)	(10,006)
Other post-employment benefit provision	833	8,333
Retained percentage	(27,701)	7,217
Accrued payroll	18,342	(13,575)
Accrued vacation	(1,210)	9,584
Accrued property taxes	66	(526)
Miscellaneous accrued expenses	<u>(7,150)</u>	<u>(26,641)</u>
Net cash flows from operating activities	<u><u>\$74,387</u></u>	<u><u>\$496,915</u></u>

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

	<u>Budget Est.</u>	<u>This Year</u>	<u>Last Year</u>
<u>Source of Supply</u>			
Operation Supervision	\$2,555	\$2,523	\$2,805
Operation Labor and Expenses	1,372	1,252	937
Miscellaneous Expense	346	141	603
Maintenance of Wells	15,000	---	---
Maintenance of Supply Mains	252	---	394
Depreciation	<u>6,717</u>	<u>6,546</u>	<u>5,958</u>
Total Source of Supply Expense	<u>26,242</u>	6.1	<u>10,462</u> 2.5
<u>Pumping</u>			
Operation Supervision	2,912	3,022	3,187
Fuel or Power Purchased	63,800	75,644	70,079
Pumping Labor and Expenses	3,429	4,634	3,989
Miscellaneous Expense	245	306	293
Maintenance of Structures	141	---	---
Maintenance of Pumping Equipment	4,002	7,304	31,598
Depreciation	<u>5,498</u>	<u>5,670</u>	<u>5,498</u>
Total Pumping Expense	<u>80,027</u>	18.7	<u>96,580</u> 22.8
<u>Water Treatment</u>			
Operation Supervision	3,014	3,038	3,213
Chemicals	18,193	15,362	18,227
Operation Labor and Expenses	11,961	14,440	14,108
Miscellaneous Expense	689	1,182	1,177
Maintenance of Structures	734	179	155
Maintenance of Purification Equip.	1,691	6,322	5,295
Depreciation	<u>3,205</u>	<u>3,229</u>	<u>2,338</u>
Total Water Treatment Expense	<u>39,487</u>	9.2	<u>43,752</u> 10.3
<u>Distribution</u>			
Operation Supervision	2,952	3,069	3,206
Storage Facilities Expense	4,935	5,817	5,523
Trans. & Distr. Lines Expense	20,877	11,860	(3,062)
Meter Expense	12,671	13,693	13,051
Consumer Installation Expense	5,104	3,624	5,653
Miscellaneous Expense	10,297	17,332	21,690
Vehicle Expense	5,023	5,541	5,837
Maintenance:			
Supervision	4,642	5,075	5,071
Structures	145	125	2,062
Reservoirs and Standpipes	27	---	131
Mains	10,113	44,743	19,875
Valves	1,867	1,335	2,419
Meters	4,690	3,532	2,122
Hydrants	433	2,089	1,429
Miscellaneous Plant	3,096	5,044	3,606
Vacation, Holiday, Sick Leave	9,799	9,091	8,486
Depreciation	<u>32,396</u>	<u>32,462</u>	<u>31,035</u>
Total Distribution Expense	<u>\$129,067</u>	30.1	<u>\$164,432</u> 38.8
			<u>\$128,134</u> 30.4

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

	<u>Budget Est.</u>	<u>This Year</u>	<u>Last Year</u>
<u>Source of Supply</u>			
Operation Supervision	\$25,251	\$24,029	\$24,301
Operation Labor and Expenses	15,612	9,521	11,234
Miscellaneous Expense	4,444	2,480	3,765
Maintenance of Wells	90,000	88,490	65,569
Maintenance of Supply Mains	2,344	7,093	6,409
Depreciation	<u>67,171</u>	<u>65,460</u>	<u>59,580</u>
Total Source of Supply Expense	<u>204,822</u>	4.8	<u>170,858</u>
		197,073	4.6
<u>Pumping</u>			
Operation Supervision	29,376	28,033	27,866
Fuel or Power Purchased	617,400	707,623	618,133
Pumping Labor and Expenses	37,308	48,883	37,981
Miscellaneous Expense	2,250	2,764	3,448
Maintenance of Structures	1,501	120	5,124
Maintenance of Pumping Equipment	160,142	246,618	131,576
Depreciation	<u>54,977</u>	<u>56,700</u>	<u>54,980</u>
Total Pumping Expense	<u>902,954</u>	21.3	<u>1,090,741</u>
		1,090,741	25.7
<u>Water Treatment</u>			
Operation Supervision	29,567	28,258	28,126
Chemicals	181,930	156,419	157,719
Operation Labor and Expenses	128,483	133,262	136,443
Miscellaneous Expense	14,490	11,121	19,626
Maintenance of Structures	11,176	6,540	13,497
Maintenance of Purification Equip.	21,473	36,226	33,155
Depreciation	<u>32,049</u>	<u>32,290</u>	<u>23,380</u>
Total Water Treatment Expense	<u>419,168</u>	9.9	<u>404,116</u>
		404,116	9.5
		411,946	10.2
<u>Distribution</u>			
Operation Supervision	29,343	28,371	27,892
Storage Facilities Expense	44,654	49,097	44,274
Trans. & Distr. Lines Expense	71,093	65,897	79,642
Meter Expense	114,594	113,296	115,022
Consumer Installation Expense	50,928	44,767	44,166
Miscellaneous Expense	102,250	150,770	147,152
Vehicle Expense	49,463	49,960	44,755
Maintenance:			
Supervision	46,246	45,656	44,551
Structures	2,360	2,693	5,528
Reservoirs and Standpipes	85,729	5,264	4,305
Mains	122,419	214,784	187,517
Valves	40,035	23,957	31,478
Meters	46,728	22,782	18,401
Hydrants	18,134	13,712	16,174
Miscellaneous Plant	30,964	29,224	26,254
Vacation, Holiday, Sick Leave	120,404	123,035	120,808
Depreciation	<u>323,958</u>	<u>324,620</u>	<u>310,350</u>
Total Distribution Expense	<u>\$1,299,302</u>	30.7	<u>\$1,307,885</u>
		\$1,307,885	30.8
		\$1,268,269	31.3

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

	<u>Budget Est.</u>	<u>This Year</u>	<u>Last Year</u>	
<u>Customer Service Expense</u>				
Customer Information Expense	<u>\$1,733</u>	0.4	<u>\$1,831</u>	0.4
<u>Consumer Accounts</u>				
Supervision	1,305	1,145	1,045	
Meter Reading Expense	3,743	3,937	3,265	
Consumer Records and Collection	13,635	14,838	12,411	
Uncollectible Accounts Expense	735	735	569	
Vacation, Holiday, Sick Leave	<u>1,462</u>	<u>2,203</u>	<u>1,532</u>	
Total Consumer Accounts Expense	<u>20,880</u>	4.9	<u>22,858</u>	5.4
<u>Administrative and General</u>				
Administrative and General Salaries	18,936	22,061	18,567	
Office Supplies and Expenses	1,690	1,941	1,383	
Outside Services Employed	2,650	1,769	702	
Property Insurance	1,734	1,757	1,560	
Casualty Ins, Injuries & Damages	4,045	2,881	1,463	
Employee Pensions and Benefits	49,336	43,205	53,968	
Fringe Benefits Charged to Constr.	(2,346)	(4,756)	(908)	
Miscellaneous General Expense	9,166	6,975	8,093	
Rents	5,746	5,746	5,579	
Maintenance of General Plant	2,584	4,134	1,796	
Vacation, Holiday, Sick Leave	2,424	2,342	2,091	
Depreciation	<u>12,274</u>	<u>12,252</u>	<u>7,511</u>	
Total Administrative and General	<u>108,239</u>	25.3	<u>100,307</u>	23.6
Total Operating Expense	<u>\$405,675</u>		<u>\$440,222</u>	
Percent to Operating Revenue		94.8	103.8	99.5

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>
<u>Customer Service Expense</u>					
Customer Information Expense	<u>\$26,697</u>	0.6	<u>\$11,927</u>	0.3	<u>\$14,174</u> 0.3
<u>Consumer Accounts</u>					
Supervision	12,777		13,227		13,269
Meter Reading Expense	37,653		43,252		38,504
Customer Records and Collection	138,772		135,046		136,067
Uncollectible Accounts Expense	7,351		7,351		5,690
Vacation, Holiday, Sick Leave	<u>17,909</u>		<u>20,720</u>		<u>18,646</u>
Total Consumer Accounts Expense	<u>214,462</u>	5.1	<u>219,596</u>	5.2	<u>212,176</u> 5.2
<u>Administrative and General</u>					
Administrative and General Salaries	185,924		200,278		169,409
Office Supplies and Expenses	18,433		16,566		13,681
Outside Services Employed	53,328		40,907		11,902
Property Insurance	16,992		16,978		13,832
Casualty Ins, Injuries & Damages	39,420		33,889		24,707
Employee Pensions and Benefits	496,116		472,081		471,553
Fringe Benefits Charged to Constr.	(28,374)		(45,495)		(19,553)
Miscellaneous General Expense	92,871		72,291		75,710
Rents	57,463		57,463		55,790
Maintenance of General Plant	27,788		28,578		17,273
Vacation, Holiday, Sick Leave	29,348		30,793		26,379
Depreciation	<u>122,739</u>		<u>122,520</u>		<u>75,110</u>
Total Administrative and General	<u>1,112,048</u>	26.2	<u>1,046,849</u>	24.6	<u>935,793</u> 23.1
Total Operating Expense	<u>\$4,179,453</u>		<u>\$4,278,187</u>		<u>\$3,892,324</u>
Percent to Operating Revenue		98.6		100.7	96.0

Muscatine Power and Water - Water Utility
Statistical Data
Current Month - October 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	0.557	0.590	0.490	0.520
Cost Per 1,000 Gallons	<u>0.582</u>	<u>0.617</u>	<u>0.491</u>	<u>0.520</u>
Margin	<u>(0.025)</u>	<u>(0.027)</u>	<u>(0.001)</u>	<u>(0.001)</u>

	<u>2014</u>	<u>2013</u>
Maximum Daily Water Pumped (1,000 gallons)	29,148	30,408
Date of Maximum	10/01	10/22

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	0.531	0.563	0.502	0.532
Cost Per 1,000 Gallons	<u>0.539</u>	<u>0.571</u>	<u>0.486</u>	<u>0.515</u>
Margin	<u>(0.008)</u>	<u>(0.008)</u>	<u>0.016</u>	<u>0.017</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	8,628	8,592
Commercial	<u>1,072</u>	<u>1,083</u>
 Total	 <u>9,704</u>	 <u>9,679</u>