

Muscatine Power and Water

Water Utility

Statement of Revenues, Expenses and Changes in Net Position

November 2014

**Muscatine Power and Water
Water Utility**

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Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - November 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	577,205	(11.9)	508,686	(21.2)	645,247
Power Plants	66,108	(41.4)	38,750	(46.2)	72,074
Residential	36,095	(4.3)	34,540	(2.7)	35,488
Commercial	27,750	5.5	29,283	(10.4)	32,670
Total Metered Customers	707,158	(13.6)	611,258	(22.2)	785,479
Rated Customers - Estimate	---	---	7	(36.4)	11
City Use, Line Loss, Cycle Billing	42,429	(13.6)	36,675	(22.2)	47,129
Total Water Pumped	749,587	(13.6)	647,941	(22.2)	832,619

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	6,571,925	(0.3)	6,549,617	(1.9)	6,676,300
Power Plants	839,063	(8.2)	770,076	(7.5)	832,192
Residential	447,292	(7.1)	415,411	(7.4)	448,678
Commercial	370,882	(1.8)	364,085	(6.9)	391,004
Total Metered Customers	8,229,162	(1.6)	8,099,190	(3.0)	8,348,174
Rated Customers - Estimate	---	---	135	(4.9)	142
City Use, Line Loss, Cycle Billing	493,750	(1.6)	485,951	(3.0)	500,890
Total Water Pumped	8,722,912	(1.6)	8,585,276	(3.0)	8,849,206

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - November 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	\$197,734	(4.2)	\$189,426	(7.5)	\$204,854
Power Plants	29,890	(21.4)	23,497	(19.1)	29,057
Residential	141,152	(1.4)	139,116	6.4	130,709
Commercial	41,329	7.6	44,485	0.4	44,292
Water Sales	<u>410,105</u>	(3.3)	<u>396,524</u>	(3.0)	<u>408,912</u>
<u>Other Revenue</u>					
Penalty Revenue	683	(3.4)	660	(1.8)	672
Merchandise & Job Sales-Net	995	(70.1)	298	(48.4)	577
Miscellaneous Revenue	<u>813</u>	12.2	<u>912</u>	22.9	<u>742</u>
Total Other Revenue	<u>2,491</u>	(24.9)	<u>1,870</u>	(6.1)	<u>1,991</u>
Operating Revenue	<u>412,596</u>	(3.4)	<u>398,394</u>	(3.0)	<u>410,903</u>
<u>Operating Expense</u>					
Operation	283,719	(0.7)	281,608	1.5	277,452
Maintenance	52,514	(13.0)	45,670	(40.2)	76,396
Depreciation	<u>60,090</u>	0.1	<u>60,159</u>	14.9	<u>52,340</u>
Total Operating Expense	<u>396,323</u>	(2.2)	<u>387,437</u>	(4.6)	<u>406,188</u>
Operating Income	<u>16,273</u>	(32.7)	<u>10,957</u>	1.3X	<u>4,715</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	170	(44.7)	94	2.2X	29
Interest Expense	<u>(13,890)</u>	(94.5)	<u>(759)</u>	21.2	<u>(626)</u>
Net Nonoperating Revenues (Expenses)	<u>(13,720)</u>	(95.2)	<u>(665)</u>	11.4	<u>(597)</u>
Net Income (Loss) before Capital Contributions	<u>2,553</u>	3.0X	<u>10,292</u>	1.5X	<u>4,118</u>
Capital Contributions	<u>65,139</u>	---	<u>---</u>	---	<u>---</u>
Change in Net Position	<u>67,692</u>	(84.8)	<u>10,292</u>	1.5X	<u>4,118</u>
Beginning Net Position	<u>15,652,180</u>		<u>15,793,839</u>		<u>14,330,976</u>
Ending Net Position	<u>\$15,719,872</u>		<u>\$15,804,131</u>		<u>\$14,335,094</u>
Net Income (Loss) to Operating Revenue	0.6		2.6		1.0
Debt Service Coverage	1.07		1.24		18.76

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - November 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	\$2,187,911	2.0	\$2,232,645	5.0	\$2,126,068
Power Plants	347,437	(7.0)	323,010	(2.4)	330,802
Residential	1,582,655	(2.5)	1,543,438	4.6	1,475,525
Commercial	<u>505,609</u>	1.9	<u>515,165</u>	3.1	<u>499,671</u>
Water Sales	<u>4,623,612</u>	(0.2)	<u>4,614,258</u>	4.1	<u>4,432,066</u>
<u>Other Revenue</u>					
Penalty Revenue	7,517	11.9	8,414	6.6	7,893
Merchandise & Job Sales-Net	9,838	13.9	11,208	45.6	7,697
Miscellaneous Revenue	<u>9,689</u>	46.7	<u>14,218</u>	(12.3)	<u>16,219</u>
Total Other Revenue	<u>27,044</u>	25.1	<u>33,840</u>	6.4	<u>31,809</u>
Operating Revenue	<u>4,650,656</u>	(0.1)	<u>4,648,098</u>	4.1	<u>4,463,875</u>
<u>Operating Expense</u>					
Operation	3,155,241	1.0	3,186,469	4.8	3,039,564
Maintenance	759,552	7.6	817,406	19.6	683,208
Depreciation	<u>660,983</u>	0.1	<u>661,749</u>	14.9	<u>575,740</u>
Total Operating Expense	<u>4,575,776</u>	2.0	<u>4,665,624</u>	8.5	<u>4,298,512</u>
Operating Income (Loss)	<u>74,880</u>	-1.2X	<u>(17,526)</u>	-1.1X	<u>165,363</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	1,573	(78.1)	345	16.6	296
Interest Expense	<u>(194,370)</u>	(96.0)	<u>(7,830)</u>	10.6	<u>(7,078)</u>
Net Nonoperating Revenues (Expenses)	<u>(192,797)</u>	(96.1)	<u>(7,485)</u>	10.4	<u>(6,782)</u>
Net Income (Loss) before Capital Contributions	<u>(117,917)</u>	(78.8)	<u>(25,011)</u>	-1.2X	<u>158,581</u>
Capital Contributions	<u>223,355</u>	(3.9)	<u>214,708</u>	2.1X	<u>69,024</u>
Change in Net Position	<u>105,438</u>	79.9	<u>189,697</u>	(16.7)	<u>227,605</u>
Beginning Net Position	<u>15,614,434</u>		<u>15,614,434</u>		<u>14,107,489</u>
Ending Net Position	<u>\$15,719,872</u>		<u>\$15,804,131</u>		<u>\$14,335,094</u>
Net Income (Loss) to Operating Revenue	(2.5)		(0.5)		3.6
Debt Service Coverage	1.02		1.02		22.30

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

ASSETS

	<u>2014</u>	<u>2013</u>
Current Assets:		
Cash - interest bearing	\$448,254	\$539,668
Receivables:		
Consumer Accounts	553,586	564,023
Interest	2	2
Inventories	298,486	227,370
Prepaid Pension	---	14,998
Prepaid Expenses	22,416	18,051
Total Current Assets	1,322,744	1,364,112
Property and Equipment:		
At Cost	28,360,223	25,917,732
Less Accumulated Depreciation	10,647,175	10,033,603
Net Property and Equipment	17,713,048	15,884,129
 TOTAL ASSETS	 <u><u>\$19,035,792</u></u>	 <u><u>\$17,248,241</u></u>

Muscatine Power and Water - Water Utility
Statements of Net Position
November 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	2,015	448
Accounts Payable	524,629	193,347
Pension Provision	26,224	---
Health & Dental Insurance Provision	23,200	17,316
Retained Percentage on Contracts	23,760	---
Consumer Advances for Construction	74,083	1,248,786
Accrued Payroll	31,170	31,803
Accrued Vacation	107,322	98,028
Accrued Property Taxes	741	527
Miscellaneous Accrued Expenses	38,254	51,926
	<u>2,530,398</u>	<u>2,071,181</u>
Total Current Liabilities		
Non-Current Liabilities:		
State Revolving Loan	161,000	190,000
Health & Dental Insurance Provision	119,103	159,495
Post-Employment Health Benefit Provision	39,644	28,036
Consumer Advances for Construction	381,516	464,435
	<u>701,263</u>	<u>841,966</u>
Total Non-Current Liabilities		
Net Position:		
Net Investment in Capital Assets	15,417,449	13,551,908
Unrestricted	386,682	783,186
	<u>15,804,131</u>	<u>14,335,094</u>
Total Net Position		
	<u><u>\$19,035,792</u></u>	<u><u>\$17,248,241</u></u>
TOTAL LIABILITIES AND NET POSITION		

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$399,708	\$4,600,082
Miscellaneous sources	6,545	22,615
Cash paid to/for:		
Suppliers	(189,830)	(1,943,657)
Employees payroll, taxes and benefits	<u>(177,919)</u>	<u>(2,143,620)</u>
Net cash flows from operating activities	<u>38,504</u>	<u>535,420</u>
Cash flows from capital and related financing activities:		
State revolving loan fund principal payments	---	(29,000)
State revolving loan interest payments	(2,850)	(6,683)
Loan from electric utility	---	1,250,000
Loan from electric utility interest payments	---	(208)
Capital expenditures, net	<u>(68,906)</u>	<u>(1,869,546)</u>
Net cash flows from capital and related financing activities	<u>(71,756)</u>	<u>(655,437)</u>
Cash flows from investing activities:		
Interest received on investments	<u>94</u>	<u>345</u>
Net cash flows from investing activities	<u>94</u>	<u>345</u>
Net decrease in cash and investments	<u>(33,158)</u>	<u>(119,672)</u>
Cash and investments at beginning of period	<u>481,412</u>	<u>567,926</u>
Cash and investments at end of period	<u><u>\$448,254</u></u>	<u><u>\$448,254</u></u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
November 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)	\$10,957	(\$17,526)
Noncash item in operating income:		
Depreciation of utility plant	60,159	661,749
Changes in assets and liabilities:		
Consumer accounts receivable	2,651	(14,104)
Inventories	(31,354)	57,752
Prepaid and deferred expenses	2,299	(2,523)
Accounts payable	(31,596)	(162,830)
Pension provision	13,096	26,224
Health & dental insurance provision	(13,711)	(23,717)
Other post-employment benefit provision	833	9,166
Retained percentage	16,543	23,760
Accrued payroll	561	(13,014)
Accrued vacation	2,558	12,142
Accrued property taxes	477	(49)
Miscellaneous accrued expenses	5,031	(21,610)
Net cash flows from operating activities	<u>\$38,504</u>	<u>\$535,420</u>

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Source of Supply</u>						
Operation Supervision	\$2,565		\$2,483		\$2,423	
Operation Labor and Expenses	1,522		582		687	
Miscellaneous Expense	126		---		554	
Maintenance of Wells	---		---		16,360	
Maintenance of Supply Mains	252		---		91	
Depreciation	6,717		6,546		5,958	
Total Source of Supply Expense	11,182	2.7	9,611	2.4	26,073	6.3
<u>Pumping</u>						
Operation Supervision	3,007		2,776		2,758	
Fuel or Power Purchased	60,100		72,474		67,329	
Pumping Labor and Expenses	3,745		4,916		4,679	
Miscellaneous Expense	245		324		264	
Maintenance of Structures	141		---		---	
Maintenance of Pumping Equipment	14,690		8,617		21,348	
Depreciation	5,498		5,670		5,498	
Total Pumping Expense	87,426	21.2	94,777	23.8	101,876	24.8
<u>Water Treatment</u>						
Operation Supervision	2,977		2,828		2,790	
Chemicals	18,193		10,949		14,514	
Operation Labor and Expenses	12,474		13,383		13,820	
Miscellaneous Expense	689		2,558		636	
Maintenance of Structures	737		682		2,280	
Maintenance of Purification Equip.	1,827		1,752		2,083	
Depreciation	3,205		3,229		2,338	
Total Water Treatment Expense	40,102	9.7	35,381	8.9	38,461	9.4
<u>Distribution</u>						
Operation Supervision	2,915		2,798		2,809	
Storage Facilities Expense	3,969		4,823		4,148	
Trans. & Distr. Lines Expense	2,290		1,032		888	
Meter Expense	11,570		10,600		5,636	
Consumer Installation Expense	4,978		3,408		4,172	
Miscellaneous Expense	9,996		13,028		14,406	
Vehicle Expense	4,872		3,658		4,402	
Maintenance:						
Supervision	4,606		4,317		4,433	
Structures	145		773		29	
Reservoirs and Standpipes	27		67		189	
Mains	13,305		18,869		19,402	
Valves	4,575		4,464		1,966	
Meters	4,532		776		414	
Hydrants	1,937		459		840	
Miscellaneous Plant	3,096		1,822		5,306	
Vacation, Holiday, Sick Leave	19,085		15,292		16,320	
Depreciation	32,396		32,462		31,035	
Total Distribution Expense	\$124,294	30.1	\$118,648	29.8	\$116,395	28.3

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Source of Supply</u>						
Operation Supervision	\$27,816		\$26,512		\$26,723	
Operation Labor and Expenses	17,134		10,104		11,921	
Miscellaneous Expense	4,570		2,479		4,318	
Maintenance of Wells	90,000		88,490		81,929	
Maintenance of Supply Mains	2,595		7,093		6,500	
Depreciation	73,888		72,006		65,538	
Total Source of Supply Expense	216,003	4.6	206,684	4.4	196,929	4.4
<u>Pumping</u>						
Operation Supervision	32,383		30,809		30,623	
Fuel or Power Purchased	677,500		780,097		685,462	
Pumping Labor and Expenses	41,052		53,799		42,660	
Miscellaneous Expense	2,495		3,088		3,712	
Maintenance of Structures	1,642		120		5,124	
Maintenance of Pumping Equipment	174,833		255,235		152,924	
Depreciation	60,475		62,370		60,478	
Total Pumping Expense	990,380	21.3	1,185,518	25.5	980,983	22.0
<u>Water Treatment</u>						
Operation Supervision	32,545		31,086		30,916	
Chemicals	200,123		167,368		172,233	
Operation Labor and Expenses	140,958		146,645		150,262	
Miscellaneous Expense	15,179		13,680		20,262	
Maintenance of Structures	11,913		7,222		15,777	
Maintenance of Purification Equip.	23,299		37,977		35,239	
Depreciation	35,254		35,519		25,718	
Total Water Treatment Expense	459,271	9.9	439,497	9.5	450,407	10.1
<u>Distribution</u>						
Operation Supervision	32,258		31,169		30,702	
Storage Facilities Expense	48,622		53,920		48,421	
Trans. & Distr. Lines Expense	73,383		66,929		80,530	
Meter Expense	126,164		123,896		120,658	
Consumer Installation Expense	55,906		48,175		48,338	
Miscellaneous Expense	112,246		163,797		161,559	
Vehicle Expense	54,335		53,618		49,157	
Maintenance:						
Supervision	50,852		49,973		48,984	
Structures	2,504		3,466		5,558	
Reservoirs and Standpipes	85,757		5,331		4,494	
Mains	135,723		233,653		206,918	
Valves	44,610		28,421		33,444	
Meters	51,260		23,558		18,815	
Hydrants	20,071		14,171		17,014	
Miscellaneous Plant	34,061		31,046		31,559	
Vacation, Holiday, Sick Leave	139,490		138,327		137,128	
Depreciation	356,353		357,082		341,385	
Total Distribution Expense	\$1,423,595	30.6	\$1,426,532	30.7	\$1,384,664	31.0

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$1,640</u>	0.4	<u>\$521</u>	0.1	<u>\$2,528</u>	0.6
<u>Consumer Accounts</u>						
Supervision	1,258		1,289		975	
Meter Reading Expense	3,775		3,355		3,840	
Consumer Records and Collection	13,615		11,313		12,264	
Uncollectible Accounts Expense	735		735		569	
Vacation, Holiday, Sick Leave	<u>2,874</u>		<u>2,946</u>		<u>2,663</u>	
Total Consumer Accounts Expense	<u>22,257</u>	5.4	<u>19,638</u>	4.9	<u>20,311</u>	4.9
<u>Administrative and General</u>						
Administrative and General Salaries	18,902		17,272		15,300	
Office Supplies and Expenses	1,668		1,491		801	
Outside Services Employed	1,818		495		395	
Property Insurance	1,734		1,757		1,560	
Casualty Ins, Injuries & Damages	3,886		9,783		3,857	
Employee Pensions and Benefits	48,884		48,315		53,658	
Fringe Benefits Charged to Constr.	(1,821)		(3,838)		(2,069)	
Miscellaneous General Expense	9,006		7,216		8,425	
Rents	5,746		5,746		5,579	
Maintenance of General Plant	2,644		3,072		1,655	
Vacation, Holiday, Sick Leave	4,681		5,300		3,872	
Depreciation	<u>12,274</u>		<u>12,252</u>		<u>7,511</u>	
Total Administrative and General	<u>109,422</u>	26.5	<u>108,861</u>	27.3	<u>100,544</u>	24.5
Total Operating Expense	<u>\$396,323</u>		<u>\$387,437</u>		<u>\$406,188</u>	
Percent to Operating Revenue		96.1		97.2		98.9

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$28,337</u>	0.6	<u>\$12,448</u>	0.3	<u>\$16,702</u>	0.4
<u>Consumer Accounts</u>						
Supervision	14,035		14,516		14,244	
Meter Reading Expense	41,429		46,607		42,344	
Customer Records and Collection	152,386		146,359		148,332	
Uncollectible Accounts Expense	8,086		8,086		6,259	
Vacation, Holiday, Sick Leave	<u>20,783</u>		<u>23,666</u>		<u>21,310</u>	
Total Consumer Accounts Expense	<u>236,719</u>	5.1	<u>239,234</u>	5.1	<u>232,489</u>	5.2
<u>Administrative and General</u>						
Administrative and General Salaries	204,826		217,551		184,709	
Office Supplies and Expenses	20,101		18,057		14,482	
Outside Services Employed	55,146		41,401		12,297	
Property Insurance	18,726		18,735		15,392	
Casualty Ins, Injuries & Damages	43,305		43,672		28,564	
Employee Pensions and Benefits	545,000		520,396		525,211	
Fringe Benefits Charged to Constr.	(30,195)		(49,333)		(21,622)	
Miscellaneous General Expense	101,877		79,507		84,136	
Rents	63,210		63,210		61,369	
Maintenance of General Plant	30,432		31,650		18,929	
Vacation, Holiday, Sick Leave	34,030		36,093		30,250	
Depreciation	<u>135,013</u>		<u>134,772</u>		<u>82,621</u>	
Total Administrative and General	<u>1,221,471</u>	26.3	<u>1,155,711</u>	24.9	<u>1,036,338</u>	23.2
Total Operating Expense	<u>\$4,575,776</u>		<u>\$4,665,624</u>		<u>\$4,298,512</u>	
Percent to Operating Revenue		98.4		100.4		96.3

**Muscatine Power and Water - Water Utility
Statistical Data
Current Month - November 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	0.612	0.649	0.491	0.521
Cost Per 1,000 Gallons	<u>0.598</u>	<u>0.634</u>	<u>0.488</u>	<u>0.517</u>
Margin	<u>0.014</u>	<u>0.015</u>	<u>0.003</u>	<u>0.003</u>
	<u>2014</u>		<u>2013</u>	
Maximum Daily Water Pumped (1,000 gallons)	27,059		28,108	
Date of Maximum	11/19		11/12	

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	0.537	0.570	0.501	0.531
Cost Per 1,000 Gallons	<u>0.543</u>	<u>0.576</u>	<u>0.486</u>	<u>0.515</u>
Margin	<u>(0.006)</u>	<u>(0.006)</u>	<u>0.015</u>	<u>0.016</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		
<u>Services</u>				
Contract Customers	2	2		
Power Plants	2	2		
Residential	8,607	8,580		
Commercial	<u>1,068</u>	<u>1,079</u>		
Total	<u>9,679</u>	<u>9,663</u>		