

Muscatine Power and Water

Water Utility

Statement of Revenues, Expenses and Changes in Net Position

February 2015

**Muscatine Power and Water
Water Utility**

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Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - February 2015

	<u>Budget</u> <u>Estimate</u>	<u>%Increase</u> <u>(Decrease)</u> <u>From Budget</u>	<u>This</u> <u>Year</u>	<u>%Increase</u> <u>(Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last</u> <u>Year</u>
<u>Water Distribution - 1,000 Gallons</u>					
Contract Customers	575,212	1.3	582,407	7.6	541,026
Power Plants	75,477	(4.5)	72,047	(5.7)	76,378
Residential	34,449	(2.6)	33,558	(3.4)	34,752
Commercial	28,146	(2.5)	27,437	(4.8)	28,805
Total Metered Customers	713,284	0.3	715,449	5.1	680,961
Rated Customers - Estimate	---	---	11	---	11
City Use, Line Loss, Cycle Billing	42,797	0.3	42,927	5.1	40,858
Total Water Pumped	756,081	0.3	758,387	5.1	721,830

Calendar Year-to-Date

	<u>Budget</u> <u>Estimate</u>	<u>%Increase</u> <u>(Decrease)</u> <u>From Budget</u>	<u>This</u> <u>Year</u>	<u>%Increase</u> <u>(Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last</u> <u>Year</u>
<u>Water Distribution - 1,000 Gallons</u>					
Contract Customers	1,176,604	(3.8)	1,131,701	1.7	1,112,903
Power Plants	158,519	(8.3)	145,295	(7.6)	157,216
Residential	72,854	(1.4)	71,825	(4.3)	75,037
Commercial	58,187	(1.3)	57,417	(6.7)	61,538
Total Metered Customers	1,466,164	(4.1)	1,406,238	---	1,406,694
Rated Customers - Estimate	---	---	22	---	22
City Use, Line Loss, Cycle Billing	87,970	(4.1)	84,374	---	84,402
Total Water Pumped	1,554,134	(4.1)	1,490,634	---	1,491,118

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - February 2015

	<u>Budget</u> <u>Estimate</u>	<u>%Increase</u> <u>(Decrease)</u> <u>From Budget</u>	<u>This</u> <u>Year</u>	<u>%Increase</u> <u>(Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last</u> <u>Year</u>
<u>Sales of Water</u>					
Contract Customers	\$202,264	---	\$202,164	7.6	\$187,843
Power Plants	29,202	3.2	30,122	0.8	29,890
Residential	139,037	(0.9)	137,759	6.0	129,989
Commercial	<u>41,921</u>	2.8	<u>43,102</u>	4.3	<u>41,335</u>
Water Sales	<u>412,424</u>	0.2	<u>413,147</u>	6.2	<u>389,057</u>
<u>Other Revenue</u>					
Penalty Revenue	767	(24.8)	577	(5.1)	608
Merchandise & Job Sales-Net	986	(83.4)	164	(84.0)	1,024
Miscellaneous Revenue	<u>996</u>	18.1	<u>1,176</u>	(13.3)	<u>1,356</u>
Total Other Revenue	<u>2,749</u>	(30.3)	<u>1,917</u>	(35.8)	<u>2,988</u>
Operating Revenue	<u>415,173</u>	---	<u>415,064</u>	5.9	<u>392,045</u>
<u>Operating Expense</u>					
Operation	291,733	2.9	300,271	10.3	272,307
Maintenance	46,193	10.7	51,114	38.2	36,977
Depreciation	<u>59,843</u>	(1.9)	<u>58,682</u>	(2.5)	<u>60,159</u>
Total Operating Expense	<u>397,769</u>	3.1	<u>410,067</u>	11.0	<u>369,443</u>
Operating Income	<u>17,404</u>	(71.3)	<u>4,997</u>	(77.9)	<u>22,602</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	120	(15.8)	101	2.2X	32
Interest Expense	<u>(890)</u>	(4.9)	<u>(846)</u>	23.9	<u>(683)</u>
Net Nonoperating Revenues (Expenses)	<u>(770)</u>	(3.2)	<u>(745)</u>	14.4	<u>(651)</u>
<u>Net Income (Loss) before Capital Contributions</u>					
	16,634	(74.4)	4,252	(80.6)	21,951
Capital Contributions	<u>---</u>	---	<u>---</u>	---	<u>---</u>
Change in Net Position	16,634	(74.4)	4,252	(80.6)	21,951
Beginning Net Position	<u>15,893,665</u>		<u>15,877,182</u>		<u>15,623,527</u>
Ending Net Position	<u>\$15,910,299</u>		<u>\$15,881,434</u>		<u>\$15,645,478</u>
Net Income (Loss) to Operating Revenue	4.0		1.0		5.6
Debt Service Coverage	23.40		19.55		26.71

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - February 2015

	<u>Budget</u> <u>Estimate</u>	<u>%Increase</u> <u>(Decrease)</u> <u>From Budget</u>	<u>This</u> <u>Year</u>	<u>%Increase</u> <u>(Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last</u> <u>Year</u>
<u>Sales of Water</u>					
Contract Customers	\$408,897	(2.6)	\$398,424	4.7	\$380,651
Power Plants	60,484	---	60,474	(0.2)	60,616
Residential	282,596	(0.5)	281,156	5.8	265,683
Commercial	87,282	1.0	88,159	3.0	85,614
	<u>839,259</u>	(1.3)	<u>828,213</u>	4.5	<u>792,564</u>
<u>Water Sales</u>					
	<u>839,259</u>	(1.3)	<u>828,213</u>	4.5	<u>792,564</u>
<u>Other Revenue</u>					
Penalty Revenue	1,533	(62.4)	576	(5.3)	608
Merchandise & Job Sales-Net	2,464	(76.5)	579	(74.2)	2,241
Miscellaneous Revenue	1,993	18.6	2,364	(22.0)	3,029
	<u>5,990</u>	(41.3)	<u>3,519</u>	(40.1)	<u>5,878</u>
Total Other Revenue	<u>5,990</u>	(41.3)	<u>3,519</u>	(40.1)	<u>5,878</u>
Operating Revenue	<u>845,249</u>	(1.6)	<u>831,732</u>	4.2	<u>798,442</u>
<u>Operating Expense</u>					
Operation	599,458	0.2	600,815	4.6	574,174
Maintenance	91,177	18.0	107,562	50.1	71,652
Depreciation	119,685	(1.9)	117,364	(2.5)	120,318
	<u>810,320</u>	1.9	<u>825,741</u>	7.8	<u>766,144</u>
Total Operating Expense	<u>810,320</u>	1.9	<u>825,741</u>	7.8	<u>766,144</u>
Operating Income	<u>34,929</u>	(82.8)	<u>5,991</u>	(81.5)	<u>32,298</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	238	(17.2)	197	2.4X	58
Interest Expense	(1,780)	(6.4)	(1,666)	27.0	(1,312)
	<u>(1,542)</u>	(4.7)	<u>(1,469)</u>	17.1	<u>(1,254)</u>
Net Nonoperating Revenues (Expenses)	<u>(1,542)</u>	(4.7)	<u>(1,469)</u>	17.1	<u>(1,254)</u>
<u>Net Income (Loss) before Capital Contributions</u>					
	33,387	(86.5)	4,522	(85.4)	31,044
Capital Contributions	---	---	---	---	---
Change in Net Position	33,387	(86.5)	4,522	(85.4)	31,044
Beginning Net Position	<u>15,876,912</u>		<u>15,876,912</u>		<u>15,614,434</u>
Ending Net Position	<u>\$15,910,299</u>		<u>\$15,881,434</u>		<u>\$15,645,478</u>
Net Income (Loss) to Operating Revenue	3.9		0.5		3.9
Debt Service Coverage	23.42		19.01		24.84

Muscatine Power and Water - Water Utility
Statements of Net Position
February 2015

ASSETS

	<u>2015</u>	<u>2014</u>
Current Assets:		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$500,693	\$700,511
Receivables:		
Consumer Accounts	558,823	534,512
Interest	1	1
Inventories	318,087	350,696
Prepaid Expenses	45,641	37,670
	<hr/>	<hr/>
Total Current Assets	1,423,245	1,623,390
	<hr/>	<hr/>
Property and Equipment:		
At Cost	28,063,709	26,517,709
Less Accumulated Depreciation	10,002,198	10,161,763
	<hr/>	<hr/>
Net Property and Equipment	18,061,511	16,355,946
	<hr/>	<hr/>
 TOTAL ASSETS	 <u>\$19,484,756</u>	 <u>\$17,979,336</u>

Muscatine Power and Water - Water Utility
Statements of Net Position
February 2015

LIABILITIES AND NET POSITION

	<u>2015</u>	<u>2014</u>
Current Liabilities:		
<u>Payable from Unrestricted Assets</u>		
Accounts Payable	\$188,580	\$398,743
Pension Provision	23,660	20,854
Health & Dental Insurance Provision	29,360	23,200
Retained Percentage on Contracts	28,467	—
Consumer Advances for Construction	8,205	227,702
Accrued Payroll	62,869	64,187
Accrued Vacation	111,603	105,741
Accrued Property Taxes	953	922
Miscellaneous Accrued Expenses	44,687	65,748
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	498,384	907,097
	<hr/>	<hr/>
<u>Payable from Restricted Assets</u>		
State Revolving Loan	29,000	29,000
Accrued Interest	2,418	2,179
	<hr/>	<hr/>
Total Payable from Restricted Assets	31,418	31,179
	<hr/>	<hr/>
Total Current Liabilities	529,802	938,276
	<hr/>	<hr/>
Non-Current Liabilities:		
State Revolving Loan	161,000	190,000
Notes Payable to Electric Utility	2,400,000	650,000
Health & Dental Insurance Provision	91,828	127,202
Post-Employment Health Benefit Provision	42,144	32,144
Consumer Advances for Construction	378,548	396,236
	<hr/>	<hr/>
Total Non-Current Liabilities	3,073,520	1,395,582
	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets	17,484,758	15,513,008
Unrestricted	(1,603,324)	132,470
	<hr/>	<hr/>
Total Net Position	15,881,434	15,645,478
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET POSITION	<u>\$19,484,756</u>	<u>\$17,979,336</u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
February 2015

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$404,503	\$820,908
Miscellaneous sources	55	73
Cash paid to/for:		
Suppliers	(139,483)	(303,038)
Employees payroll, taxes and benefits	(170,121)	(350,825)
	<u>94,954</u>	<u>167,118</u>
Cash flows from capital and related financing activities:		
State revolving loan fund principal payments	---	---
State revolving loan interest payments	---	---
Loan from electric utility	---	500,000
Loan from electric utility interest payments	---	(2,055)
Capital expenditures, net	(74,264)	(543,339)
	<u>(74,264)</u>	<u>(45,394)</u>
Cash flows from investing activities:		
Interest received on investments	101	195
	<u>101</u>	<u>195</u>
Net increase in cash and investments	<u>20,791</u>	<u>121,919</u>
Cash and investments at beginning of period	<u>479,902</u>	<u>378,774</u>
Cash and investments at end of period	<u><u>\$500,693</u></u>	<u><u>\$500,693</u></u>

**Muscatine Power and Water - Water Utility
Statements of Cash Flows
February 2015**

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$4,997	\$5,991
Noncash item in operating income:		
Depreciation of utility plant	58,682	117,364
Changes in assets and liabilities:		
Consumer accounts receivable	(8,147)	13,168
Inventories	5,530	19,856
Prepaid and deferred expenses	6,298	(20,249)
Accounts payable	7,904	6,706
Pension provision	11,830	23,660
Health & dental insurance provision	(9,726)	(31,779)
Other post-employment benefit provision	833	1,666
Retained percentage	2,614	2,659
Accrued payroll	1,980	13,374
Accrued vacation	6,502	7,612
Accrued property taxes	66	132
Unearned revenue	5,591	8,058
Miscellaneous accrued expenses	0	(1,100)
	<u>0</u>	<u>(1,100)</u>
Net cash flows from operating activities	<u>\$94,954</u>	<u>\$167,118</u>

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - February 2015

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Source of Supply</u>						
Operation Supervision	\$2,609		\$2,502		\$2,474	
Operation Labor and Expenses	2,260		1,336		953	
Miscellaneous Expense	87		85		106	
Maintenance of Wells	---		---		---	
Maintenance of Supply Mains	630		668		1,081	
Depreciation	8,943		8,261		6,546	
Total Source of Supply Expense	<u>14,529</u>	3.5	<u>12,852</u>	3.1	<u>11,160</u>	2.8
<u>Pumping</u>						
Operation Supervision	3,021		2,885		2,855	
Fuel or Power Purchased	62,800		75,962		63,576	
Pumping Labor and Expenses	3,475		4,065		3,503	
Miscellaneous Expense	167		295		264	
Maintenance of Structures	142		52		51	
Maintenance of Pumping Equipment	7,276		24,629		4,107	
Depreciation	6,213		6,024		5,670	
Total Pumping Expense	<u>83,094</u>	20.0	<u>113,912</u>	27.4	<u>80,026</u>	20.4
<u>Water Treatment</u>						
Operation Supervision	3,073		2,902		2,877	
Chemicals	18,684		15,833		14,501	
Operation Labor and Expenses	14,744		16,408		14,267	
Miscellaneous Expense	3,146		4,155		2,292	
Maintenance of Structures	1,230		295		69	
Maintenance of Purification Equip.	1,509		4,105		3,412	
Depreciation	3,248		3,229		3,229	
Total Water Treatment Expense	<u>45,634</u>	11.0	<u>46,927</u>	11.3	<u>40,647</u>	10.4
<u>Distribution</u>						
Operation Supervision	3,003		2,837		2,838	
Storage Facilities Expense	3,371		5,462		4,486	
Trans. & Distr. Lines Expense	4,652		3,875		1,406	
Meter Expense	9,097		12,839		10,409	
Consumer Installation Expense	4,140		3,543		3,596	
Miscellaneous Expense	12,927		8,720		14,154	
Vehicle Expense	5,052		4,241		3,920	
Maintenance:						
Supervision	4,599		4,419		4,590	
Structures	153		15		53	
Reservoirs and Standpipes	---		245		60	
Mains	13,933		5,022		12,994	
Valves	6,281		784		1,400	
Meters	1,399		1,884		1,379	
Hydrants	2,025		2,368		1,614	
Miscellaneous Plant	2,951		4,576		2,331	
Vacation, Holiday, Sick Leave	10,352		11,301		12,764	
Depreciation	34,441		34,332		32,462	
Total Distribution Expense	<u>\$118,376</u>	28.5	<u>\$106,463</u>	25.6	<u>\$110,456</u>	28.2

Muscatine Power and Water - Water Utility
Summary of Expenses
Calendar Year-to-Date - February 2015

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$5,302		\$5,224		\$5,263	
Operation Labor and Expenses	3,750		2,028		1,895	
Miscellaneous Expense	612		293		121	
Maintenance of Wells	---		---		---	
Maintenance of Supply Mains	1,260		2,164		4,890	
Depreciation	17,886		16,522		13,092	
Total Source of Supply Expense	28,810	3.4	26,231	3.2	25,261	3.2
 <u>Pumping</u>						
Operation Supervision	6,145		5,965		5,999	
Fuel or Power Purchased	133,100		149,980		130,435	
Pumping Labor and Expenses	6,933		9,094		7,738	
Miscellaneous Expense	334		590		529	
Maintenance of Structures	283		53		120	
Maintenance of Pumping Equipment	11,840		50,054		5,013	
Depreciation	12,426		12,048		11,340	
Total Pumping Expense	171,061	20.2	227,784	27.4	161,174	20.2
 <u>Water Treatment</u>						
Operation Supervision	6,184		6,004		6,050	
Chemicals	37,370		32,403		29,796	
Operation Labor and Expenses	29,567		33,145		29,515	
Miscellaneous Expense	6,293		7,631		4,643	
Maintenance of Structures	2,554		1,370		588	
Maintenance of Purification Equip.	2,949		9,918		5,572	
Depreciation	6,495		6,458		6,458	
Total Water Treatment Expense	91,412	10.8	96,929	11.7	82,622	10.3
 <u>Distribution</u>						
Operation Supervision	6,152		5,937		6,026	
Storage Facilities Expense	6,963		11,052		9,103	
Trans. & Distr. Lines Expense	9,304		5,572		3,471	
Meter Expense	18,840		23,953		21,660	
Consumer Installation Expense	8,818		6,029		7,992	
Miscellaneous Expense	25,621		21,732		33,246	
Vehicle Expense	9,986		8,781		10,822	
Maintenance:						
Supervision	9,235		9,171		9,504	
Structures	306		243		1,366	
Reservoirs and Standpipes	---		321		164	
Mains	28,582		11,916		26,913	
Valves	12,563		2,253		2,999	
Meters	2,939		4,811		2,275	
Hydrants	4,238		2,974		1,705	
Miscellaneous Plant	5,901		6,902		4,608	
Vacation, Holiday, Sick Leave	25,660		24,327		29,576	
Depreciation	68,882		68,663		64,924	
Total Distribution Expense	\$243,990	28.9	\$214,637	25.8	\$236,354	29.6

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - February 2015

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$3,163</u>	0.8	<u>\$1,215</u>	0.3	<u>\$712</u>	0.2
<u>Consumer Accounts</u>						
Supervision	1,284		1,360		1,324	
Meter Reading Expense	3,844		3,980		4,812	
Consumer Records and Collection	15,033		11,231		12,420	
Uncollectible Accounts Expense	678		678		735	
Vacation, Holiday, Sick Leave	<u>1,503</u>		<u>2,071</u>		<u>1,600</u>	
Total Consumer Accounts Expense	<u>22,342</u>	5.4	<u>19,320</u>	4.7	<u>20,891</u>	5.3
<u>Administrative and General</u>						
Administrative and General Salaries	20,845		18,987		18,643	
Office Supplies and Expenses	1,628		1,662		1,209	
Outside Services Employed	2,443		2,770		7,616	
Property Insurance	1,872		1,757		1,560	
Casualty Ins, Injuries & Damages	3,867		10,214		3,693	
Employee Pensions and Benefits	52,789		47,197		45,438	
Fringe Benefits Charged to Constr.	(1,877)		(1,355)		(2,036)	
Miscellaneous General Expense	9,529		9,885		5,588	
Rents	5,919		5,919		5,746	
Maintenance of General Plant	4,065		2,052		3,836	
Vacation, Holiday, Sick Leave	2,553		3,454		2,006	
Depreciation	<u>6,998</u>		<u>6,836</u>		<u>12,252</u>	
Total Administrative and General	<u>110,631</u>	26.6	<u>109,378</u>	26.4	<u>105,551</u>	26.9
Total Operating Expense	<u><u>\$397,769</u></u>		<u><u>\$410,067</u></u>		<u><u>\$369,443</u></u>	
Percent to Operating Revenue		95.8		98.8		94.2

Muscatine Power and Water - Water Utility
Summary of Expenses
Calendar Year-to-Date - February 2015

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$4,190</u>	0.5	<u>\$3,639</u>	0.4	<u>\$1,557</u>	0.2
<u>Consumer Accounts</u>						
Supervision	2,616		2,756		2,787	
Meter Reading Expense	7,688		8,507		9,818	
Customer Records and Collection	30,039		23,477		25,263	
Uncollectible Accounts Expense	1,356		1,356		1,470	
Vacation, Holiday, Sick Leave	<u>3,720</u>		<u>4,084</u>		<u>4,317</u>	
Total Consumer Accounts Expense	<u>45,419</u>	5.4	<u>40,180</u>	4.8	<u>43,655</u>	5.5
<u>Administrative and General</u>						
Administrative and General Salaries	41,697		39,906		39,506	
Office Supplies and Expenses	3,624		3,540		3,031	
Outside Services Employed	4,974		5,597		10,279	
Property Insurance	3,745		3,514		3,119	
Casualty Ins, Injuries & Damages	7,874		14,365		7,520	
Employee Pensions and Benefits	106,755		96,759		95,920	
Fringe Benefits Charged to Constr.	(2,558)		(2,126)		(3,345)	
Miscellaneous General Expense	18,652		17,317		11,628	
Rents	11,837		11,837		11,493	
Maintenance of General Plant	8,527		5,412		5,935	
Vacation, Holiday, Sick Leave	6,315		6,547		5,931	
Depreciation	<u>13,996</u>		<u>13,673</u>		<u>24,504</u>	
Total Administrative and General	<u>225,438</u>	26.7	<u>216,341</u>	26.0	<u>215,521</u>	27.0
Total Operating Expense	<u><u>\$810,320</u></u>		<u><u>\$825,741</u></u>		<u><u>\$766,144</u></u>	
Percent to Operating Revenue		95.9		99.3		96.0

**Muscatine Power and Water - Water Utility
Statistical Data
Current Month - February 2015**

	<u>2015</u>		<u>2014</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.545	0.577	0.539	0.571
Cost Per 1,000 Gallons	<u>0.541</u>	<u>0.573</u>	<u>0.512</u>	<u>0.543</u>
Margin	<u>0.004</u>	<u>0.004</u>	<u>0.027</u>	<u>0.029</u>
	<u>2015</u>		<u>2014</u>	
Maximum Daily Water Pumped (1,000 gallons)	28,841		27,626	
Date of Maximum	02/20		02/25	

Calendar Year-to-Date

	<u>2015</u>		<u>2014</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.556	0.589	0.532	0.563
Cost Per 1,000 Gallons	<u>0.554</u>	<u>0.587</u>	<u>0.514</u>	<u>0.545</u>
Margin	<u>0.002</u>	<u>0.002</u>	<u>0.018</u>	<u>0.019</u>
	<u>2015</u>		<u>2014</u>	
Maximum Daily Water Pumped (1,000 gallons)	29,924		27,626	
Date of Maximum	01/24		02/25	
 <u>Services</u>				
Contract Customers	2		2	
Power Plants	2		2	
Residential	8,583		8,547	
Commercial	<u>1,054</u>		<u>1,067</u>	
Total	<u>9,641</u>		<u>9,618</u>	