

Muscatine Power and Water

Water Utility

Statement of Revenues, Expenses and Changes in Net Position

May 2015

**Muscatine Power and Water
Water Utility**

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

	<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	670,208	6.3	712,156	20.3	592,222
Power Plants	42,869	(41.8)	24,965	(67.7)	77,241
Residential	37,473	(5.2)	35,537	(6.3)	37,929
Commercial	32,821	(8.0)	30,207	(8.2)	32,917
Total Metered Customers	783,371	2.5	802,865	8.4	740,309
Rated Customers - Estimate	---	---	4	(63.6)	11
City Use, Line Loss, Cycle Billing	47,002	2.5	48,172	8.4	44,419
Total Water Pumped	830,373	2.5	851,041	8.4	784,739

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	3,164,040	0.3	3,173,380	8.1	2,934,479
Power Plants	358,421	(11.8)	316,224	(21.3)	401,667
Residential	180,457	(3.3)	174,508	(3.8)	181,309
Commercial	151,044	(3.7)	145,390	(6.1)	154,874
Total Metered Customers	3,853,962	(1.2)	3,809,502	3.7	3,672,329
Rated Customers - Estimate	---	---	41	(31.7)	60
City Use, Line Loss, Cycle Billing	231,238	(1.2)	228,570	3.7	220,340
Total Water Pumped	4,085,200	(1.2)	4,038,113	3.7	3,892,729

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

	Budget Estimate	Avg. Price	% Increase (Decrease) from Budget	This Year	Avg. Price	% Increase (Decrease) from Last Year	Last Year	Avg. Price
<u>Sales of Water</u>								
Contract Customers	\$232,616	\$ 0.34708	6.6	\$248,010	\$ 0.34825	20.7	\$205,432	\$ 0.34688
Power Plants	23,768	0.55443	(12.5)	20,807	0.83344	(33.0)	31,053	0.40203
Residential	149,816	3.99797	(1.5)	147,641	4.15460	3.2	143,032	3.77105
Commercial	50,550	1.54017	(4.8)	48,141	1.59369	1.4	47,475	1.44226
Water Sales	456,750	0.58306	1.7	464,599	0.57868	8.8	426,992	0.57678
<u>Other Revenue</u>								
Penalty Revenue	767		8.6	833		(16.3)	995	
Merchandise & Job Sales-Net	493		(83.2)	83		(28.4)	116	
Miscellaneous Revenue	997		(4.7)	950		(26.6)	1,295	
Total Other Revenue	2,257		(17.3)	1,866		(22.4)	2,406	
Operating Revenue	459,007		1.6	466,465		8.6	429,398	
<u>Operating Expense</u>								
Operation	309,595		(1.9)	303,582		4.7	289,843	
Maintenance	118,884		(19.4)	95,792		(9.8)	106,185	
Depreciation	59,843		(1.9)	58,681		(2.5)	60,159	
Total Operating Expense	488,322		(6.2)	458,055		0.4	456,187	
Operating Income (Loss)	(29,315)		-1.3X	8,410		-1.3X	(26,789)	
<u>Nonoperating Revenues (Expenses)</u>								
Interest Income	126		(9.5)	114		6.6X	15	
Interest Expense	(10,020)		(90.8)	(920)		30.3	(706)	
Net Nonoperating Revenues (Expenses)	(9,894)		(91.9)	(806)		16.6	(691)	
Net Income (Loss) before Capital Contributions	(39,209)		-1.2X	7,604		-1.3X	(27,480)	
Capital Contributions	---		---	---		---	28,549	
Change in Net Position	(39,209)		-1.2X	7,604		6.1X	1,069	
Beginning Net Position	15,807,390			15,978,026			15,476,009	
Ending Net Position	\$15,768,181			\$15,985,630			\$15,477,078	
Net Income (Loss) to Operating Revenue	(8.5)			1.6			(6.4)	
Debt Service Coverage	2.46			20.14			10.69	

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

	Budget		% Increase (Decrease) from Budget	This Year		% Increase (Decrease) from Last Year	Last Year	Avg. Price
	Estimate	Avg. Price		Avg. Price	Year			
<u>Sales of Water</u>								
Contract Customers	\$1,088,825	\$ 0.34412	1.2	\$1,101,456	\$ 0.34709	10.6	\$995,506	\$ 0.33924
Power Plants	145,193	0.40509	(2.0)	142,260	0.44987	(8.4)	155,268	0.38656
Residential	719,154	3.98518	(1.0)	711,942	4.07972	5.2	676,917	3.73350
Commercial	231,008	1.52941	(1.6)	227,421	1.56422	3.0	220,854	1.42602
Water Sales	2,184,180	0.56674	(0.1)	2,183,079	0.57306	6.6	2,048,545	0.55783
<u>Other Revenue</u>								
Penalty Revenue	3,833		(25.8)	2,846		(8.6)	3,114	
Merchandise & Job Sales-Net	4,065		39.2	5,660		82.5	3,101	
Miscellaneous Revenue	5,084		40.5	7,144		(15.0)	8,400	
Total Other Revenue	12,982		20.6	15,650		7.1	14,615	
Operating Revenue	2,197,162		0.1	2,198,729		6.6	2,063,160	
<u>Operating Expense</u>								
Operation	1,548,668		(2.9)	1,503,148		3.0	1,459,149	
Maintenance	378,247		(23.5)	289,481		(37.9)	465,832	
Depreciation	299,212		(1.9)	293,410		(2.5)	300,795	
Total Operating Expense	2,226,127		(6.3)	2,086,039		(6.3)	2,225,776	
Operating Income (Loss)	(28,965)		-4.9X	112,690		-1.7X	(162,616)	
<u>Nonoperating Revenues (Expenses)</u>								
Interest Income	610		(38.5)	375		1.7X	140	
Interest Expense	(80,376)		(94.6)	(4,347)		26.8	(3,429)	
Net Nonoperating Revenues (Expenses)	(79,766)		(95.0)	(3,972)		20.8	(3,289)	
Net Income (Loss) before Capital Contributions	(108,731)		-2.0X	108,718		-1.7X	(165,905)	
Capital Contributions	---		---	---		---	28,549	
Change in Net Position	(108,731)		-2.0X	108,718		-1.8X	(137,356)	
Beginning Net Position	15,876,912			15,876,912			15,614,434	
Ending Net Position	\$15,768,181			\$15,985,630			\$15,477,078	
Net Income (Loss) to Operating Revenue	(4.9)			4.9			(8.0)	
Debt Service Coverage	7.79			24.74			8.92	

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

ASSETS

	<u>2015</u>	<u>2014</u>
Current Assets:		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$602,644	\$488,617
Receivables:		
Consumer Accounts	613,276	561,964
Interest	1	2
Inventories	352,311	291,725
Prepaid Expenses	54,264	46,474
	<hr/>	<hr/>
Total Unrestricted Current Assets	1,622,496	1,388,782
	<hr/>	<hr/>
<u>Restricted Assets</u>		
Cash - interest bearing	32,325	---
	<hr/>	<hr/>
Total Restricted Current Assets	32,325	---
	<hr/>	<hr/>
Total Current Assets	1,654,821	1,388,782
	<hr/>	<hr/>
Property and Equipment:		
At Cost	28,473,364	26,945,800
Less Accumulated Depreciation	10,171,671	10,293,410
	<hr/>	<hr/>
Net Property and Equipment	18,301,693	16,652,390
	<hr/>	<hr/>
 TOTAL ASSETS	 <u><u>\$19,956,514</u></u>	 <u><u>\$18,041,172</u></u>

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

LIABILITIES AND NET POSITION

	<u>2015</u>	<u>2014</u>
Current Liabilities:		
<u>Payable from Unrestricted Assets</u>		
Accounts Payable	\$326,125	\$364,080
Pension Provision	59,150	52,135
Health & Dental Insurance Provision	29,360	23,200
Retained Percentage on Contracts	34,014	2,778
Consumer Advances for Construction	8,205	212,510
Accrued Payroll	34,639	32,264
Accrued Vacation	118,566	111,975
Accrued Property Taxes	741	725
Miscellaneous Accrued Expenses	48,479	66,857
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	659,279	866,524
	<hr/>	<hr/>
<u>Payable from Restricted Assets</u>		
State Revolving Loan	30,000	29,000
Accrued Interest	1,774	463
	<hr/>	<hr/>
Total Payable from Restricted Assets	31,774	29,463
	<hr/>	<hr/>
Total Current Liabilities	691,053	895,987
	<hr/>	<hr/>
Non-Current Liabilities:		
State Revolving Loan	131,000	161,000
Notes Payable to Electric Utility	2,650,000	900,000
Health & Dental Insurance Provision	75,639	133,587
Post-Employment Health Benefit Provision	44,644	34,644
Consumer Advances for Construction	378,548	438,876
	<hr/>	<hr/>
Total Non-Current Liabilities	3,279,831	1,668,107
	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets	17,753,940	15,811,004
Unrestricted	(1,768,310)	(333,926)
	<hr/>	<hr/>
Total Net Position	15,985,630	15,477,078
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET POSITION	<u>\$19,956,514</u>	<u>\$18,041,172</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$452,296	\$2,125,612
Miscellaneous sources	5,359	9,494
Cash paid to/for:		
Suppliers	(144,498)	(778,062)
Employees payroll, taxes and benefits	<u>(180,120)</u>	<u>(951,427)</u>
Net cash flows from operating activities	<u>133,037</u>	<u>405,617</u>
Cash flows from capital and related financing activities:		
State revolving loan fund principal payments	(29,000)	(29,000)
State revolving loan interest payments	(3,325)	(3,325)
Loan from electric utility	---	750,000
Loan from electric utility interest payments	---	(2,055)
Capital expenditures, net	<u>(87,042)</u>	<u>(865,418)</u>
Net cash flows from capital and related financing activities	<u>(119,367)</u>	<u>(149,798)</u>
Cash flows from investing activities:		
Interest received on investments	<u>115</u>	<u>376</u>
Net cash flows from investing activities	<u>115</u>	<u>376</u>
Net increase in cash and investments	<u>13,785</u>	<u>256,195</u>
Cash and investments at beginning of period	<u>621,184</u>	<u>378,774</u>
Cash and investments at end of period	<u><u>\$634,969</u></u>	<u><u>\$634,969</u></u>

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

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$8,410	\$112,690
Noncash item in operating income:		
Depreciation of utility plant	58,681	293,410
Changes in assets and liabilities:		
Consumer accounts receivable	(6,435)	(41,285)
Inventories	18,636	(14,368)
Prepaid and deferred expenses	2,944	(28,872)
Accounts payable	30,808	50,104
Pension provision	11,830	59,150
Health & dental insurance provision	(9,489)	(47,968)
Other post-employment benefit provision	833	4,166
Retained percentage	---	8,206
Accrued payroll	9,883	(14,856)
Accrued vacation	245	14,575
Accrued property taxes	66	(80)
Unearned revenue	---	(1,100)
Miscellaneous accrued expenses	6,625	11,845
	<u>6,625</u>	<u>11,845</u>
Net cash flows from operating activities	<u>\$133,037</u>	<u>\$405,617</u>

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$2,693		\$2,399		\$2,265	
Operation Labor and Expenses	1,552		618		1,279	
Miscellaneous Expense	648		988		340	
Maintenance of Wells	18,400		---		17,298	
Maintenance of Supply Mains	330		3,900		---	
Depreciation	8,943		8,261		6,546	
Total Source of Supply Expense	32,566	7.1	16,166	3.5	27,728	6.5
<u>Pumping</u>						
Operation Supervision	3,190		2,746		2,584	
Fuel or Power Purchased	71,500		83,790		68,146	
Pumping Labor and Expenses	4,128		3,382		4,236	
Miscellaneous Expense	167		295		264	
Maintenance of Structures	142		---		---	
Maintenance of Pumping Equipment	52,141		18,798		19,753	
Depreciation	6,213		6,024		5,670	
Total Pumping Expense	137,481	30.0	115,035	24.7	100,653	23.4
<u>Water Treatment</u>						
Operation Supervision	3,111		2,733		2,598	
Chemicals	18,679		16,339		15,715	
Operation Labor and Expenses	12,114		11,449		11,053	
Miscellaneous Expense	2,407		1,678		312	
Maintenance of Structures	1,777		122		243	
Maintenance of Purification Equip.	1,101		801		2,090	
Depreciation	3,248		3,229		3,229	
Total Water Treatment Expense	42,437	9.2	36,351	7.8	35,240	8.2
<u>Distribution</u>						
Operation Supervision	3,095		2,797		2,657	
Storage Facilities Expense	5,209		5,564		5,689	
Trans. & Distr. Lines Expense	7,170		8,603		14,501	
Meter Expense	11,782		13,229		6,033	
Consumer Installation Expense	4,056		3,637		4,558	
Miscellaneous Expense	12,372		6,883		14,806	
Vehicle Expense	4,901		4,186		4,133	
Maintenance:						
Supervision	4,654		4,140		4,208	
Structures	623		15		262	
Reservoirs and Standpipes	30		8		37	
Mains	21,709		56,282		53,551	
Valves	6,281		2,770		637	
Meters	1,455		2,790		1,447	
Hydrants	3,473		311		1,827	
Miscellaneous Plant	2,951		3,809		2,740	
Vacation, Holiday, Sick Leave	15,289		13,045		12,745	
Depreciation	34,441		34,331		32,462	
Total Distribution Expense	\$139,491	30.4	\$162,400	34.8	\$162,293	37.8

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$13,297		\$12,858		\$12,570	
Operation Labor and Expenses	8,473		4,926		4,853	
Miscellaneous Expense	1,652		1,280		546	
Maintenance of Wells	55,200		---		86,490	
Maintenance of Supply Mains	2,251		6,064		5,564	
Depreciation	44,715		41,305		32,730	
Total Source of Supply Expense	125,588	5.7	66,433	3.0	142,753	6.9
 <u>Pumping</u>						
Operation Supervision	15,546		14,606		14,370	
Fuel or Power Purchased	345,000		399,271		337,971	
Pumping Labor and Expenses	18,485		22,688		22,230	
Miscellaneous Expense	833		1,474		1,379	
Maintenance of Structures	708		98		120	
Maintenance of Pumping Equipment	115,587		105,925		193,984	
Depreciation	31,065		30,120		28,350	
Total Pumping Expense	527,224	24.0	574,182	26.1	598,404	29.0
 <u>Water Treatment</u>						
Operation Supervision	15,516		14,592		14,506	
Chemicals	93,407		85,469		79,547	
Operation Labor and Expenses	75,247		71,718		66,937	
Miscellaneous Expense	12,473		10,659		7,037	
Maintenance of Structures	7,819		3,704		4,329	
Maintenance of Purification Equip.	7,990		12,914		10,902	
Depreciation	16,238		16,146		16,145	
Total Water Treatment Expense	228,690	10.4	215,202	9.8	199,403	9.7
 <u>Distribution</u>						
Operation Supervision	15,543		14,892		14,547	
Storage Facilities Expense	20,618		26,727		23,746	
Trans. & Distr. Lines Expense	44,420		26,454		36,078	
Meter Expense	50,675		57,583		49,781	
Consumer Installation Expense	21,860		17,382		21,034	
Miscellaneous Expense	63,998		46,778		74,722	
Vehicle Expense	24,840		21,184		24,690	
Maintenance:						
Supervision	23,293		22,038		23,151	
Structures	1,175		773		2,031	
Reservoirs and Standpipes	180		459		1,722	
Mains	81,168		81,169		89,697	
Valves	28,618		6,366		6,736	
Meters	7,090		14,543		8,829	
Hydrants	10,421		4,444		6,545	
Miscellaneous Plant	14,753		16,729		12,182	
Vacation, Holiday, Sick Leave	66,610		62,739		70,574	
Depreciation	172,204		171,657		162,310	
Total Distribution Expense	\$647,466	29.5	\$591,917	26.9	\$628,375	30.5

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$1,976	0.4	\$2,713	0.6	\$1,517	0.4
<u>Consumer Accounts</u>						
Supervision	1,332		1,074		1,263	
Meter Reading Expense	3,782		3,402		4,406	
Consumer Records and Collection	15,087		13,772		13,772	
Uncollectible Accounts Expense	678		678		735	
Vacation, Holiday, Sick Leave	2,217		1,849		2,581	
Total Consumer Accounts Expense	<u>23,096</u>	5.0	<u>20,775</u>	4.5	<u>22,757</u>	5.3
<u>Administrative and General</u>						
Administrative and General Salaries	20,848		18,538		19,631	
Office Supplies and Expenses	1,694		2,338		1,416	
Outside Services Employed	1,218		2,078		2,988	
Property Insurance	1,923		1,727		1,757	
Casualty Ins, Injuries & Damages	3,867		11,060		5,428	
Employee Pensions and Benefits	54,525		52,618		48,633	
Fringe Benefits Charged to Constr.	(3,718)		(11,395)		(4,057)	
Miscellaneous General Expense	10,425		8,550		6,247	
Rents	5,919		5,919		5,746	
Maintenance of General Plant	3,817		2,046		2,092	
Vacation, Holiday, Sick Leave	3,759		4,300		3,866	
Depreciation	6,998		6,836		12,252	
Total Administrative and General	<u>111,275</u>	24.2	<u>104,615</u>	22.4	<u>105,999</u>	24.7
Total Operating Expense	<u>\$488,322</u>		<u>\$458,055</u>		<u>\$456,187</u>	
Percent to Operating Revenue		106.4		98.2		106.2

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$9,176</u>	0.4	<u>\$8,879</u>	0.4	<u>\$5,054</u>	0.2
<u>Consumer Accounts</u>						
Supervision	6,611		6,908		6,244	
Meter Reading Expense	19,457		19,823		22,316	
Customer Records and Collection	75,243		68,571		67,056	
Uncollectible Accounts Expense	3,390		3,390		3,675	
Vacation, Holiday, Sick Leave	<u>9,658</u>		<u>9,628</u>		<u>10,753</u>	
Total Consumer Accounts Expense	<u>114,359</u>	5.2	<u>108,320</u>	4.9	<u>110,044</u>	5.3
<u>Administrative and General</u>						
Administrative and General Salaries	104,239		99,102		96,383	
Office Supplies and Expenses	8,872		10,863		7,141	
Outside Services Employed	11,691		10,122		16,679	
Property Insurance	9,463		8,725		8,193	
Casualty Ins, Injuries & Damages	19,614		30,136		23,525	
Employee Pensions and Benefits	269,720		252,842		243,553	
Fringe Benefits Charged to Constr.	(10,242)		(31,247)		(14,056)	
Miscellaneous General Expense	57,301		44,666		40,196	
Rents	29,594		29,594		28,731	
Maintenance of General Plant	21,994		14,255		13,550	
Vacation, Holiday, Sick Leave	16,388		17,866		16,588	
Depreciation	<u>34,990</u>		<u>34,182</u>		<u>61,260</u>	
Total Administrative and General	<u>573,624</u>	26.1	<u>521,106</u>	23.7	<u>541,743</u>	26.3
Total Operating Expense	<u>\$2,226,127</u>		<u>\$2,086,039</u>		<u>\$2,225,776</u>	
Percent to Operating Revenue		101.3		94.9		107.9

**Muscatine Power and Water - Water Utility
Statistical Data
Current Month - May 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	0.546	0.579	0.544	0.577
Cost Per 1,000 Gallons	<u>0.538</u>	<u>0.571</u>	<u>0.581</u>	<u>0.616</u>
Margin	<u>0.008</u>	<u>0.008</u>	<u>(0.037)</u>	<u>(0.039)</u>
	<u>2015</u>		<u>2014</u>	
Maximum Daily Water Pumped (1,000 gallons)	29,945		30,275	
Date of Maximum	05/28		05/19	

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	0.541	0.573	0.526	0.558
Cost Per 1,000 Gallons	<u>0.517</u>	<u>0.548</u>	<u>0.572</u>	<u>0.606</u>
Margin	<u>0.024</u>	<u>0.025</u>	<u>(0.046)</u>	<u>(0.048)</u>
	<u>2015</u>		<u>2014</u>	
Maximum Daily Water Pumped (1,000 gallons)	31,267		30,275	
Date of Maximum	04/18		05/19	

Services

Contract Customers	2	2
Power Plants	2	2
Residential	8,656	8,587
Commercial	<u>1,068</u>	<u>1,075</u>
Total	<u>9,728</u>	<u>9,666</u>