

Muscatine Power and Water

Water Utility

Statement of Revenues, Expenses and Changes in Net Position

January 2016

**Muscatine Power and Water
Water Utility**

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Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - January 2016

	<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	648,259	(10.1)	583,035	6.1	549,294
Power Plants	79,301	(7.2)	73,569	0.4	73,247
Residential	36,906	2.9	37,977	(0.8)	38,268
Commercial	30,029	(12.9)	26,146	(12.8)	29,981
Total Metered Customers	794,495	(9.3)	720,727	4.3	690,790
Rated Customers - Estimate	---	---	4	(63.6)	11
City Use, Line Loss, Cycle Billing	47,670	(9.3)	43,244	4.3	41,447
Total Water Pumped	842,165	(9.3)	763,975	4.3	732,248

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - January 2016

	Budget		% Increase (Decrease) from Budget	% Increase (Decrease) from Last Year			Avg. Price	
	Estimate	Avg. Price		This Year	Avg. Price	Year	Last Year	Avg. Price
<u>Sales of Water</u>								
Contract Customers	\$235,336	\$ 0.36303	(2.0)	\$230,735	\$ 0.39575	17.6	\$196,261	\$ 0.35730
Power Plants	31,799	0.40099	(3.6)	30,663	0.41679	1.0	30,351	0.41437
Residential	149,085	4.03959	1.3	150,951	3.97475	5.3	143,397	3.74718
Commercial	45,713	1.52230	(2.6)	44,543	1.70365	(1.1)	45,056	1.50282
Water Sales	461,933	0.58142	(1.1)	456,892	0.63393	10.1	415,065	0.60086
<u>Other Revenue</u>								
Penalty Revenue	800		-1.0X	(2)		1.0X	(1)	
Merchandise & Job Sales-Net	1,253		(42.1)	726		74.9	415	
Miscellaneous Revenue	1,128		28.7	1,452		22.2	1,188	
Total Other Revenue	3,181		(31.6)	2,176		35.8	1,602	
Operating Revenue	465,114		(1.3)	459,068		10.2	416,667	
<u>Operating Expense</u>								
Operation	334,837		(7.1)	310,902		3.4	300,545	
Maintenance	41,214		15.5	47,589		(15.7)	56,447	
Depreciation	60,354		1.6	61,305		4.5	58,681	
Total Operating Expense	436,405		(3.8)	419,796		1.0	415,673	
Operating Income	28,709		36.8	39,272		38.5X	994	
<u>Nonoperating Revenues (Expenses)</u>								
Interest Income	107		(25.2)	80		(16.7)	96	
Interest Expense	(8,854)		(90.9)	(805)		(1.8)	(820)	
Net Nonoperating Revenues (Expenses)	(8,747)		(91.7)	(725)		0.1	(724)	
Net Income (Loss) before Capital Contributions	19,962		93.1	38,547		141.8X	270	
Capital Contributions	---		---	---		---	---	
Change in Net Position	19,962		93.1	38,547		141.8X	270	
Beginning Net Position	15,813,223			15,648,044			15,876,912	
Ending Net Position	\$15,833,185			\$15,686,591			\$15,877,182	
Net Income (Loss) to Operating Revenue	4.3			8.4			0.1	
Debt Service Coverage	0.23			36.80			18.47	

Muscatine Power and Water - Water Utility
Statements of Net Position
January 2016

ASSETS

	<u>2016</u>	<u>2015</u>
Current Assets:		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$923,197	\$479,902
Receivables:		
Consumer Accounts	626,920	550,676
Interest	1	1
Inventories	346,667	323,617
Prepaid Expenses	52,900	51,939
	<hr/>	<hr/>
Total Unrestricted Current Assets	1,949,685	1,406,135
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<u>Restricted Assets</u>		
Cash - interest bearing	35,256	---
	<hr/>	<hr/>
Total Restricted Current Assets	35,256	---
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Total Current Assets	1,984,941	1,406,135
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Property and Equipment:		
At Cost	29,079,131	27,966,806
Less Accumulated Depreciation	10,535,358	9,943,516
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Net Property and Equipment	18,543,773	18,023,290
	<hr/>	<hr/>
Deferred Outflows of Resources - Pension		
Changes of Assumptions	120,280	---
Difference between projected and actual earnings on pension plan	54,648	---
Contributions subsequent to measurement date	249,152	---
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Total Deferred Outflows of Resources - Pension	424,080	---
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TOTAL ASSETS	<u>\$20,952,794</u>	<u>\$19,429,425</u>

Muscatine Power and Water - Water Utility
Statements of Net Position
January 2016

LIABILITIES AND NET POSITION

	<u>2016</u>	<u>2015</u>
Current Liabilities:		
<u>Payable from Unrestricted Assets</u>		
Accounts Payable	\$183,664	\$158,037
Pension Provision	---	11,830
Health & Dental Insurance Provision	30,320	29,360
Retained Percentage on Contracts	4,441	25,853
Consumer Advances for Construction	87,439	8,205
Accrued Payroll	73,174	60,889
Accrued Vacation	118,020	105,101
Accrued Property Taxes	1,336	887
Miscellaneous Accrued Expenses	64,337	39,096
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Total Payable from Unrestricted Assets	562,731	439,258
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<u>Payable from Restricted Assets</u>		
State Revolving Loan	30,000	29,000
Accrued Interest	1,443	1,572
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Total Payable from Restricted Assets	31,443	30,572
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Total Current Liabilities	594,174	469,830
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Non-Current Liabilities:		
State Revolving Loan	131,000	161,000
Notes Payable to Electric Utility	2,900,000	2,400,000
Health & Dental Insurance Provision	57,230	101,554
Post-Employment Health Benefit Provision	36,844	41,311
Net Pension Liability	1,020,113	---
Consumer Advances for Construction	290,532	378,548
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Total Non-Current Liabilities	4,435,719	3,082,413
	<hr/>	<hr/>
Deferred Inflows of Resources - Pension	236,310	---
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Net Position:		
Net Investment in Capital Assets	18,004,802	17,446,537
Restricted	424,080	---
Unrestricted	(2,742,291)	(1,569,355)
	<hr/>	<hr/>
Total Net Position	15,686,591	15,877,182
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TOTAL LIABILITIES AND NET POSITION	<u>\$20,952,794</u>	<u>\$19,429,425</u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
January 2016

	<u>Current Month</u>
Cash flows from operating activities:	
Cash received from:	
Water sales	\$452,533
Miscellaneous sources	13,299
Cash paid to/for:	
Suppliers	(235,511)
Employees payroll, taxes and benefits	<u>(191,709)</u>
Net cash flows from operating activities	<u>38,612</u>
Cash flows from capital and related financing activities:	
State revolving loan fund principal payments	---
State revolving loan interest payments	---
Loan from electric utility	---
Loan from electric utility interest payments	---
Capital expenditures, net	<u>(112,311)</u>
Net cash flows from capital and related financing activities	<u>(112,311)</u>
Cash flows from investing activities:	
Interest received on investments	<u>79</u>
Net cash flows from investing activities	<u>79</u>
Net increase (decrease) in cash and investments	<u>(73,620)</u>
Cash and investments at beginning of period	<u>1,032,073</u>
Cash and investments at end of period	<u><u>\$958,453</u></u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
January 2016

	<u>Current Month</u>
Reconciliation of operating income to net cash flows from operating activities	
Operating income	\$39,272
Noncash item in operating income:	
Depreciation of utility plant	61,305
Changes in assets and liabilities:	
Consumer accounts receivable	10,239
Inventories	(26,039)
Prepaid and deferred expenses	4,225
Accounts payable	(35,144)
Net pension liability	13,438
Health & dental insurance provision	(6,349)
Other post-employment benefit provision	271
Retained percentage	(28,706)
Accrued payroll	10,010
Accrued vacation	1,094
Accrued property taxes	68
Unearned revenue	(3,272)
Miscellaneous accrued expenses	(1,800)
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Net cash flows from operating activities	<u><u>\$38,612</u></u>

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - January 2016

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$2,532		\$2,763		\$2,723	
Operation Labor and Expenses	1,249		1,072		692	
Miscellaneous Expense	525		---		208	
Maintenance of Wells	---		---		---	
Maintenance of Supply Mains	432		---		1,495	
Depreciation	9,034		9,015		8,261	
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Total Source of Supply Expense	13,772	3.0	12,850	2.8	13,379	3.2
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<u>Pumping</u>						
Operation Supervision	2,981		3,160		3,080	
Fuel or Power Purchased	89,269		72,922		74,019	
Pumping Labor and Expenses	4,500		4,378		5,029	
Miscellaneous Expense	167		295		295	
Maintenance of Structures	142		---		---	
Maintenance of Pumping Equipment	4,078		12,946		25,426	
Depreciation	6,033		6,024		6,024	
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Total Pumping Expense	107,170	23.0	99,725	21.7	113,873	27.3
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<u>Water Treatment</u>						
Operation Supervision	2,962		3,192		3,102	
Chemicals	20,345		15,345		16,569	
Operation Labor and Expenses	16,919		17,928		16,738	
Miscellaneous Expense	3,072		2,284		3,476	
Maintenance of Structures	1,253		1,218		1,074	
Maintenance of Purification Equip.	1,384		1,279		5,813	
Depreciation	3,253		3,229		3,229	
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Total Water Treatment Expense	49,188	10.6	44,475	9.7	50,001	12.0
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<u>Distribution</u>						
Operation Supervision	3,140		3,234		3,101	
Storage Facilities Expense	3,882		5,159		5,590	
Trans. & Distr. Lines Expense	4,920		1,962		1,697	
Meter Expense	10,244		7,269		11,113	
Consumer Installation Expense	4,925		3,806		2,486	
Miscellaneous Expense	11,236		13,238		13,012	
Vehicle Expense	4,690		3,748		4,539	
Maintenance:						
Supervision	4,552		4,746		4,752	
Structures	151		16		228	
Reservoirs and Standpipes	---		87		77	
Mains	14,893		15,504		6,894	
Valves	3,106		4,612		1,469	
Meters	1,934		1,675		2,927	
Hydrants	1,004		411		606	
Miscellaneous Plant	2,798		2,542		2,326	
Vacation, Holiday, Sick Leave	15,964		15,017		13,026	
Depreciation	35,182		35,403		34,331	
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Total Distribution Expense	\$122,621	26.4	\$118,429	25.8	\$108,174	26.0
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Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - January 2016

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$1,394	0.3	\$395	0.1	\$2,424	0.6
<u>Consumer Accounts</u>						
Supervision	1,357		1,456		1,396	
Meter Reading Expense	3,663		3,950		4,526	
Consumer Records and Collection	15,509		12,165		12,246	
Uncollectible Accounts Expense	1,049		1,049		678	
Vacation, Holiday, Sick Leave	2,429		2,040		2,014	
Total Consumer Accounts Expense	<u>24,007</u>	5.2	<u>20,660</u>	4.5	<u>20,860</u>	5.0
<u>Administrative and General</u>						
Administrative and General Salaries	21,613		21,175		20,919	
Office Supplies and Expenses	2,103		1,623		1,878	
Outside Services Employed	1,456		1,236		2,827	
Property Insurance	1,850		1,727		1,757	
Casualty Ins, Injuries & Damages	3,729		13,285		4,151	
Employee Pensions and Benefits	56,831		57,651		49,561	
Fringe Benefits Charged to Constr.	(1,417)		(1,496)		(771)	
Miscellaneous General Expense	9,761		8,089		7,432	
Rents	6,096		6,096		5,919	
Maintenance of General Plant	5,487		2,553		3,360	
Vacation, Holiday, Sick Leave	3,892		3,689		3,093	
Depreciation	6,852		7,634		6,836	
Total Administrative and General	<u>118,253</u>	25.4	<u>123,262</u>	26.9	<u>106,962</u>	25.7
Total Operating Expense	<u>\$436,405</u>		<u>\$419,796</u>		<u>\$415,673</u>	
Percent to Operating Revenue		93.8		91.4		99.8

**Muscatine Power and Water - Water Utility
Statistical Data
Current Month - January 2016**

	<u>2016</u>		<u>2015</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.598	0.634	0.567	0.601
Cost Per 1,000 Gallons	<u>0.549</u>	<u>0.582</u>	<u>0.568</u>	<u>0.602</u>
Margin	<u>0.049</u>	<u>0.051</u>	<u>(0.001)</u>	<u>(0.001)</u>
	<u>2016</u>		<u>2015</u>	
Maximum Daily Water Pumped (1,000 gallons)	28,003		29,924	
Date of Maximum	01/22		01/24	
 <u>Services</u>				
Contract Customers	2		2	
Power Plants	2		2	
Residential	8,693		8,598	
Commercial	<u>1,058</u>		<u>1,059</u>	
Total	<u><u>9,755</u></u>		<u><u>9,661</u></u>	