

Muscatine Power and Water

Water Utility

Statement of Revenues, Expenses and Changes in Net Position

March 2016

**Muscatine Power and Water
Water Utility**

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Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - March 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	666,951	(0.5)	663,623	2.1	649,722
Power Plants	74,520	(15.5)	62,977	(14.5)	73,671
Residential	32,799	1.3	33,222	6.8	31,107
Commercial	29,669	(17.8)	24,374	(14.8)	28,618
Total Metered Customers	803,939	(2.5)	784,196	0.1	783,118
Rated Customers - Estimate	---	---	11	---	11
City Use, Line Loss, Cycle Billing	48,236	(2.5)	47,052	0.1	46,987
Total Water Pumped	852,175	(2.5)	831,259	0.1	830,116

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	1,908,876	(5.1)	1,812,164	1.7	1,781,424
Power Plants	227,153	(9.8)	204,816	(6.5)	218,965
Residential	102,809	0.1	102,923	(0.0)	102,932
Commercial	87,833	(12.9)	76,482	(11.1)	86,035
Total Metered Customers	2,326,671	(5.6)	2,196,384	0.3	2,189,356
Rated Customers - Estimate	---	---	26	(23.5)	34
City Use, Line Loss, Cycle Billing	139,600	(5.6)	131,783	0.3	131,361
Total Water Pumped	2,466,271	(5.6)	2,328,193	0.3	2,320,751

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

	Budget		% Increase (Decrease)	% Increase (Decrease) from Last				
	Estimate	Avg. Price	from Budget	This Year	Avg. Price	Year	Last Year	Avg. Price
<u>Sales of Water</u>								
Contract Customers	\$238,739	\$ 0.35796	2.8	\$245,394	\$ 0.36978	14.3	\$214,675	\$ 0.33041
Power Plants	30,846	0.41393	(7.6)	28,508	0.45267	(6.3)	30,429	0.41304
Residential	144,219	4.39705	0.9	145,569	4.38175	7.7	135,173	4.34542
Commercial	45,163	1.52223	(4.7)	43,047	1.76608	(2.0)	43,940	1.53540
Water Sales	458,967	0.57090	0.8	462,518	0.58980	9.0	424,217	0.54170
<u>Other Revenue</u>								
Penalty Revenue	800		(12.0)	704		(1.3)	713	
Merchandise & Job Sales-Net	1,250		-1.2X	(230)		-1.1X	2,198	
Miscellaneous Revenue	1,128		1.6X	2,966		1.4X	1,256	
Total Other Revenue	3,178		8.2	3,440		(17.4)	4,167	
Operating Revenue	462,145		0.8	465,958		8.8	428,384	
<u>Operating Expense</u>								
Operation	339,466		(7.7)	313,394		6.3	294,958	
Maintenance	80,960		(1.4)	79,809		37.1	58,204	
Depreciation	60,354		1.6	61,305		4.5	58,681	
Total Operating Expense	480,780		(5.5)	454,508		10.4	411,843	
Operating Income (Loss)	(18,635)		-1.6X	11,450		(30.8)	16,541	
<u>Nonoperating Revenues (Expenses)</u>								
Interest Income	103		(29.1)	73		1.4X	30	
Interest Expense	(1,104)		(27.1)	(805)		(8.6)	(881)	
Net Nonoperating Revenues (Expenses)	(1,001)		(26.9)	(732)		(14.0)	(851)	
Net Income (Loss) before Capital Contributions	(19,636)		-1.5X	10,718		(31.7)	15,690	
Capital Contributions	---		---	---		---	---	
Change in Net Position	(19,636)		-1.5X	10,718		(31.7)	15,690	
Beginning Net Position	15,715,619			15,701,610			15,881,434	
Ending Net Position	\$15,695,983			\$15,712,328			\$15,897,124	
Net Income (Loss) to Operating Revenue	(4.2)			2.3			3.7	
Debt Service Coverage	0.11			26.63			22.82	

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - March 2016

	Budget		% Increase		% Increase		% Increase		
	Estimate	Avg. Price	(Decrease)	This Year	Avg. Price	Year	(Decrease)	from Last	
			from Budget				from Last	Year	
								Last Year	
								Avg. Price	
<u>Sales of Water</u>									
Contract Customers	\$699,680	\$ 0.36654	0.6	\$703,622	\$ 0.38828	14.8		\$613,099	\$ 0.34416
Power Plants	93,223	0.41040	(4.8)	88,751	0.43332	(2.4)		90,902	0.41514
Residential	437,885	4.25921	0.5	440,260	4.27759	5.7		416,329	4.04470
Commercial	133,704	1.52225	(1.1)	132,181	1.72827	0.1		132,099	1.53541
Water Sales	1,364,492	0.58646	---	1,364,814	0.62139	9.0		1,252,429	0.57205
<u>Other Revenue</u>									
Penalty Revenue	2,400		(44.5)	1,333		3.3		1,290	
Merchandise & Job Sales-Net	3,753		(41.8)	2,184		(21.4)		2,777	
Miscellaneous Revenue	3,385		59.8	5,409		49.4		3,620	
Total Other Revenue	9,538		(6.4)	8,926		16.1		7,687	
Operating Revenue	1,374,030		---	1,373,740		9.0		1,260,116	
<u>Operating Expense</u>									
Operation	988,694		(6.6)	923,226		3.1		895,772	
Maintenance	167,256		32.6	221,813		33.8		165,767	
Depreciation	181,064		1.6	183,916		4.5		176,045	
Total Operating Expense	1,337,014		(0.6)	1,328,955		7.4		1,237,584	
Operating Income	37,016		21.0	44,785		98.8		22,532	
<u>Nonoperating Revenues (Expenses)</u>									
Interest Income	315		(29.2)	223		(1.8)		227	
Interest Expense	(11,061)		(78.4)	(2,393)		(6.0)		(2,547)	
Net Nonoperating Revenues (Expenses)	(10,746)		(79.8)	(2,170)		(6.5)		(2,320)	
Net Income (Loss) before Capital Contributions	26,270		62.2	42,615		1.1X		20,212	
Capital Contributions	---		---	---		---		---	
Change in Net Position	26,270		62.2	42,615		1.1X		20,212	
Beginning Net Position	15,669,713			15,669,713				15,876,912	
Ending Net Position	\$15,695,983			\$15,712,328				\$15,897,124	
Net Income (Loss) to Operating Revenue	1.9			3.1				1.6	
Debt Service Coverage	0.19			27.90				20.29	

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

ASSETS

	<u>2016</u>	<u>2015</u>
Current Assets:		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$813,563	\$468,228
Receivables:		
Consumer Accounts	610,215	562,210
Interest	2	1
Inventories	326,824	340,827
Prepaid Expenses	62,210	40,655
	<hr/>	<hr/>
Total Unrestricted Current Assets	1,812,814	1,411,921
	<hr/>	<hr/>
<u>Restricted Assets</u>		
Cash - interest bearing	35,256	---
	<hr/>	<hr/>
Total Restricted Current Assets	35,256	---
	<hr/>	<hr/>
Total Current Assets	1,848,070	1,411,921
	<hr/>	<hr/>
Property and Equipment:		
At Cost	29,403,575	28,190,863
Less Accumulated Depreciation	10,657,851	10,061,713
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Net Property and Equipment	18,745,724	18,129,150
	<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	282,595	---
	<hr/>	<hr/>
Total Deferred Outflows of Resources - Pension	457,523	---
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$21,051,317</u>	<u>\$19,541,071</u>

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

LIABILITIES AND NET POSITION

	<u>2016</u>	<u>2015</u>
Current Liabilities:		
<u>Payable from Unrestricted Assets</u>		
Accounts Payable	\$280,198	\$257,399
Pension Provision	---	35,490
Health & Dental Insurance Provision	30,320	29,360
Retained Percentage on Contracts	6,877	31,590
Consumer Advances for Construction	87,439	8,205
Accrued Payroll	25,208	12,415
Accrued Vacation	123,566	115,635
Accrued Property Taxes	839	609
Miscellaneous Accrued Expenses	55,713	49,549
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	610,160	540,252
<u>Payable from Restricted Assets</u>		
State Revolving Loan	30,000	29,000
Accrued Interest	3,030	3,299
	<hr/>	<hr/>
Total Payable from Restricted Assets	33,030	32,299
	<hr/>	<hr/>
Total Current Liabilities	643,190	572,551
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	41,810	88,870
Post-Employment Health Benefit Provision	37,385	42,978
Net Pension Liability	1,046,988	---
Consumer Advances for Construction	290,532	378,548
	<hr/>	<hr/>
Total Non-Current Liabilities	4,447,715	3,071,396
	<hr/>	<hr/>
Deferred Inflows of Resources - Pension	248,084	---
	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets	18,206,753	17,552,397
Restricted	457,523	---
Unrestricted	(2,951,948)	(1,655,273)
	<hr/>	<hr/>
Total Net Position	15,712,328	15,897,124
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TOTAL LIABILITIES AND NET POSITION	<u>\$21,051,317</u>	<u>\$19,541,071</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$460,239	\$1,372,951
Miscellaneous sources	3,065	18,548
Cash paid to/for:		
Suppliers	(176,905)	(607,813)
Employees payroll, taxes and benefits	(270,817)	(664,377)
Net cash flows from operating activities	<u>15,583</u>	<u>119,309</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>(156,000)</u>	<u>(302,785)</u>
Net cash flows from capital and related financing activities	<u>(156,000)</u>	<u>(302,785)</u>
Cash flows from investing activities:		
Interest received on investments	<u>72</u>	<u>222</u>
Net cash flows from investing activities	<u>72</u>	<u>222</u>
Net decrease in cash and investments	<u>(140,345)</u>	<u>(183,254)</u>
Cash and investments at beginning of period	<u>989,164</u>	<u>1,032,073</u>
Cash and investments at end of period	<u><u>\$848,819</u></u>	<u><u>\$848,819</u></u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$11,450	\$44,785
Noncash item in operating income:		
Depreciation of utility plant	61,305	183,916
Changes in assets and liabilities:		
Consumer accounts receivable	1,095	26,943
Inventories	8,875	(6,196)
Prepaid and deferred expenses	(16,920)	(5,085)
Accounts payable	(9,775)	(72,699)
Net pension liability	13,438	40,313
Health & dental insurance provision	(980)	(21,769)
Other post-employment benefit provision	270	812
Retained percentage	2,436	(26,270)
Accrued payroll	(48,401)	(37,956)
Accrued vacation	1,387	6,640
Accrued property taxes	(565)	(429)
Unearned revenue	(8,032)	(11,896)
Miscellaneous accrued expenses	---	(1,800)
	<u> </u>	<u> </u>
Net cash flows from operating activities	<u>\$15,583</u>	<u>\$119,309</u>

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision (600)	\$2,532		\$2,715		\$2,709	
Operation Labor and Expenses (601)	1,249		1,028		1,043	
Miscellaneous Expense (603)	25		440		---	
Maintenance of Wells (614)	24,000		37,000		---	
Maintenance of Supply Mains (616)	432		612		---	
Depreciation (618)	9,034		9,015		8,261	
Total Source of Supply Expense	37,272	8.1	50,810	10.9	12,013	2.8
<u>Pumping</u>						
Operation Supervision (620)	3,048		3,214		3,084	
Fuel or Power Purchased (623)	89,945		79,996		81,608	
Pumping Labor and Expenses (624)	4,600		5,160		5,420	
Miscellaneous Expense (626)	167		295		295	
Maintenance of Structures (631)	142		54		45	
Maintenance of Pumping Equipment (632/633)	20,991		18,581		29,118	
Depreciation (634)	6,033		6,024		6,024	
Total Pumping Expense	124,926	27.0	113,324	24.3	125,594	29.3
<u>Water Treatment</u>						
Operation Supervision (640)	2,962		3,218		3,089	
Chemicals (641)	20,342		18,849		18,787	
Operation Labor and Expenses (642)	15,852		14,942		15,485	
Miscellaneous Expense (643)	2,975		718		893	
Maintenance of Structures (651)	1,733		157		1,419	
Maintenance of Purification Equip. (652)	2,415		2,687		1,955	
Depreciation (654)	3,253		3,229		3,229	
Total Water Treatment Expense	49,532	10.7	43,800	9.4	44,857	10.5
<u>Distribution</u>						
Operation Supervision (660)	3,140		3,327		3,187	
Storage Facilities Expense (661)	3,913		4,213		5,121	
Trans. & Distr. Lines Expense (662)	5,190		2,629		3,796	
Meter Expense (663)	10,987		8,903		11,322	
Consumer Installation Expense (664)	4,394		4,048		3,335	
Miscellaneous Expense (665)	15,278		15,288		9,050	
Vehicle Expense (667)	4,656		3,260		4,101	
Maintenance:						
Supervision (670)	4,619		4,877		4,661	
Structures (671)	151		282		485	
Reservoirs and Standpipes (672)	124		160		115	
Mains (673)	11,385		4,266		7,236	
Valves (674)	3,106		1,853		506	
Maintenance of Structures (631)	142		54		45	
Maintenance of Pumping Equipment (632/633)	20,991		18,581		29,118	
Depreciation (634)	6,033		6,024		6,024	
Total Pumping Expense	124,926	27.0	113,324	24.3	125,594	29.3
<u>Water Treatment</u>						
Operation Supervision (640)	2,962		3,218		3,089	
Chemicals (641)	20,342		18,849		18,787	
Operation Labor and Expenses (642)	15,852		14,942		15,485	

Muscatine Power and Water - Water Utility
Summary of Expenses
Calendar Year-to-Date - March 2016

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision (600)	\$7,509		\$8,345		\$7,933	
Operation Labor and Expenses (601)	4,057		3,189		3,072	
Miscellaneous Expense (603)	575		951		293	
Maintenance of Wells (614)	24,000		37,000		---	
Maintenance of Supply Mains (616)	1,295		2,303		2,164	
Depreciation (618)	27,102		27,044		24,783	
Total Source of Supply Expense	64,538	4.7	78,832	5.7	38,245	3.0
 <u>Pumping</u>						
Operation Supervision (620)	8,903		9,638		9,050	
Fuel or Power Purchased (623)	259,241		224,216		231,589	
Pumping Labor and Expenses (624)	13,676		14,092		14,513	
Miscellaneous Expense (626)	500		884		884	
Maintenance of Structures (631)	425		54		98	
Maintenance of Pumping Equipment (632/633)	31,850		72,956		79,173	
Depreciation (634)	18,099		18,072		18,072	
Total Pumping Expense	332,694	24.2	339,912	24.7	353,379	28.0
 <u>Water Treatment</u>						
Operation Supervision (640)	8,848		9,704		9,093	
Chemicals (641)	61,032		51,200		51,189	
Operation Labor and Expenses (642)	48,387		47,181		48,631	
Miscellaneous Expense (643)	9,118		4,270		8,524	
Maintenance of Structures (651)	4,149		1,993		2,789	
Maintenance of Purification Equip. (652)	5,254		9,160		11,873	
Depreciation (654)	9,760		9,688		9,687	
Total Water Treatment Expense	146,548	10.7	133,196	9.7	141,786	11.3
 <u>Distribution</u>						
Operation Supervision (660)	9,270		9,937		9,124	
Storage Facilities Expense (661)	11,373		13,816		16,174	
Trans. & Distr. Lines Expense (662)	15,029		6,335		9,369	
Meter Expense (663)	31,368		24,760		35,274	
Consumer Installation Expense (664)	13,705		11,922		9,364	
Miscellaneous Expense (665)	41,284		41,464		30,782	
Vehicle Expense (667)	14,156		11,676		12,881	
Maintenance:						
Supervision (670)	13,684		14,313		13,832	
Structures (671)	454		622		728	
Reservoirs and Standpipes (672)	124		315		436	
Mains (673)	41,954		31,438		19,152	
Valves (674)	9,319		22,889		2,759	
Meters (676)	5,435		5,251		9,779	
Hydrants (677)	3,014		1,659		3,015	
Miscellaneous Plant (678)	8,393		12,390		9,771	
Vacation, Holiday, Sick Leave (679)	42,733		40,699		34,673	
Depreciation (680)	105,547		106,209		102,994	
Total Distribution Expense	\$366,842	26.7	\$355,695	25.9	\$320,107	25.4

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$454	0.1	\$210	0.0	\$1,074	0.3
<u>Consumer Accounts</u>						
Supervision (901)	1,357		1,622		1,575	
Meter Reading Expense (902)	3,572		3,865		3,861	
Consumer Records and Collection (903)	15,486		13,076		16,125	
Uncollectible Accounts Expense (904)	1,049		1,049		678	
Vacation, Holiday, Sick Leave (906)	2,428		2,601		1,412	
Total Consumer Accounts Expense	23,892	5.2	22,213	4.8	23,651	5.5
<u>Administrative and General</u>						
Administrative and General Salaries (920)	21,608		21,606		20,379	
Office Supplies and Expenses (921)	2,282		1,186		2,498	
Outside Services Employed (923)	3,232		2,747		1,011	
Property Insurance (924)	1,850		1,727		1,757	
Casualty Ins, Injuries & Damages (925)	3,639		4,598		1,341	
Employee Pensions and Benefits (926)	57,296		60,475		52,257	
Fringe Benefits Charged to Constr. (927)	(5,992)		(10,163)		(10,433)	
Miscellaneous General Expense (930)	14,043		11,424		9,909	
Rents (931)	6,096		6,096		5,919	
Maintenance of General Plant (932)	6,347		4,040		4,786	
Vacation, Holiday, Sick Leave (936)	3,892		4,384		2,924	
Depreciation (933)	6,852		7,634		6,836	
Total Administrative and General	121,145	26.2	115,754	24.8	99,184	23.2
Total Operating Expense	<u>\$480,780</u>		<u>\$454,508</u>		<u>\$411,843</u>	
Percent to Operating Revenue		104.0		97.5		96.1

Muscatine Power and Water - Water Utility
Summary of Expenses
Calendar Year-to-Date - March 2016

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$2,756	0.2	\$1,047	0.1	\$4,713	0.4
<u>Consumer Accounts</u>						
Supervision (901)	4,072		4,627		4,331	
Meter Reading Expense (902)	10,806		11,668		12,368	
Consumer Records and Collection (903)	46,512		42,213		39,601	
Uncollectible Accounts Expense (904)	3,147		3,147		2,034	
Vacation, Holiday, Sick Leave (906)	6,497		6,333		5,496	
Total Consumer Accounts Expense	71,034	5.2	67,988	4.9	63,830	5.1
<u>Administrative and General</u>						
Administrative and General Salaries (920)	64,825		64,509		60,286	
Office Supplies and Expenses (921)	6,186		4,396		6,038	
Outside Services Employed (923)	5,749		6,490		6,608	
Property Insurance (924)	5,551		5,181		5,271	
Casualty Ins, Injuries & Damages (925)	11,006		21,265		15,706	
Employee Pensions and Benefits (926)	171,258		172,480		149,015	
Fringe Benefits Charged to Constr. (927)	(12,840)		(12,990)		(12,559)	
Miscellaneous General Expense (930)	33,667		28,864		27,225	
Rents (931)	18,289		18,289		17,756	
Maintenance of General Plant (932)	17,906		9,470		10,198	
Vacation, Holiday, Sick Leave (936)	10,449		11,428		9,471	
Depreciation (933)	20,556		22,903		20,509	
Total Administrative and General	352,602	25.7	352,285	25.6	315,524	25.0
Total Operating Expense	<u>\$1,337,014</u>		<u>\$1,328,955</u>		<u>\$1,237,584</u>	
Percent to Operating Revenue		97.3		96.7		98.2

Muscatine Power and Water - Water Utility
Statistical Data
Current Month - March 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	0.556	0.590	0.511	0.542
Cost Per 1,000 Gallons	<u>0.547</u>	<u>0.580</u>	<u>0.496</u>	<u>0.526</u>
Margin	<u>0.010</u>	<u>0.010</u>	<u>0.015</u>	<u>0.016</u>
		<u>2016</u>		<u>2015</u>
Maximum Daily Water Pumped (1,000 gallons)		29,160		28,586
Date of Maximum		03/30		03/31

Calendar Year-to-Date

	<u>2016</u>		<u>2015</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.586	0.621	0.540	0.572
Cost Per 1,000 Gallons	<u>0.571</u>	<u>0.605</u>	<u>0.533</u>	<u>0.565</u>
Margin	<u>0.015</u>	<u>0.016</u>	<u>0.006</u>	<u>0.007</u>

	<u>2016</u>	<u>2015</u>
Maximum Daily Water Pumped (1,000 gallons)	29,160	29,924
Date of Maximum	03/30	01/24

Services

Contract Customers	2	2
Power Plants	2	2
Residential	8,698	8,594
Commercial	<u>1,062</u>	<u>1,059</u>
Total	<u>9,764</u>	<u>9,657</u>