

Muscatine Power and Water

Water Utility

Statement of Revenues, Expenses and Changes in Net Position

April 2016

**Muscatine Power and Water
Water Utility**

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Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - April 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	672,340	(6.3)	629,957	(7.3)	679,801
Power Plants	76,228	(12.2)	66,891	(7.5)	72,294
Residential	34,594	(1.7)	34,007	(5.6)	36,039
Commercial	30,344	(15.6)	25,619	(12.1)	29,147
Total Metered Customers	813,506	(7.0)	756,474	(7.4)	817,281
Rated Customers - Estimate	---	---	15	2.8X	4
City Use, Line Loss, Cycle Billing	48,810	(7.0)	45,388	(7.4)	49,037
Total Water Pumped	<u>862,316</u>	(7.0)	<u>801,877</u>	(7.4)	<u>866,322</u>

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	2,581,216	(5.4)	2,442,120	(0.8)	2,461,225
Power Plants	303,381	(10.4)	271,707	(6.7)	291,259
Residential	137,403	(0.3)	136,930	(1.5)	138,971
Commercial	118,177	(13.6)	102,101	(11.4)	115,182
Total Metered Customers	3,140,177	(6.0)	2,952,858	(1.8)	3,006,637
Rated Customers - Estimate	---	---	41	10.8	37
City Use, Line Loss, Cycle Billing	188,411	(6.0)	177,171	(1.8)	180,398
Total Water Pumped	<u>3,328,588</u>	(6.0)	<u>3,130,070</u>	(1.8)	<u>3,187,072</u>

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

	Budget		% Increase (Decrease) from Budget	This Year		% Increase (Decrease) from Last Year	Last Year	
	Estimate	Avg. Price		Avg. Price	Year		Avg. Price	Avg. Price
Sales of Water								
Contract Customers	\$255,646	\$ 0.38023	(0.4)	\$254,538	\$ 0.40406	5.9	\$240,347	\$ 0.35355
Power Plants	32,672	0.42861	(6.2)	30,658	0.45833	0.4	30,550	0.42258
Residential	152,606	4.41134	0.4	153,240	4.50612	3.6	147,972	4.10589
Commercial	48,524	1.59913	(4.0)	46,574	1.81795	(1.3)	47,181	1.61873
Water Sales	489,448	0.60165	(0.9)	485,010	0.64115	4.1	466,050	0.57024
Other Revenue								
Penalty Revenue	800		(1.0)	792		9.5	723	
Merchandise & Job Sales-Net	1,250		32.8	1,660		(40.7)	2,801	
Miscellaneous Revenue	2,918		(73.9)	763		(70.4)	2,574	
Total Other Revenue	4,968		(35.3)	3,215		(47.3)	6,098	
Operating Revenue	494,416		(1.3)	488,225		3.4	472,148	
Operating Expense								
Operation	359,359		(7.8)	331,506		9.1	303,795	
Maintenance	132,036		(82.7)	22,878		(18.1)	27,924	
Depreciation	60,354		1.6	61,305		4.5	58,681	
Total Operating Expense	551,749		(24.7)	415,689		6.5	390,400	
Operating Income (Loss)	(57,333)		-2.3X	72,536		(11.3)	81,748	
Nonoperating Revenues (Expenses)								
Interest Income	101		(28.7)	72		1.1X	34	
Interest Expense	(161,898)		(99.5)	(794)		(9.8)	(880)	
Net Nonoperating Revenues (Expenses)	(161,797)		(99.6)	(722)		(14.7)	(846)	
Net Income (Loss) before Capital Contributions	(219,130)		-1.3X	71,814		(11.2)	80,902	
Capital Contributions	---		---	---		---	---	
Change in Net Position	(219,130)		-1.3X	71,814		(11.2)	80,902	
Beginning Net Position	15,695,983			15,712,328			15,897,124	
Ending Net Position	\$15,476,853			\$15,784,142			\$15,978,026	
Net Income (Loss) to Operating Revenue	(44.3)			14.7			17.1	
Debt Service Coverage	0.01			48.96			42.62	

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

	Budget		% Increase (Decrease) from Budget			% Increase (Decrease) from Last Year		
	Estimate	Avg. Price		This Year	Avg. Price		Last Year	Avg. Price
Sales of Water								
Contract Customers	\$955,325	\$ 0.37011	0.3	\$958,160	\$ 0.39235	12.3	\$853,446	\$ 0.34676
Power Plants	125,895	0.41497	(5.2)	119,408	0.43947	(1.7)	121,453	0.41699
Residential	590,491	4.29751	0.5	593,500	4.33434	5.2	564,301	4.06057
Commercial	182,229	1.54200	(1.9)	178,756	1.75078	(0.3)	179,279	1.55648
Water Sales	1,853,940	0.59039	(0.2)	1,849,824	0.62645	7.6	1,718,479	0.57156
Other Revenue								
Penalty Revenue	3,200		(33.6)	2,125		5.6	2,013	
Merchandise & Job Sales-Net	5,003		(23.2)	3,844		(31.1)	5,577	
Miscellaneous Revenue	6,302		(2.1)	6,171		(0.4)	6,194	
Total Other Revenue	14,505		(16.3)	12,140		(11.9)	13,784	
Operating Revenue	1,868,445		(0.3)	1,861,964		7.5	1,732,263	
Operating Expense								
Operation	1,348,055		(6.9)	1,254,731		4.6	1,199,565	
Maintenance	299,289		(18.2)	244,692		26.3	193,689	
Depreciation	241,419		1.6	245,221		4.5	234,729	
Total Operating Expense	1,888,763		(7.6)	1,744,644		7.2	1,627,983	
Operating Income (Loss)	(20,318)		-6.8X	117,320		12.5	104,280	
Nonoperating Revenues (Expenses)								
Interest Income	416		(29.1)	295		13.0	261	
Interest Expense	(172,958)		(98.2)	(3,186)		(7.0)	(3,427)	
Net Nonoperating Revenues (Expenses)	(172,542)		(98.3)	(2,891)		(8.7)	(3,166)	
Net Income (Loss) before Capital Contributions	(192,860)		-1.6X	114,429		13.2	101,114	
Capital Contributions	---		---	---		---	---	
Change in Net Position	(192,860)		-1.6X	114,429		13.2	101,114	
Beginning Net Position	15,669,713			15,669,713			15,876,912	
Ending Net Position	\$15,476,853			\$15,784,142			\$15,978,026	
Net Income (Loss) to Operating Revenue	(10.3)			6.1			5.8	
Debt Service Coverage	0.14			33.17			25.91	

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

ASSETS

	<u>2016</u>	<u>2015</u>
Current Assets:		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$788,331	\$621,184
Receivables:		
Consumer Accounts	639,821	606,841
Interest	2	1
Inventories	315,199	370,947
Prepaid Expenses	58,098	57,208
	1,801,451	1,656,181
 <u>Restricted Assets</u>		
Cash - interest bearing	35,265	---
	35,265	---
 Total Current Assets	1,836,716	1,656,181
Property and Equipment:		
At Cost	29,559,767	28,306,212
Less Accumulated Depreciation	10,719,156	10,120,395
	18,840,611	18,185,817
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	---
	457,523	---
 Total Deferred Outflows of Resources - Pension	457,523	---
TOTAL ASSETS	\$21,134,850	\$19,841,998

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

LIABILITIES AND NET POSITION

	<u>2016</u>	<u>2015</u>
Current Liabilities:		
<u>Payable from Unrestricted Assets</u>		
Accounts Payable	\$246,555	\$207,802
Pension Provision	---	47,320
Health & Dental Insurance Provision	30,320	29,360
Retained Percentage on Contracts	9,939	34,014
Consumer Advances for Construction	87,439	8,205
Accrued Payroll	35,634	24,756
Accrued Vacation	124,708	118,321
Accrued Property Taxes	908	675
Miscellaneous Accrued Expenses	69,869	41,853
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	605,372	512,306
	<hr/>	<hr/>
<u>Payable from Restricted Assets</u>		
State Revolving Loan	30,000	29,000
Accrued Interest	3,824	4,179
	<hr/>	<hr/>
Total Payable from Restricted Assets	33,824	33,179
	<hr/>	<hr/>
Total Current Liabilities	639,196	545,485
	<hr/>	<hr/>
Non-Current Liabilities:		
State Revolving Loan	131,000	161,000
Notes Payable to Electric Utility	2,900,000	2,650,000
Health & Dental Insurance Provision	43,814	85,128
Post-Employment Health Benefit Provision	37,656	43,811
Net Pension Liability	1,060,426	---
Consumer Advances for Construction	290,532	378,548
	<hr/>	<hr/>
Total Non-Current Liabilities	4,463,428	3,318,487
	<hr/>	<hr/>
Deferred Inflows of Resources - Pension	248,084	---
	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets	18,301,640	17,609,064
Restricted	457,523	---
Unrestricted	(2,975,021)	(1,631,038)
	<hr/>	<hr/>
Total Net Position	15,784,142	15,978,026
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET POSITION	<u>\$21,134,850</u>	<u>\$19,841,998</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$455,421	\$1,828,372
Miscellaneous sources	1,872	20,420
Cash paid to/for:		
Suppliers	(92,622)	(700,435)
Employees payroll, taxes and benefits	(188,376)	(852,753)
Net cash flows from operating activities	<u>176,294</u>	<u>295,603</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	(201,590)	(504,374)
Net cash flows from capital and related financing activities	<u>(201,590)</u>	<u>(504,374)</u>
Cash flows from investing activities:		
Interest received on investments	73	294
Net cash flows from investing activities	<u>73</u>	<u>294</u>
Net decrease in cash and investments	<u>(25,223)</u>	<u>(208,477)</u>
Cash and investments at beginning of period	<u>848,819</u>	<u>1,032,073</u>
Cash and investments at end of period	<u><u>\$823,596</u></u>	<u><u>\$823,596</u></u>

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

	<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	\$72,536	\$117,320
Noncash item in operating income:		
Depreciation of utility plant	61,305	245,221
Changes in assets and liabilities:		
Consumer accounts receivable	(29,606)	(2,662)
Inventories	11,625	5,429
Prepaid and deferred expenses	4,112	(973)
Accounts payable	11,755	(60,943)
Net pension liability	13,438	53,751
Health & dental insurance provision	2,004	(19,765)
Other post-employment benefit provision	271	1,083
Retained percentage	3,062	(23,208)
Accrued payroll	10,426	(27,530)
Accrued vacation	1,142	7,782
Accrued property taxes	69	(360)
Unearned revenue	---	(1,800)
Miscellaneous accrued expenses	14,155	2,258
	<u>\$176,294</u>	<u>\$295,603</u>
Net cash flows from operating activities	<u>\$176,294</u>	<u>\$295,603</u>

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision (600)	\$2,445		\$2,811		\$2,526	
Operation Labor and Expenses (601)	1,249		894		1,236	
Miscellaneous Expense (603)	330		315		---	
Maintenance of Wells (614)	48,000		---		---	
Maintenance of Supply Mains (616)	432		---		---	
Depreciation (618)	9,034		9,015		8,261	
Total Source of Supply Expense	61,490	12.4	13,035	2.7	12,023	2.5
 <u>Pumping</u>						
Operation Supervision (620)	2,874		3,248		2,811	
Fuel or Power Purchased (623)	87,862		81,083		83,892	
Pumping Labor and Expenses (624)	4,673		4,274		4,792	
Miscellaneous Expense (626)	167		295		295	
Maintenance of Structures (631)	142		37		---	
Maintenance of Pumping Equipment (632/633)	40,008		1,149		7,954	
Depreciation (634)	6,033		6,024		6,024	
Total Pumping Expense	141,759	28.7	96,110	19.7	105,768	22.4
 <u>Water Treatment</u>						
Operation Supervision (640)	2,963		3,269		2,767	
Chemicals (641)	20,342		16,980		17,940	
Operation Labor and Expenses (642)	19,551		15,418		11,638	
Miscellaneous Expense (643)	751		136		457	
Maintenance of Structures (651)	1,594		1,743		794	
Maintenance of Purification Equip. (652)	1,427		2,233		240	
Depreciation (654)	3,253		3,229		3,229	
Total Water Treatment Expense	49,881	10.1	43,008	8.8	37,065	7.9
 <u>Distribution</u>						
Operation Supervision (660)	3,140		3,369		2,970	
Storage Facilities Expense (661)	4,900		4,672		4,989	
Trans. & Distr. Lines Expense (662)	22,431		13,294		8,483	
Meter Expense (663)	11,885		9,681		9,080	
Consumer Installation Expense (664)	4,721		3,377		4,380	
Miscellaneous Expense (665)	14,815		13,126		9,113	
Vehicle Expense (667)	4,811		3,655		4,117	
Maintenance:						
Supervision (670)	4,619		4,691		4,065	
Structures (671)	90		15		30	
Reservoirs and Standpipes (672)	31		---		15	
Mains (673)	22,381		2,224		5,735	
Valves (674)	2,211		4,219		838	
Meters (676)	1,758		1,014		1,974	
Hydrants (677)	902		269		1,119	
Miscellaneous Plant (678)	2,798		2,657		3,149	
Vacation, Holiday, Sick Leave (679)	10,911		8,147		15,021	
Depreciation (680)	35,182		35,403		34,331	
Total Distribution Expense	\$147,586	29.9	\$109,813	22.5	\$109,409	23.2

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision (600)	\$9,954		\$11,156		\$10,459	
Operation Labor and Expenses (601)	5,306		4,083		4,308	
Miscellaneous Expense (603)	905		1,266		293	
Maintenance of Wells (614)	72,000		37,000		---	
Maintenance of Supply Mains (616)	1,727		2,303		2,164	
Depreciation (618)	36,136		36,059		33,044	
Total Source of Supply Expense	126,028	6.7	91,867	4.9	50,268	2.9
 <u>Pumping</u>						
Operation Supervision (620)	11,777		12,886		11,861	
Fuel or Power Purchased (623)	347,103		305,298		315,481	
Pumping Labor and Expenses (624)	18,349		18,366		19,305	
Miscellaneous Expense (626)	667		1,179		1,179	
Maintenance of Structures (631)	566		91		98	
Maintenance of Pumping Equipment (632/633)	71,858		74,106		87,127	
Depreciation (634)	24,133		24,096		24,096	
Total Pumping Expense	474,453	25.4	436,022	23.4	459,147	26.5
 <u>Water Treatment</u>						
Operation Supervision (640)	11,811		12,973		11,859	
Chemicals (641)	81,374		68,180		69,130	
Operation Labor and Expenses (642)	67,938		62,599		60,269	
Miscellaneous Expense (643)	9,869		4,406		8,981	
Maintenance of Structures (651)	5,743		3,736		3,583	
Maintenance of Purification Equip. (652)	6,681		11,394		12,113	
Depreciation (654)	13,013		12,917		12,917	
Total Water Treatment Expense	196,429	10.5	176,205	9.5	178,852	10.3
 <u>Distribution</u>						
Operation Supervision (660)	12,410		13,306		12,094	
Storage Facilities Expense (661)	16,273		18,487		21,163	
Trans. & Distr. Lines Expense (662)	37,460		19,630		17,851	
Meter Expense (663)	43,253		34,441		44,354	
Consumer Installation Expense (664)	18,426		15,299		13,745	
Miscellaneous Expense (665)	56,099		54,590		39,895	
Vehicle Expense (667)	18,968		15,331		16,998	
Maintenance:						
Supervision (670)	18,303		19,003		17,897	
Structures (671)	543		637		758	
Reservoirs and Standpipes (672)	155		315		451	
Mains (673)	64,335		33,662		24,887	
Valves (674)	11,530		27,108		3,596	
Meters (676)	7,193		6,265		11,753	
Hydrants (677)	3,916		1,928		4,133	
Miscellaneous Plant (678)	11,191		15,047		12,920	
Vacation, Holiday, Sick Leave (679)	53,644		48,846		49,694	
Depreciation (680)	140,729		141,612		137,326	
Total Distribution Expense	\$514,428	27.5	\$465,507	25.0	\$429,515	24.8

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$7,113	1.4	\$1,299	0.3	\$1,453	0.3
<u>Consumer Accounts</u>						
Supervision (901)	1,357		958		1,503	
Meter Reading Expense (902)	3,792		3,716		4,054	
Consumer Records and Collection (903)	15,592		17,503		15,197	
Uncollectible Accounts Expense (904)	1,049		1,049		678	
Vacation, Holiday, Sick Leave (906)	1,640		2,231		2,282	
Total Consumer Accounts Expense	23,430	4.7	25,457	5.2	23,714	5.0
<u>Administrative and General</u>						
Administrative and General Salaries (920)	21,608		21,724		20,278	
Office Supplies and Expenses (921)	1,847		1,265		2,487	
Outside Services Employed (923)	1,666		461		1,437	
Property Insurance (924)	1,952		1,698		1,727	
Casualty Ins, Injuries & Damages (925)	3,819		22,109		3,371	
Employee Pensions and Benefits (926)	60,317		58,833		51,209	
Fringe Benefits Charged to Constr. (927)	(5,614)		(8,777)		(7,293)	
Miscellaneous General Expense (930)	13,639		10,918		8,891	
Rents (931)	6,096		6,096		5,919	
Maintenance of General Plant (932)	5,643		2,627		2,011	
Vacation, Holiday, Sick Leave (936)	2,665		2,379		4,095	
Depreciation (933)	6,852		7,634		6,836	
Total Administrative and General	120,490	24.4	126,967	26.0	100,968	21.4
Total Operating Expense	<u>\$551,749</u>		<u>\$415,689</u>		<u>\$390,400</u>	
Percent to Operating Revenue		111.6		85.1		82.7

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$9,869	0.5	\$2,346	0.1	\$6,166	0.4
<u>Consumer Accounts</u>						
Supervision (901)	5,430		5,585		5,834	
Meter Reading Expense (902)	14,598		15,384		16,421	
Consumer Records and Collection (903)	62,104		59,716		54,799	
Uncollectible Accounts Expense (904)	4,196		4,196		2,712	
Vacation, Holiday, Sick Leave (906)	8,136		8,564		7,778	
Total Consumer Accounts Expense	94,464	5.1	93,445	5.0	87,544	5.1
<u>Administrative and General</u>						
Administrative and General Salaries (920)	86,433		86,233		80,564	
Office Supplies and Expenses (921)	8,033		5,660		8,525	
Outside Services Employed (923)	7,415		6,951		8,044	
Property Insurance (924)	7,503		6,880		6,998	
Casualty Ins, Injuries & Damages (925)	14,825		43,374		19,076	
Employee Pensions and Benefits (926)	231,575		231,313		200,224	
Fringe Benefits Charged to Constr. (927)	(18,454)		(21,767)		(19,852)	
Miscellaneous General Expense (930)	47,306		39,783		36,116	
Rents (931)	24,385		24,385		23,675	
Maintenance of General Plant (932)	23,548		12,097		12,209	
Vacation, Holiday, Sick Leave (936)	13,115		13,806		13,566	
Depreciation (933)	27,408		30,537		27,346	
Total Administrative and General	473,092	25.3	479,252	25.7	416,491	24.0
Total Operating Expense	<u>\$1,888,763</u>		<u>\$1,744,644</u>		<u>\$1,627,983</u>	
Percent to Operating Revenue		101.1		93.7		94.0

**Muscatine Power and Water - Water Utility
Statistical Data
Current Month - April 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	0.605	0.641	0.538	0.570
Cost Per 1,000 Gallons	<u>0.518</u>	<u>0.550</u>	<u>0.451</u>	<u>0.478</u>
Margin	<u>0.086</u>	<u>0.092</u>	<u>0.087</u>	<u>0.093</u>
		<u>2016</u>		<u>2015</u>
Maximum Daily Water Pumped (1,000 gallons)		29,892		31,267
Date of Maximum		04/20		04/18

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	0.591	0.626	0.539	0.572
Cost Per 1,000 Gallons	<u>0.557</u>	<u>0.591</u>	<u>0.511</u>	<u>0.541</u>
Margin	<u>0.034</u>	<u>0.036</u>	<u>0.028</u>	<u>0.030</u>
		<u>2016</u>		<u>2015</u>
Maximum Daily Water Pumped (1,000 gallons)		29,892		31,267
Date of Maximum		04/20		04/18

Services

Contract Customers	2	2
Power Plants	2	2
Residential	8,746	8,640
Commercial	<u>1,065</u>	<u>1,065</u>
Total	<u>9,815</u>	<u>9,709</u>