

Muscatine Power and Water

Water Utility

Statement of Revenues, Expenses and Changes in Net Position

February 2014

**Muscatine Power and Water
Water Utility**

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Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - February 2014

	<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	530,847	1.9	541,026	2.5	528,087
Power Plants	76,865	(0.6)	76,378	8.1	70,673
Residential	34,807	(0.2)	34,752	0.5	34,572
Commercial	<u>27,300</u>	5.5	<u>28,805</u>	5.4	<u>27,327</u>
Total Metered Customers	669,819	1.7	680,962	3.1	660,659
Rated Customers - Estimate	---	---	11	(26.7)	15
City Use, Line Loss, Cycle Billing	<u>40,189</u>	1.7	<u>40,858</u>	3.1	<u>39,640</u>
Total Water Pumped	<u>710,008</u>	1.7	<u>721,831</u>	3.1	<u>700,314</u>

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	1,098,724	1.3	1,112,903	3.0	1,080,976
Power Plants	163,842	(4.0)	157,216	3.9	151,377
Residential	74,072	1.3	75,037	4.4	71,884
Commercial	<u>56,102</u>	9.7	<u>61,538</u>	8.2	<u>56,881</u>
Total Metered Customers	1,392,740	1.0	1,406,694	3.3	1,361,118
Rated Customers - Estimate	---	---	22	(35.3)	34
City Use, Line Loss, Cycle Billing	<u>83,564</u>	1.0	<u>84,402</u>	3.3	<u>81,667</u>
Total Water Pumped	<u>1,476,304</u>	1.0	<u>1,491,118</u>	3.3	<u>1,442,819</u>

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - February 2014

	<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	\$180,796	3.9	\$187,843	11.1	\$169,034
Power Plants	30,926	(3.3)	29,890	4.0	28,727
Residential	130,688	(0.5)	129,989	8.1	120,266
Commercial	<u>38,107</u>	8.5	<u>41,335</u>	13.5	<u>36,419</u>
Water Sales	<u>380,517</u>	2.2	<u>389,057</u>	9.8	<u>354,446</u>
<u>Other Revenue</u>					
Penalty Revenue	683	(11.0)	608	12.2	542
Merchandise & Job Sales-Net	1,023	0.1	1,024	1.4X	433
Miscellaneous Revenue	<u>800</u>	69.5	<u>1,356</u>	63.0	<u>832</u>
Total Other Revenue	<u>2,506</u>	19.2	<u>2,988</u>	65.4	<u>1,807</u>
Operating Revenue	<u>383,023</u>	2.4	<u>392,045</u>	10.0	<u>356,253</u>
<u>Operating Expense</u>					
Operation	275,536	(1.2)	272,307	9.5	248,728
Maintenance	43,967	(15.9)	36,977	(7.3)	39,880
Depreciation	<u>60,090</u>	0.1	<u>60,159</u>	14.9	<u>52,340</u>
Total Operating Expense	<u>379,593</u>	(2.7)	<u>369,443</u>	8.4	<u>340,948</u>
Operating Income	<u>3,430</u>	5.6X	<u>22,602</u>	47.7	<u>15,305</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	122	(73.8)	32	1.0X	16
Interest Expense	<u>(626)</u>	9.1	<u>(683)</u>	2.1	<u>(669)</u>
Net Nonoperating Revenues (Expenses)	<u>(504)</u>	29.2	<u>(651)</u>	(0.3)	<u>(653)</u>
Net Income (Loss) before Capital Contributions					
	2,926	6.5X	21,951	49.8	14,652
Capital Contributions	---	---	---	---	---
Change in Net Position	2,926	6.5X	21,951	49.8	14,652
Beginning Net Position	<u>15,622,553</u>		<u>15,623,527</u>		<u>14,166,304</u>
Ending Net Position	<u>\$15,625,479</u>		<u>\$15,645,478</u>		<u>\$14,180,956</u>
Net Income (Loss) to Operating Revenue	0.8		5.6		4.1
Debt Service Coverage	1.10		1.45		23.88

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - February 2014

	<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>Sales of Water</u>					
Contract Customers	\$367,638	3.5	\$380,651	11.3	\$342,071
Power Plants	63,767	(4.9)	60,616	2.2	59,314
Residential	266,133	(0.2)	265,683	8.8	244,084
Commercial	<u>77,258</u>	10.8	<u>85,614</u>	14.7	<u>74,667</u>
Water Sales	<u>774,796</u>	2.3	<u>792,564</u>	10.1	<u>720,136</u>
<u>Other Revenue</u>					
Penalty Revenue	1,367	(55.5)	608	(16.6)	729
Merchandise & Job Sales-Net	2,046	9.5	2,241	3.3X	516
Miscellaneous Revenue	<u>1,599</u>	89.4	<u>3,029</u>	(59.2)	<u>7,428</u>
Total Other Revenue	<u>5,012</u>	17.3	<u>5,878</u>	(32.2)	<u>8,673</u>
Operating Revenue	<u>779,808</u>	2.4	<u>798,442</u>	9.6	<u>728,809</u>
<u>Operating Expense</u>					
Operation	562,220	2.1	574,174	11.8	513,619
Maintenance	85,351	(16.1)	71,652	(18.8)	88,243
Depreciation	<u>120,179</u>	0.1	<u>120,318</u>	14.9	<u>104,680</u>
Total Operating Expense	<u>767,750</u>	(0.2)	<u>766,144</u>	8.4	<u>706,542</u>
Operating Income	<u>12,058</u>	1.7X	<u>32,298</u>	45.0	<u>22,267</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	238	(75.6)	58	65.7	35
Interest Expense	<u>(1,251)</u>	4.9	<u>(1,312)</u>	(1.9)	<u>(1,338)</u>
Net Nonoperating Revenues (Expenses)	<u>(1,013)</u>	23.8	<u>(1,254)</u>	(3.8)	<u>(1,303)</u>
<u>Net Income (Loss) before Capital Contributions</u>					
Contributions	11,045	1.8X	31,044	48.1	20,964
Capital Contributions	<u>---</u>	---	<u>---</u>	-1.0X	<u>52,503</u>
Change in Net Position	11,045	1.8X	31,044	(57.7)	73,467
Beginning Net Position	<u>15,614,434</u>		<u>15,614,434</u>		<u>14,107,489</u>
Ending Net Position	<u>\$15,625,479</u>		<u>\$15,645,478</u>		<u>\$14,180,956</u>
Net Income (Loss) to Operating Revenue	1.4		3.9		2.9
Debt Service Coverage	1.14		1.33		21.82

**Muscatine Power and Water - Water Utility
Statements of Net Position
February 2014**

ASSETS

	<u>2014</u>	<u>2013</u>
Current Assets:		
Cash - interest bearing	\$700,511	\$492,142
Receivables:		
Consumer Accounts	534,512	497,206
Interest	1	2
Inventories	350,696	276,942
Prepaid Expenses	<u>37,670</u>	<u>34,104</u>
Total Current Assets	<u>1,623,390</u>	<u>1,300,396</u>
Property and Equipment:		
At Cost	26,517,709	25,014,547
Less Accumulated Depreciation	<u>10,161,763</u>	<u>9,594,886</u>
Net Property and Equipment	<u>16,355,946</u>	<u>15,419,661</u>
 TOTAL ASSETS	 <u><u>\$17,979,336</u></u>	 <u><u>\$16,720,057</u></u>

Muscatine Power and Water - Water Utility
Statements of Net Position
February 2014

LIABILITIES AND NET POSITION

	<u>2014</u>	<u>2013</u>
Current Liabilities:		
State Revolving Loan	\$29,000	\$28,000
Notes Payable to Electric Utility	650,000	---
Accrued Interest	2,179	2,316
Accounts Payable	398,743	103,924
Pension Provision	20,854	20,075
Health & Dental Insurance Provision	23,200	17,316
Retained Percentage on Contracts	---	9,749
Consumer Advances for Construction	227,702	1,115,571
Accrued Payroll	64,187	50,817
Accrued Vacation	105,741	100,498
Accrued Property Taxes	922	---
Miscellaneous Accrued Expenses	65,748	57,457
Economic Development Reserves	---	5,200
	<hr/>	<hr/>
Total Current Liabilities	1,588,276	1,510,923
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Non-Current Liabilities:		
State Revolving Loan	190,000	219,000
Health & Dental Insurance Provision	127,202	160,106
Post-Employment Health Benefit Provision	32,144	14,998
Consumer Advances for Construction	396,236	634,074
	<hr/>	<hr/>
Total Non-Current Liabilities	745,582	1,028,178
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Net Position:		
Net Investment in Capital Assets	14,863,008	13,423,016
Unrestricted	782,470	757,940
	<hr/>	<hr/>
Total Net Position	15,645,478	14,180,956
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TOTAL LIABILITIES AND NET POSITION	<u>\$17,979,336</u>	<u>\$16,720,057</u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
February 2014

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$396,948	\$795,369
Miscellaneous sources	1,723	1,990
Cash paid to/for:		
Suppliers	(97,436)	(416,338)
Employees payroll, taxes and benefits	(180,126)	(362,750)
Net cash flows from operating activities	<u>121,109</u>	<u>18,271</u>
Cash flows from capital and related financing activities:		
Loan from electric utility	---	250,000
Loan from electric utility interest payments	---	(208)
Capital expenditures, net	(67,545)	(135,536)
Net cash flows from capital and related financing activities	<u>(67,545)</u>	<u>114,256</u>
Cash flows from investing activities:		
Interest received on investments	<u>32</u>	<u>58</u>
Net cash flows from investing activities	<u>32</u>	<u>58</u>
Net increase in cash and investments	<u>53,596</u>	<u>132,585</u>
Cash and investments at beginning of period	<u>646,915</u>	<u>567,926</u>
Cash and investments at end of period	<u><u>\$700,511</u></u>	<u><u>\$700,511</u></u>

**Muscatine Power and Water - Water Utility
Statements of Cash Flows
February 2014**

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$22,602	\$32,298
Noncash item in operating income:		
Depreciation of utility plant	60,159	120,318
Changes in assets and liabilities:		
Consumer accounts receivable	9,677	4,970
Inventories	(3,118)	5,542
Prepaid and deferred expenses	5,737	(17,777)
Accounts payable	18,579	(170,562)
Pension provision	10,427	20,854
Health & dental insurance provision	(13,001)	(15,618)
Other post-employment benefit provision	833	1,666
Accrued payroll	900	20,003
Accrued vacation	4,908	10,561
Accrued property taxes	66	132
Miscellaneous accrued expenses	3,340	5,884
	<hr/>	<hr/>
Net cash flows from operating activities	<u>\$121,109</u>	<u>\$18,271</u>

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - February 2014

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$2,444		\$2,474		\$2,380	
Operation Labor and Expenses	1,870		953		1,225	
Miscellaneous Expense	126		106		307	
Maintenance of Wells	---		---		---	
Maintenance of Supply Mains	251		1,081		769	
Depreciation	6,717		6,546		5,958	
Total Source of Supply Expense	11,408	3.0	11,160	2.8	10,639	3.0
<u>Pumping</u>						
Operation Supervision	2,835		2,855		2,717	
Fuel or Power Purchased	55,500		63,576		52,354	
Pumping Labor and Expenses	3,656		3,503		3,131	
Miscellaneous Expense	217		264		282	
Maintenance of Structures	142		51		49	
Maintenance of Pumping Equipment	7,440		4,107		2,286	
Depreciation	5,498		5,670		5,498	
Total Pumping Expense	75,288	19.7	80,026	20.4	66,317	18.6
<u>Water Treatment</u>						
Operation Supervision	2,889		2,877		2,739	
Chemicals	18,193		14,501		13,421	
Operation Labor and Expenses	15,315		14,267		13,634	
Miscellaneous Expense	2,795		2,292		1,134	
Maintenance of Structures	746		69		2,137	
Maintenance of Purification Equip.	2,030		3,412		4,293	
Depreciation	3,205		3,229		2,338	
Total Water Treatment Expense	45,173	11.8	40,647	10.4	39,696	11.1
<u>Distribution</u>						
Operation Supervision	2,874		2,838		2,762	
Storage Facilities Expense	3,680		4,486		3,901	
Trans. & Distr. Lines Expense	5,433		1,406		5,759	
Meter Expense	9,550		10,409		11,621	
Consumer Installation Expense	4,962		3,596		4,184	
Miscellaneous Expense	9,718		14,154		8,627	
Vehicle Expense	5,014		3,920		3,096	
Maintenance:						
Supervision	4,495		4,590		4,347	
Structures	145		53		205	
Reservoirs and Standpipes	1		60		269	
Mains	11,727		12,994		7,506	
Valves	4,575		1,400		7,819	
Meters	4,660		1,379		1,691	
Hydrants	1,936		1,614		1,946	
Miscellaneous Plant	3,096		2,331		4,843	
Vacation, Holiday, Sick Leave	9,661		12,764		10,683	
Depreciation	32,396		32,462		31,035	
Total Distribution Expense	\$113,923	29.7	\$110,456	28.2	\$110,294	31.0

Muscatine Power and Water - Water Utility
Summary of Expenses
Calendar Year-to-Date - February 2014

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$4,967		\$5,263		\$4,822	
Operation Labor and Expenses	3,454		1,895		3,430	
Miscellaneous Expense	192		121		739	
Maintenance of Wells	---		---		129	
Maintenance of Supply Mains	503		4,890		4,258	
Depreciation	13,434		13,092		11,916	
Total Source of Supply Expense	22,550	2.9	25,261	3.2	25,294	3.5
 <u>Pumping</u>						
Operation Supervision	5,770		5,999		5,558	
Fuel or Power Purchased	115,900		130,435		107,760	
Pumping Labor and Expenses	7,214		7,738		6,223	
Miscellaneous Expense	433		529		586	
Maintenance of Structures	283		120		49	
Maintenance of Pumping Equipment	12,016		5,013		8,167	
Depreciation	10,996		11,340		10,996	
Total Pumping Expense	152,612	19.6	161,174	20.2	139,339	19.1
 <u>Water Treatment</u>						
Operation Supervision	5,813		6,050		5,614	
Chemicals	36,386		29,796		29,111	
Operation Labor and Expenses	29,516		29,515		27,363	
Miscellaneous Expense	5,591		4,643		2,647	
Maintenance of Structures	1,581		588		7,687	
Maintenance of Purification Equip.	3,992		5,572		7,548	
Depreciation	6,410		6,458		4,676	
Total Water Treatment Expense	89,289	11.5	82,622	10.3	84,646	11.6
 <u>Distribution</u>						
Operation Supervision	5,784		6,026		5,585	
Storage Facilities Expense	7,691		9,103		7,900	
Trans. & Distr. Lines Expense	10,968		3,471		8,340	
Meter Expense	19,773		21,660		19,768	
Consumer Installation Expense	9,866		7,992		7,075	
Miscellaneous Expense	20,241		33,246		21,836	
Vehicle Expense	9,912		10,822		7,452	
Maintenance:						
Supervision	9,026		9,504		8,996	
Structures	289		1,366		429	
Reservoirs and Standpipes	2		164		444	
Mains	22,971		26,913		20,306	
Valves	9,150		2,999		11,542	
Meters	9,464		2,275		3,076	
Hydrants	4,053		1,705		4,674	
Miscellaneous Plant	6,193		4,608		7,405	
Vacation, Holiday, Sick Leave	23,974		29,576		29,542	
Depreciation	64,791		64,924		62,070	
Total Distribution Expense	\$234,148	30.0	\$236,354	29.6	\$226,440	31.1

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - February 2014

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$3,283	0.9	\$712	0.2	\$423	0.1
<u>Consumer Accounts</u>						
Supervision	1,221		1,324		1,359	
Meter Reading Expense	3,700		4,812		3,843	
Consumer Records and Collection	13,770		12,420		11,627	
Uncollectible Accounts Expense	735		735		569	
Vacation, Holiday, Sick Leave	1,429		1,600		1,898	
Total Consumer Accounts Expense	<u>20,855</u>	5.4	<u>20,891</u>	5.3	<u>19,296</u>	5.4
<u>Administrative and General</u>						
Administrative and General Salaries	18,367		18,643		13,393	
Office Supplies and Expenses	1,574		1,209		1,555	
Outside Services Employed	4,765		7,616		3,092	
Property Insurance	1,617		1,560		971	
Casualty Ins, Injuries & Damages	3,886		3,693		1,188	
Employee Pensions and Benefits	49,440		45,438		45,685	
Fringe Benefits Charged to Constr.	(2,290)		(2,036)		(617)	
Miscellaneous General Expense	9,210		5,588		11,979	
Rents	5,746		5,746		5,579	
Maintenance of General Plant	2,723		3,836		1,720	
Vacation, Holiday, Sick Leave	2,351		2,006		2,227	
Depreciation	12,274		12,252		7,511	
Total Administrative and General	<u>109,663</u>	28.6	<u>105,551</u>	26.9	<u>94,283</u>	26.5
Total Operating Expense	<u>\$379,593</u>		<u>\$369,443</u>		<u>\$340,948</u>	
Percent to Operating Revenue		99.1		94.2		95.7

Muscatine Power and Water - Water Utility
Summary of Expenses
Calendar Year-to-Date - February 2014

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$4,975</u>	0.6	<u>\$1,557</u>	0.2	<u>\$884</u>	0.1
<u>Consumer Accounts</u>						
Supervision	2,487		2,787		2,758	
Meter Reading Expense	7,400		9,818		8,332	
Customer Records and Collection	27,521		25,263		25,746	
Uncollectible Accounts Expense	1,470		1,470		1,138	
Vacation, Holiday, Sick Leave	<u>3,550</u>		<u>4,317</u>		<u>4,665</u>	
Total Consumer Accounts Expense	<u>42,428</u>	5.4	<u>43,655</u>	5.5	<u>42,639</u>	5.9
<u>Administrative and General</u>						
Administrative and General Salaries	36,739		39,506		28,754	
Office Supplies and Expenses	3,742		3,031		3,294	
Outside Services Employed	7,731		10,279		3,896	
Property Insurance	3,235		3,119		1,943	
Casualty Ins, Injuries & Damages	7,932		7,520		3,725	
Employee Pensions and Benefits	99,833		95,920		93,849	
Fringe Benefits Charged to Constr.	(3,424)		(3,345)		(2,063)	
Miscellaneous General Expense	18,293		11,628		17,700	
Rents	11,493		11,493		11,158	
Maintenance of General Plant	5,828		5,935		3,533	
Vacation, Holiday, Sick Leave	5,798		5,931		6,489	
Depreciation	<u>24,548</u>		<u>24,504</u>		<u>15,022</u>	
Total Administrative and General	<u>221,748</u>	28.4	<u>215,521</u>	27.0	<u>187,300</u>	25.7
Total Operating Expense	<u><u>\$767,750</u></u>		<u><u>\$766,144</u></u>		<u><u>\$706,542</u></u>	
Percent to Operating Revenue		98.5		96.0		96.9

**Muscatine Power and Water - Water Utility
Statistical Data
Current Month - February 2014**

	<u>2014</u>		<u>2013</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.539	0.571	0.506	0.537
Cost Per 1,000 Gallons	<u>0.512</u>	<u>0.543</u>	<u>0.487</u>	<u>0.516</u>
Margin	<u>0.027</u>	<u>0.029</u>	<u>0.019</u>	<u>0.020</u>
	<u>2014</u>		<u>2013</u>	
Maximum Daily Water Pumped (1,000 gallons)	27,626		26,284	
Date of Maximum	02/25		02/25	

Calendar Year-to-Date

	<u>2014</u>		<u>2013</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.532	0.563	0.499	0.529
Cost Per 1,000 Gallons	<u>0.514</u>	<u>0.545</u>	<u>0.490</u>	<u>0.519</u>
Margin	<u>0.018</u>	<u>0.019</u>	<u>0.009</u>	<u>0.010</u>
	<u>2014</u>		<u>2013</u>	
Maximum Daily Water Pumped (1,000 gallons)	27,626		26,900	
Date of Maximum	02/25		01/17	

Services

Contract Customers	2	2
Power Plants	2	2
Residential	8,547	8,565
Commercial	<u>1,067</u>	<u>1,090</u>
Total	<u>9,618</u>	<u>9,659</u>