

Muscatine Power and Water

Water Utility

Statement of Revenues, Expenses and Changes in Net Position

July 2014

**Muscatine Power and Water
Water Utility**

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Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - July 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>Water Distribution - 1,000 Gallons</u>					
Contract Customers	627,749	3.2	648,003	(8.4)	707,297
Power Plants	109,744	(30.8)	75,992	(19.6)	94,558
Residential	50,801	(19.4)	40,969	(12.3)	46,731
Commercial	43,055	(15.4)	36,406	(13.6)	42,124
Total Metered Customers	831,349	(3.6)	801,369	(10.0)	890,710
Rated Customers - Estimate	---	---	15	0.0	15
City Use, Line Loss, Cycle Billing	49,881	(3.6)	48,082	(10.0)	53,443
Total Water Pumped	881,230	(3.6)	849,466	(10.0)	944,168

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	4,142,115	1.5	4,205,850	0.5	4,186,557
Power Plants	531,349	5.0	557,872	13.2	492,939
Residential	278,401	(5.4)	263,234	(0.9)	265,687
Commercial	226,266	0.5	227,287	(0.9)	229,270
Total Metered Customers	5,178,131	1.5	5,254,243	1.5	5,174,453
Rated Customers - Estimate	---	---	82	0.0	82
City Use, Line Loss, Cycle Billing	310,688	1.5	315,255	1.5	310,467
Total Water Pumped	5,488,819	1.5	5,569,580	1.5	5,485,002

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - July 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	\$206,993	3.1	\$213,486	(0.9)	\$215,503
Power Plants	38,412	(19.7)	30,844	(9.0)	33,910
Residential	157,939	(7.2)	146,512	2.2	143,321
Commercial	53,938	(6.5)	50,436	(2.2)	51,560
Water Sales	<u>457,282</u>	(3.5)	<u>441,278</u>	(0.7)	<u>444,294</u>
<u>Other Revenue</u>					
Penalty Revenue	683	71.0	1,168	38.6	843
Merchandise & Job Sales-Net	825	61.7	1,334	5.1X	219
Miscellaneous Revenue	813	(6.8)	758	(31.1)	1,100
Total Other Revenue	<u>2,321</u>	40.5	<u>3,260</u>	50.8	<u>2,162</u>
Operating Revenue	<u>459,603</u>	(3.3)	<u>444,538</u>	(0.4)	<u>446,456</u>
<u>Operating Expense</u>					
Operation	291,243	5.2	306,262	3.5	296,043
Maintenance	84,529	(32.9)	56,713	(28.7)	79,561
Depreciation	60,090	0.1	60,159	14.9	52,340
Total Operating Expense	<u>435,862</u>	(2.9)	<u>423,134</u>	(1.1)	<u>427,944</u>
Operating Income	<u>23,741</u>	(9.8)	<u>21,404</u>	15.6	<u>18,512</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	148	(90.5)	14	(78.8)	66
Interest Expense	(9,765)	(92.7)	(711)	13.4	(627)
Net Nonoperating Revenues (Expenses)	<u>(9,617)</u>	(92.8)	<u>(697)</u>	24.2	<u>(561)</u>
Net Income (Loss) before Capital Contributions	14,124	46.6	20,707	15.4	17,951
Capital Contributions	<u>16,406</u>	---	<u>---</u>	---	<u>---</u>
Change in Net Position	30,530	(32.2)	20,707	15.4	17,951
Beginning Net Position	<u>15,450,947</u>		<u>15,493,460</u>		<u>14,180,027</u>
Ending Net Position	<u>\$15,481,477</u>		<u>\$15,514,167</u>		<u>\$14,197,978</u>
Net Income (Loss) to Operating Revenue	3.1		4.7		4.0
Debt Service Coverage	1.25		1.42		23.30

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - July 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	\$1,375,304	3.1	\$1,417,755	7.3	\$1,320,726
Power Plants	219,419	(0.7)	217,801	6.5	204,447
Residential	990,076	(2.0)	969,929	6.9	907,541
Commercial	<u>307,427</u>	4.6	<u>321,441</u>	7.1	<u>300,153</u>
Water Sales	<u>2,892,226</u>	1.2	<u>2,926,926</u>	7.1	<u>2,732,867</u>
<u>Other Revenue</u>					
Penalty Revenue	4,783	4.3	4,990	13.3	4,404
Merchandise & Job Sales-Net	6,368	(22.0)	4,966	95.6	2,539
Miscellaneous Revenue	<u>6,821</u>	44.7	<u>9,867</u>	(24.9)	<u>13,144</u>
Total Other Revenue	<u>17,972</u>	10.3	<u>19,823</u>	(1.3)	<u>20,087</u>
Operating Revenue	<u>2,910,198</u>	1.3	<u>2,946,749</u>	7.0	<u>2,752,954</u>
<u>Operating Expense</u>					
Operation	1,992,263	2.5	2,041,154	6.9	1,909,231
Maintenance	568,787	7.0	608,673	39.9	434,967
Depreciation	<u>420,626</u>	0.1	<u>421,113</u>	14.9	<u>366,380</u>
Total Operating Expense	<u>2,981,676</u>	3.0	<u>3,070,940</u>	13.3	<u>2,710,578</u>
Operating Income (Loss)	<u>(71,478)</u>	73.7	<u>(124,191)</u>	-3.9X	<u>42,376</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	926	(81.0)	176	(3.3)	182
Interest Expense	<u>(107,935)</u>	(95.6)	<u>(4,801)</u>	5.0	<u>(4,572)</u>
Net Nonoperating Revenues (Expenses)	<u>(107,009)</u>	(95.7)	<u>(4,625)</u>	5.4	<u>(4,390)</u>
<u>Net Income (Loss) before Capital Contributions</u>					
	(178,487)	(27.8)	(128,816)	-4.4X	37,986
Capital Contributions	<u>45,530</u>	(37.3)	<u>28,549</u>	(45.6)	<u>52,503</u>
Change in Net Position	(132,957)	(24.6)	(100,267)	-2.1X	90,489
Beginning Net Position	<u>15,614,434</u>		<u>15,614,434</u>		<u>14,107,489</u>
Ending Net Position	<u>\$15,481,477</u>		<u>\$15,514,167</u>		<u>\$14,197,978</u>
Net Income (Loss) to Operating Revenue	(6.1)		(4.4)		1.4
Debt Service Coverage	0.80		0.74		19.41

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

ASSETS

	<u>2014</u>	<u>2013</u>
Current Assets:		
Cash - interest bearing	\$509,709	\$836,987
Receivables:		
Consumer Accounts	573,968	572,241
Interest	2	17
Inventories	297,017	261,849
Prepaid Expenses	<u>42,820</u>	<u>35,353</u>
Total Current Assets	<u>1,423,516</u>	<u>1,706,447</u>
Property and Equipment:		
At Cost	27,610,874	25,625,847
Less Accumulated Depreciation	<u>10,413,590</u>	<u>9,826,866</u>
Net Property and Equipment	<u>17,197,284</u>	<u>15,798,981</u>
 TOTAL ASSETS	 <u><u>\$18,620,800</u></u>	 <u><u>\$17,505,428</u></u>

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

LIABILITIES AND NET POSITION

	<u>2014</u>	<u>2013</u>
Current Liabilities:		
State Revolving Loan	\$29,000	\$29,000
Notes Payable to Electric Utility	1,400,000	400,000
Accrued Interest	1,836	1,227
Accounts Payable	363,544	501,288
Pension Provision	72,989	3,071
Health & Dental Insurance Provision	23,200	17,316
Retained Percentage on Contracts	26,442	15,077
Consumer Advances for Construction	204,325	1,150,487
Accrued Payroll	61,513	55,287
Accrued Vacation	102,963	95,633
Accrued Property Taxes	857	---
Miscellaneous Accrued Expenses	45,668	56,636
	<u>2,332,337</u>	<u>2,325,022</u>
Total Current Liabilities		
Non-Current Liabilities:		
State Revolving Loan	161,000	190,000
Health & Dental Insurance Provision	130,044	175,959
Post-Employment Health Benefit Provision	36,311	18,267
Consumer Advances for Construction	446,941	598,202
	<u>774,296</u>	<u>982,428</u>
Total Non-Current Liabilities		
Net Position:		
Net Investment in Capital Assets	14,956,018	13,431,292
Unrestricted	558,149	766,686
	<u>15,514,167</u>	<u>14,197,978</u>
Total Net Position		
TOTAL LIABILITIES AND NET POSITION	<u><u>\$18,620,800</u></u>	<u><u>\$17,505,428</u></u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$410,551	\$2,889,077
Miscellaneous sources	2,815	11,352
Cash paid to/for:		
Suppliers	(146,912)	(1,370,259)
Employees payroll, taxes and benefits	(180,055)	(1,290,461)
Net cash flows from operating activities	<u>86,399</u>	<u>239,709</u>
Cash flows from capital and related financing activities:		
State revolving loan fund principal payments	---	(29,000)
State revolving loan interest payments	---	(3,833)
Loan from electric utility	250,000	1,000,000
Loan from electric utility interest payments	---	(208)
Capital expenditures, net	(407,245)	(1,265,061)
Net cash flows from capital and related financing activities	<u>(157,245)</u>	<u>(298,102)</u>
Cash flows from investing activities:		
Interest received on investments	<u>14</u>	<u>176</u>
Net cash flows from investing activities	<u>14</u>	<u>176</u>
Net decrease in cash and investments	<u>(70,832)</u>	<u>(58,217)</u>
Cash and investments at beginning of period	<u>580,541</u>	<u>567,926</u>
Cash and investments at end of period	<u><u>\$509,709</u></u>	<u><u>\$509,709</u></u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$21,404	(\$124,191)
Noncash item in operating income:		
Depreciation of utility plant	60,159	421,113
Changes in assets and liabilities:		
Consumer accounts receivable	(1,350)	(34,486)
Inventories	8,953	59,221
Prepaid and deferred expenses	6,491	(22,927)
Accounts payable	(32,107)	(162,492)
Pension provision	10,427	72,989
Health & dental insurance provision	2,755	(12,776)
Other post-employment benefit provision	833	5,833
Retained percentage	8,712	26,442
Accrued payroll	21,838	17,329
Accrued vacation	(1,811)	7,783
Accrued property taxes	66	67
Miscellaneous accrued expenses	(19,971)	(14,196)
	<u>\$86,399</u>	<u>\$239,709</u>
Net cash flows from operating activities	<u>\$86,399</u>	<u>\$239,709</u>

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$2,601		\$2,265		\$2,365	
Operation Labor and Expenses	1,583		676		863	
Miscellaneous Expense	687		742		163	
Maintenance of Wells	---		---		---	
Maintenance of Supply Mains	251		303		241	
Depreciation	6,717		6,546		5,958	
Total Source of Supply Expense	11,839	2.6	10,532	2.4	9,590	2.1
<u>Pumping</u>						
Operation Supervision	3,043		2,698		2,658	
Fuel or Power Purchased	64,400		71,724		64,443	
Pumping Labor and Expenses	3,811		6,245		5,046	
Miscellaneous Expense	245		264		299	
Maintenance of Structures	142		---		397	
Maintenance of Pumping Equipment	15,307		18,003		16,619	
Depreciation	5,498		5,670		5,498	
Total Pumping Expense	92,446	20.1	104,604	23.5	94,960	21.3
<u>Water Treatment</u>						
Operation Supervision	3,014		2,736		2,672	
Chemicals	18,193		14,255		16,146	
Operation Labor and Expenses	12,322		12,716		12,322	
Miscellaneous Expense	1,189		857		922	
Maintenance of Structures	1,361		194		841	
Maintenance of Purification Equip.	2,286		14,149		3,133	
Depreciation	3,205		3,229		2,338	
Total Water Treatment Expense	41,570	9.0	48,136	10.8	38,374	8.6
<u>Distribution</u>						
Operation Supervision	2,952		2,731		2,796	
Storage Facilities Expense	5,113		4,665		4,355	
Trans. & Distr. Lines Expense	3,075		1,700		18,194	
Meter Expense	12,409		11,476		13,910	
Consumer Installation Expense	5,044		6,677		4,942	
Miscellaneous Expense	10,115		15,297		20,249	
Vehicle Expense	4,871		5,238		5,083	
Maintenance:						
Supervision	4,690		4,465		4,341	
Structures	145		108		1,173	
Reservoirs and Standpipes	30,027		157		211	
Mains	13,395		5,036		40,016	
Valves	4,575		3,161		1,996	
Meters	4,644		1,873		5,211	
Hydrants	1,937		2,859		1,674	
Miscellaneous Plant	3,096		3,189		1,894	
Vacation, Holiday, Sick Leave	14,452		12,923		15,013	
Depreciation	32,396		32,462		31,035	
Total Distribution Expense	\$152,936	33.3	\$114,017	25.6	\$172,093	38.5

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$17,540		\$16,712		\$16,620	
Operation Labor and Expenses	11,079		6,512		8,748	
Miscellaneous Expense	2,724		1,455		2,462	
Maintenance of Wells	75,000		88,490		65,569	
Maintenance of Supply Mains	1,589		6,255		4,708	
Depreciation	47,020		45,822		41,706	
Total Source of Supply Expense	154,952	5.3	165,246	5.6	139,813	5.1
<u>Pumping</u>						
Operation Supervision	20,509		19,434		19,117	
Fuel or Power Purchased	422,300		477,425		411,005	
Pumping Labor and Expenses	26,138		33,642		25,567	
Miscellaneous Expense	1,572		1,930		2,408	
Maintenance of Structures	1,076		120		5,124	
Maintenance of Pumping Equipment	144,225		225,879		89,856	
Depreciation	38,484		39,690		38,486	
Total Pumping Expense	654,304	22.5	798,120	27.1	591,563	21.5
<u>Water Treatment</u>						
Operation Supervision	20,525		19,603		19,296	
Chemicals	127,351		110,826		107,483	
Operation Labor and Expenses	91,615		91,377		93,358	
Miscellaneous Expense	12,423		8,479		17,522	
Maintenance of Structures	8,182		5,075		10,082	
Maintenance of Purification Equip.	14,599		25,389		19,801	
Depreciation	22,434		22,603		16,366	
Total Water Treatment Expense	297,129	10.2	283,352	9.6	283,908	10.3
<u>Distribution</u>						
Operation Supervision	20,434		19,556		19,077	
Storage Facilities Expense	30,440		32,934		29,444	
Trans. & Distr. Lines Expense	42,411		43,079		77,893	
Meter Expense	77,674		74,369		77,772	
Consumer Installation Expense	35,561		32,613		29,707	
Miscellaneous Expense	71,200		103,727		93,221	
Vehicle Expense	34,546		36,376		28,731	
Maintenance:						
Supervision	32,163		31,685		30,633	
Structures	1,926		2,258		3,119	
Reservoirs and Standpipes	85,648		5,108		4,028	
Mains	86,989		143,250		122,849	
Valves	29,318		12,821		22,583	
Meters	32,664		14,800		13,745	
Hydrants	13,827		10,370		12,046	
Miscellaneous Plant	21,675		17,591		18,927	
Vacation, Holiday, Sick Leave	86,358		91,517		88,439	
Depreciation	226,770		227,234		217,245	
Total Distribution Expense	\$929,604	31.9	\$899,288	30.5	\$889,459	32.3

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$1,782</u>	0.4	<u>\$1,405</u>	0.3	<u>\$847</u>	0.2
<u>Consumer Accounts</u>						
Supervision	1,306		1,539		1,393	
Meter Reading Expense	3,743		4,292		3,436	
Consumer Records and Collection	14,066		13,836		12,976	
Uncollectible Accounts Expense	735		735		569	
Vacation, Holiday, Sick Leave	<u>2,168</u>		<u>2,341</u>		<u>2,136</u>	
Total Consumer Accounts Expense	<u>22,018</u>	4.8	<u>22,743</u>	5.1	<u>20,510</u>	4.6
<u>Administrative and General</u>						
Administrative and General Salaries	18,940		21,122		16,424	
Office Supplies and Expenses	2,196		1,876		1,372	
Outside Services Employed	7,750		18,199		784	
Property Insurance	1,734		1,757		1,560	
Casualty Ins, Injuries & Damages	4,046		3,885		2,042	
Employee Pensions and Benefits	49,288		47,483		47,520	
Fringe Benefits Charged to Constr.	(3,700)		(4,890)		(3,223)	
Miscellaneous General Expense	8,771		7,279		7,208	
Rents	5,746		5,746		5,579	
Maintenance of General Plant	2,673		3,216		1,814	
Vacation, Holiday, Sick Leave	3,553		3,772		2,979	
Depreciation	<u>12,274</u>		<u>12,252</u>		<u>7,511</u>	
Total Administrative and General	<u>113,271</u>	24.6	<u>121,697</u>	27.4	<u>91,570</u>	20.5
Total Operating Expense	<u><u>\$435,862</u></u>		<u><u>\$423,134</u></u>		<u><u>\$427,944</u></u>	
Percent to Operating Revenue		94.8		95.2		95.9

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$21,462	0.7	\$7,498	0.3	\$8,847	0.3
<u>Consumer Accounts</u>						
Supervision	8,860		9,245		9,367	
Meter Reading Expense	26,453		30,392		28,499	
Customer Records and Collection	96,939		93,677		95,672	
Uncollectible Accounts Expense	5,146		5,146		3,983	
Vacation, Holiday, Sick Leave	12,817		14,719		13,411	
Total Consumer Accounts Expense	150,215	5.2	153,179	5.2	150,932	5.5
<u>Administrative and General</u>						
Administrative and General Salaries	129,116		136,609		107,031	
Office Supplies and Expenses	13,297		10,764		9,729	
Outside Services Employed	30,278		36,421		8,217	
Property Insurance	11,790		11,707		9,153	
Casualty Ins, Injuries & Damages	27,602		30,491		18,931	
Employee Pensions and Benefits	348,040		339,055		327,712	
Fringe Benefits Charged to Constr.	(18,797)		(25,620)		(12,924)	
Miscellaneous General Expense	65,688		56,208		56,565	
Rents	40,224		40,224		39,053	
Maintenance of General Plant	19,906		19,582		11,897	
Vacation, Holiday, Sick Leave	20,948		23,052		18,115	
Depreciation	85,918		85,764		52,577	
Total Administrative and General	774,010	26.6	764,257	25.9	646,056	23.5
Total Operating Expense	\$2,981,676		\$3,070,940		\$2,710,578	
Percent to Operating Revenue		102.5		104.2		98.5

**Muscatine Power and Water - Water Utility
Statistical Data
Current Month - July 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	0.519	0.551	0.471	0.499
Cost Per 1,000 Gallons	<u>0.498</u>	<u>0.528</u>	<u>0.453</u>	<u>0.480</u>
Margin	<u>0.021</u>	<u>0.023</u>	<u>0.017</u>	<u>0.018</u>
	<u>2014</u>		<u>2013</u>	
Maximum Daily Water Pumped (1,000 gallons)	31,253	34,475		
Date of Maximum	07/28	07/18		

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	0.526	0.557	0.498	0.528
Cost Per 1,000 Gallons	<u>0.551</u>	<u>0.584</u>	<u>0.494</u>	<u>0.524</u>
Margin	<u>(0.026)</u>	<u>(0.027)</u>	<u>0.004</u>	<u>0.004</u>
	<u>2014</u>		<u>2013</u>	
Maximum Daily Water Pumped (1,000 gallons)	31,253	34,475		
Date of Maximum	07/28	07/18		

Services

Contract Customers	2	2
Power Plants	2	2
Residential	8,606	8,596
Commercial	<u>1,078</u>	<u>1,091</u>
Total	<u><u>9,688</u></u>	<u><u>9,691</u></u>