

Muscatine Power and Water

Water Utility

Statement of Revenues, Expenses and Changes in Net Position

August 2015

**Muscatine Power and Water
Water Utility**

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Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - August 2015

	<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	705,364	1.3	714,322	12.0	637,870
Power Plants	103,439	(20.8)	81,916	15.5	70,904
Residential	49,884	(15.1)	42,352	(3.1)	43,696
Commercial	45,292	(13.3)	39,270	(0.8)	39,586
Total Metered Customers	903,979	(2.9)	877,860	10.8	792,056
Rated Customers - Estimate	---	---	4	(81.8)	22
City Use, Line Loss, Cycle Billing	54,239	(2.9)	52,672	10.8	47,523
Total Water Pumped	958,218	(2.9)	930,535	10.8	839,601

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	5,209,820	2.8	5,354,414	10.5	4,843,720
Power Plants	652,068	(15.9)	548,458	(12.8)	628,776
Residential	325,669	(10.0)	292,947	(4.6)	306,930
Commercial	277,532	(10.0)	249,816	(6.4)	266,874
Total Metered Customers	6,465,089	(0.3)	6,445,636	6.6	6,046,300
Rated Customers - Estimate	---	---	52	(50.5)	105
City Use, Line Loss, Cycle Billing	387,905	(0.3)	386,738	6.6	362,778
Total Water Pumped	6,852,994	(0.3)	6,832,426	6.6	6,409,183

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - August 2015

	Budget Estimate	Avg. Price	% Increase (Decrease) from Budget	This Year	Avg. Price	% Increase (Decrease) from Last Year	Last Year	Avg. Price
<u>Sales of Water</u>								
Contract Customers	\$239,087	\$ 0.33896	6.6	\$254,961	\$ 0.35693	20.1	\$212,220	\$ 0.33270
Power Plants	37,088	0.35855	(13.3)	32,156	0.39254	7.9	29,808	0.42040
Residential	164,537	3.29839	(5.1)	156,178	3.68764	4.2	149,889	3.43027
Commercial	61,238	1.35207	(9.2)	55,591	1.41561	5.5	52,669	1.33050
Water Sales	501,950	0.55527	(0.6)	498,886	0.56830	12.2	444,586	0.56131
<u>Other Revenue</u>								
Penalty Revenue	767		(8.6)	701		(1.1)	709	
Merchandise & Job Sales-Net	493		87.6	925		1.3X	402	
Miscellaneous Revenue	1,009		(25.5)	752		(11.4)	849	
Total Other Revenue	2,269		4.8	2,378		21.3	1,960	
Operating Revenue	504,219		(0.6)	501,264		12.3	446,546	
<u>Operating Expense</u>								
Operation	308,742		(12.4)	270,604		(3.4)	280,194	
Maintenance	52,103		5.4	54,915		44.4	38,035	
Depreciation	59,843		(1.9)	58,681		(2.5)	60,159	
Total Operating Expense	420,688		(8.7)	384,200		1.5	378,388	
Operating Income	83,531		40.1	117,064		71.8	68,158	
<u>Nonoperating Revenues (Expenses)</u>								
Interest Income	132		(59.8)	53		1.8X	19	
Interest Expense	(18,697)		(95.3)	(879)		18.0	(745)	
Net Nonoperating Revenues (Expenses)	(18,565)		(95.6)	(826)		13.8	(726)	
Net Income (Loss) before Capital Contributions	64,966		78.9	116,238		72.4	67,432	
Capital Contributions	—		—	—		—	73,593	
Change in Net Position	64,966		78.9	116,238		(17.6)	141,025	
Beginning Net Position	15,739,896			16,146,546			15,514,167	
Ending Net Position	\$15,804,862			\$16,262,784			\$15,655,192	
Net Income (Loss) to Operating Revenue	12.9			23.2			15.1	
Debt Service Coverage	6.77			53.80			40.59	

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - August 2015

	Budget		% Increase			% Increase		
	Estimate	Avg. Price	(Decrease)	This Year	Avg. Price	(Decrease)	from Last	
			from Budget			Year	Last Year	Avg. Price
<u>Sales of Water</u>								
Contract Customers	\$1,793,179	\$ 0.34419	4.3	\$1,869,839	\$ 0.34921	14.7	\$1,629,975	\$ 0.33651
Power Plants	251,176	0.38520	(6.0)	236,026	0.43034	(4.7)	247,610	0.39380
Residential	1,207,497	3.70774	(3.1)	1,170,060	3.99409	4.5	1,119,817	3.64844
Commercial	408,476	1.47182	(6.1)	383,466	1.53500	2.5	374,110	1.40182
Water Sales	3,660,328	0.56617	---	3,659,391	0.56773	8.5	3,371,512	0.55762
<u>Other Revenue</u>								
Penalty Revenue	6,133		(10.6)	5,485		(3.8)	5,699	
Merchandise & Job Sales-Net	5,544		37.8	7,637		42.3	5,368	
Miscellaneous Revenue	8,199		26.0	10,329		(3.6)	10,717	
Total Other Revenue	19,876		18.0	23,451		7.7	21,784	
Operating Revenue	3,680,204		0.1	3,682,842		8.5	3,393,296	
<u>Operating Expense</u>								
Operation	2,481,883		(4.5)	2,369,725		2.1	2,321,348	
Maintenance	607,250		(25.7)	451,393		(30.2)	646,708	
Depreciation	478,742		(1.9)	469,455		(2.5)	481,272	
Total Operating Expense	3,567,875		(7.8)	3,290,573		(4.6)	3,449,328	
Operating Income (Loss)	112,329		2.5X	392,269		-8.0X	(56,032)	
<u>Nonoperating Revenues (Expenses)</u>								
Interest Income	1,000		(49.1)	509		1.6X	195	
Interest Expense	(185,379)		(96.3)	(6,906)		24.5	(5,546)	
Net Nonoperating Revenues (Expenses)	(184,379)		(96.5)	(6,397)		19.5	(5,351)	
Net Income (Loss) before Capital Contributions	(72,050)		-6.4X	385,872		-7.3X	(61,383)	
Capital Contributions	---		---	---		---	102,141	
Change in Net Position	(72,050)		-6.4X	385,872		8.5X	40,758	
Beginning Net Position	15,876,912			15,876,912			15,614,434	
Ending Net Position	\$15,804,862			\$16,262,784			\$15,655,192	
Net Income (Loss) to Operating Revenue	(2.0)			10.5			(1.8)	
Debt Service Coverage	6.61			32.55			17.10	

Muscatine Power and Water - Water Utility
Statements of Net Position
August 2015

ASSETS

	<u>2015</u>	<u>2014</u>
Current Assets:		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$818,534	\$626,600
Receivables:		
Consumer Accounts	646,345	587,390
Interest	1	2
Inventories	359,954	286,182
Prepaid Expenses	43,868	36,390
	<hr/>	<hr/>
Total Unrestricted Current Assets	1,868,702	1,536,564
	<hr/>	<hr/>
<u>Restricted Assets</u>		
Cash - interest bearing	35,239	---
	<hr/>	<hr/>
Total Restricted Current Assets	35,239	---
	<hr/>	<hr/>
Total Current Assets	1,903,941	1,536,564
	<hr/>	<hr/>
Property and Equipment:		
At Cost	28,824,742	27,769,117
Less Accumulated Depreciation	10,323,145	10,473,749
	<hr/>	<hr/>
Net Property and Equipment	18,501,597	17,295,368
	<hr/>	<hr/>
 TOTAL ASSETS	 <u><u>\$20,405,538</u></u>	 <u><u>\$18,831,932</u></u>

Muscatine Power and Water - Water Utility
Statements of Net Position
August 2015

LIABILITIES AND NET POSITION

	<u>2015</u>	<u>2014</u>
Current Liabilities:		
<u>Payable from Unrestricted Assets</u>		
Accounts Payable	\$230,191	\$263,126
Pension Provision	66,248	54,836
Health & Dental Insurance Provision	29,360	23,200
Retained Percentage on Contracts	28,841	31,154
Consumer Advances for Construction	45,066	187,666
Accrued Payroll	70,097	66,932
Accrued Vacation	111,209	102,985
Accrued Property Taxes	939	923
Miscellaneous Accrued Expenses	47,805	44,190
	<u>629,756</u>	<u>775,012</u>
<u>Payable from Restricted Assets</u>		
State Revolving Loan	30,000	29,000
Accrued Interest	4,333	2,580
	<u>34,333</u>	<u>31,580</u>
Total Payable from Restricted Assets	<u>34,333</u>	<u>31,580</u>
Total Current Liabilities	<u>664,089</u>	<u>806,592</u>
Non-Current Liabilities:		
State Revolving Loan	131,000	161,000
Notes Payable to Electric Utility	2,900,000	1,650,000
Health & Dental Insurance Provision	69,537	132,609
Post-Employment Health Benefit Provision	36,573	37,144
Consumer Advances for Construction	341,555	389,395
	<u>3,478,665</u>	<u>2,370,148</u>
Total Non-Current Liabilities	<u>3,478,665</u>	<u>2,370,148</u>
Net Position:		
Net Investment in Capital Assets	17,953,976	16,528,307
Unrestricted	(1,691,192)	(873,115)
	<u>16,262,784</u>	<u>15,655,192</u>
Total Net Position	<u>16,262,784</u>	<u>15,655,192</u>
 TOTAL LIABILITIES AND NET POSITION	 <u><u>\$20,405,538</u></u>	 <u><u>\$18,831,932</u></u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
August 2015

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$485,798	\$3,563,753
Miscellaneous sources	4,830	17,757
Cash paid to/for:		
Suppliers	(119,354)	(1,206,935)
Employees payroll, taxes and benefits	<u>(214,468)</u>	<u>(1,530,268)</u>
Net cash flows from operating activities	<u>156,806</u>	<u>844,307</u>
Cash flows from capital and related financing activities:		
State revolving loan fund principal payments	---	(29,000)
State revolving loan interest payments	---	(3,325)
Loan from electric utility	---	1,000,000
Loan from electric utility interest payments	---	(2,055)
Capital expenditures, net	<u>(91,300)</u>	<u>(1,335,437)</u>
Net cash flows from capital and related financing activities	<u>(91,300)</u>	<u>(369,817)</u>
Cash flows from investing activities:		
Interest received on investments	<u>54</u>	<u>509</u>
Net cash flows from investing activities	<u>54</u>	<u>509</u>
Net increase in cash and investments	<u>65,560</u>	<u>474,999</u>
Cash and investments at beginning of period	<u>788,213</u>	<u>378,774</u>
Cash and investments at end of period	<u><u>\$853,773</u></u>	<u><u>\$853,773</u></u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
August 2015

	<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	\$117,064	\$392,269
Noncash item in operating income:		
Depreciation of utility plant	58,681	469,455
Changes in assets and liabilities:		
Consumer accounts receivable	(15,505)	(74,354)
Inventories	(22,879)	(22,011)
Prepaid and deferred expenses	5,622	(18,476)
Accounts payable	48,642	48,110
Pension provision	(16,562)	66,248
Health & dental insurance provision	(7,830)	(54,070)
Other post-employment benefit provision	(9,738)	(3,905)
Retained percentage	---	3,033
Accrued payroll	1,219	20,602
Accrued vacation	(1,496)	7,218
Accrued property taxes	66	118
Unearned revenue	---	11,175
Miscellaneous accrued expenses	(478)	(1,105)
Net cash flows from operating activities	<u>\$156,806</u>	<u>\$844,307</u>

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - August 2015

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Source of Supply</u>						
Operation Supervision	\$2,726		\$2,709		\$2,428	
Operation Labor and Expenses	1,397		668		801	
Miscellaneous Expense	1,148		349		124	
Maintenance of Wells	---		---		---	
Maintenance of Supply Mains	330		3,089		250	
Depreciation	8,943		8,261		6,546	
Total Source of Supply Expense	14,544	2.9	15,076	3.0	10,149	2.3
<u>Pumping</u>						
Operation Supervision	3,100		2,930		2,820	
Fuel or Power Purchased	81,900		88,606		76,282	
Pumping Labor and Expenses	4,171		4,002		6,046	
Miscellaneous Expense	167		295		264	
Maintenance of Structures	142		---		---	
Maintenance of Pumping Equipment	5,486		5,487		2,379	
Depreciation	6,213		6,024		5,670	
Total Pumping Expense	101,179	20.1	107,344	21.4	93,461	20.9
<u>Water Treatment</u>						
Operation Supervision	3,204		2,946		2,826	
Chemicals	18,679		20,408		14,706	
Operation Labor and Expenses	12,756		13,289		15,116	
Miscellaneous Expense	1,287		559		1,015	
Maintenance of Structures	1,919		5,674		1,257	
Maintenance of Purification Equip.	1,946		375		453	
Depreciation	3,248		3,229		3,229	
Total Water Treatment Expense	43,039	8.5	46,480	9.3	38,602	8.6
<u>Distribution</u>						
Operation Supervision	3,194		3,172		2,944	
Storage Facilities Expense	4,658		5,692		4,878	
Trans. & Distr. Lines Expense	5,129		946		3,373	
Meter Expense	11,678		7,225		14,321	
Consumer Installation Expense	4,354		3,516		4,254	
Miscellaneous Expense	12,733		7,696		14,607	
Vehicle Expense	5,061		3,221		3,642	
Maintenance:						
Supervision	4,795		4,347		4,511	
Structures	153		551		150	
Reservoirs and Standpipes	30		3,130		67	
Mains	20,802		15,752		17,180	
Valves	6,126		4,739		3,720	
Meters	1,527		3,095		2,050	
Hydrants	2,026		2,367		1,193	
Miscellaneous Plant	2,951		4,026		3,027	
Vacation, Holiday, Sick Leave	10,474		8,672		8,295	
Depreciation	34,441		34,331		32,462	
Total Distribution Expense	\$130,132	25.8	\$112,478	22.4	\$120,674	27.0

Muscatine Power and Water - Water Utility
Summary of Expenses
Calendar Year-to-Date - August 2015

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Source of Supply</u>						
Operation Supervision	\$21,443		\$20,857		\$19,140	
Operation Labor and Expenses	13,757		7,612		7,313	
Miscellaneous Expense	4,096		2,665		1,579	
Maintenance of Wells	73,600		7,800		88,490	
Maintenance of Supply Mains	3,442		17,571		6,505	
Depreciation	71,545		66,089		52,368	
Total Source of Supply Expense	187,883	5.1	122,594	3.3	175,395	5.2
<u>Pumping</u>						
Operation Supervision	24,932		23,648		22,254	
Fuel or Power Purchased	583,900		659,158		553,708	
Pumping Labor and Expenses	30,426		34,907		39,688	
Miscellaneous Expense	1,333		2,373		2,194	
Maintenance of Structures	1,133		98		120	
Maintenance of Pumping Equipment	186,985		122,499		228,257	
Depreciation	49,705		48,191		45,360	
Total Pumping Expense	878,414	23.9	890,874	24.2	891,581	26.3
<u>Water Treatment</u>						
Operation Supervision	25,035		23,709		22,429	
Chemicals	149,444		147,590		125,532	
Operation Labor and Expenses	112,994		110,674		106,493	
Miscellaneous Expense	17,334		12,745		9,494	
Maintenance of Structures	14,504		10,466		6,332	
Maintenance of Purification Equip.	13,490		25,986		25,842	
Depreciation	25,981		25,833		25,832	
Total Water Treatment Expense	358,782	9.7	357,003	9.7	321,954	9.5
<u>Distribution</u>						
Operation Supervision	24,923		24,205		22,500	
Storage Facilities Expense	33,714		43,086		37,813	
Trans. & Distr. Lines Expense	59,806		42,202		46,452	
Meter Expense	86,152		82,691		88,690	
Consumer Installation Expense	35,108		28,122		36,866	
Miscellaneous Expense	102,052		68,511		118,334	
Vehicle Expense	39,859		33,817		40,018	
Maintenance:						
Supervision	37,540		35,922		36,196	
Structures	3,134		1,452		2,408	
Reservoirs and Standpipes	270		4,136		5,175	
Mains	140,554		124,314		160,430	
Valves	47,307		17,858		16,542	
Meters	11,370		23,276		16,850	
Hydrants	16,500		9,813		11,563	
Miscellaneous Plant	23,605		28,184		20,618	
Vacation, Holiday, Sick Leave	102,920		94,228		99,812	
Depreciation	275,526		274,651		259,696	
Total Distribution Expense	\$1,040,340	28.3	\$936,468	25.4	\$1,019,963	30.1

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - August 2015

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$1,690</u>	0.3	<u>\$818</u>	0.2	<u>\$1,810</u>	0.4
<u>Consumer Accounts</u>						
Supervision	1,372		1,549		1,360	
Meter Reading Expense	3,753		3,773		4,794	
Consumer Records and Collection	15,337		14,886		13,202	
Uncollectible Accounts Expense	678		678		735	
Vacation, Holiday, Sick Leave	<u>1,535</u>		<u>1,050</u>		<u>1,515</u>	
Total Consumer Accounts Expense	<u>22,675</u>	4.5	<u>21,936</u>	4.4	<u>21,606</u>	4.8
<u>Administrative and General</u>						
Administrative and General Salaries	21,479		20,740		20,384	
Office Supplies and Expenses	1,622		1,310		1,831	
Outside Services Employed	1,218		815		294	
Property Insurance	1,923		1,727		1,757	
Casualty Ins, Injuries & Damages	3,867		2,955		2,441	
Employee Pensions and Benefits	52,395		37,441		45,830	
Fringe Benefits Charged to Constr.	(2,657)		(11,990)		(6,343)	
Miscellaneous General Expense	8,166		9,561		4,055	
Rents	5,919		5,919		5,746	
Maintenance of General Plant	3,870		2,283		1,798	
Vacation, Holiday, Sick Leave	2,629		2,471		2,041	
Depreciation	<u>6,998</u>		<u>6,836</u>		<u>12,252</u>	
Total Administrative and General	<u>107,429</u>	21.3	<u>80,068</u>	16.0	<u>92,086</u>	20.6
Total Operating Expense	<u>\$420,688</u>		<u>\$384,200</u>		<u>\$378,388</u>	
Percent to Operating Revenue		83.4		76.6		84.7

Muscatine Power and Water - Water Utility
Summary of Expenses
Calendar Year-to-Date - August 2015

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$18,474</u>	0.5	<u>\$11,338</u>	0.3	<u>\$9,308</u>	0.3
<u>Consumer Accounts</u>						
Supervision	10,686		11,358		10,605	
Meter Reading Expense	30,804		31,747		35,186	
Customer Records and Collection	121,004		113,826		106,878	
Uncollectible Accounts Expense	5,425		5,425		5,881	
Vacation, Holiday, Sick Leave	<u>14,962</u>		<u>14,364</u>		<u>16,234</u>	
Total Consumer Accounts Expense	<u>182,881</u>	5.0	<u>176,720</u>	4.8	<u>174,784</u>	5.2
<u>Administrative and General</u>						
Administrative and General Salaries	168,015		163,381		156,993	
Office Supplies and Expenses	14,308		16,132		12,594	
Outside Services Employed	16,448		12,533		36,715	
Property Insurance	15,232		13,906		13,464	
Casualty Ins, Injuries & Damages	31,353		39,077		32,932	
Employee Pensions and Benefits	427,717		390,532		384,885	
Fringe Benefits Charged to Constr.	(20,907)		(64,734)		(31,963)	
Miscellaneous General Expense	86,342		73,994		60,263	
Rents	47,350		47,350		45,971	
Maintenance of General Plant	33,816		22,018		21,380	
Vacation, Holiday, Sick Leave	25,442		26,696		25,093	
Depreciation	<u>55,985</u>		<u>54,691</u>		<u>98,016</u>	
Total Administrative and General	<u>901,101</u>	24.5	<u>795,576</u>	21.6	<u>856,343</u>	25.2
Total Operating Expense	<u>\$3,567,875</u>		<u>\$3,290,573</u>		<u>\$3,449,328</u>	
Percent to Operating Revenue		96.9		89.3		101.7

**Muscatine Power and Water - Water Utility
Statistical Data
Current Month - August 2015**

	<u>2015</u>		<u>2014</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.536	0.568	0.530	0.561
Cost Per 1,000 Gallons	<u>0.413</u>	<u>0.438</u>	<u>0.451</u>	<u>0.478</u>
Margin	<u>0.123</u>	<u>0.131</u>	<u>0.079</u>	<u>0.084</u>
	<u>2015</u>		<u>2014</u>	
Maximum Daily Water Pumped (1,000 gallons)	33,536	30,253		
Date of Maximum	08/13	08/20		

Calendar Year-to-Date

	<u>2015</u>		<u>2014</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.536	0.568	0.526	0.558
Cost Per 1,000 Gallons	<u>0.482</u>	<u>0.511</u>	<u>0.538</u>	<u>0.570</u>
Margin	<u>0.054</u>	<u>0.057</u>	<u>(0.012)</u>	<u>(0.013)</u>
	<u>2015</u>		<u>2014</u>	
Maximum Daily Water Pumped (1,000 gallons)	34,660	31,253		
Date of Maximum	07/22	07/28		

Services

Contract Customers	2	2
Power Plants	2	2
Residential	8,674	8,608
Commercial	<u>1,076</u>	<u>1,079</u>
Total	<u><u>9,754</u></u>	<u><u>9,691</u></u>