

Muscatine Power and Water

Water Utility

Statement of Revenues, Expenses and Changes in Net Position

April 2014

**Muscatine Power and Water
Water Utility**

Table of Contents

	Page
Classification of Water Distribution.....	1
Statements of Revenues, Expenses, and Changes in Net Position.....	2-3
Statements of Net Position.....	4-5
Statements of Cash Flows.....	6-7
Summary of Expenses.....	8-11
Statistical Data.....	12

Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - April 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	584,391	3.3	603,522	(0.1)	603,867
Power Plants	71,254	24.7	88,838	23.9	71,722
Residential	36,690	(0.9)	36,375	4.9	34,679
Commercial	29,535	1.4	29,955	(1.3)	30,360
Total Metered Customers	721,870	5.1	758,690	2.4	740,628
Rated Customers - Estimate	---	---	11	57.1	7
City Use, Line Loss, Cycle Billing	43,312	5.1	45,521	2.4	44,438
Total Water Pumped	765,182	5.1	804,223	2.4	785,073

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	2,282,810	2.6	2,342,257	2.7	2,281,482
Power Plants	307,911	5.4	324,426	13.1	286,783
Residential	145,865	(1.7)	143,380	3.0	139,208
Commercial	114,455	6.6	121,957	3.1	118,303
Total Metered Customers	2,851,041	2.8	2,932,020	3.8	2,825,776
Rated Customers - Estimate	---	---	49	(5.8)	52
City Use, Line Loss, Cycle Billing	171,062	2.8	175,921	3.8	169,547
Total Water Pumped	3,022,103	2.8	3,107,990	3.8	2,995,375

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - April 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	\$199,152	4.2	\$207,438	7.5	\$192,914
Power Plants	30,947	7.7	33,341	11.3	29,961
Residential	141,832	(0.5)	141,121	8.2	130,384
Commercial	<u>42,715</u>	5.9	<u>45,234</u>	5.9	<u>42,711</u>
Water Sales	<u>414,646</u>	3.0	<u>427,134</u>	7.9	<u>395,970</u>
<u>Other Revenue</u>					
Penalty Revenue	683	14.1	779	8.2	720
Merchandise & Job Sales-Net	909	(75.1)	226	(63.7)	622
Miscellaneous Revenue	<u>801</u>	(3.0)	<u>777</u>	(0.6)	<u>782</u>
Total Other Revenue	<u>2,393</u>	(25.5)	<u>1,782</u>	(16.1)	<u>2,124</u>
Operating Revenue	<u>417,039</u>	2.8	<u>428,916</u>	7.7	<u>398,094</u>
<u>Operating Expense</u>					
Operation	297,682	1.0	300,609	8.2	277,952
Maintenance	64,274	1.7X	170,471	94.5	87,642
Depreciation	<u>60,090</u>	0.1	<u>60,159</u>	14.9	<u>52,340</u>
Total Operating Expense	<u>422,046</u>	25.9	<u>531,239</u>	27.1	<u>417,934</u>
Operating Loss	<u>(5,007)</u>	19.4X	<u>(102,323)</u>	4.2X	<u>(19,840)</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	132	(78.8)	28	0.0	28
Interest Expense	<u>(5,718)</u>	(88.0)	<u>(689)</u>	3.0	<u>(669)</u>
Net Nonoperating Revenues (Expenses)	<u>(5,586)</u>	(88.2)	<u>(661)</u>	3.1	<u>(641)</u>
Net Income (Loss) before Capital Contributions	(10,593)	8.7X	(102,984)	4.0X	(20,481)
Capital Contributions	<u>---</u>	---	<u>---</u>	---	<u>---</u>
Change in Net Position	(10,593)	8.7X	(102,984)	4.0X	(20,481)
Beginning Net Position	<u>15,548,285</u>		<u>15,578,993</u>		<u>14,198,305</u>
Ending Net Position	<u>\$15,537,692</u>		<u>\$15,476,009</u>		<u>\$14,177,824</u>
Net Income (Loss) to Operating Revenue	(2.5)		(24.0)		(5.1)
Debt Service Coverage	0.87		(0.74)		10.84

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

	Budget Estimate	%Increase (Decrease) From Budget	This Year	%Increase (Decrease) Fr. Last Yr.	Last Year
<u>Sales of Water</u>					
Contract Customers	\$758,961	4.1	\$790,073	10.4	\$715,415
Power Plants	124,878	(0.5)	124,215	6.5	116,687
Residential	538,958	(0.9)	533,884	8.4	492,516
Commercial	<u>159,146</u>	8.9	<u>173,380</u>	10.5	<u>156,851</u>
Water Sales	<u>1,581,943</u>	2.5	<u>1,621,552</u>	9.5	<u>1,481,469</u>
<u>Other Revenue</u>					
Penalty Revenue	2,733	(22.5)	2,119	2.0	2,077
Merchandise & Job Sales-Net	3,893	(23.3)	2,985	1.4X	1,234
Miscellaneous Revenue	<u>4,406</u>	61.3	<u>7,106</u>	(31.0)	<u>10,302</u>
Total Other Revenue	<u>11,032</u>	10.7	<u>12,210</u>	(10.3)	<u>13,613</u>
Operating Revenue	<u>1,592,975</u>	2.6	<u>1,633,762</u>	9.3	<u>1,495,082</u>
<u>Operating Expense</u>					
Operation	1,136,999	2.8	1,169,305	10.7	1,056,422
Maintenance	274,294	31.1	359,648	72.2	208,877
Depreciation	<u>240,358</u>	0.1	<u>240,636</u>	14.9	<u>209,360</u>
Total Operating Expense	<u>1,651,651</u>	7.1	<u>1,769,589</u>	20.0	<u>1,474,659</u>
Operating Income (Loss)	<u>(58,676)</u>	1.3X	<u>(135,827)</u>	-7.7X	<u>20,423</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	497	(74.8)	125	47.1	85
Interest Expense	<u>(47,687)</u>	(94.3)	<u>(2,723)</u>	1.8	<u>(2,676)</u>
Net Nonoperating Revenues (Expenses)	<u>(47,190)</u>	(94.5)	<u>(2,598)</u>	0.3	<u>(2,591)</u>
Net Income (Loss) before Capital Contributions	(105,866)	30.8	(138,425)	-8.8X	17,832
Capital Contributions	<u>29,124</u>	---	<u>---</u>	-1.0X	<u>52,503</u>
Change in Net Position	(76,742)	80.4	(138,425)	-3.0X	70,335
Beginning Net Position	<u>15,614,434</u>		<u>15,614,434</u>		<u>14,107,489</u>
Ending Net Position	<u>\$15,537,692</u>		<u>\$15,476,009</u>		<u>\$14,177,824</u>
Net Income (Loss) to Operating Revenue	(6.6)		(8.5)		1.2
Debt Service Coverage	0.75		0.46		19.14

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

ASSETS

	<u>2014</u>	<u>2013</u>
Current Assets:		
Cash - interest bearing	\$453,501	\$594,137
Receivables:		
Consumer Accounts	554,805	521,827
Interest	1	3
Inventories	293,520	295,615
Prepaid Expenses	<u>49,193</u>	<u>45,610</u>
Total Current Assets	<u>1,351,020</u>	<u>1,457,192</u>
Property and Equipment:		
At Cost	26,902,289	25,122,774
Less Accumulated Depreciation	<u>10,282,458</u>	<u>9,695,089</u>
Net Property and Equipment	<u>16,619,831</u>	<u>15,427,685</u>
 TOTAL ASSETS	 <u><u>\$17,970,851</u></u>	 <u><u>\$16,884,877</u></u>

Muscatine Power and Water - Water Utility
Statements of Net Position
April 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	3,590	3,654
Accounts Payable	526,555	289,720
Pension Provision	41,708	40,150
Health & Dental Insurance Provision	23,200	17,316
Intercompanies Payable	—	40
Retained Percentage on Contracts	2,778	—
Consumer Advances for Construction	195,886	1,116,021
Accrued Payroll	19,356	12,176
Accrued Vacation	112,626	102,957
Accrued Property Taxes	659	—
Miscellaneous Accrued Expenses	71,128	63,439
	<hr/>	<hr/>
Total Current Liabilities	1,676,486	1,673,473
	<hr/>	<hr/>
Non-Current Liabilities:		
State Revolving Loan	190,000	219,000
Health & Dental Insurance Provision	139,045	166,391
Post-Employment Health Benefit Provision	33,811	15,411
Consumer Advances for Construction	455,500	632,778
	<hr/>	<hr/>
Total Non-Current Liabilities	818,356	1,033,580
	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets	15,099,445	13,431,886
Unrestricted	376,564	745,938
	<hr/>	<hr/>
Total Net Position	15,476,009	14,177,824
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$17,970,851</u></u>	<u><u>\$16,884,877</u></u>

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

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$404,809	\$1,602,263
Miscellaneous sources	1,721	5,753
Cash paid to/for:		
Suppliers	(190,426)	(754,698)
Employees payroll, taxes and benefits	<u>(226,131)</u>	<u>(748,067)</u>
Net cash flows from operating activities	<u>(10,027)</u>	<u>105,251</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	<u>(296,125)</u>	<u>(469,593)</u>
Net cash flows from capital and related financing activities	<u>(296,125)</u>	<u>(219,801)</u>
Cash flows from investing activities:		
Interest received on investments	<u>28</u>	<u>125</u>
Net cash flows from investing activities	<u>28</u>	<u>125</u>
Net decrease in cash and investments	<u>(306,124)</u>	<u>(114,425)</u>
Cash and investments at beginning of period	<u>759,625</u>	<u>567,926</u>
Cash and investments at end of period	<u><u>\$453,501</u></u>	<u><u>\$453,501</u></u>

Page 7

Year- To-Date	Current Month
Reconciliation of operating loss to net cash flows from operating activities	
Operating loss	(\$102,323)
Noncash item in operating income:	
Depreciation of utility plant	60,159
Changes in assets and liabilities:	
Consumer accounts receivable	(21,216)
Inventories	45,412
Prepaid and deferred expenses	(17,109)
Accounts payable	46,322
Pension provision	10,427
Health & dental insurance provision	10,208
Other post-employment benefit provision	833
Retained percentage	2,778
Accrued payroll	(24,828)
Accrued vacation	5,092
Accrued property taxes	66
Miscellaneous accrued expenses	79
Net cash flows from operating activities	(\$10,027)
\$105,251	\$105,251

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$2,444		\$2,625		\$2,644	
Operation Labor and Expenses	1,343		892		1,204	
Miscellaneous Expense	346		---		27	
Maintenance of Wells	15,000		34,596		32,720	
Maintenance of Supply Mains	251		---		---	
Depreciation	6,717		6,546		5,958	
Total Source of Supply Expense	26,101	6.3	44,659	10.4	42,553	10.7
<u>Pumping</u>						
Operation Supervision	2,835		3,009		3,043	
Fuel or Power Purchased	61,600		70,349		59,422	
Pumping Labor and Expenses	3,575		4,892		3,544	
Miscellaneous Expense	216		323		275	
Maintenance of Structures	227		---		---	
Maintenance of Pumping Equipment	14,558		112,962		34,696	
Depreciation	5,498		5,670		5,498	
Total Pumping Expense	88,509	21.2	197,205	46.0	106,478	26.7
<u>Water Treatment</u>						
Operation Supervision	2,924		3,044		3,074	
Chemicals	18,193		16,674		18,559	
Operation Labor and Expenses	12,136		11,882		11,195	
Miscellaneous Expense	632		594		728	
Maintenance of Structures	1,204		2,018		169	
Maintenance of Purification Equip.	2,105		2,124		1,721	
Depreciation	3,205		3,229		2,338	
Total Water Treatment Expense	40,399	9.7	39,565	9.2	37,784	9.5
<u>Distribution</u>						
Operation Supervision	2,910		3,040		3,003	
Storage Facilities Expense	4,739		4,469		4,273	
Trans. & Distr. Lines Expense	17,471		15,744		19,913	
Meter Expense	10,568		12,143		9,611	
Consumer Installation Expense	5,315		4,808		4,677	
Miscellaneous Expense	10,056		10,562		10,628	
Vehicle Expense	5,014		4,488		4,243	
Maintenance:						
Supervision	4,595		4,859		4,848	
Structures	88		83		1,064	
Reservoirs and Standpipes	27		14		65	
Mains	13,505		4,254		3,438	
Valves	1,867		2,031		2,451	
Meters	4,630		2,905		1,648	
Hydrants	628		462		1,115	
Miscellaneous Plant	3,096		2,066		1,895	
Vacation, Holiday, Sick Leave	14,135		14,899		8,591	
Depreciation	32,396		32,462		31,035	
Total Distribution Expense	\$131,040	31.4	\$119,289	27.8	\$112,498	28.3

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$9,935		\$10,305		\$9,520	
Operation Labor and Expenses	6,381		3,574		5,717	
Miscellaneous Expense	664		206		1,235	
Maintenance of Wells	45,000		69,192		32,849	
Maintenance of Supply Mains	1,006		5,564		4,287	
Depreciation	26,868		26,184		23,832	
Total Source of Supply Expense	89,854	5.6	115,025	7.0	77,440	5.2
<u>Pumping</u>						
Operation Supervision	11,604		11,786		11,030	
Fuel or Power Purchased	238,000		269,826		225,273	
Pumping Labor and Expenses	14,507		17,993		11,845	
Miscellaneous Expense	866		1,115		1,363	
Maintenance of Structures	652		120		49	
Maintenance of Pumping Equipment	83,128		174,231		46,069	
Depreciation	21,991		22,680		21,992	
Total Pumping Expense	370,748	23.3	497,751	30.5	317,621	21.2
<u>Water Treatment</u>						
Operation Supervision	11,662		11,908		11,142	
Chemicals	72,772		63,832		62,117	
Operation Labor and Expenses	54,949		55,885		54,032	
Miscellaneous Expense	8,615		6,724		4,920	
Maintenance of Structures	4,100		4,086		8,504	
Maintenance of Purification Equip.	8,332		8,813		13,913	
Depreciation	12,820		12,916		9,352	
Total Water Treatment Expense	173,250	10.9	164,164	10.0	163,980	11.0
<u>Distribution</u>						
Operation Supervision	11,656		11,890		11,035	
Storage Facilities Expense	16,210		18,057		16,188	
Trans. & Distr. Lines Expense	30,673		21,577		34,088	
Meter Expense	40,788		43,747		43,640	
Consumer Installation Expense	20,636		16,476		15,228	
Miscellaneous Expense	40,512		59,916		44,476	
Vehicle Expense	19,794		20,558		15,803	
Maintenance:						
Supervision	18,322		18,943		17,966	
Structures	521		1,769		1,513	
Reservoirs and Standpipes	566		1,684		1,081	
Mains	47,102		36,147		34,409	
Valves	15,593		6,099		16,101	
Meters	18,677		7,382		5,106	
Hydrants	6,617		4,718		8,034	
Miscellaneous Plant	12,386		9,442		11,698	
Vacation, Holiday, Sick Leave	47,949		57,829		51,517	
Depreciation	129,583		129,848		124,140	
Total Distribution Expense	\$477,585	30.0	\$466,082	28.5	\$452,023	30.2

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$3,714</u>	0.9	<u>\$821</u>	0.2	<u>\$552</u>	0.1
<u>Consumer Accounts</u>						
Supervision	1,267		766		1,478	
Meter Reading Expense	4,121		3,981		4,275	
Consumer Records and Collection	13,887		14,419		16,661	
Uncollectible Accounts Expense	735		735		569	
Vacation, Holiday, Sick Leave	<u>1,920</u>		<u>2,305</u>		<u>1,211</u>	
Total Consumer Accounts Expense	<u>21,930</u>	5.3	<u>22,206</u>	5.2	<u>24,194</u>	6.1
<u>Administrative and General</u>						
Administrative and General Salaries	18,367		20,203		16,577	
Office Supplies and Expenses	1,617		1,016		1,495	
Outside Services Employed	3,750		1,559		527	
Property Insurance	1,734		1,757		1,560	
Casualty Ins, Injuries & Damages	3,966		4,196		3,816	
Employee Pensions and Benefits	51,143		51,040		46,709	
Fringe Benefits Charged to Constr.	(2,269)		(4,387)		(2,584)	
Miscellaneous General Expense	8,085		8,168		9,131	
Rents	5,746		5,746		5,579	
Maintenance of General Plant	2,493		2,097		1,812	
Vacation, Holiday, Sick Leave	3,447		3,847		1,742	
Depreciation	<u>12,274</u>		<u>12,252</u>		<u>7,511</u>	
Total Administrative and General	<u>110,353</u>	26.5	<u>107,494</u>	25.1	<u>93,875</u>	23.6
Total Operating Expense	<u><u>\$422,046</u></u>		<u><u>\$531,239</u></u>		<u><u>\$417,934</u></u>	
Percent to Operating Revenue		101.2		123.9		105.0

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$10,364</u>	0.7	<u>\$3,536</u>	0.2	<u>\$3,432</u>	0.2
<u>Consumer Accounts</u>						
Supervision	5,021		4,981		5,290	
Meter Reading Expense	15,192		17,910		16,600	
Customer Records and Collection	55,185		53,285		54,078	
Uncollectible Accounts Expense	2,940		2,940		2,276	
Vacation, Holiday, Sick Leave	<u>7,100</u>		<u>8,171</u>		<u>8,004</u>	
Total Consumer Accounts Expense	<u>85,438</u>	5.4	<u>87,287</u>	5.3	<u>86,248</u>	5.8
<u>Administrative and General</u>						
Administrative and General Salaries	73,474		76,752		59,498	
Office Supplies and Expenses	7,148		5,725		6,025	
Outside Services Employed	15,028		13,692		4,739	
Property Insurance	6,587		6,436		4,473	
Casualty Ins, Injuries & Damages	15,784		18,097		10,519	
Employee Pensions and Benefits	200,118		194,920		186,490	
Fringe Benefits Charged to Constr.	(8,143)		(9,999)		(6,261)	
Miscellaneous General Expense	38,446		33,949		37,775	
Rents	22,985		22,985		22,316	
Maintenance of General Plant	12,292		11,458		7,298	
Vacation, Holiday, Sick Leave	11,597		12,721		10,999	
Depreciation	<u>49,096</u>		<u>49,008</u>		<u>30,044</u>	
Total Administrative and General	<u>444,412</u>	27.9	<u>435,744</u>	26.7	<u>373,915</u>	25.0
Total Operating Expense	<u><u>\$1,651,651</u></u>		<u><u>\$1,769,589</u></u>		<u><u>\$1,474,659</u></u>	
Percent to Operating Revenue		103.7		108.3		98.6

Muscatine Power and Water - Water Utility
Statistical Data
Current Month - April 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	0.531	0.563	0.504	0.535
Cost Per 1,000 Gallons	<u>0.661</u>	<u>0.700</u>	<u>0.532</u>	<u>0.564</u>
Margin	<u>(0.129)</u>	<u>(0.137)</u>	<u>(0.028)</u>	<u>(0.030)</u>

	<u>2014</u>	<u>2013</u>
Maximum Daily Water Pumped (1,000 gallons)	30,034	30,947
Date of Maximum	04/24	04/30

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	0.522	0.553	0.495	0.524
Cost Per 1,000 Gallons	<u>0.569</u>	<u>0.604</u>	<u>0.492</u>	<u>0.522</u>
Margin	<u>(0.048)</u>	<u>(0.050)</u>	<u>0.002</u>	<u>0.002</u>

	<u>2014</u>	<u>2013</u>
Maximum Daily Water Pumped (1,000 gallons)	30,034	30,947
Date of Maximum	04/24	04/30

Services

Contract Customers	2	2
Power Plants	2	2
Residential	8,584	8,600
Commercial	<u>1,072</u>	<u>1,091</u>
Total	<u>9,660</u>	<u>9,695</u>