

Muscatine Power and Water

Water Utility

Statement of Revenues, Expenses and Changes in Net Position

April 2014

**Muscatine Power and Water
Water Utility**

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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	<u>29,535</u>	1.4	<u>29,955</u>	(1.3)	<u>30,360</u>
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	<u>43,312</u>	5.1	<u>45,521</u>	2.4	<u>44,438</u>
Total Water Pumped	<u>765,182</u>	5.1	<u>804,223</u>	2.4	<u>785,073</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	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	<u>114,455</u>	6.6	<u>121,957</u>	3.1	<u>118,303</u>
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	<u>171,062</u>	2.8	<u>175,921</u>	3.8	<u>169,547</u>
Total Water Pumped	<u>3,022,103</u>	2.8	<u>3,107,990</u>	3.8	<u>2,995,375</u>

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	---	---	---	---	---
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

	<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	\$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>
<u>Net Income (Loss) before Capital Contributions</u>					
Capital Contributions	<u>(105,866)</u>	30.8	<u>(138,425)</u>	-8.8X	<u>17,832</u>
Capital Contributions	<u>29,124</u>	---	<u>---</u>	-1.0X	<u>52,503</u>
Change in Net Position	<u>(76,742)</u>	80.4	<u>(138,425)</u>	-3.0X	<u>70,335</u>
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	<u>71,128</u>	<u>63,439</u>
 Total Current Liabilities	 <u>1,676,486</u>	 <u>1,673,473</u>
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	<u>455,500</u>	<u>632,778</u>
 Total Non-Current Liabilities	 <u>818,356</u>	 <u>1,033,580</u>
Net Position:		
Net Investment in Capital Assets	15,099,445	13,431,886
Unrestricted	<u>376,564</u>	<u>745,938</u>
 Total Net Position	 <u>15,476,009</u>	 <u>14,177,824</u>
 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>\$453,501</u>	<u>\$453,501</u>

Year-	Current	Month	To-Date	(\$135,827)	Operating loss	Noncash item in operating income:	Changes in assets and liabilities:	Health & dental insurance provision	Other post-employment benefit provision	Retained percentage	Accrued payroll	Accrued vacation	Accrued property taxes	Miscellaneous accrued expenses	Net cash flows from operating activities	
					240,636											
					60,159											
					(21,216)											
					(15,323)											
					62,718											
					45,412											
					(17,109)											
					46,322											
					41,708											
					10,427											
					(65,448)											
					(29,300)											
					Accrued and deferred expenses											
					Accrued payable											
					Pension provision											
					Health & dental insurance provision											
					Other post-employment benefit provision											
					Retained percentage											
					Accrued payroll											
					Accrued vacation											
					Accrued property taxes											
					Miscellaneous accrued expenses											
					Net cash flows from operating activities											

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

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>Source of Supply</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	<u>6,717</u>		<u>6,546</u>		<u>5,958</u>
Total Source of Supply Expense	<u>26,101</u>	6.3	<u>44,659</u>	10.4	<u>42,553</u> 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	<u>5,498</u>		<u>5,670</u>		<u>5,498</u>
Total Pumping Expense	<u>88,509</u>	21.2	<u>197,205</u>	46.0	<u>106,478</u> 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	<u>3,205</u>		<u>3,229</u>		<u>2,338</u>
Total Water Treatment Expense	<u>40,399</u>	9.7	<u>39,565</u>	9.2	<u>37,784</u> 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	<u>32,396</u>		<u>32,462</u>		<u>31,035</u>
Total Distribution Expense	<u>\$131,040</u>	31.4	<u>\$119,289</u>	27.8	<u>\$112,498</u> 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	<u>26,868</u>	<u>26,184</u>	<u>23,832</u>
 Total Source of Supply Expense	<u>89,854</u>	<u>5.6</u>	<u>115,025</u>
		7.0	<u>77,440</u>
			<u>5.2</u>
 <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	<u>21,991</u>	<u>22,680</u>	<u>21,992</u>
 Total Pumping Expense	<u>370,748</u>	<u>23.3</u>	<u>497,751</u>
		30.5	<u>317,621</u>
			<u>21.2</u>
 <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	<u>12,820</u>	<u>12,916</u>	<u>9,352</u>
 Total Water Treatment Expense	<u>173,250</u>	<u>10.9</u>	<u>164,164</u>
		10.0	<u>163,980</u>
			<u>11.0</u>
 <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	<u>129,583</u>	<u>129,848</u>	<u>124,140</u>
 Total Distribution Expense	<u>\$477,585</u>	<u>30.0</u>	<u>\$466,082</u>
		28.5	<u>\$452,023</u>
			<u>30.2</u>

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>\$422,046</u>	<u>\$531,239</u>	<u>\$417,934</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>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>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
Total Operating Expense	<u>\$1,651,651</u>	<u>\$1,769,589</u>	<u>\$1,474,659</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>