

Muscatine Power and Water

Water Utility

Statement of Revenues, Expenses and Changes in Net Position

January 2017

**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
Statements of Net Position.....	3-4
Statements of Cash Flows.....	5-6
Summary of Expenses.....	7-8
Statistical Data.....	9

Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - January 2017

	<u>Budget Estimate</u>	<u>%Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>%Increase (Decrease) Fr. Last Yr.</u>
<u>Water Distribution - 1,000 Gallons</u>				
Contract Customers	589,108	13.7	669,827	14.9
Power Plants	56,232	54.7	86,991	18.2
Residential	38,677	(7.4)	35,818	(5.7)
Commercial	<u>27,605</u>	(5.7)	<u>26,024</u>	(0.5)
 Total Metered Customers	 711,622	 15.0	 818,660	 13.6
Rated Customers - Estimate	---	---	15	2.8X
City Use, Line Loss, Cycle Billing	<u>42,697</u>	15.0	<u>49,120</u>	13.6
 Total Water Pumped	 <u><u>754,319</u></u>	 15.0	 <u><u>867,795</u></u>	 13.6

**Last
Year**

583,035
73,569
37,977
26,146

720,727
4
43,244

763,975

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - January 2017

	% Increase (Decrease)			% Increase (Decrease) from Last				
	Budget Estimate	Avg. Price	from Budget	This Year	Avg. Price	Year	Last Year	Avg. Price
<u>Sales of Water</u>								
Contract Customers	\$242,893	\$ 0.41231	9.9	\$266,893	\$ 0.39845	15.7	\$230,735	\$ 0.39575
Power Plants	27,200	0.48371	33.6	36,339	0.41773	18.5	30,663	0.41679
Residential	158,890	4.10813	(2.2)	155,350	4.33721	2.9	150,951	3.97480
Commercial	45,538	1.64963	3.3	47,046	1.80782	5.6	44,543	1.70363
Water Sales	474,521	0.66682	6.6	505,628	0.61763	10.7	456,892	0.63393
<u>Other Revenue</u>								
Penalty Revenue	---		---	(1)		(50.0)	(2)	
Merchandise & Job Sales-Net	917		(64.3)	327		(55.0)	726	
Miscellaneous Revenue	1,068		20.9	1,291		(11.1)	1,452	
Total Other Revenue	1,985		(18.5)	1,617		(25.7)	2,176	
Operating Revenue	476,506		6.5	507,245		10.5	459,068	
<u>Operating Expense</u>								
Operation	343,605		(4.0)	329,925		6.1	310,902	
Maintenance	49,607		2.1X	153,259		2.2X	47,589	
Depreciation	65,293		(1.4)	64,385		5.0	61,305	
Total Operating Expense	458,505		19.4	547,569		30.4	419,796	
Operating Income (Loss)	18,001		-3.2X	(40,324)		-2.0X	39,272	
<u>Nonoperating Revenues (Expenses)</u>								
Interest Income	48		60.4	77		(3.8)	80	
Interest Expense	(1,092)		26.4	(1,380)		71.4	(805)	
Net Nonoperating Revenues (Expenses)	(1,044)		24.8	(1,303)		79.7	(725)	
Net Income (Loss) before Capital Contributions	16,957		-3.5X	(41,627)		-2.1X	38,547	
Prior Period Adj. GASB 68 Pension	---		---	---		---	---	
Capital Contributions	---		---	---		---	---	
Change in Net Position	16,957		-3.5X	(41,627)		-2.1X	38,547	
Beginning Net Position	16,468,093			16,468,093			15,669,713	
Ending Net Position	\$16,485,050			\$16,426,466			\$15,708,260	
Net Income (Loss) to Operating Revenue	3.6			(8.2)			8.4	
Debt Service Coverage	22.68			6.09			36.80	

Muscatine Power and Water - Water Utility
Statements of Net Position
January 2017

ASSETS

	<u>2017</u>	<u>2016</u>
Current Assets:		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$683,001	\$923,197
Receivables:		
Consumer Accounts	679,522	626,920
Interest	12	1
Inventories	343,465	346,667
Prepaid Expenses	48,795	52,900
	<hr/>	<hr/>
Total Unrestricted Current Assets	1,754,795	1,949,685
	<hr/>	<hr/>
<u>Restricted Assets</u>		
Cash - interest bearing	35,292	35,256
	<hr/>	<hr/>
	35,292	35,256
	<hr/>	<hr/>
Total Current Assets	1,790,087	1,984,941
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Property and Equipment:		
At Cost	32,636,296	29,079,131
Less Accumulated Depreciation	10,646,023	10,535,358
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Net Property and Equipment	21,990,273	18,543,773
	<hr/>	<hr/>
Deferred Outflows of Resources - Pension		
Changes of Assumptions	120,280	120,280
Difference between projected and actual earnings on pension plan	294,580	54,648
Contributions subsequent to measurement date	309,461	282,595
	<hr/>	<hr/>
Total Deferred Outflows of Resources - Pension	724,321	457,523
	<hr/>	<hr/>
TOTAL ASSETS	<u><u>\$24,504,681</u></u>	<u><u>\$20,986,237</u></u>

Muscatine Power and Water - Water Utility
Statements of Net Position
January 2017

LIABILITIES AND NET POSITION

	<u>2017</u>	<u>2016</u>
Current Liabilities:		
<u>Payable from Unrestricted Assets</u>		
Accounts Payable	\$298,249	\$183,664
Health & Dental Insurance Provision	31,680	30,320
Retained Percentage on Contracts	979	4,441
Consumer Advances for Construction	91,105	87,439
Accrued Payroll	13,812	73,174
Accrued Vacation	135,840	118,020
Accrued Property Taxes	1,472	1,336
Miscellaneous Accrued Expenses	67,780	64,337
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	640,917	562,731
	<hr/>	<hr/>
<u>Payable from Restricted Assets</u>		
State Revolving Loan	31,000	30,000
Accrued Interest	1,899	1,443
	<hr/>	<hr/>
Total Payable from Restricted Assets	32,899	31,443
	<hr/>	<hr/>
Total Current Liabilities	673,816	594,174
	<hr/>	<hr/>
Non-Current Liabilities:		
State Revolving Loan	100,000	131,000
Notes Payable to Electric Utility	5,500,000	2,900,000
Health & Dental Insurance Provision	30,914	57,230
Post-Employment Health Benefit Provision	40,123	36,844
Net Pension Liability	1,272,294	1,020,113
Consumer Advances for Construction	198,772	290,532
	<hr/>	<hr/>
Total Non-Current Liabilities	7,142,103	4,435,719
	<hr/>	<hr/>
Deferred Inflows of Resources - Pension	262,296	248,084
	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets	21,569,396	18,004,802
Restricted	33,393	33,813
Unrestricted	(5,176,323)	(2,330,355)
	<hr/>	<hr/>
Total Net Position	16,426,466	15,708,260
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$24,504,681</u></u>	<u><u>\$20,986,237</u></u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
January 2017

	<u>Current Month</u>
Cash flows from operating activities:	
Cash received from:	
Water sales	\$525,358
Miscellaneous sources	3,541
Cash paid to/for:	
Suppliers	(191,523)
Employees payroll, taxes and benefits	<u>(272,694)</u>
Net cash flows from operating activities	<u>64,682</u>
Cash flows from capital and related financing activities:	
State revolving loan fund principal payments	---
State revolving loan interest payments	---
Loan from electric utility	2,600,000
Loan from electric utility interest payments	---
Capital expenditures, net	<u>(2,829,809)</u>
Net cash flows from capital and related financing activities	<u>(229,809)</u>
Cash flows from investing activities:	
Interest received on investments	<u>74</u>
Net cash flows from investing activities	<u>74</u>
Net decrease in cash and investments	<u>(165,053)</u>
Cash and investments at beginning of period	<u>883,346</u>
Cash and investments at end of period	<u><u>\$718,293</u></u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
January 2017

	<u>Current Month</u>
Reconciliation of operating income (loss) to net cash flows from operating activities	
Operating income (loss)	(\$40,324)
Noncash item in operating income:	
Depreciation of utility plant	64,385
Change in deferred inflows of resources - pension	---
Change in deferred outflows of resources - pension	---
Changes in assets and liabilities:	
Consumer accounts receivable	21,826
Inventories	13,502
Prepaid and deferred expenses	4,948
Accounts payable	45,128
Net pension liability	13,799
Health & dental insurance provision	(328)
Other post-employment benefit provision	301
Retained percentage	196
Accrued payroll	(63,232)
Accrued vacation	6,326
Accrued property taxes	113
Unearned revenue	(2,300)
Miscellaneous accrued expenses	342
	<hr/>
Net cash flows from operating activities	<u><u>\$64,682</u></u>

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - January 2017

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision (600)	\$3,403		\$3,503		\$2,763	
Operation Labor and Expenses (601)	1,037		731		1,072	
Miscellaneous Expense (603)	225		---		---	
Maintenance of Wells (614)	---		42,374		---	
Maintenance of Supply Mains (616)	760		---		---	
Depreciation (618)	9,493		9,525		9,015	
Total Source of Supply Expense	14,918	3.1	56,133	11.1	12,850	2.8
<u>Pumping</u>						
Operation Supervision (620)	3,806		4,017		3,160	
Fuel or Power Purchased (623)	78,448		81,760		72,922	
Pumping Labor and Expenses (624)	4,461		4,831		4,378	
Miscellaneous Expense (626)	262		295		295	
Maintenance of Structures (631)	448		232		---	
Maintenance of Pumping Equipment (632/633)	5,118		66,154		12,946	
Depreciation (634)	6,382		6,294		6,024	
Total Pumping Expense	98,925	20.8	163,583	32.2	99,725	21.7
<u>Water Treatment</u>						
Operation Supervision (640)	3,488		3,644		3,192	
Chemicals (641)	18,917		18,346		15,345	
Operation Labor and Expenses (642)	22,522		16,031		17,928	
Miscellaneous Expense (643)	2,991		1,383		2,284	
Maintenance of Structures (651)	828		4,075		1,218	
Maintenance of Purification Equip. (652)	868		2,862		1,279	
Depreciation (654)	3,518		3,262		3,229	
Total Water Treatment Expense	53,132	11.2	49,603	9.8	44,475	9.7
<u>Distribution</u>						
Operation Supervision (660)	3,624		3,712		3,234	
Storage Facilities Expense (661)	4,057		5,081		5,159	
Trans. & Distr. Lines Expense (662)	3,014		1,928		1,962	
Meter Expense (663)	10,236		10,795		7,269	
Consumer Installation Expense (664)	4,814		3,819		3,806	
Miscellaneous Expense (665)	17,722		24,311		13,238	
Vehicle Expense (667)	4,652		4,954		3,748	
Maintenance:						
Supervision (670)	5,139		5,274		4,746	
Structures (671)	157		63		16	
Reservoirs and Standpipes (672)	64		16		87	
Mains (673)	19,599		19,038		15,504	
Valves (674)	4,775		1,779		4,612	
Meters (676)	2,025		243		1,675	
Hydrants (677)	1,115		529		411	
Miscellaneous Plant (678)	2,969		6,153		2,542	
Vacation, Holiday, Sick Leave (679)	16,746		19,778		15,017	
Depreciation (680)	38,251		36,103		35,403	
Total Distribution Expense	\$138,959	29.2	\$143,576	28.3	\$118,429	25.8

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - January 2017

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	<u>\$773</u>	0.2	<u>\$144</u>	0.0	<u>\$395</u>	0.1
<u>Consumer Accounts</u>						
Supervision (901)	1,385		1,591		1,456	
Meter Reading Expense (902)	3,616		3,860		3,950	
Consumer Records and Collection (903)	15,998		13,471		12,165	
Uncollectible Accounts Expense (904)	1,104		1,104		1,049	
Vacation, Holiday, Sick Leave (906)	<u>2,445</u>		<u>2,938</u>		<u>2,040</u>	
Total Consumer Accounts Expense	<u>24,548</u>	5.2	<u>22,964</u>	4.5	<u>20,660</u>	4.5
<u>Administrative and General</u>						
Administrative and General Salaries (920)	22,310		21,758		21,175	
Office Supplies and Expenses (921)	1,987		1,668		1,623	
Outside Services Employed (923)	2,210		876		1,236	
Property Insurance (924)	1,698		1,698		1,727	
Casualty Ins, Injuries & Damages (925)	4,958		4,362		13,285	
Employee Pensions and Benefits (926)	62,482		56,932		57,651	
Fringe Benefits Charged to Constr. (927)	(3,335)		(8,175)		(1,496)	
Miscellaneous General Expense (930)	10,655		7,667		8,089	
Rents (931)	6,279		6,279		6,096	
Maintenance of General Plant (932)	5,742		4,467		2,553	
Vacation, Holiday, Sick Leave (936)	4,615		4,833		3,689	
Depreciation (933)	<u>7,649</u>		<u>9,201</u>		<u>7,634</u>	
Total Administrative and General	<u>127,250</u>	26.7	<u>111,566</u>	22.0	<u>123,262</u>	26.9
Total Operating Expense	<u>\$458,505</u>		<u>\$547,569</u>		<u>\$419,796</u>	
Percent to Operating Revenue		96.2		107.9		91.4

Muscatine Power and Water - Water Utility
Statistical Data
Current Month - January 2017

	<u>Pumped</u>	<u>2017</u> <u>Sold</u>	<u>Pumped</u>	<u>2016</u> <u>Sold</u>
Average Revenue Per 1,000 Gallons	0.583	0.618	0.598	0.634
Cost Per 1,000 Gallons	<u>0.631</u>	<u>0.669</u>	<u>0.549</u>	<u>0.582</u>
Margin	<u>(0.048)</u>	<u>(0.051)</u>	<u>0.049</u>	<u>0.051</u>

	<u>2017</u>	<u>2016</u>
Maximum Daily Water Pumped (1,000 gallons)	30,872	28,003
Date of Maximum	01/11	01/22

Services

Contract Customers	2	2
Power Plants	2	2
Residential	8,730	8,693
Commercial	<u>1,067</u>	<u>1,058</u>
Total	<u>9,801</u>	<u>9,755</u>