

**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**

	<b>Budget Estimate</b>	<b>%Increase (Decrease) From Budget</b>	<b>This Year</b>	<b>%Increase (Decrease) Fr. Last Yr.</b>
<b><u>Water Distribution - 1,000 Gallons</u></b>				
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

<u>Last Year</u>
583,035
73,569
37,977
<u>26,146</u>
720,727
4
<u>43,244</u>
<u><u>763,975</u></u>

**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
<b>Sales of Water</b>								
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	<u>474,521</u>	0.66682	6.6	<u>505,628</u>	0.61763	10.7	<u>456,892</u>	0.63393
<b>Other Revenue</b>								
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	<u>1,985</u>		(18.5)	<u>1,617</u>		(25.7)	<u>2,176</u>	
Operating Revenue	<u>476,506</u>		6.5	<u>507,245</u>		10.5	<u>459,068</u>	
<b>Operating Expense</b>								
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	<u>458,505</u>		19.4	<u>547,569</u>		30.4	<u>419,796</u>	
Operating Income (Loss)	<u>18,001</u>		-3.2X	<u>(40,324)</u>		-2.0X	<u>39,272</u>	
<b>Nonoperating Revenues (Expenses)</b>								
Interest Income	48		60.4	77		(3.8)	80	
Interest Expense	(1,092)		26.4	(1,380)		71.4	(805)	
Net Nonoperating Revenues (Expenses)	<u>(1,044)</u>		24.8	<u>(1,303)</u>		79.7	<u>(725)</u>	
<b>Net Income (Loss) before Capital Contributions</b>								
Prior Period Adj. GASB 68 Pension	---	---		(41,627)		-2.1X	38,547	
Capital Contributions	---	---		---		---	---	
<b>Change in Net Position</b>	<u>16,957</u>		-3.5X	<u>(41,627)</u>		-2.1X	<u>38,547</u>	
<b>Beginning Net Position</b>	<u>16,468,093</u>			<u>16,468,093</u>			<u>15,669,713</u>	
<b>Ending Net Position</b>	<u>\$16,485,050</u>			<u>\$16,426,466</u>			<u>\$15,708,260</u>	
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>
<b>Current Assets:</b>		
<b><u>Unrestricted Assets</u></b>		
Cash - interest bearing	\$683,001	\$923,197
Receivables:		
Consumer Accounts	679,522	626,920
Interest	12	1
Inventories	343,465	346,667
Prepaid Expenses	<u>48,795</u>	<u>52,900</u>
Total Unrestricted Current Assets	<u>1,754,795</u>	<u>1,949,685</u>
<b><u>Restricted Assets</u></b>		
Cash - interest bearing	<u>35,292</u>	<u>35,256</u>
	<u>35,292</u>	<u>35,256</u>
Total Current Assets	<u>1,790,087</u>	<u>1,984,941</u>
<b>Property and Equipment:</b>		
At Cost	32,636,296	29,079,131
Less Accumulated Depreciation	<u>10,646,023</u>	<u>10,535,358</u>
Net Property and Equipment	<u>21,990,273</u>	<u>18,543,773</u>
<b>Deferred Outflows of Resources - Pension</b>		
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	<u>309,461</u>	<u>282,595</u>
Total Deferred Outflows of Resources - Pension	<u>724,321</u>	<u>457,523</u>
<b>TOTAL ASSETS</b>	<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>
<b>Current Liabilities:</b>		
<b><u>Payable from Unrestricted Assets</u></b>		
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	<u>67,780</u>	<u>64,337</u>
Total Payable from Unrestricted Assets	<u>640,917</u>	<u>562,731</u>
<b><u>Payable from Restricted Assets</u></b>		
State Revolving Loan	31,000	30,000
Accrued Interest	<u>1,899</u>	<u>1,443</u>
Total Payable from Restricted Assets	<u>32,899</u>	<u>31,443</u>
Total Current Liabilities	<u>673,816</u>	<u>594,174</u>
<b>Non-Current Liabilities:</b>		
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	<u>198,772</u>	<u>290,532</u>
Total Non-Current Liabilities	<u>7,142,103</u>	<u>4,435,719</u>
<b>Deferred Inflows of Resources - Pension</b>	<u>262,296</u>	<u>248,084</u>
<b>Net Position:</b>		
Net Investment in Capital Assets	21,569,396	18,004,802
Restricted	33,393	33,813
Unrestricted	<u>(5,176,323)</u>	<u>(2,330,355)</u>
Total Net Position	<u>16,426,466</u>	<u>15,708,260</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<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**

	<b>Current <u>Month</u></b>
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**

	<b><u>Current</u></b> <b><u>Month</u></b>
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	<u>342</u>
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**

	<b>Budget Est.</b>	<b>This Year</b>	<b>Last Year</b>
<b><u>Source of Supply</u></b>			
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)	<u>9,493</u>	<u>9,525</u>	<u>9,015</u>
Total Source of Supply Expense	<u>14,918</u>	3.1	<u>56,133</u>
		11.1	<u>12,850</u>
		2.8	
<b><u>Pumping</u></b>			
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)	<u>6,382</u>	<u>6,294</u>	<u>6,024</u>
Total Pumping Expense	<u>98,925</u>	20.8	<u>163,583</u>
		32.2	<u>99,725</u>
		21.7	
<b><u>Water Treatment</u></b>			
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)	<u>3,518</u>	<u>3,262</u>	<u>3,229</u>
Total Water Treatment Expense	<u>53,132</u>	11.2	<u>49,603</u>
		9.8	<u>44,475</u>
		9.7	
<b><u>Distribution</u></b>			
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)	<u>38,251</u>	<u>36,103</u>	<u>35,403</u>
Total Distribution Expense	<u>\$138,959</u>	29.2	<u>\$143,576</u>
		28.3	<u>\$118,429</u>
		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>
<b><u>Customer Service Expense</u></b>			
Customer Information Expense (909)	<u>\$773</u>	0.2	<u>\$144</u>
		0.0	<u>\$395</u>
		0.1	
<b><u>Consumer Accounts</u></b>			
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)	2,445	2,938	2,040
Total Consumer Accounts Expense	<u>24,548</u>	5.2	<u>22,964</u>
		4.5	<u>20,660</u>
		4.5	
<b><u>Administrative and General</u></b>			
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)	7,649	9,201	7,634
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><u>\$458,505</u></u>	<u><u>\$547,569</u></u>	<u><u>\$419,796</u></u>
Percent to Operating Revenue	96.2	107.9	91.4

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

	<u>2017</u>		<u>2016</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</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	(0.048)	(0.051)	0.049	0.051
	 <u>2017</u>		 <u>2016</u>	
Maximum Daily Water Pumped (1,000 gallons)	30,872		28,003	
Date of Maximum	01/11		01/22	
 <b>Services</b>				
Contract Customers	2		2	
Power Plants	2		2	
Residential	8,730		8,693	
Commercial	<u>1,067</u>		<u>1,058</u>	
Total	<u><u>9,801</u></u>		<u><u>9,755</u></u>	