

Muscatine Power and Water

Water Utility

Statement of Revenues, Expenses and Changes in Net Position

August 2013

**Muscatine Power and Water
Water Utility**

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Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - August 2013

	<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	644,028	(7.8)	593,807	2.9	576,956
Power Plants	98,155	(0.4)	97,727	(1.7)	99,392
Residential	51,641	1.3	52,312	(6.1)	55,722
Commercial	43,744	(0.3)	43,620	(4.0)	45,449
Total Metered Customers	837,568	(6.0)	787,466	1.3	777,519
Rated Customers - Estimate	---	---	11	---	11
City Use, Line Loss, Cycle Billing	50,254	(6.0)	47,248	1.3	46,651
Total Water Pumped	887,822	(6.0)	834,725	1.3	824,181

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	4,918,474	(2.8)	4,780,364	5.6	4,526,539
Power Plants	595,765	(0.9)	590,666	(4.1)	615,798
Residential	321,951	(1.2)	317,999	(10.8)	356,430
Commercial	261,990	4.2	272,890	(3.9)	283,850
Total Metered Customers	6,098,180	(2.2)	5,961,919	3.1	5,782,617
Rated Customers - Estimate	---	---	94	19.0	79
City Use, Line Loss, Cycle Billing	365,891	(2.2)	357,715	3.1	346,957
Total Water Pumped	6,464,071	(2.2)	6,319,728	3.1	6,129,653

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - August 2013

	<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	\$203,053	(3.1)	\$196,840	7.2	\$183,644
Power Plants	35,226	(2.1)	34,478	0.2	34,418
Residential	140,195	6.3	149,008	1.7	146,519
Commercial	48,893	6.7	52,190	3.8	50,275
Water Sales	<u>427,367</u>	1.2	<u>432,516</u>	4.3	<u>414,856</u>
<u>Other Revenue</u>					
Penalty Revenue	625	74.4	1,090	25.3	870
Merchandise & Job Sales-Net	1,000	2.3X	3,306	2.8X	868
Miscellaneous Revenue	817	2.7	839	22.1	687
Total Other Revenue	<u>2,442</u>	1.1X	<u>5,235</u>	1.2X	<u>2,425</u>
Operating Revenue	<u>429,809</u>	1.8	<u>437,751</u>	4.9	<u>417,281</u>
<u>Operating Expense</u>					
Operation	277,191	(3.2)	268,255	1.2	265,029
Maintenance	50,629	(16.7)	42,152	(47.6)	80,409
Depreciation	56,506	(7.4)	52,340	6.6	49,083
Total Operating Expense	<u>384,326</u>	(5.6)	<u>362,747</u>	(8.1)	<u>394,521</u>
Operating Income	<u>45,483</u>	64.9	<u>75,004</u>	2.3X	<u>22,760</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	43	(39.5)	26	23.8	21
Interest Expense	<u>(7,025)</u>	(91.1)	<u>(627)</u>	(6.3)	<u>(669)</u>
Net Nonoperating Revenues (Expenses)	<u>(6,982)</u>	(91.4)	<u>(601)</u>	(7.3)	<u>(648)</u>
Net Income before Capital Contributions	38,501	93.2	74,403	2.4X	22,112
Capital Contributions	<u>21,215</u>	(22.1)	<u>16,521</u>	—	<u>—</u>
Change in Net Position	59,716	52.3	90,924	3.1X	22,112
Beginning Net Position	<u>13,895,321</u>		<u>14,197,978</u>		<u>13,731,415</u>
Ending Net Position	<u>\$13,955,037</u>		<u>\$14,288,902</u>		<u>\$13,753,527</u>
Net Income (Loss) to Operating Revenue	9.0		17.0		5.3
Debt Service Coverage	4.10		41.85		23.93

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - August 2013

	<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	\$1,553,258	(2.3)	\$1,517,567	3.7	\$1,463,391
Power Plants	239,081	(0.1)	238,925	1.7	235,007
Residential	1,003,715	5.3	1,056,549	1.3	1,043,071
Commercial	<u>323,552</u>	8.9	<u>352,343</u>	4.7	<u>336,687</u>
Water Sales	<u>3,119,606</u>	1.5	<u>3,165,384</u>	2.8	<u>3,078,156</u>
<u>Other Revenue</u>					
Penalty Revenue	5,000	9.9	5,494	9.9	5,000
Merchandise & Job Sales-Net	7,382	(20.8)	5,845	56.1	3,745
Miscellaneous Revenue	<u>7,710</u>	81.3	<u>13,981</u>	95.4	<u>7,156</u>
Total Other Revenue	<u>20,092</u>	26.0	<u>25,320</u>	59.2	<u>15,901</u>
Operating Revenue	<u>3,139,698</u>	1.6	<u>3,190,704</u>	3.1	<u>3,094,057</u>
<u>Operating Expense</u>					
Operation	2,264,242	(3.8)	2,177,485	7.4	2,027,315
Maintenance	591,972	(19.4)	477,119	(19.8)	595,083
Depreciation	<u>452,047</u>	(7.4)	<u>418,720</u>	6.6	<u>392,664</u>
Total Operating Expense	<u>3,308,261</u>	(7.1)	<u>3,073,324</u>	1.9	<u>3,015,062</u>
Operating Income (Loss)	<u>(168,563)</u>	-1.7X	<u>117,380</u>	48.6	<u>78,995</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	367	(43.3)	208	1.1X	99
Interest Expense	<u>(58,068)</u>	(91.0)	<u>(5,199)</u>	(7.5)	<u>(5,620)</u>
Net Nonoperating Revenues (Expenses)	<u>(57,701)</u>	(91.4)	<u>(4,991)</u>	(9.6)	<u>(5,521)</u>
<u>Net Income (Loss) before Capital Contributions</u>					
Contributions	(226,264)	-1.5X	112,389	53.0	73,474
Capital Contributions	<u>73,812</u>	(6.5)	<u>69,024</u>	---	<u>---</u>
Change in Net Position	(152,452)	-2.2X	181,413	1.5X	73,474
Beginning Net Position	<u>14,107,489</u>		<u>14,107,489</u>		<u>13,680,053</u>
Ending Net Position	<u>\$13,955,037</u>		<u>\$14,288,902</u>		<u>\$13,753,527</u>
Net Income (Loss) to Operating Revenue	(7.2)		3.5		2.4
Debt Service Coverage	1.43		22.24		19.76

Muscatine Power and Water - Water Utility
Statements of Net Position
August 2013

ASSETS

	<u>2013</u>	<u>2012</u>
Current Assets:		
Cash - interest bearing	\$611,114	\$867,452
Receivables:		
Consumer Accounts	574,642	546,122
Interest	2	3
Inventories	317,941	290,560
Prepaid Expenses	<u>30,199</u>	<u>29,573</u>
Total Current Assets	<u>1,533,898</u>	<u>1,733,710</u>
Property and Equipment:		
At Cost	25,708,202	24,241,268
Less Accumulated Depreciation	<u>9,879,206</u>	<u>9,419,385</u>
Net Property and Equipment	<u>15,828,996</u>	<u>14,821,883</u>
 TOTAL ASSETS	 <u><u>\$17,362,894</u></u>	 <u><u>\$16,555,593</u></u>

Muscatine Power and Water - Water Utility
Statements of Net Position
August 2013

LIABILITIES AND NET ASSETS

	<u>2013</u>	<u>2012</u>
Current Liabilities:		
State Revolving Loan	\$29,000	\$28,000
Notes Payable to Electric Utility	400,000	---
Accrued Interest	1,854	2,007
Accounts Payable	282,411	203,700
Pension provision	11,274	77,433
Health & Dental Insurance Provision	17,316	19,578
Intercompanies Payable	---	12,011
Retained Percentage on Contracts	15,077	---
Consumer Advances for Construction	1,143,609	360,335
Accrued Payroll	61,909	61,999
Accrued Vacation	93,397	75,881
Miscellaneous Accrued Expenses	55,673	55,272
Miscellaneous Deferred Credits	---	5,200
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Total Current Liabilities	2,111,520	901,416
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Non-Current Liabilities:		
State Revolving Loan	190,000	219,000
Health & Dental Insurance Provision	165,229	120,591
Post-Employment Health Benefit Provision	20,709	15,514
Consumer Advances for Construction	586,534	1,545,545
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Total Non-Current Liabilities	962,472	1,900,650
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Net Position:		
Net Investment in Capital Assets	13,479,853	12,669,003
Unrestricted	809,049	1,084,524
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Total Net Position	14,288,902	13,753,527
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TOTAL LIABILITIES AND NET POSITION	<u>\$17,362,894</u>	<u>\$16,555,593</u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
August 2013

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$440,385	\$3,096,241
Miscellaneous sources	1,295	18,711
Cash paid to/for:		
Suppliers	(143,601)	(1,249,610)
Employees payroll, taxes and benefits	(193,238)	(1,451,035)
Net cash flows from operating activities	<u>104,841</u>	<u>414,307</u>
Cash flows from capital and related financing activities:		
State revolving loan fund principal payments	—	(28,000)
State revolving loan interest payments	—	(4,323)
Loan from electric utility	—	400,000
Capital expenditures, net	(330,756)	(818,048)
Net cash flows from capital and related financing activities	<u>(330,756)</u>	<u>(450,371)</u>
Cash flows from investing activities:		
Interest received on investments	42	208
Net cash flows from investing activities	<u>42</u>	<u>208</u>
Net decrease in cash and investments	<u>(225,873)</u>	<u>(35,856)</u>
Cash and investments at beginning of period	<u>836,987</u>	<u>646,970</u>
Cash and investments at end of period	<u><u>\$611,114</u></u>	<u><u>\$611,114</u></u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
August 2013

	<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	\$75,004	\$117,380
Noncash item in operating income:		
Depreciation of utility plant	52,340	418,720
Changes in assets and liabilities:		
Consumer accounts receivable	(2,401)	(72,484)
Inventories	(56,092)	(26,072)
Prepaid and deferred expenses	5,154	(10,874)
Accounts payable	27,499	(57,411)
Pension provision	8,203	11,274
Health & dental insurance provision	(10,730)	1,267
Other post-employment benefit provision	2,442	6,124
Intercompany payable	---	(8,493)
Retained Percentage	---	6,843
Accrued payroll	6,622	27,486
Accrued vacation	(2,236)	7,750
Miscellaneous accrued expenses	(964)	(2,003)
Miscellaneous deferred credits	---	(5,200)
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Net cash flows from operating activities	<u>\$104,841</u>	<u>\$414,307</u>

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - August 2013

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$2,450		\$2,364		\$2,668	
Operation Labor and Expenses	1,374		908		1,078	
Miscellaneous Expense	727		400		426	
Maintenance of Wells	---		---		---	
Maintenance of Supply Mains	735		971		500	
Depreciation	5,962		5,958		5,911	
Total Source of Supply Expense	11,248	2.6	10,601	2.4	10,583	2.5
<u>Pumping</u>						
Operation Supervision	2,794		2,731		3,088	
Fuel or Power Purchased	65,100		70,236		60,597	
Pumping Labor and Expenses	3,915		5,192		2,844	
Miscellaneous Expense	217		482		686	
Maintenance of Structures	142		---		---	
Maintenance of Pumping Equipment	6,024		6,623		8,658	
Depreciation	5,498		5,498		5,498	
Total Pumping Expense	83,690	19.5	90,762	20.7	81,371	19.5
<u>Water Treatment</u>						
Operation Supervision	2,895		2,757		3,106	
Chemicals	16,916		16,168		15,063	
Operation Labor and Expenses	12,770		14,807		9,129	
Miscellaneous Expense	656		297		308	
Maintenance of Structures	1,407		2,766		2,038	
Maintenance of Purification Equip.	5,540		7,593		872	
Depreciation	2,352		2,338		2,338	
Total Water Treatment Expense	42,536	9.9	46,726	10.7	32,854	7.9
<u>Distribution</u>						
Operation Supervision	2,891		2,750		3,185	
Storage Facilities Expense	4,242		4,752		6,699	
Trans. & Distr. Lines Expense	4,205		(5,858)		5,398	
Meter Expense	12,082		12,490		13,548	
Consumer Installation Expense	5,088		5,061		6,170	
Miscellaneous Expense	11,094		15,646		7,520	
Vehicle Expense	5,219		4,391		3,967	
Maintenance:						
Supervision	4,615		4,381		4,872	
Structures	139		221		552	
Reservoirs and Standpipes	27		131		1,754	
Mains	13,569		9,408		45,435	
Valves	4,501		2,845		4,746	
Meters	4,565		1,704		5,651	
Hydrants	4,859		1,941		846	
Miscellaneous Plant	2,582		1,848		2,745	
Vacation, Holiday, Sick Leave	9,215		9,744		7,291	
Depreciation	31,526		31,035		30,533	
Total Distribution Expense	\$120,419	28.0	\$102,490	23.4	\$150,912	36.2

Muscatine Power and Water - Water Utility
Summary of Expenses
Calendar Year-to-Date - August 2013

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Source of Supply</u>						
Operation Supervision	\$19,310		\$18,983		\$19,696	
Operation Labor and Expenses	10,823		9,656		10,809	
Miscellaneous Expense	3,734		2,862		2,174	
Maintenance of Wells	93,000		65,569		76,060	
Maintenance of Supply Mains	5,877		5,679		4,712	
Depreciation	47,698		47,664		47,288	
Total Source of Supply Expense	180,442	5.7	150,413	4.7	160,739	5.2
<u>Pumping</u>						
Operation Supervision	22,681		21,848		22,884	
Fuel or Power Purchased	480,500		481,241		435,463	
Pumping Labor and Expenses	30,995		30,759		28,723	
Miscellaneous Expense	1,787		2,890		3,487	
Maintenance of Structures	7,213		5,124		---	
Maintenance of Pumping Equipment	119,145		96,479		128,058	
Depreciation	43,982		43,984		43,984	
Total Pumping Expense	706,303	22.5	682,325	21.4	662,599	21.4
<u>Water Treatment</u>						
Operation Supervision	22,793		22,053		23,103	
Chemicals	135,332		123,651		124,665	
Operation Labor and Expenses	115,983		108,165		93,404	
Miscellaneous Expense	18,102		17,819		9,942	
Maintenance of Structures	12,921		12,847		9,084	
Maintenance of Purification Equip.	35,988		27,395		13,535	
Depreciation	18,815		18,704		18,704	
Total Water Treatment Expense	359,934	11.5	330,634	10.4	292,437	9.5
<u>Distribution</u>						
Operation Supervision	22,727		21,827		23,091	
Storage Facilities Expense	32,818		34,196		38,290	
Trans. & Distr. Lines Expense	52,317		72,035		66,121	
Meter Expense	88,692		90,262		92,919	
Consumer Installation Expense	41,520		34,769		32,148	
Miscellaneous Expense	89,901		108,866		67,107	
Vehicle Expense	41,176		33,122		33,824	
Maintenance:						
Supervision	35,748		35,014		36,162	
Structures	7,559		3,340		3,953	
Reservoirs and Standpipes	15,213		4,159		28,717	
Mains	125,325		132,257		193,537	
Valves	34,434		25,427		24,365	
Meters	36,261		15,449		26,200	
Hydrants	25,957		13,987		16,814	
Miscellaneous Plant	20,658		20,776		19,832	
Vacation, Holiday, Sick Leave	90,535		98,183		82,924	
Depreciation	252,211		248,280		244,264	
Total Distribution Expense	\$1,013,052	32.3	\$991,949	31.1	\$1,030,268	33.3

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - August 2013

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$2,054</u>	0.5	<u>\$1,978</u>	0.5	<u>\$513</u>	0.1
<u>Consumer Accounts</u>						
Supervision	1,263		1,463		1,180	
Meter Reading Expense	3,624		3,590		4,056	
Consumer Records and Collection	13,317		14,452		13,249	
Uncollectible Accounts Expense	569		569		480	
Vacation, Holiday, Sick Leave	<u>1,441</u>		<u>1,527</u>		<u>1,423</u>	
Total Consumer Accounts Expense	<u>20,214</u>	4.7	<u>21,601</u>	4.9	<u>20,388</u>	4.9
<u>Administrative and General</u>						
Administrative and General Salaries	16,238		16,749		16,553	
Office Supplies and Expenses	1,863		1,084		1,560	
Outside Services Employed	10,579		1,735		11,120	
Property Insurance	1,575		1,560		971	
Casualty Ins, Injuries & Damages	3,149		1,633		5,329	
Employee Pensions and Benefits	46,441		46,157		47,052	
Fringe Benefits Charged to Constr.	(4,187)		(3,858)		(4,549)	
Miscellaneous General Expense	7,759		6,839		6,227	
Rents	5,579		5,579		5,754	
Maintenance of General Plant	1,924		1,720		1,740	
Vacation, Holiday, Sick Leave	2,077		1,880		1,340	
Depreciation	<u>11,168</u>		<u>7,511</u>		<u>4,803</u>	
Total Administrative and General	<u>104,165</u>	24.2	<u>88,589</u>	20.2	<u>97,900</u>	23.5
Total Operating Expense	<u><u>\$384,326</u></u>		<u><u>\$362,747</u></u>		<u><u>\$394,521</u></u>	
Percent to Operating Revenue		89.4		82.9		94.5

Muscatine Power and Water - Water Utility
Summary of Expenses
Calendar Year-to-Date - August 2013

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$25,302</u>	0.8	<u>\$10,825</u>	0.3	<u>\$13,621</u>	0.4
<u>Consumer Accounts</u>						
Supervision	9,844		10,830		8,229	
Meter Reading Expense	29,623		32,088		32,196	
Customer Records and Collection	107,917		110,125		94,985	
Uncollectible Accounts Expense	4,552		4,552		3,840	
Vacation, Holiday, Sick Leave	<u>13,963</u>		<u>14,938</u>		<u>14,736</u>	
Total Consumer Accounts Expense	<u>165,899</u>	5.3	<u>172,533</u>	5.4	<u>153,986</u>	5.0
<u>Administrative and General</u>						
Administrative and General Salaries	127,022		123,781		113,168	
Office Supplies and Expenses	16,263		10,813		11,902	
Outside Services Employed	87,776		9,952		21,817	
Property Insurance	11,808		10,712		7,282	
Casualty Ins, Injuries & Damages	25,187		20,564		30,882	
Employee Pensions and Benefits	377,015		373,869		359,592	
Fringe Benefits Charged to Constr.	(23,160)		(16,782)		(15,515)	
Miscellaneous General Expense	64,776		63,404		58,414	
Rents	44,632		44,632		46,032	
Maintenance of General Plant	16,673		13,617		14,054	
Vacation, Holiday, Sick Leave	19,996		19,995		15,360	
Depreciation	<u>89,341</u>		<u>60,088</u>		<u>38,424</u>	
Total Administrative and General	<u>857,329</u>	27.3	<u>734,645</u>	23.0	<u>701,412</u>	22.7
Total Operating Expense	<u>\$3,308,261</u>		<u>\$3,073,324</u>		<u>\$3,015,062</u>	
Percent to Operating Revenue		105.4		96.3		97.4

**Muscatine Power and Water - Water Utility
Statistical Data
Current Month - August 2013**

	<u>2013</u>		<u>2012</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.518	0.549	0.503	0.534
Cost Per 1,000 Gallons	<u>0.435</u>	<u>0.461</u>	<u>0.479</u>	<u>0.507</u>
Margin	<u>0.084</u>	<u>0.089</u>	<u>0.025</u>	<u>0.026</u>
	<u>2013</u>		<u>2012</u>	
Maximum Daily Water Pumped (1,000 gallons)	31,685		30,651	
Date of Maximum	08/27		08/02	

Calendar Year-to-Date

	<u>2013</u>		<u>2012</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.501	0.531	0.502	0.532
Cost Per 1,000 Gallons	<u>0.486</u>	<u>0.515</u>	<u>0.492</u>	<u>0.521</u>
Margin	<u>0.015</u>	<u>0.015</u>	<u>0.010</u>	<u>0.011</u>
	<u>2013</u>	<u>2012</u>		
Maximum Daily Water Pumped (1,000 gallons)	34,475	30,651		
Date of Maximum	07/18	08/02		
<u>Services</u>				
Contract Customers	2	2		
Power Plants	2	2		
Residential	8,591	8,585		
Commercial	<u>1,089</u>	<u>1,096</u>		
Total	<u>9,684</u>	<u>9,685</u>		