

Muscatine Power and Water

Water Utility

Statement of Revenues, Expenses and Changes in Net Position

August 2013

**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 - 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	<u>43,744</u>	(0.3)	<u>43,620</u>	(4.0)	<u>45,449</u>
Total Metered Customers	837,568	(6.0)	787,466	1.3	777,519
Rated Customers - Estimate	---	---	11	---	11
City Use, Line Loss, Cycle Billing	<u>50,254</u>	(6.0)	<u>47,248</u>	1.3	<u>46,651</u>
Total Water Pumped	<u><u>887,822</u></u>	(6.0)	<u><u>834,725</u></u>	1.3	<u><u>824,181</u></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	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	<u>261,990</u>	4.2	<u>272,890</u>	(3.9)	<u>283,850</u>
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	<u>365,891</u>	(2.2)	<u>357,715</u>	3.1	<u>346,957</u>
Total Water Pumped	<u><u>6,464,071</u></u>	(2.2)	<u><u>6,319,728</u></u>	3.1	<u><u>6,129,653</u></u>

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	<u>48,893</u>	6.7	<u>52,190</u>	3.8	<u>50,275</u>
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	<u>817</u>	2.7	<u>839</u>	22.1	<u>687</u>
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	<u>56,506</u>	(7.4)	<u>52,340</u>	6.6	<u>49,083</u>
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</u>	<u>%Increase (Decrease)</u>	<u>This Year</u>	<u>%Increase (Decrease)</u>	<u>Last Year</u>
	<u>Estimate</u>	<u>From Budget</u>		<u>Fr. Last Yr.</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>					
	<u>(226,264)</u>	-1.5X	<u>112,389</u>	53.0	<u>73,474</u>
Capital Contributions	<u>73,812</u>	(6.5)	<u>69,024</u>	---	<u>---</u>
Change in Net Position	<u>(152,452)</u>	-2.2X	<u>181,413</u>	1.5X	<u>73,474</u>
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
 Total Current Liabilities	 <u>2,111,520</u>	 <u>901,416</u>
 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
 Total Non-Current Liabilities	 <u>962,472</u>	 <u>1,900,650</u>
 Net Position:		
Net Investment in Capital Assets	13,479,853	12,669,003
Unrestricted	809,049	1,084,524
 Total Net Position	 <u>14,288,902</u>	 <u>13,753,527</u>
 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</u> <u>Month</u>	<u>Year-</u> <u>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	<u>(193,238)</u>	<u>(1,451,035)</u>
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	<u>(330,756)</u>	<u>(818,048)</u>
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	<u>42</u>	<u>208</u>
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>\$611,114</u>	<u>\$611,114</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)
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>Budget Est.</u>	<u>This Year</u>	<u>Last Year</u>
<u>Source of Supply</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	<u>5,962</u>	<u>5,958</u>	<u>5,911</u>
Total Source of Supply Expense	<u>11,248</u>	2.6	<u>10,601</u>
<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	<u>5,498</u>	<u>5,498</u>	<u>5,498</u>
Total Pumping Expense	<u>83,690</u>	19.5	<u>90,762</u>
<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	<u>2,352</u>	<u>2,338</u>	<u>2,338</u>
Total Water Treatment Expense	<u>42,536</u>	9.9	<u>46,726</u>
<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	<u>31,526</u>	<u>31,035</u>	<u>30,533</u>
Total Distribution Expense	<u>\$120,419</u>	28.0	<u>\$102,490</u>
			23.4
			<u>\$150,912</u>
			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	<u>47,698</u>	<u>47,664</u>	<u>47,288</u>
Total Source of Supply Expense	<u>180,442</u>	5.7	<u>160,739</u>
		150,413	4.7
		<u>160,739</u>	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	<u>43,982</u>	<u>43,984</u>	<u>43,984</u>
Total Pumping Expense	<u>706,303</u>	22.5	<u>662,599</u>
		682,325	21.4
		<u>662,599</u>	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	<u>18,815</u>	<u>18,704</u>	<u>18,704</u>
Total Water Treatment Expense	<u>359,934</u>	11.5	<u>292,437</u>
		330,634	10.4
		<u>292,437</u>	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	<u>252,211</u>	<u>248,280</u>	<u>244,264</u>
Total Distribution Expense	<u>\$1,013,052</u>	32.3	<u>\$1,030,268</u>
		\$991,949	31.1
		<u>\$1,030,268</u>	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>\$384,326</u>	<u>\$362,747</u>	<u>\$394,521</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	

Services

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>