

Muscatine Power and Water

Water Utility

Statement of Revenues, Expenses and Changes in Net Position

November 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 - November 2013

	<u>Budget</u> <u>Estimate</u>	<u>%Increase</u> <u>(Decrease)</u> <u>From Budget</u>	<u>This</u> <u>Year</u>	<u>%Increase</u> <u>(Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last</u> <u>Year</u>
<u>Water Distribution - 1,000 Gallons</u>					
Contract Customers	574,090	12.4	645,247	21.9	529,264
Power Plants	81,531	(11.6)	72,074	19.2	60,488
Residential	35,393	0.3	35,488	(6.3)	37,888
Commercial	<u>27,873</u>	17.2	<u>32,670</u>	12.9	<u>28,926</u>
Total Metered Customers	718,887	9.3	785,479	19.6	656,566
Rated Customers - Estimate	---	---	11	0.0	11
City Use, Line Loss, Cycle Billing	<u>43,133</u>	9.3	<u>47,129</u>	19.6	<u>39,394</u>
Total Water Pumped	<u><u>762,020</u></u>	9.3	<u><u>832,618</u></u>	19.6	<u><u>695,971</u></u>

Calendar Year-to-Date

	<u>Budget</u> <u>Estimate</u>	<u>%Increase</u> <u>(Decrease)</u> <u>From Budget</u>	<u>This</u> <u>Year</u>	<u>%Increase</u> <u>(Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last</u> <u>Year</u>
<u>Water Distribution - 1,000 Gallons</u>					
Contract Customers	6,721,528	(0.7)	6,676,300	8.6	6,150,434
Power Plants	834,557	(0.3)	832,192	4.6	795,745
Residential	443,700	1.1	448,678	(5.8)	476,449
Commercial	<u>363,343</u>	7.6	<u>391,004</u>	0.9	<u>387,422</u>
Total Metered Customers	8,363,128	(0.2)	8,348,174	6.9	7,810,050
Rated Customers - Estimate	---	---	142	35.2	105
City Use, Line Loss, Cycle Billing	<u>501,788</u>	(0.2)	<u>500,890</u>	6.9	<u>468,603</u>
Total Water Pumped	<u><u>8,864,916</u></u>	(0.2)	<u><u>8,849,206</u></u>	6.9	<u><u>8,278,758</u></u>

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - November 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	\$190,956	7.3	\$204,854	21.0	\$169,332
Power Plants	31,760	(8.5)	29,057	8.3	26,822
Residential	126,466	3.4	130,709	5.1	124,415
Commercial	<u>37,305</u>	18.7	<u>44,292</u>	17.4	<u>37,714</u>
Water Sales	<u>386,487</u>	5.8	<u>408,912</u>	14.1	<u>358,283</u>
<u>Other Revenue</u>					
Penalty Revenue	625	7.5	672	(17.7)	817
Merchandise & Job Sales-Net	820	(29.6)	577	54.3	374
Miscellaneous Revenue	<u>817</u>	(9.2)	<u>742</u>	14.2	<u>650</u>
Total Other Revenue	<u>2,262</u>	(12.0)	<u>1,991</u>	8.1	<u>1,841</u>
Operating Revenue	<u>388,749</u>	5.7	<u>410,903</u>	14.1	<u>360,124</u>
<u>Operating Expense</u>					
Operation	276,046	0.5	277,452	12.6	246,310
Maintenance	39,416	93.8	76,396	84.7	41,354
Depreciation	<u>56,506</u>	(7.4)	<u>52,340</u>	6.6	<u>49,083</u>
Total Operating Expense	<u>371,968</u>	9.2	<u>406,188</u>	20.6	<u>336,747</u>
Operating Income	<u>16,781</u>	(71.9)	<u>4,715</u>	(79.8)	<u>23,377</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	75	(61.3)	29	(35.6)	45
Interest Expense	<u>(10,241)</u>	(93.9)	<u>(626)</u>	(6.4)	<u>(669)</u>
Net Nonoperating Revenues (Expenses)	<u>(10,166)</u>	(94.1)	<u>(597)</u>	(4.3)	<u>(624)</u>
Net Income before Capital Contributions	6,615	(37.7)	4,118	(81.9)	22,753
Capital Contributions	<u>27,121</u>	---	<u>---</u>	---	<u>---</u>
Change in Net Position	33,736	(87.8)	4,118	(81.9)	22,753
Beginning Net Position	<u>13,980,744</u>		<u>14,330,976</u>		<u>14,072,460</u>
Ending Net Position	<u>\$14,014,480</u>		<u>\$14,335,094</u>		<u>\$14,095,213</u>
Net Income (Loss) to Operating Revenue	1.7		1.0		6.3
Debt Service Coverage	2.95		18.76		43.57

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - November 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	\$2,139,712	(0.6)	\$2,126,068	7.1	\$1,985,733
Power Plants	333,180	(0.7)	330,802	4.8	315,738
Residential	1,397,530	5.6	1,475,525	3.5	1,424,985
Commercial	448,365	11.4	499,671	8.0	462,676
Water Sales	<u>4,318,787</u>	2.6	<u>4,432,066</u>	5.8	<u>4,189,132</u>
<u>Other Revenue</u>					
Penalty Revenue	6,875	14.8	7,893	4.2	7,572
Merchandise & Job Sales-Net	10,202	(24.6)	7,697	30.7	5,890
Miscellaneous Revenue	9,780	65.8	16,219	83.6	8,832
Total Other Revenue	<u>26,857</u>	18.4	<u>31,809</u>	42.7	<u>22,294</u>
Operating Revenue	<u>4,345,644</u>	2.7	<u>4,463,875</u>	6.0	<u>4,211,426</u>
<u>Operating Expense</u>					
Operation	3,100,681	(2.0)	3,039,564	9.2	2,784,248
Maintenance	717,235	(4.7)	683,208	(7.0)	734,654
Depreciation	621,564	(7.4)	575,740	6.6	539,913
Total Operating Expense	<u>4,439,480</u>	(3.2)	<u>4,298,512</u>	5.9	<u>4,058,815</u>
Operating Income (Loss)	<u>(93,836)</u>	-2.8X	<u>165,363</u>	8.4	<u>152,611</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	685	(56.8)	296	3.9	285
Interest Expense	(100,791)	(93.0)	(7,078)	(7.2)	(7,627)
Net Nonoperating Revenues (Expenses)	<u>(100,106)</u>	(93.2)	<u>(6,782)</u>	(7.6)	<u>(7,342)</u>
Net Income (Loss) before Capital Contributions	(193,942)	-1.8X	158,581	9.2	145,269
Capital Contributions	<u>100,933</u>	(31.6)	<u>69,024</u>	(74.4)	<u>269,891</u>
Change in Net Position	(93,009)	-3.4X	227,605	(45.2)	415,160
Beginning Net Position	<u>14,107,489</u>		<u>14,107,489</u>		<u>13,680,053</u>
Ending Net Position	<u>\$14,014,480</u>		<u>\$14,335,094</u>		<u>\$14,095,213</u>
Net Income (Loss) to Operating Revenue	(4.5)		3.6		3.4
Debt Service Coverage	1.93		22.30		21.97

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

ASSETS

	<u>2013</u>	<u>2012</u>
Current Assets:		
Cash - interest bearing	\$539,668	\$646,134
Receivables:		
Consumer Accounts	564,023	499,578
Interest	2	3
Inventories	227,370	281,127
Intercompanies	---	21,446
Prepaid Pension	14,998	9,781
Prepaid Expenses	18,051	18,217
	<u>1,364,112</u>	<u>1,476,286</u>
Property and Equipment:		
At Cost	25,917,732	24,503,693
Less Accumulated Depreciation	<u>10,033,603</u>	<u>9,534,853</u>
	<u>15,884,129</u>	<u>14,968,840</u>
TOTAL ASSETS	<u><u>\$17,248,241</u></u>	<u><u>\$16,445,126</u></u>

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

LIABILITIES AND NET POSITION

	<u>2013</u>	<u>2012</u>
Current Liabilities:		
State Revolving Loan	\$29,000	\$28,000
Notes Payable to Electric Utility	400,000	---
Accrued Interest	448	309
Accounts Payable	193,347	142,232
Health & Dental Insurance Provision	17,316	19,578
Retained Percentage on Contracts	---	5,667
Consumer Advances for Construction	1,248,786	151,185
Accrued Payroll	31,803	28,596
Accrued Vacation	98,028	82,787
Accrued Property Taxes	527	---
Miscellaneous Accrued Expenses	51,926	45,244
Miscellaneous Deferred Credits	---	5,200
	<hr/>	<hr/>
Total Current Liabilities	<u>2,071,181</u>	<u>508,798</u>
Non-Current Liabilities:		
State Revolving Loan	190,000	219,000
Health & Dental Insurance Provision	159,495	155,547
Post-Employment Health Benefit Provision	28,036	14,411
Consumer Advances for Construction	464,435	1,452,157
	<hr/>	<hr/>
Total Non-Current Liabilities	<u>841,966</u>	<u>1,841,115</u>
Net Position:		
Net Investment in Capital Assets	13,551,908	13,118,498
Unrestricted	783,186	976,715
	<hr/>	<hr/>
Total Net Position	<u>14,335,094</u>	<u>14,095,213</u>
 TOTAL LIABILITIES AND NET POSITION	 <u><u>\$17,248,241</u></u>	 <u><u>\$16,445,126</u></u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$403,394	\$4,360,757
Miscellaneous sources	1,651	38,311
Cash paid to/for:		
Suppliers	(97,915)	(1,640,515)
Employees payroll, taxes and benefits	<u>(174,631)</u>	<u>(2,072,405)</u>
Net cash flows from operating activities	<u>132,499</u>	<u>686,148</u>
Cash flows from capital and related financing activities:		
State revolving loan fund principal payments	--	(28,000)
State revolving loan interest payments	(3,285)	(7,608)
Loan from electric utility	--	400,000
Capital expenditures, net	<u>(123,604)</u>	<u>(1,158,137)</u>
Net cash flows from capital and related financing activities	<u>(126,889)</u>	<u>(793,745)</u>
Cash flows from investing activities:		
Interest received on investments	<u>28</u>	<u>295</u>
Net cash flows from investing activities	<u>28</u>	<u>295</u>
Net increase (decrease) in cash and investments	<u>5,638</u>	<u>(107,302)</u>
Cash and investments at beginning of period	<u>534,030</u>	<u>646,970</u>
Cash and investments at end of period	<u><u>\$539,668</u></u>	<u><u>\$539,668</u></u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$4,715	\$165,363
Noncash item in operating income:		
Depreciation of utility plant	52,340	575,740
Changes in assets and liabilities:		
Consumer accounts receivable	(5,587)	(61,865)
Inventories	20,901	64,499
Prepaid and deferred expenses	3,043	1,274
Accounts payable	66,252	(35,461)
Pension provision	(17,712)	(14,998)
Health & dental insurance provision	(4,891)	(4,467)
Other post-employment benefit provision	2,443	13,451
Intercompany payable	---	(8,493)
Retained Percentage	---	(8,234)
Accrued payroll	8,076	(2,620)
Accrued vacation	1,622	12,381
Accrued property taxes	264	527
Miscellaneous accrued expenses	1,033	(5,749)
Miscellaneous deferred credits	---	(5,200)
Net cash flows from operating activities	<u>\$132,499</u>	<u>\$686,148</u>

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$2,493		\$2,423		\$2,361	
Operation Labor and Expenses	1,266		687		1,691	
Miscellaneous Expense	166		554		---	
Maintenance of Wells	---		16,360		---	
Maintenance of Supply Mains	735		91		27	
Depreciation	<u>5,962</u>		<u>5,958</u>		<u>5,911</u>	
Total Source of Supply Expense	<u>10,622</u>	2.7	<u>26,073</u>	6.3	<u>9,990</u>	2.8
 <u>Pumping</u>						
Operation Supervision	2,953		2,758		2,760	
Fuel or Power Purchased	58,400		67,329		53,937	
Pumping Labor and Expenses	3,958		4,679		2,997	
Miscellaneous Expense	243		264		248	
Maintenance of Structures	142		---		---	
Maintenance of Pumping Equipment	5,203		21,348		1,328	
Depreciation	<u>5,498</u>		<u>5,498</u>		<u>5,498</u>	
Total Pumping Expense	<u>76,397</u>	19.7	<u>101,876</u>	24.8	<u>66,768</u>	18.5
 <u>Water Treatment</u>						
Operation Supervision	2,930		2,790		2,778	
Chemicals	16,916		14,514		14,697	
Operation Labor and Expenses	12,952		13,820		10,768	
Miscellaneous Expense	655		636		1,021	
Maintenance of Structures	352		2,280		4,179	
Maintenance of Purification Equip.	833		2,083		820	
Depreciation	<u>2,352</u>		<u>2,338</u>		<u>2,338</u>	
Total Water Treatment Expense	<u>36,990</u>	9.5	<u>38,461</u>	9.4	<u>36,601</u>	10.2
 <u>Distribution</u>						
Operation Supervision	2,875		2,809		2,839	
Storage Facilities Expense	3,255		4,148		3,851	
Trans. & Distr. Lines Expense	4,205		888		1,264	
Meter Expense	11,621		5,636		9,193	
Consumer Installation Expense	4,880		4,172		4,597	
Miscellaneous Expense	10,618		14,406		6,682	
Vehicle Expense	5,077		4,402		4,384	
Maintenance:						
Supervision	4,502		4,433		4,419	
Structures	139		29		16	
Reservoirs and Standpipes	27		189		190	
Mains	11,572		19,402		8,894	
Valves	4,644		1,966		5,896	
Meters	4,452		414		1,670	
Hydrants	2,299		840		9,565	
Miscellaneous Plant	2,582		5,306		2,691	
Vacation, Holiday, Sick Leave	17,962		16,320		19,487	
Depreciation	<u>31,526</u>		<u>31,035</u>		<u>30,533</u>	
Total Distribution Expense	<u>\$122,236</u>	31.4	<u>\$116,395</u>	28.3	<u>\$116,171</u>	32.3

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Source of Supply</u>						
Operation Supervision	\$26,747		\$26,723		\$27,186	
Operation Labor and Expenses	14,476		11,921		14,302	
Miscellaneous Expense	5,015		4,318		2,590	
Maintenance of Wells	93,000		81,929		76,060	
Maintenance of Supply Mains	8,081		6,500		6,313	
Depreciation	<u>65,585</u>		<u>65,538</u>		<u>65,021</u>	
Total Source of Supply Expense	<u>212,904</u>	4.9	<u>196,929</u>	4.4	<u>191,472</u>	4.5
<u>Pumping</u>						
Operation Supervision	31,382		30,623		31,516	
Fuel or Power Purchased	663,100		685,462		603,346	
Pumping Labor and Expenses	42,764		42,660		37,002	
Miscellaneous Expense	2,490		3,712		4,197	
Maintenance of Structures	7,638		5,124		—	
Maintenance of Pumping Equipment	135,398		152,924		139,509	
Depreciation	<u>60,475</u>		<u>60,478</u>		<u>60,478</u>	
Total Pumping Expense	<u>943,247</u>	21.7	<u>980,983</u>	22.0	<u>876,048</u>	20.8
<u>Water Treatment</u>						
Operation Supervision	31,548		30,916		31,839	
Chemicals	186,082		172,233		170,222	
Operation Labor and Expenses	153,231		150,262		122,756	
Miscellaneous Expense	21,069		20,262		12,049	
Maintenance of Structures	14,002		15,777		14,165	
Maintenance of Purification Equip.	40,989		35,239		18,291	
Depreciation	<u>25,870</u>		<u>25,718</u>		<u>25,718</u>	
Total Water Treatment Expense	<u>472,791</u>	10.9	<u>450,407</u>	10.1	<u>395,040</u>	9.4
<u>Distribution</u>						
Operation Supervision	31,316		30,702		31,859	
Storage Facilities Expense	44,071		48,421		51,006	
Trans. & Distr. Lines Expense	79,973		80,530		97,768	
Meter Expense	124,552		120,658		125,550	
Consumer Installation Expense	57,284		48,338		48,959	
Miscellaneous Expense	122,295		161,559		91,665	
Vehicle Expense	56,549		49,157		46,624	
Maintenance:						
Supervision	49,220		48,984		49,639	
Structures	7,977		5,558		11,722	
Reservoirs and Standpipes	15,293		4,494		35,042	
Mains	164,893		206,918		235,152	
Valves	45,648		33,444		33,384	
Meters	49,701		18,815		35,867	
Hydrants	33,982		17,014		30,139	
Miscellaneous Plant	28,405		31,559		29,786	
Vacation, Holiday, Sick Leave	131,285		137,128		122,185	
Depreciation	<u>346,790</u>		<u>341,385</u>		<u>335,863</u>	
Total Distribution Expense	<u>\$1,389,234</u>	32.0	<u>\$1,384,664</u>	31.0	<u>\$1,412,210</u>	33.5

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$1,769</u>	0.5	<u>\$2,528</u>	0.6	<u>\$1,584</u>	0.4
<u>Consumer Accounts</u>						
Supervision	1,218		975		966	
Meter Reading Expense	3,651		3,840		4,508	
Consumer Records and Collection	13,263		12,264		12,455	
Uncollectible Accounts Expense	569		569		480	
Vacation, Holiday, Sick Leave	<u>2,773</u>		<u>2,663</u>		<u>2,709</u>	
Total Consumer Accounts Expense	<u>21,474</u>	5.5	<u>20,311</u>	4.9	<u>21,118</u>	5.9
<u>Administrative and General</u>						
Administrative and General Salaries	16,170		15,300		14,958	
Office Supplies and Expenses	1,995		801		1,902	
Outside Services Employed	4,407		395		954	
Property Insurance	1,575		1,560		971	
Casualty Ins, Injuries & Damages	3,148		3,857		3,526	
Employee Pensions and Benefits	46,448		53,658		42,320	
Fringe Benefits Charged to Constr.	(1,934)		(2,069)		(2,322)	
Miscellaneous General Expense	8,001		8,425		6,259	
Rents	5,579		5,579		5,754	
Maintenance of General Plant	1,934		1,655		1,659	
Vacation, Holiday, Sick Leave	3,989		3,872		3,731	
Depreciation	<u>11,168</u>		<u>7,511</u>		<u>4,803</u>	
Total Administrative and General	<u>102,480</u>	26.4	<u>100,544</u>	24.5	<u>84,515</u>	23.5
Total Operating Expense	<u><u>\$371,968</u></u>		<u><u>\$406,188</u></u>		<u><u>\$336,747</u></u>	
Percent to Operating Revenue		95.7		98.9		93.5

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$30,895</u>	0.7	<u>\$16,702</u>	0.4	<u>\$18,150</u>	0.4
<u>Consumer Accounts</u>						
Supervision	13,590		14,244		11,005	
Meter Reading Expense	40,655		42,344		44,003	
Customer Records and Collection	147,786		148,332		133,843	
Uncollectible Accounts Expense	6,259		6,259		5,280	
Vacation, Holiday, Sick Leave	<u>20,284</u>		<u>21,310</u>		<u>20,563</u>	
Total Consumer Accounts Expense	<u>228,574</u>	5.3	<u>232,489</u>	5.2	<u>214,694</u>	5.1
<u>Administrative and General</u>						
Administrative and General Salaries	175,596		184,709		159,198	
Office Supplies and Expenses	22,178		14,482		16,586	
Outside Services Employed	100,973		12,297		28,607	
Property Insurance	16,534		15,392		10,196	
Casualty Ins, Injuries & Damages	34,632		28,564		40,585	
Employee Pensions and Benefits	516,757		525,211		488,306	
Fringe Benefits Charged to Constr.	(30,350)		(21,622)		(25,732)	
Miscellaneous General Expense	89,199		84,136		75,055	
Rents	61,369		61,369		63,294	
Maintenance of General Plant	23,008		18,929		19,585	
Vacation, Holiday, Sick Leave	29,095		30,250		22,688	
Depreciation	<u>122,844</u>		<u>82,621</u>		<u>52,833</u>	
Total Administrative and General	<u>1,161,835</u>	26.7	<u>1,036,338</u>	23.2	<u>951,201</u>	22.6
Total Operating Expense	<u>\$4,439,480</u>		<u>\$4,298,512</u>		<u>\$4,058,815</u>	
Percent to Operating Revenue		102.2		96.3		96.4

**Muscatine Power and Water - Water Utility
Statistical Data
Current Month - November 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	0.491	0.521	0.515	0.546
Cost Per 1,000 Gallons	<u>0.488</u>	<u>0.517</u>	<u>0.484</u>	<u>0.513</u>
Margin	<u>0.003</u>	<u>0.003</u>	<u>0.031</u>	<u>0.033</u>
		<u>2013</u>		<u>2012</u>
Maximum Daily Water Pumped (1,000 gallons)		28,108		25,402
Date of Maximum		11/12		11/14

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	0.506	0.536
Cost Per 1,000 Gallons	<u>0.486</u>	<u>0.515</u>	<u>0.490</u>	<u>0.520</u>
Margin	<u>0.015</u>	<u>0.016</u>	<u>0.016</u>	<u>0.017</u>
		<u>2013</u>		<u>2012</u>
Maximum Daily Water Pumped (1,000 gallons)		34,475		32,371
Date of Maximum		07/18		07/10

Services

Contract Customers	2	2
Power Plants	2	2
Residential	8,580	8,577
Commercial	<u>1,079</u>	<u>1,089</u>
Total	<u>9,663</u>	<u>9,670</u>