

Muscatine Power and Water

Water Utility

Statement of Revenues, Expenses and Changes in Net Position

October 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 - October 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	617,848	4.8	647,563	18.3	547,324
Power Plants	71,431	16.7	83,344	54.8	53,837
Residential	38,368	3.2	39,585	(1.0)	39,981
Commercial	33,200	10.8	36,770	8.0	34,050
Total Metered Customers	760,847	6.1	807,262	19.6	675,192
Rated Customers - Estimate	---	---	15	1.1X	7
City Use, Line Loss, Cycle Billing	45,651	6.1	48,436	19.6	40,512
Total Water Pumped	806,498	6.1	855,713	19.6	715,711

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	6,147,438	(1.9)	6,031,053	7.3	5,621,171
Power Plants	753,026	0.9	760,118	3.4	735,257
Residential	408,307	1.2	413,190	(5.8)	438,561
Commercial	335,470	6.8	358,334	---	358,496
Total Metered Customers	7,644,241	(1.1)	7,562,695	5.7	7,153,485
Rated Customers - Estimate	---	---	131	39.4	94
City Use, Line Loss, Cycle Billing	458,654	(1.1)	453,762	5.7	429,209
Total Water Pumped	8,102,895	(1.1)	8,016,588	5.7	7,582,788

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - October 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	\$198,286	3.6	\$205,447	17.8	\$174,454
Power Plants	29,771	4.7	31,168	20.4	25,891
Residential	131,744	2.9	135,568	6.4	127,403
Commercial	<u>41,141</u>	<u>14.8</u>	<u>47,210</u>	<u>13.4</u>	<u>41,637</u>
Water Sales	<u>400,942</u>	<u>4.6</u>	<u>419,393</u>	<u>13.5</u>	<u>369,385</u>
<u>Other Revenue</u>					
Penalty Revenue	625	68.2	1,051	(0.6)	1,057
Merchandise & Job Sales-Net	1,000	(58.8)	412	(48.6)	802
Miscellaneous Revenue	<u>817</u>	<u>27.8</u>	<u>1,044</u>	<u>35.6</u>	<u>770</u>
Total Other Revenue	<u>2,442</u>	<u>2.7</u>	<u>2,507</u>	<u>(4.6)</u>	<u>2,629</u>
Operating Revenue	<u>403,384</u>	<u>4.6</u>	<u>421,900</u>	<u>13.4</u>	<u>372,014</u>
<u>Operating Expense</u>					
Operation	284,663	2.4	291,610	5.2	277,089
Maintenance	36,909	1.1X	75,953	1.2X	35,318
Depreciation	<u>56,506</u>	<u>(7.4)</u>	<u>52,340</u>	<u>6.6</u>	<u>49,083</u>
Total Operating Expense	<u>378,078</u>	<u>11.1</u>	<u>419,903</u>	<u>16.2</u>	<u>361,490</u>
Operating Income	<u>25,306</u>	<u>(92.1)</u>	<u>1,997</u>	<u>(81.0)</u>	<u>10,524</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	148	(77.7)	33	(72.5)	120
Interest Expense	<u>(10,241)</u>	<u>(93.9)</u>	<u>(627)</u>	<u>(6.3)</u>	<u>(669)</u>
Net Nonoperating Revenues (Expenses)	<u>(10,093)</u>	<u>(94.1)</u>	<u>(594)</u>	<u>8.2</u>	<u>(549)</u>
Net Income before Capital Contributions	15,213	(90.8)	1,403	(85.9)	9,975
Capital Contributions	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>269,891</u>
Change in Net Position	15,213	(90.8)	1,403	(99.5)	279,866
Beginning Net Position	<u>13,965,531</u>		<u>14,329,573</u>		<u>13,792,594</u>
Ending Net Position	<u>\$13,980,744</u>		<u>\$14,330,976</u>		<u>\$14,072,460</u>
Net Income (Loss) to Operating Revenue	3.8		0.3		2.7
Debt Service Coverage	3.29		17.86		19.90

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - October 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	\$1,948,756	(1.4)	\$1,921,213	5.8	\$1,816,401
Power Plants	301,421	0.1	301,746	4.4	288,916
Residential	1,271,064	5.8	1,344,816	3.4	1,300,570
Commercial	<u>411,059</u>	10.8	<u>455,379</u>	7.2	<u>424,962</u>
Water Sales	<u>3,932,300</u>	2.3	<u>4,023,154</u>	5.0	<u>3,830,849</u>
<u>Other Revenue</u>					
Penalty Revenue	6,250	15.5	7,221	6.9	6,756
Merchandise & Job Sales-Net	9,382	(24.1)	7,120	29.1	5,517
Miscellaneous Revenue	<u>8,963</u>	72.7	<u>15,476</u>	89.1	<u>8,182</u>
Total Other Revenue	<u>24,595</u>	21.2	<u>29,817</u>	45.8	<u>20,455</u>
Operating Revenue	<u>3,956,895</u>	2.4	<u>4,052,971</u>	5.2	<u>3,851,304</u>
<u>Operating Expense</u>					
Operation	2,824,636	(2.2)	2,762,113	8.8	2,537,937
Maintenance	677,818	(10.5)	606,811	(12.5)	693,302
Depreciation	<u>565,058</u>	(7.4)	<u>523,400</u>	6.6	<u>490,830</u>
Total Operating Expense	<u>4,067,512</u>	(4.3)	<u>3,892,324</u>	4.6	<u>3,722,069</u>
Operating Income (Loss)	<u>(110,617)</u>	-2.5X	<u>160,647</u>	24.3	<u>129,235</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	610	(56.1)	268	12.1	239
Interest Expense	<u>(90,550)</u>	(92.9)	<u>(6,452)</u>	(7.3)	<u>(6,958)</u>
Net Nonoperating Revenues (Expenses)	<u>(89,940)</u>	(93.1)	<u>(6,184)</u>	(8.0)	<u>(6,719)</u>
Net Income (Loss) before Capital Contributions	(200,557)	-1.8X	154,463	26.1	122,516
Capital Contributions	<u>73,812</u>	(6.5)	<u>69,024</u>	(74.4)	<u>269,891</u>
Change in Net Position	(126,745)	-2.8X	223,487	(43.0)	392,407
Beginning Net Position	<u>14,107,489</u>		<u>14,107,489</u>		<u>13,680,053</u>
Ending Net Position	<u>\$13,980,744</u>		<u>\$14,330,976</u>		<u>\$14,072,460</u>
Net Income (Loss) to Operating Revenue	(5.1)		3.8		3.2
Debt Service Coverage	1.83		22.66		20.76

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

ASSETS

	<u>2013</u>	<u>2012</u>
Current Assets:		
Cash - interest bearing	\$534,030	\$731,886
Receivables:		
Consumer Accounts	558,436	511,181
Interest	1	2
Inventories	248,271	293,366
Prepaid Expenses	<u>21,094</u>	<u>21,910</u>
Total Current Assets	<u>1,361,832</u>	<u>1,558,345</u>
Property and Equipment:		
At Cost	25,854,095	24,342,616
Less Accumulated Depreciation	<u>9,983,104</u>	<u>9,495,667</u>
Net Property and Equipment	<u>15,870,991</u>	<u>14,846,949</u>
 TOTAL ASSETS	 <u><u>\$17,232,823</u></u>	 <u><u>\$16,405,294</u></u>

Muscatine Power and Water - Water Utility
Statements of Net Position
October 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	3,107	3,345
Accounts Payable	168,299	132,041
Pension provision	2,714	19,290
Health & Dental Insurance Provision	17,316	19,578
Intercompanies Payable	---	13,964
Consumer Advances for Construction	1,254,607	87,407
Accrued Payroll	23,727	17,649
Accrued Vacation	96,406	78,700
Accrued Property Taxes	263	0
Miscellaneous Accrued Expenses	50,893	48,578
Miscellaneous Deferred Credits	---	5,200
	<hr/>	<hr/>
Total Current Liabilities	2,046,332	453,752
	<hr/>	<hr/>
Non-Current Liabilities:		
State Revolving Loan	190,000	219,000
Health & Dental Insurance Provision	164,386	114,820
Post-Employment Health Benefit Provision	25,593	15,910
Consumer Advances for Construction	475,536	1,529,352
	<hr/>	<hr/>
Total Non-Current Liabilities	855,515	1,879,082
	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets	13,521,848	12,983,190
Unrestricted	809,128	1,089,270
	<hr/>	<hr/>
Total Net Position	14,330,976	14,072,460
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET POSITION	<u>\$17,232,823</u>	<u>\$16,405,294</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$438,419	\$3,957,363
Miscellaneous sources	9,064	36,660
Cash paid to/for:		
Suppliers	(158,006)	(1,542,599)
Employees payroll, taxes and benefits	<u>(289,028)</u>	<u>(1,897,775)</u>
Net cash flows from operating activities	<u>449</u>	<u>553,649</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>(93,739)</u>	<u>(1,034,533)</u>
Net cash flows from capital and related financing activities	<u>(93,739)</u>	<u>(666,856)</u>
Cash flows from investing activities:		
Interest received on investments	<u>32</u>	<u>267</u>
Net cash flows from investing activities	<u>32</u>	<u>267</u>
Net decrease in cash and investments	<u>(93,258)</u>	<u>(112,940)</u>
Cash and investments at beginning of period	<u>627,288</u>	<u>646,970</u>
Cash and investments at end of period	<u><u>\$534,030</u></u>	<u><u>\$534,030</u></u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
October 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	\$1,997	\$160,647
Noncash item in operating income:		
Depreciation of utility plant	52,340	523,400
Changes in assets and liabilities:		
Consumer accounts receivable	27,237	(56,278)
Inventories	41,798	43,598
Prepaid and deferred expenses	4,560	(1,769)
Accounts payable	(40,794)	(101,713)
Pension provision	(16,765)	2,714
Health & dental insurance provision	(2,542)	424
Other post-employment benefit provision	2,442	11,008
Intercompany payable	---	(8,493)
Retained Percentage	(15,077)	(8,234)
Accrued payroll	(48,307)	(10,696)
Accrued vacation	(716)	10,759
Accrued property taxes	263	263
Miscellaneous accrued expenses	(5,987)	(6,781)
Miscellaneous deferred credits	---	(5,200)
	<hr/>	<hr/>
Net cash flows from operating activities	<u>\$449</u>	<u>\$553,649</u>

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Source of Supply</u>						
Operation Supervision	\$2,450		\$2,805		\$2,849	
Operation Labor and Expenses	1,123		937		827	
Miscellaneous Expense	388		603		81	
Maintenance of Wells	---		---		---	
Maintenance of Supply Mains	735		394		1,040	
Depreciation	5,962		5,958		5,911	
Total Source of Supply Expense	10,658	2.6	10,697	2.5	10,708	2.9
<u>Pumping</u>						
Operation Supervision	2,794		3,187		3,267	
Fuel or Power Purchased	62,100		70,079		56,948	
Pumping Labor and Expenses	3,694		3,989		2,871	
Miscellaneous Expense	243		293		213	
Maintenance of Structures	142		---		---	
Maintenance of Pumping Equipment	4,551		31,598		3,562	
Depreciation	5,498		5,498		5,498	
Total Pumping Expense	79,022	19.6	114,644	27.2	72,359	19.5
<u>Water Treatment</u>						
Operation Supervision	2,895		3,213		3,303	
Chemicals	16,916		18,227		16,757	
Operation Labor and Expenses	12,067		14,108		10,179	
Miscellaneous Expense	656		1,177		366	
Maintenance of Structures	351		155		626	
Maintenance of Purification Equip.	644		5,295		1,025	
Depreciation	2,352		2,338		2,338	
Total Water Treatment Expense	35,881	8.9	44,513	10.6	34,594	9.3
<u>Distribution</u>						
Operation Supervision	2,840		3,206		3,315	
Storage Facilities Expense	4,131		5,523		4,712	
Trans. & Distr. Lines Expense	19,246		(3,062)		26,217	
Meter Expense	12,518		13,051		12,962	
Consumer Installation Expense	5,480		5,653		7,883	
Miscellaneous Expense	10,900		21,690		10,548	
Vehicle Expense	5,219		5,837		4,702	
Maintenance:						
Supervision	4,468		5,071		5,059	
Structures	139		2,062		422	
Reservoirs and Standpipes	27		131		244	
Mains	13,282		19,875		10,322	
Valves	2,068		2,419		808	
Meters	4,537		2,122		5,552	
Hydrants	868		1,429		1,300	
Miscellaneous Plant	2,582		3,606		3,438	
Vacation, Holiday, Sick Leave	9,201		8,486		7,989	
Depreciation	31,526		31,035		30,533	
Total Distribution Expense	\$129,032	32.0	\$128,134	30.4	\$136,006	36.6

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$24,254		\$24,301		\$24,825	
Operation Labor and Expenses	13,211		11,234		12,610	
Miscellaneous Expense	4,849		3,765		2,590	
Maintenance of Wells	93,000		65,569		76,060	
Maintenance of Supply Mains	7,346		6,409		6,286	
Depreciation	59,622		59,580		59,110	
Total Source of Supply Expense	202,282	5.1	170,858	4.2	181,481	4.7
<u>Pumping</u>						
Operation Supervision	28,429		27,866		28,756	
Fuel or Power Purchased	604,700		618,133		549,410	
Pumping Labor and Expenses	38,806		37,981		34,005	
Miscellaneous Expense	2,246		3,448		3,948	
Maintenance of Structures	7,496		5,124		—	
Maintenance of Pumping Equipment	130,195		131,576		138,182	
Depreciation	54,978		54,980		54,980	
Total Pumping Expense	866,850	21.9	879,108	21.7	809,281	21.0
<u>Water Treatment</u>						
Operation Supervision	28,618		28,126		29,061	
Chemicals	169,166		157,719		155,525	
Operation Labor and Expenses	140,279		136,443		111,989	
Miscellaneous Expense	20,414		19,626		11,028	
Maintenance of Structures	13,650		13,497		9,987	
Maintenance of Purification Equip.	40,156		33,155		17,470	
Depreciation	23,518		23,380		23,380	
Total Water Treatment Expense	435,801	11.0	411,946	10.2	358,440	9.3
<u>Distribution</u>						
Operation Supervision	28,442		27,892		29,020	
Storage Facilities Expense	40,816		44,274		47,156	
Trans. & Distr. Lines Expense	75,768		79,642		96,504	
Meter Expense	112,931		115,022		116,357	
Consumer Installation Expense	52,405		44,166		44,361	
Miscellaneous Expense	111,677		147,152		84,983	
Vehicle Expense	51,472		44,755		42,240	
Maintenance:						
Supervision	44,718		44,551		45,220	
Structures	7,838		5,528		11,706	
Reservoirs and Standpipes	15,266		4,305		34,852	
Mains	153,321		187,517		226,259	
Valves	41,004		31,478		27,488	
Meters	45,249		18,401		34,197	
Hydrants	31,683		16,174		20,574	
Miscellaneous Plant	25,822		26,254		27,095	
Vacation, Holiday, Sick Leave	113,323		120,808		102,697	
Depreciation	315,263		310,350		305,330	
Total Distribution Expense	\$1,266,998	32.0	\$1,268,269	31.3	\$1,296,039	33.7

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - October 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>\$1,288</u>	0.3	<u>\$295</u>	0.1
<u>Consumer Accounts</u>						
Supervision	1,264		1,045		845	
Meter Reading Expense	3,650		3,265		3,758	
Consumer Records and Collection	13,316		12,411		13,765	
Uncollectible Accounts Expense	569		569		480	
Vacation, Holiday, Sick Leave	<u>1,441</u>		<u>1,532</u>		<u>1,255</u>	
Total Consumer Accounts Expense	<u>20,240</u>	5.0	<u>18,822</u>	4.5	<u>20,103</u>	5.4
<u>Administrative and General</u>						
Administrative and General Salaries	16,202		18,567		17,028	
Office Supplies and Expenses	1,850		1,383		1,783	
Outside Services Employed	4,245		702		812	
Property Insurance	1,575		1,560		971	
Casualty Ins, Injuries & Damages	3,148		1,463		4,403	
Employee Pensions and Benefits	46,945		53,968		45,764	
Fringe Benefits Charged to Constr.	(2,362)		(908)		(4,084)	
Miscellaneous General Expense	8,249		8,093		6,830	
Rents	5,579		5,579		5,754	
Maintenance of General Plant	2,515		1,796		1,920	
Vacation, Holiday, Sick Leave	2,077		2,091		1,441	
Depreciation	<u>11,168</u>		<u>7,511</u>		<u>4,803</u>	
Total Administrative and General	<u>101,191</u>	25.1	<u>101,805</u>	24.1	<u>87,425</u>	23.5
Total Operating Expense	<u>\$378,078</u>		<u>\$419,903</u>		<u>\$361,490</u>	
Percent to Operating Revenue		93.7		99.5		97.2

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$29,125</u>	0.7	<u>\$14,174</u>	0.3	<u>\$16,565</u>	0.4
<u>Consumer Accounts</u>						
Supervision	12,372		13,269		10,040	
Meter Reading Expense	37,004		38,504		39,496	
Customer Records and Collection	134,524		136,067		121,387	
Uncollectible Accounts Expense	5,690		5,690		4,800	
Vacation, Holiday, Sick Leave	<u>17,510</u>		<u>18,646</u>		<u>17,854</u>	
Total Consumer Accounts Expense	<u>207,100</u>	5.2	<u>212,176</u>	5.2	<u>193,577</u>	5.0
<u>Administrative and General</u>						
Administrative and General Salaries	159,426		169,409		144,240	
Office Supplies and Expenses	20,183		13,681		14,684	
Outside Services Employed	96,566		11,902		27,653	
Property Insurance	14,959		13,832		9,224	
Casualty Ins, Injuries & Damages	31,484		24,707		37,060	
Employee Pensions and Benefits	470,309		471,553		445,986	
Fringe Benefits Charged to Constr.	(28,416)		(19,553)		(23,410)	
Miscellaneous General Expense	81,198		75,710		68,796	
Rents	55,790		55,790		57,540	
Maintenance of General Plant	21,074		17,273		17,926	
Vacation, Holiday, Sick Leave	25,106		26,379		18,957	
Depreciation	<u>111,677</u>		<u>75,110</u>		<u>48,030</u>	
Total Administrative and General	<u>1,059,356</u>	26.8	<u>935,793</u>	23.1	<u>866,686</u>	22.5
Total Operating Expense	<u>\$4,067,512</u>		<u>\$3,892,324</u>		<u>\$3,722,069</u>	
Percent to Operating Revenue		102.8		96.0		96.6

Muscatine Power and Water - Water Utility
Statistical Data
Current Month - October 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	0.490	0.520	0.516	0.547
Cost Per 1,000 Gallons	<u>0.491</u>	<u>0.520</u>	<u>0.505</u>	<u>0.535</u>
Margin	<u>(0.001)</u>	<u>(0.001)</u>	<u>0.011</u>	<u>0.012</u>
	<u>2013</u>		<u>2012</u>	
Maximum Daily Water Pumped (1,000 gallons)	30,408		28,274	
Date of Maximum	10/22		10/11	

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	0.502	0.532	0.505	0.536
Cost Per 1,000 Gallons	<u>0.486</u>	<u>0.515</u>	<u>0.491</u>	<u>0.520</u>
Margin	<u>0.016</u>	<u>0.017</u>	<u>0.014</u>	<u>0.015</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	8,592	8,593		
Commercial	<u>1,083</u>	<u>1,093</u>		
Total	<u>9,679</u>	<u>9,690</u>		