

Muscatine Power and Water

Water Utility

Statement of Revenues, Expenses and Changes in Net Position

July 2013

**Muscatine Power and Water
Water Utility**

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

	Budget Estimate	%Increase (Decrease) From Budget	This Year	%Increase (Decrease) Fr. Last Yr.	Last Year
<u>Water Distribution - 1,000 Gallons</u>					
Contract Customers	643,280	10.0	707,297	17.5	602,061
Power Plants	102,149	(7.4)	94,558	(17.7)	114,922
Residential	52,682	(11.3)	46,731	(23.8)	61,351
Commercial	45,012	(6.4)	42,124	(11.4)	47,560
Total Metered Customers	843,123	5.6	890,709	7.8	825,894
Rated Customers - Estimate	---	---	15	---	15
City Use, Line Loss, Cycle Billing	50,587	5.6	53,443	7.8	49,554
Total Water Pumped	893,710	5.6	944,166	7.8	875,463

Calendar Year-to-Date

	Budget Estimate	%Increase (Decrease) From Budget	This Year	%Increase (Decrease) Fr. Last Yr.	Last Year
<u>Water Distribution - 1,000 Gallons</u>					
Contract Customers	4,274,446	(2.1)	4,186,557	6.0	3,949,584
Power Plants	497,610	(0.9)	492,939	(4.5)	516,406
Residential	270,310	(1.7)	265,687	(11.6)	300,708
Commercial	218,246	5.1	229,270	(3.8)	238,400
Total Metered Customers	5,260,612	(1.6)	5,174,453	3.4	5,005,098
Rated Customers - Estimate	---	---	82	22.4	67
City Use, Line Loss, Cycle Billing	315,637	(1.6)	310,467	3.4	300,306
Total Water Pumped	5,576,249	(1.6)	5,485,002	3.4	5,305,471

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - July 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>Sales of Water</u>					
Contract Customers	\$202,789	6.3	\$215,503	12.7	\$191,212
Power Plants	36,020	(5.9)	33,910	(7.3)	36,592
Residential	143,021	0.2	143,321	(6.7)	153,574
Commercial	49,914	3.3	51,560	(0.8)	52,002
Water Sales	<u>431,744</u>	2.9	<u>444,294</u>	2.5	<u>433,380</u>
<u>Other Revenue</u>					
Penalty Revenue	625	34.9	843	(12.6)	964
Merchandise & Job Sales-Net	1,000	(78.1)	219	45.0	151
Miscellaneous Revenue	817	34.6	1,100	(49.0)	2,155
Total Other Revenue	<u>2,442</u>	(11.5)	<u>2,162</u>	(33.9)	<u>3,270</u>
Operating Revenue	<u>434,186</u>	2.8	<u>446,456</u>	2.2	<u>436,650</u>
<u>Operating Expense</u>					
Operation	275,998	7.3	296,043	13.0	261,968
Maintenance	48,722	63.3	79,561	16.8	68,092
Depreciation	56,506	(7.4)	52,340	6.6	49,083
Total Operating Expense	<u>381,226</u>	12.3	<u>427,944</u>	12.9	<u>379,143</u>
Operating Income	<u>52,960</u>	(65.0)	<u>18,512</u>	(67.8)	<u>57,507</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	115	(42.6)	66	2.7X	18
Interest Expense	(7,025)	(91.1)	(627)	(6.3)	(669)
Net Nonoperating Revenues (Expenses)	<u>(6,910)</u>	(91.9)	<u>(561)</u>	(13.8)	<u>(651)</u>
Net Income before Capital Contributions	46,050	(61.0)	17,951	(68.4)	56,856
Capital Contributions	---	---	---	---	---
Change in Net Position	46,050	(61.0)	17,951	(68.4)	56,856
Beginning Net Position	<u>13,849,271</u>		<u>14,180,027</u>		<u>13,674,559</u>
Ending Net Position	<u>\$13,895,321</u>		<u>\$14,197,978</u>		<u>\$13,731,415</u>
Net Income (Loss) to Operating Revenue	10.6		4.0		13.0
Debt Service Coverage	4.40		1.95		35.50

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - July 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	\$1,350,205	(2.2)	\$1,320,726	3.2	\$1,279,747
Power Plants	203,855	0.3	204,447	1.9	200,589
Residential	863,520	5.1	907,541	1.2	896,552
Commercial	<u>274,659</u>	9.3	<u>300,153</u>	4.8	<u>286,412</u>
Water Sales	<u>2,692,239</u>	1.5	<u>2,732,867</u>	2.6	<u>2,663,300</u>
<u>Other Revenue</u>					
Penalty Revenue	4,375	0.7	4,404	6.6	4,130
Merchandise & Job Sales-Net	6,382	(60.2)	2,539	(11.7)	2,877
Miscellaneous Revenue	<u>6,894</u>	90.7	<u>13,144</u>	1.0X	<u>6,468</u>
Total Other Revenue	<u>17,651</u>	13.8	<u>20,087</u>	49.1	<u>13,475</u>
Operating Revenue	<u>2,709,890</u>	1.6	<u>2,752,954</u>	2.8	<u>2,676,775</u>
<u>Operating Expense</u>					
Operation	1,987,051	(3.9)	1,909,231	8.3	1,762,285
Maintenance	541,345	(19.7)	434,967	(15.5)	514,674
Depreciation	<u>395,540</u>	(7.4)	<u>366,380</u>	6.6	<u>343,581</u>
Total Operating Expense	<u>2,923,936</u>	(7.3)	<u>2,710,578</u>	3.4	<u>2,620,540</u>
Operating Income (Loss)	<u>(214,046)</u>	-1.2X	<u>42,376</u>	(24.6)	<u>56,235</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	324	(43.8)	182	1.3X	78
Interest Expense	<u>(51,043)</u>	(91.0)	<u>(4,572)</u>	(7.7)	<u>(4,951)</u>
Net Nonoperating Revenues (Expenses)	<u>(50,719)</u>	(91.3)	<u>(4,390)</u>	(9.9)	<u>(4,873)</u>
<u>Net Income (Loss) before Capital Contributions</u>					
	(264,765)	-1.1X	37,986	(26.0)	51,362
Capital Contributions	<u>52,597</u>	(0.2)	<u>52,503</u>	---	---
Change in Net Position	(212,168)	-1.4X	90,489	76.2	51,362
Beginning Net Position	<u>14,107,489</u>		<u>14,107,489</u>		<u>13,680,053</u>
Ending Net Position	<u>\$13,895,321</u>		<u>\$14,197,978</u>		<u>\$13,731,415</u>
Net Income (Loss) to Operating Revenue	(9.8)		1.4		1.9
Debt Service Coverage	1.04		6.70		19.16

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

ASSETS

	<u>2013</u>	<u>2012</u>
Current Assets:		
Cash - interest bearing	\$836,987	\$800,407
Receivables:		
Consumer Accounts	572,241	552,436
Interest	17	3
Inventories	261,849	298,936
Prepaid Expenses	<u>35,353</u>	<u>33,224</u>
Total Current Assets	<u>1,706,447</u>	<u>1,685,006</u>
Property and Equipment:		
At Cost	25,625,847	24,149,800
Less Accumulated Depreciation	<u>9,826,866</u>	<u>9,370,301</u>
Net Property and Equipment	<u>15,798,981</u>	<u>14,779,499</u>
 TOTAL ASSETS	 <u><u>\$17,505,428</u></u>	 <u><u>\$16,464,505</u></u>

Muscatine Power and Water - Water Utility
Statements of Net Position
July 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	1,227	1,338
Accounts Payable	501,288	175,826
Pension provision	3,071	67,652
Health & Dental Insurance Provision	17,316	19,578
Intercompanies Payable	---	5,778
Retained Percentage on Contracts	15,077	---
Consumer Advances for Construction	1,150,487	338,326
Accrued Payroll	55,287	39,677
Accrued Vacation	95,633	78,348
Miscellaneous Accrued Expenses	56,636	51,048
Miscellaneous Deferred Credits	---	5,200
	<hr/>	<hr/>
Total Current Liabilities	2,325,022	810,771
Non-Current Liabilities:		
State Revolving Loan	190,000	219,000
Health & Dental Insurance Provision	175,959	120,449
Post-Employment Health Benefit Provision	18,267	15,316
Consumer Advances for Construction	598,202	1,567,554
	<hr/>	<hr/>
Total Non-Current Liabilities	982,428	1,922,319
Net Position:		
Net Investment in Capital Assets	13,431,292	12,626,619
Unrestricted	766,686	1,104,796
	<hr/>	<hr/>
Total Net Position	14,197,978	13,731,415
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TOTAL LIABILITIES AND NET POSITION	<u>\$17,505,428</u>	<u>\$16,464,505</u>

**Muscatine Power and Water - Water Utility
Statements of Cash Flows
July 2013**

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$417,763	\$2,655,857
Miscellaneous sources	1,663	17,416
Cash paid to/for:		
Suppliers	(118,154)	(1,106,010)
Employees payroll, taxes and benefits	<u>(161,383)</u>	<u>(1,257,797)</u>
Net cash flows from operating activities	<u>139,889</u>	<u>309,466</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>(39,009)</u>	<u>(487,292)</u>
Net cash flows from capital and related financing activities	<u>(39,009)</u>	<u>(119,615)</u>
Cash flows from investing activities:		
Interest received on investments	<u>49</u>	<u>166</u>
Net cash flows from investing activities	<u>49</u>	<u>166</u>
Net increase in cash and investments	<u>100,929</u>	<u>190,017</u>
Cash and investments at beginning of period	<u>736,058</u>	<u>646,970</u>
Cash and investments at end of period	<u><u>\$836,987</u></u>	<u><u>\$836,987</u></u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$18,512	\$42,376
Noncash item in operating income:		
Depreciation of utility plant	52,340	366,380
Changes in assets and liabilities:		
Consumer accounts receivable	(24,525)	(70,083)
Inventories	4,464	30,020
Prepaid and deferred expenses	4,227	(16,028)
Accounts payable	37,653	(84,910)
Pension provision	8,205	3,071
Health & dental insurance provision	(410)	11,997
Other post-employment benefit provision	2,442	3,682
Intercompany payable	---	(8,493)
Retained Percentage	15,077	6,843
Accrued payroll	23,719	20,864
Accrued vacation	(2,793)	9,986
Miscellaneous accrued expenses	978	(1,039)
Miscellaneous deferred credits	---	(5,200)
	<hr/>	<hr/>
Net cash flows from operating activities	<u>\$139,889</u>	<u>\$309,466</u>

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$2,493		\$2,365		\$2,335	
Operation Labor and Expenses	1,323		863		2,406	
Miscellaneous Expense	727		163		513	
Maintenance of Wells	---		---		11,000	
Maintenance of Supply Mains	735		241		7	
Depreciation	<u>5,962</u>		<u>5,958</u>		<u>5,911</u>	
Total Source of Supply Expense	<u>11,240</u>	2.6	<u>9,590</u>	2.1	<u>22,172</u>	5.1
 <u>Pumping</u>						
Operation Supervision	2,954		2,658		2,720	
Fuel or Power Purchased	63,800		64,443		62,181	
Pumping Labor and Expenses	3,994		5,046		2,923	
Miscellaneous Expense	243		299		321	
Maintenance of Structures	142		397		---	
Maintenance of Pumping Equipment	8,228		16,619		17,696	
Depreciation	<u>5,498</u>		<u>5,498</u>		<u>5,498</u>	
Total Pumping Expense	<u>84,859</u>	19.5	<u>94,960</u>	21.3	<u>91,339</u>	20.9
 <u>Water Treatment</u>						
Operation Supervision	2,930		2,672		2,744	
Chemicals	16,916		16,146		17,667	
Operation Labor and Expenses	12,545		12,322		13,666	
Miscellaneous Expense	655		922		450	
Maintenance of Structures	1,407		841		2,628	
Maintenance of Purification Equip.	3,471		3,133		2,832	
Depreciation	<u>2,352</u>		<u>2,338</u>		<u>2,338</u>	
Total Water Treatment Expense	<u>40,276</u>	9.3	<u>38,374</u>	8.6	<u>42,325</u>	9.7
 <u>Distribution</u>						
Operation Supervision	2,875		2,796		2,802	
Storage Facilities Expense	4,591		4,355		4,607	
Trans. & Distr. Lines Expense	4,072		18,194		3,389	
Meter Expense	12,064		13,910		13,842	
Consumer Installation Expense	4,983		4,942		4,008	
Miscellaneous Expense	10,731		20,249		8,012	
Vehicle Expense	5,077		5,083		3,788	
Maintenance:						
Supervision	4,547		4,341		4,317	
Structures	639		1,173		476	
Reservoirs and Standpipes	27		211		4,078	
Mains	13,568		40,016		16,811	
Valves	4,644		1,996		1,249	
Meters	4,535		5,211		2,457	
Hydrants	2,299		1,674		1,110	
Miscellaneous Plant	2,582		1,894		1,646	
Vacation, Holiday, Sick Leave	13,594		15,013		12,416	
Depreciation	<u>31,526</u>		<u>31,035</u>		<u>30,533</u>	
Total Distribution Expense	<u>\$122,354</u>	28.2	<u>\$172,093</u>	38.5	<u>\$115,541</u>	26.5

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Source of Supply</u>						
Operation Supervision	\$16,860		\$16,620		\$17,028	
Operation Labor and Expenses	9,448		8,748		9,731	
Miscellaneous Expense	3,008		2,462		1,748	
Maintenance of Wells	93,000		65,569		76,060	
Maintenance of Supply Mains	5,142		4,708		4,212	
Depreciation	41,736		41,706		41,377	
Total Source of Supply Expense	169,194	6.2	139,813	5.1	150,156	5.6
<u>Pumping</u>						
Operation Supervision	19,887		19,117		19,796	
Fuel or Power Purchased	415,400		411,005		374,866	
Pumping Labor and Expenses	27,079		25,567		25,879	
Miscellaneous Expense	1,570		2,408		2,800	
Maintenance of Structures	7,072		5,124		---	
Maintenance of Pumping Equipment	113,121		89,856		119,401	
Depreciation	38,484		38,486		38,486	
Total Pumping Expense	622,613	23.0	591,563	21.5	581,228	21.7
<u>Water Treatment</u>						
Operation Supervision	19,897		19,296		19,997	
Chemicals	118,416		107,483		109,602	
Operation Labor and Expenses	103,212		93,358		84,274	
Miscellaneous Expense	17,447		17,522		9,635	
Maintenance of Structures	11,514		10,082		7,046	
Maintenance of Purification Equip.	30,448		19,801		12,663	
Depreciation	16,463		16,366		16,366	
Total Water Treatment Expense	317,397	11.7	283,908	10.3	259,583	9.7
<u>Distribution</u>						
Operation Supervision	19,836		19,077		19,905	
Storage Facilities Expense	28,576		29,444		31,591	
Trans. & Distr. Lines Expense	48,112		77,893		60,723	
Meter Expense	76,609		77,772		79,371	
Consumer Installation Expense	36,432		29,707		25,978	
Miscellaneous Expense	78,808		93,221		59,588	
Vehicle Expense	35,957		28,731		29,857	
Maintenance:						
Supervision	31,133		30,633		31,290	
Structures	7,420		3,119		3,400	
Reservoirs and Standpipes	15,186		4,028		26,962	
Mains	111,757		122,849		148,102	
Valves	29,933		22,583		19,619	
Meters	31,696		13,745		20,549	
Hydrants	21,098		12,046		15,969	
Miscellaneous Plant	18,076		18,927		17,087	
Vacation, Holiday, Sick Leave	81,320		88,439		75,634	
Depreciation	220,684		217,245		213,731	
Total Distribution Expense	\$892,633	32.9	\$889,459	32.3	\$879,356	32.9

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - July 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>	0.4	<u>\$847</u>	0.2	<u>\$2,437</u>	0.6
<u>Consumer Accounts</u>						
Supervision	1,264		1,393		1,019	
Meter Reading Expense	3,650		3,436		3,544	
Consumer Records and Collection	13,221		12,976		11,769	
Uncollectible Accounts Expense	569		569		480	
Vacation, Holiday, Sick Leave	<u>2,107</u>		<u>2,136</u>		<u>2,393</u>	
Total Consumer Accounts Expense	<u>20,811</u>	4.8	<u>20,510</u>	4.6	<u>19,205</u>	4.4
<u>Administrative and General</u>						
Administrative and General Salaries	16,206		16,424		14,326	
Office Supplies and Expenses	1,912		1,372		1,377	
Outside Services Employed	4,245		784		3,960	
Property Insurance	1,575		1,560		971	
Casualty Ins, Injuries & Damages	3,148		2,042		3,319	
Employee Pensions and Benefits	47,054		47,520		43,984	
Fringe Benefits Charged to Constr.	(3,729)		(3,223)		(4,649)	
Miscellaneous General Expense	7,828		7,208		8,284	
Rents	5,579		5,579		5,754	
Maintenance of General Plant	1,898		1,814		1,785	
Vacation, Holiday, Sick Leave	3,033		2,979		2,210	
Depreciation	<u>11,168</u>		<u>7,511</u>		<u>4,803</u>	
Total Administrative and General	<u>99,917</u>	23.0	<u>91,570</u>	20.5	<u>86,124</u>	19.7
Total Operating Expense	<u><u>\$381,226</u></u>		<u><u>\$427,944</u></u>		<u><u>\$379,143</u></u>	
Percent to Operating Revenue		87.8		95.9		86.8

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$23,247	0.9	\$8,847	0.3	\$13,107	0.5
<u>Consumer Accounts</u>						
Supervision	8,581		9,367		7,048	
Meter Reading Expense	25,999		28,499		28,141	
Customer Records and Collection	94,600		95,672		81,737	
Uncollectible Accounts Expense	3,983		3,983		3,360	
Vacation, Holiday, Sick Leave	12,522		13,411		13,312	
Total Consumer Accounts Expense	<u>145,685</u>	5.4	<u>150,932</u>	5.5	<u>133,598</u>	5.0
<u>Administrative and General</u>						
Administrative and General Salaries	110,784		107,031		96,615	
Office Supplies and Expenses	14,400		9,729		10,342	
Outside Services Employed	77,197		8,217		10,697	
Property Insurance	10,234		9,153		6,311	
Casualty Ins, Injuries & Damages	22,039		18,931		25,553	
Employee Pensions and Benefits	330,574		327,712		312,540	
Fringe Benefits Charged to Constr.	(18,973)		(12,924)		(10,965)	
Miscellaneous General Expense	57,018		56,565		52,187	
Rents	39,053		39,053		40,278	
Maintenance of General Plant	14,749		11,897		12,314	
Vacation, Holiday, Sick Leave	17,919		18,115		14,019	
Depreciation	78,173		52,577		33,621	
Total Administrative and General	<u>753,167</u>	27.8	<u>646,056</u>	23.5	<u>603,512</u>	22.5
Total Operating Expense	<u>\$2,923,936</u>		<u>\$2,710,578</u>		<u>\$2,620,540</u>	
Percent to Operating Revenue		107.9		98.5		97.9

**Muscatine Power and Water - Water Utility
Statistical Data
Current Month - July 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	0.471	0.499	0.495	0.525
Cost Per 1,000 Gallons	<u>0.453</u>	<u>0.480</u>	<u>0.433</u>	<u>0.459</u>
Margin	<u>0.017</u>	<u>0.018</u>	<u>0.062</u>	<u>0.066</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	

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	0.498	0.528	0.502	0.532
Cost Per 1,000 Gallons	<u>0.494</u>	<u>0.524</u>	<u>0.494</u>	<u>0.524</u>
Margin	<u>0.004</u>	<u>0.004</u>	<u>0.008</u>	<u>0.009</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	8,596	8,592
Commercial	<u>1,091</u>	<u>1,095</u>
Total	<u>9,691</u>	<u>9,691</u>