

**Muscatine Power and Water**

**Water Utility**

**Statement of Revenues, Expenses and Changes in Net Position**

**September 2013**

**Muscatine Power and Water  
Water Utility**

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**Muscatine Power and Water - Water Utility**  
**Classification of Water Distribution**  
**Current Month - September 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>
<b><u>Water Distribution - 1,000 Gallons</u></b>					
Contract Customers	611,116	(1.3)	603,126	10.2	547,307
Power Plants	85,830	0.3	86,109	31.2	65,622
Residential	47,988	15.9	55,606	31.9	42,151
Commercial	40,280	20.8	48,674	19.9	40,597
Total Metered Customers	785,214	1.1	793,514	14.1	695,677
Rated Customers - Estimate	---	---	22	---	7
City Use, Line Loss, Cycle Billing	47,113	1.1	47,611	14.1	41,741
Total Water Pumped	832,327	1.1	841,147	14.1	737,425

**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>
<b><u>Water Distribution - 1,000 Gallons</u></b>					
Contract Customers	5,529,590	(2.6)	5,383,490	6.1	5,073,846
Power Plants	681,595	(0.7)	676,775	(0.7)	681,421
Residential	369,939	1.0	373,605	(6.3)	398,581
Commercial	302,270	6.4	321,564	(0.9)	324,446
Total Metered Customers	6,883,394	(1.9)	6,755,433	4.3	6,478,294
Rated Customers - Estimate	---	---	116	34.9	86
City Use, Line Loss, Cycle Billing	413,004	(1.9)	405,326	4.3	388,698
Total Water Pumped	7,296,398	(1.9)	7,160,875	4.3	6,867,078

**Muscatine Power and Water - Water Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Current Month - September 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>
<b><u>Sales of Water</u></b>					
Contract Customers	\$197,212	0.5	\$198,200	11.0	\$178,557
Power Plants	32,568	(2.8)	31,652	13.0	28,018
Residential	135,605	12.6	152,699	17.4	130,097
Commercial	46,366	20.4	55,827	19.7	46,637
Water Sales	<u>411,751</u>	6.5	<u>438,378</u>	14.4	<u>383,309</u>
<b><u>Other Revenue</u></b>					
Penalty Revenue	625	8.2	676	(3.3)	699
Merchandise & Job Sales-Net	1,000	(13.6)	864	(10.9)	970
Miscellaneous Revenue	437	2.7	449	76.8	254
Total Other Revenue	<u>2,062</u>	(3.5)	<u>1,989</u>	3.4	<u>1,923</u>
Operating Revenue	<u>413,813</u>	6.4	<u>440,367</u>	14.3	<u>385,232</u>
<b><u>Operating Expense</u></b>					
Operation	275,729	6.3	293,016	25.5	233,535
Maintenance	48,938	9.8	53,741	(14.6)	62,898
Depreciation	56,506	(7.4)	52,340	6.6	49,083
Total Operating Expense	<u>381,173</u>	4.7	<u>399,097</u>	15.5	<u>345,516</u>
Operating Income	<u>32,640</u>	26.4	<u>41,270</u>	3.9	<u>39,716</u>
<b><u>Nonoperating Revenues (Expenses)</u></b>					
Interest Income	95	(71.6)	27	35.0	20
Interest Expense	<u>(22,241)</u>	(97.2)	<u>(626)</u>	(6.4)	<u>(669)</u>
Net Nonoperating Revenues (Expenses)	<u>(22,146)</u>	(97.3)	<u>(599)</u>	(7.7)	<u>(649)</u>
Net Income before Capital Contributions	10,494	2.9X	40,671	4.1	39,067
Capital Contributions	<u>---</u>	---	<u>---</u>	---	<u>---</u>
Change in Net Position	10,494	2.9X	40,671	4.1	39,067
Beginning Net Position	<u>13,955,037</u>		<u>14,288,902</u>		<u>13,753,527</u>
Ending Net Position	<u>\$13,965,531</u>		<u>\$14,329,573</u>		<u>\$13,792,594</u>
Net Income (Loss) to Operating Revenue	2.5		9.2		10.1
Debt Service Coverage	3.59		30.78		29.58

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

	<b>Budget Estimate</b>	<b>%Increase (Decrease) From Budget</b>	<b>This Year</b>	<b>%Increase (Decrease) Fr. Last Yr.</b>	<b>Last Year</b>
<b><u>Sales of Water</u></b>					
Contract Customers	\$1,750,470	(2.0)	\$1,715,766	4.5	\$1,641,948
Power Plants	271,649	(0.4)	270,577	2.9	263,025
Residential	1,139,320	6.1	1,209,248	3.1	1,173,168
Commercial	369,918	10.3	408,170	6.5	383,324
Water Sales	3,531,357	2.1	3,603,761	4.1	3,461,465
<b><u>Other Revenue</u></b>					
Penalty Revenue	5,625	9.7	6,170	8.3	5,699
Merchandise & Job Sales-Net	8,382	(20.0)	6,708	42.3	4,714
Miscellaneous Revenue	8,147	77.1	14,432	94.7	7,411
Total Other Revenue	22,154	23.3	27,310	53.2	17,824
Operating Revenue	3,553,511	2.2	3,631,071	4.4	3,479,289
<b><u>Operating Expense</u></b>					
Operation	2,539,969	(2.7)	2,470,503	9.3	2,260,849
Maintenance	640,913	(17.2)	530,858	(19.3)	657,982
Depreciation	508,552	(7.4)	471,060	6.6	441,747
Total Operating Expense	3,689,434	(5.9)	3,472,421	3.3	3,360,578
Operating Income (Loss)	(135,923)	-2.2X	158,650	33.6	118,711
<b><u>Nonoperating Revenues (Expenses)</u></b>					
Interest Income	462	(49.1)	235	97.5	119
Interest Expense	(80,309)	(92.7)	(5,825)	(7.4)	(6,289)
Net Nonoperating Revenues (Expenses)	(79,847)	(93.0)	(5,590)	(9.4)	(6,170)
<b>Net Income (Loss) before Capital Contributions</b>	(215,770)	-1.7X	153,060	36.0	112,541
Capital Contributions	73,812	(6.5)	69,024	---	---
<b>Change in Net Position</b>	(141,958)	-2.6X	222,084	97.3	112,541
<b>Beginning Net Position</b>	14,107,489		14,107,489		13,680,053
<b>Ending Net Position</b>	\$13,965,531		\$14,329,573		\$13,792,594
Net Income (Loss) to Operating Revenue	(6.1)		4.2		3.2
Debt Service Coverage	1.67		23.20		20.86

**Muscatine Power and Water - Water Utility**  
**Statements of Net Position**  
**September 2013**

**ASSETS**

	<u>2013</u>	<u>2012</u>
<b>Current Assets:</b>		
Cash - interest bearing	\$627,288	\$794,032
Receivables:		
Consumer Accounts	585,673	539,180
Interest	1	3
Inventories	290,069	296,933
Prepaid Expenses	<u>25,654</u>	<u>25,515</u>
Total Current Assets	<u>1,528,685</u>	<u>1,655,663</u>
<b>Property and Equipment:</b>		
At Cost	25,783,024	24,284,155
Less Accumulated Depreciation	<u>9,930,764</u>	<u>9,467,361</u>
Net Property and Equipment	<u>15,852,260</u>	<u>14,816,794</u>
 <b>TOTAL ASSETS</b>	 <u><u>\$17,380,945</u></u>	 <u><u>\$16,472,457</u></u>

**Muscatine Power and Water - Water Utility**  
**Statements of Net Position**  
**September 2013**

**LIABILITIES AND NET ASSETS**

	<u>2013</u>	<u>2012</u>
<b>Current Liabilities:</b>		
State Revolving Loan	\$29,000	\$28,000
Notes Payable to Electric Utility	400,000	---
Accrued Interest	2,480	2,676
Accounts Payable	231,761	125,306
Pension provision	19,479	48,362
Health & Dental Insurance Provision	17,316	19,578
Intercompanies Payable	---	9,187
Retained Percentage on Contracts	15,077	---
Consumer Advances for Construction	1,143,409	360,335
Accrued Payroll	72,034	57,899
Accrued Vacation	97,122	76,828
Miscellaneous Accrued Expenses	56,881	48,376
Miscellaneous Deferred Credits	---	5,200
	<hr/>	<hr/>
Total Current Liabilities	2,084,559	781,747
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<b>Non-Current Liabilities:</b>		
State Revolving Loan	190,000	219,000
Health & Dental Insurance Provision	166,928	117,859
Post-Employment Health Benefit Provision	23,151	15,712
Consumer Advances for Construction	586,734	1,545,545
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Total Non-Current Liabilities	966,813	1,898,116
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<b>Net Position:</b>		
Net Investment in Capital Assets	13,503,117	12,663,914
Unrestricted	826,456	1,128,680
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Total Net Position	14,329,573	13,792,594
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<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$17,380,945</u>	<u>\$16,472,457</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$422,703	\$3,518,944
Miscellaneous sources	8,886	27,597
Cash paid to/for:		
Suppliers	(134,985)	(1,384,595)
Employees payroll, taxes and benefits	(157,712)	(1,608,747)
Net cash flows from operating activities	<u>138,892</u>	<u>553,199</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	(122,746)	(940,794)
Net cash flows from capital and related financing activities	<u>(122,746)</u>	<u>(573,117)</u>
Cash flows from investing activities:		
Interest received on investments	28	236
Net cash flows from investing activities	<u>28</u>	<u>236</u>
Net increase (decrease) in cash and investments	<u>16,174</u>	<u>(19,682)</u>
Cash and investments at beginning of period	<u>611,114</u>	<u>646,970</u>
Cash and investments at end of period	<u><u>\$627,288</u></u>	<u><u>\$627,288</u></u>



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

	<b><u>Current Month</u></b>	<b><u>Year- To-Date</u></b>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$41,270	\$158,650
Noncash item in operating income:		
Depreciation of utility plant	52,340	471,060
Changes in assets and liabilities:		
Consumer accounts receivable	(11,031)	(83,515)
Inventories	27,872	1,800
Prepaid and deferred expenses	4,545	(6,329)
Accounts payable	(3,508)	(60,919)
Pension provision	8,205	19,479
Health & dental insurance provision	1,699	2,966
Other post-employment benefit provision	2,442	8,566
Intercompany payable	---	(8,493)
Retained Percentage	---	6,843
Accrued payroll	10,125	37,611
Accrued vacation	3,725	11,475
Miscellaneous accrued expenses	1,208	(795)
Miscellaneous deferred credits	---	(5,200)
	<hr/>	<hr/>
Net cash flows from operating activities	<u>\$138,892</u>	<u>\$553,199</u>

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$2,493		\$2,512		\$2,280	
Operation Labor and Expenses	1,266		642		975	
Miscellaneous Expense	727		300		335	
Maintenance of Wells	---		---		---	
Maintenance of Supply Mains	735		336		533	
Depreciation	5,962		5,958		5,911	
<b>Total Source of Supply Expense</b>	<b>11,183</b>	<b>2.7</b>	<b>9,748</b>	<b>2.2</b>	<b>10,034</b>	<b>2.6</b>
<b><u>Pumping</u></b>						
Operation Supervision	2,953		2,831		2,606	
Fuel or Power Purchased	62,100		66,813		56,998	
Pumping Labor and Expenses	4,118		3,233		2,412	
Miscellaneous Expense	217		264		248	
Maintenance of Structures	142		---		---	
Maintenance of Pumping Equipment	6,498		3,501		6,561	
Depreciation	5,498		5,498		5,498	
<b>Total Pumping Expense</b>	<b>81,526</b>	<b>19.7</b>	<b>82,140</b>	<b>18.7</b>	<b>74,323</b>	<b>19.3</b>
<b><u>Water Treatment</u></b>						
Operation Supervision	2,930		2,860		2,655	
Chemicals	16,918		15,842		14,103	
Operation Labor and Expenses	12,229		14,169		8,406	
Miscellaneous Expense	1,656		630		720	
Maintenance of Structures	378		495		277	
Maintenance of Purification Equip.	3,524		465		2,910	
Depreciation	2,352		2,338		2,338	
<b>Total Water Treatment Expense</b>	<b>39,987</b>	<b>9.7</b>	<b>36,799</b>	<b>8.4</b>	<b>31,409</b>	<b>8.2</b>
<b><u>Distribution</u></b>						
Operation Supervision	2,875		2,860		2,614	
Storage Facilities Expense	3,868		4,554		4,154	
Trans. & Distr. Lines Expense	4,205		10,669		4,166	
Meter Expense	11,721		11,709		10,475	
Consumer Installation Expense	5,405		3,743		4,330	
Miscellaneous Expense	10,875		16,596		7,328	
Vehicle Expense	5,077		5,796		3,714	
Maintenance:						
Supervision	4,502		4,466		3,998	
Structures	139		127		7,331	
Reservoirs and Standpipes	27		14		5,892	
Mains	14,713		35,385		22,400	
Valves	4,501		3,632		2,315	
Meters	4,452		830		2,445	
Hydrants	4,859		758		2,459	
Miscellaneous Plant	2,582		1,872		3,825	
Vacation, Holiday, Sick Leave	13,587		14,140		11,785	
Depreciation	31,526		31,035		30,533	
<b>Total Distribution Expense</b>	<b>\$124,914</b>	<b>30.2</b>	<b>\$148,186</b>	<b>33.7</b>	<b>\$129,764</b>	<b>33.7</b>

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$21,803		\$21,495		\$21,976	
Operation Labor and Expenses	12,088		10,298		11,784	
Miscellaneous Expense	4,461		3,162		2,509	
Maintenance of Wells	93,000		65,569		76,060	
Maintenance of Supply Mains	6,612		6,015		5,245	
Depreciation	53,660		53,622		53,199	
<b>Total Source of Supply Expense</b>	<b>191,624</b>	<b>5.4</b>	<b>160,161</b>	<b>4.4</b>	<b>170,773</b>	<b>4.9</b>
<b><u>Pumping</u></b>						
Operation Supervision	25,634		24,679		25,490	
Fuel or Power Purchased	542,600		548,054		492,461	
Pumping Labor and Expenses	35,113		33,992		31,134	
Miscellaneous Expense	2,003		3,155		3,735	
Maintenance of Structures	7,355		5,124		---	
Maintenance of Pumping Equipment	125,644		99,978		134,620	
Depreciation	49,480		49,482		49,482	
<b>Total Pumping Expense</b>	<b>787,829</b>	<b>22.2</b>	<b>764,464</b>	<b>21.1</b>	<b>736,922</b>	<b>21.2</b>
<b><u>Water Treatment</u></b>						
Operation Supervision	25,723		24,913		25,758	
Chemicals	152,250		139,493		138,768	
Operation Labor and Expenses	128,212		122,335		101,810	
Miscellaneous Expense	19,758		18,448		10,662	
Maintenance of Structures	13,299		13,342		9,361	
Maintenance of Purification Equip.	39,512		27,860		16,445	
Depreciation	21,166		21,042		21,042	
<b>Total Water Treatment Expense</b>	<b>399,920</b>	<b>11.3</b>	<b>367,433</b>	<b>10.1</b>	<b>323,846</b>	<b>9.3</b>
<b><u>Distribution</u></b>						
Operation Supervision	25,602		24,687		25,705	
Storage Facilities Expense	36,685		38,750		42,444	
Trans. & Distr. Lines Expense	56,521		82,704		70,287	
Meter Expense	100,413		101,971		103,394	
Consumer Installation Expense	46,925		38,513		36,479	
Miscellaneous Expense	100,776		125,462		74,435	
Vehicle Expense	46,253		38,918		37,538	
Maintenance:						
Supervision	40,250		39,480		40,160	
Structures	7,699		3,467		11,284	
Reservoirs and Standpipes	15,239		4,174		34,609	
Mains	140,039		167,641		215,936	
Valves	38,936		29,059		26,680	
Meters	40,713		16,279		28,645	
Hydrants	30,816		14,745		19,274	
Miscellaneous Plant	23,240		22,648		23,657	
Vacation, Holiday, Sick Leave	104,122		112,322		94,709	
Depreciation	283,737		279,315		274,797	
<b>Total Distribution Expense</b>	<b>\$1,137,966</b>	<b>32.0</b>	<b>\$1,140,135</b>	<b>31.4</b>	<b>\$1,160,033</b>	<b>33.3</b>

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense	<u>\$1,769</u>	0.4	<u>\$2,061</u>	0.5	<u>\$2,649</u>	0.7
<b><u>Consumer Accounts</u></b>						
Supervision	1,263		1,393		966	
Meter Reading Expense	3,731		3,151		3,541	
Consumer Records and Collection	13,291		13,531		12,638	
Uncollectible Accounts Expense	569		569		480	
Vacation, Holiday, Sick Leave	<u>2,107</u>		<u>2,176</u>		<u>1,863</u>	
Total Consumer Accounts Expense	<u>20,961</u>	5.1	<u>20,820</u>	4.7	<u>19,488</u>	5.1
<b><u>Administrative and General</u></b>						
Administrative and General Salaries	16,202		27,061		14,044	
Office Supplies and Expenses	2,070		1,484		999	
Outside Services Employed	4,545		1,247		5,023	
Property Insurance	1,575		1,560		971	
Casualty Ins, Injuries & Damages	3,148		2,680		1,775	
Employee Pensions and Benefits	46,349		43,717		40,630	
Fringe Benefits Charged to Constr.	(2,894)		(1,863)		(3,811)	
Miscellaneous General Expense	8,172		4,214		3,552	
Rents	5,579		5,579		5,754	
Maintenance of General Plant	1,886		1,860		1,952	
Vacation, Holiday, Sick Leave	3,033		4,293		2,157	
Depreciation	<u>11,168</u>		<u>7,511</u>		<u>4,803</u>	
Total Administrative and General	<u>100,833</u>	24.4	<u>99,343</u>	22.6	<u>77,849</u>	20.2
Total Operating Expense	<u>\$381,173</u>		<u>\$399,097</u>		<u>\$345,516</u>	
Percent to Operating Revenue		92.1		90.6		89.7

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense	<u>\$27,071</u>	0.8	<u>\$12,886</u>	0.4	<u>\$16,270</u>	0.5
<b><u>Consumer Accounts</u></b>						
Supervision	11,108		12,223		9,195	
Meter Reading Expense	33,354		35,239		35,737	
Customer Records and Collection	121,207		123,656		107,623	
Uncollectible Accounts Expense	5,121		5,121		4,320	
Vacation, Holiday, Sick Leave	<u>16,070</u>		<u>17,114</u>		<u>16,599</u>	
Total Consumer Accounts Expense	<u>186,860</u>	5.3	<u>193,353</u>	5.3	<u>173,474</u>	5.0
<b><u>Administrative and General</u></b>						
Administrative and General Salaries	143,224		150,842		127,212	
Office Supplies and Expenses	18,333		12,297		12,901	
Outside Services Employed	92,321		11,200		26,840	
Property Insurance	13,383		12,272		8,253	
Casualty Ins, Injuries & Damages	28,336		23,244		32,657	
Employee Pensions and Benefits	423,364		417,586		400,222	
Fringe Benefits Charged to Constr.	(26,054)		(18,645)		(19,326)	
Miscellaneous General Expense	72,949		67,618		61,966	
Rents	50,211		50,211		51,786	
Maintenance of General Plant	18,559		15,477		16,006	
Vacation, Holiday, Sick Leave	23,029		24,288		17,516	
Depreciation	<u>100,509</u>		<u>67,599</u>		<u>43,227</u>	
Total Administrative and General	<u>958,164</u>	27.0	<u>833,989</u>	23.0	<u>779,260</u>	22.4
Total Operating Expense	<u>\$3,689,434</u>		<u>\$3,472,421</u>		<u>\$3,360,578</u>	
Percent to Operating Revenue		103.8		95.6		96.6

**Muscatine Power and Water - Water Utility**  
**Statistical Data**  
**Current Month - September 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	0.521	0.552	0.520	0.551
Cost Per 1,000 Gallons	<u>0.474</u>	<u>0.503</u>	<u>0.469</u>	<u>0.497</u>
Margin	<u>0.047</u>	<u>0.050</u>	<u>0.051</u>	<u>0.054</u>
	<u>2013</u>		<u>2012</u>	
Maximum Daily Water Pumped (1,000 gallons)	32,136		27,594	
Date of Maximum	09/09		09/19	

**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	0.503	0.533	0.504	0.534
Cost Per 1,000 Gallons	<u>0.485</u>	<u>0.514</u>	<u>0.489</u>	<u>0.519</u>
Margin	<u>0.018</u>	<u>0.019</u>	<u>0.015</u>	<u>0.016</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	8,597
Commercial	<u>1,086</u>	<u>1,092</u>
Total	<u>9,681</u>	<u>9,693</u>