

Muscatine Power and Water
Water Utility
Operating Statements and Balance Sheets
May 2012

**Muscatine Power and Water
Water Utility**

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Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - May 2012

	<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	635,952	(1.7)	625,105	(3.2)	645,465
Power Plants	41,144	(2.7)	40,049	11.8	35,838
Residential	38,152	1.0	38,532	4.3	36,928
Commercial	<u>32,121</u>	<u>7.9</u>	<u>34,667</u>	<u>14.0</u>	<u>30,412</u>
Total Metered Customers	747,369	(1.2)	738,354	(1.4)	748,643
Rated Customers - Estimate	---	---	11	57.1	7
City Use, Line Loss, Cycle Billing	<u>45,762</u>	<u>(3.2)</u>	<u>44,301</u>	<u>(1.4)</u>	<u>44,919</u>
Total Water Pumped	<u><u>793,131</u></u>	<u>(1.3)</u>	<u><u>782,666</u></u>	<u>(1.4)</u>	<u><u>793,569</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	2,971,852	(4.7)	2,832,987	(3.7)	2,941,020
Power Plants	290,194	12.0	325,121	0.0	325,069
Residential	189,143	(3.1)	183,368	1.6	180,566
Commercial	<u>141,591</u>	<u>3.8</u>	<u>147,024</u>	<u>3.2</u>	<u>142,481</u>
Total Metered Customers	3,592,780	(2.9)	3,488,500	(2.8)	3,589,136
Rated Customers - Estimate	---	---	41	20.6	34
City Use, Line Loss, Cycle Billing	<u>219,989</u>	<u>(4.9)</u>	<u>209,310</u>	<u>(2.8)</u>	<u>215,348</u>
Total Water Pumped	<u><u>3,812,769</u></u>	<u>(3.0)</u>	<u><u>3,697,851</u></u>	<u>(2.8)</u>	<u><u>3,804,518</u></u>

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Current Month - May 2012

	<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	\$197,960	(0.4)	\$197,103	4.2	\$189,131
Power Plants	25,793	(10.4)	23,102	9.8	21,036
Residential	123,025	1.9	125,412	6.9	117,311
Commercial	<u>39,846</u>	5.6	<u>42,060</u>	13.8	<u>36,947</u>
Water Sales	<u>386,624</u>	0.3	<u>387,677</u>	6.4	<u>364,425</u>
<u>Other Revenue</u>					
Penalty Revenue	564	51.6	855	40.9	607
Merchandise & Job Sales-Net	1,000	9.8	1,098	---	387
Miscellaneous Revenue	<u>953</u>	(24.1)	<u>723</u>	3.7	<u>697</u>
Total Other Revenue	<u>2,517</u>	6.3	<u>2,676</u>	58.2	<u>1,691</u>
Operating Revenue	<u>389,141</u>	0.3	<u>390,353</u>	6.6	<u>366,116</u>
<u>Operating Expense</u>					
Operation	249,426	8.1	269,570	3.8	259,680
Maintenance	79,463	66.6	132,389	---	31,696
Depreciation	<u>53,502</u>	(8.3)	<u>49,083</u>	7.6	<u>45,621</u>
Total Operating Expense	<u>382,391</u>	18.0	<u>451,042</u>	33.8	<u>336,997</u>
Operating Income (Loss)	<u>6,750</u>	---	<u>(60,689)</u>	---	<u>29,119</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	490	(97.6)	12	(50.0)	24
Interest Expense	<u>(9,958)</u>	(92.8)	<u>(715)</u>	(4.5)	<u>(749)</u>
Net Nonoperating Revenues (Expenses)	<u>(9,468)</u>	(92.6)	<u>(703)</u>	(3.0)	<u>(725)</u>
Net Income before Capital Contributions	<u>(2,718)</u>	---	<u>(61,392)</u>	---	<u>28,394</u>
Capital Contributions	<u>---</u>	---	<u>---</u>	---	<u>---</u>
Change in Net Assets	<u>(2,718)</u>	---	<u>(61,392)</u>	---	<u>28,394</u>
Beginning Net Assets	<u>13,714,496</u>		<u>13,692,100</u>		<u>13,458,465</u>
Ending Net Assets	<u>\$13,711,778</u>		<u>\$13,630,708</u>		<u>\$13,486,859</u>
Net Income (Loss) to Total Income	(0.7)		(15.7)		7.8
Debt Service Coverage	4.98		(3.91)		21.89

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Calendar Year-to-Date - May 2012

	<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	\$928,666	(1.9)	\$911,367	2.9	\$885,752
Power Plants	140,166	(4.7)	133,579	6.4	125,511
Residential	599,625	(0.6)	596,318	5.2	566,878
Commercial	<u>179,850</u>	3.0	<u>185,294</u>	6.7	<u>173,689</u>
Water Sales	<u>1,848,307</u>	(1.2)	<u>1,826,558</u>	4.3	<u>1,751,830</u>
<u>Other Revenue</u>					
Penalty Revenue	2,823	(8.0)	2,597	8.4	2,396
Merchandise & Job Sales-Net	4,353	(50.0)	2,177	(53.6)	4,696
Miscellaneous Revenue	<u>5,136</u>	(30.8)	<u>3,554</u>	(32.7)	<u>5,282</u>
Total Other Revenue	<u>12,312</u>	(32.4)	<u>8,328</u>	(32.7)	<u>12,374</u>
Operating Revenue	<u>1,860,619</u>	(1.4)	<u>1,834,886</u>	4.0	<u>1,764,204</u>
<u>Operating Expense</u>					
Operation	1,251,345	0.4	1,256,159	(0.4)	1,261,691
Maintenance	262,911	44.2	379,095	---	175,183
Depreciation	<u>267,512</u>	(8.3)	<u>245,415</u>	7.6	<u>228,105</u>
Total Operating Expense	<u>1,781,768</u>	5.6	<u>1,880,669</u>	13.0	<u>1,664,979</u>
Operating Income (Loss)	<u>78,851</u>	---	<u>(45,783)</u>	---	<u>99,225</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	2,664	(98.1)	51	(64.6)	144
Interest Expense	<u>(49,790)</u>	(92.7)	<u>(3,613)</u>	(2.8)	<u>(3,718)</u>
Net Nonoperating Revenues (Expenses)	<u>(47,126)</u>	(92.4)	<u>(3,562)</u>	(0.3)	<u>(3,574)</u>
Net Income (Loss) before Capital Contributions	31,725	---	(49,345)	---	95,651
Capital Contributions	<u>---</u>	---	<u>---</u>	---	<u>---</u>
Change in Net Assets	31,725	---	(49,345)	---	95,651
Beginning Net Assets	<u>13,680,053</u>		<u>13,680,053</u>		<u>13,391,208</u>
Ending Net Assets	<u>\$13,711,778</u>		<u>\$13,630,708</u>		<u>\$13,486,859</u>
Net Income (Loss) to Total Income	1.7		(2.7)		5.4
Debt Service Coverage	5.72		13.43		19.36

Muscatine Power and Water - Water Utility
Statements of Net Assets
May 2012

ASSETS

	<u>2012</u>	<u>2011</u>
Current Assets:		
Cash - interest bearing	\$676,665	\$577,210
Investments	---	---
Receivables:		
Consumer Accounts	503,697	484,118
Interest	3	17
Inventories	291,197	293,168
Prepaid Expenses	<u>42,578</u>	<u>40,792</u>
Total Current Assets	<u>1,514,140</u>	<u>1,395,305</u>
Property and Equipment:		
At Cost	24,101,076	23,805,103
Less Accumulated Depreciation	<u>9,272,858</u>	<u>8,846,575</u>
Net Property and Equipment	<u>14,828,218</u>	<u>14,958,528</u>
 TOTAL ASSETS	 <u><u>\$16,342,358</u></u>	 <u><u>\$16,353,833</u></u>

Muscatine Power and Water - Water Utility
Statements of Net Assets
May 2012

LIABILITIES AND NET ASSETS

	<u>2012</u>	<u>2011</u>
Current Liabilities:		
<u>Restricted</u>		
State Revolving Loan	\$28,000	33,000
Accrued Interest	---	---
	<hr/>	<hr/>
Total Current Restricted Liabilities	<u>28,000</u>	<u>33,000</u>
<u>Unrestricted</u>		
Accounts Payable	184,295	207,499
Pension Provision	48,090	42,015
Health & Dental Insurance Provision	19,578	23,244
Intercompanies Payable	6,259	10,258
Retained Percentage on Contracts	---	4,520
Consumer Advances for Construction	338,326	78,111
Accrued Payroll	23,781	67,302
Accrued Vacation	86,365	76,590
Miscellaneous Accrued Expenses	46,140	50,053
Miscellaneous Deferred Credits	5,200	5,200
	<hr/>	<hr/>
Total Current Unrestricted Liabilities	<u>758,034</u>	<u>564,792</u>
Non-Current Liabilities:		
State Revolving Loan	219,000	204,846
Health & Dental Insurance Provision	124,054	143,463
Post-Employment Health Benefit Provision	14,920	12,981
Consumer Advances for Construction	1,567,642	1,907,892
	<hr/>	<hr/>
Total Non-Current Liabilities	<u>1,925,616</u>	<u>2,269,182</u>
Net Assets:		
Invested in capital assets, net of related debt	12,675,250	12,734,679
Restricted	---	---
Unrestricted	955,458	752,180
	<hr/>	<hr/>
Total Net Assets	<u>13,630,708</u>	<u>13,486,859</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$16,342,358</u></u>	 <u><u>\$16,353,833</u></u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
May 2012

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$369,720	\$1,801,649
Miscellaneous sources	24	3,136
Cash paid to/for:		
Suppliers	(232,594)	(747,852)
Employees payroll, taxes and benefits	<u>(219,028)</u>	<u>(818,639)</u>
Net cash flows from operating activities	<u>(81,878)</u>	<u>238,294</u>
Cash flows from capital and related financing activities:		
State revolving loan fund principal payments	(27,000)	(27,000)
State revolving loan interest payments	(4,806)	(4,806)
Capital expenditures, net	<u>(7,365)</u>	<u>(130,027)</u>
Net cash flows from capital and related financing activities	<u>(39,171)</u>	<u>(161,833)</u>
Cash flows from investing activities:		
Interest received on investments	<u>12</u>	<u>53</u>
Net cash flows from investing activities	<u>12</u>	<u>53</u>
Net increase (decrease) in cash and investments	<u>(121,037)</u>	<u>76,514</u>
Cash and investments at beginning of period	<u>797,702</u>	<u>600,151</u>
Cash and investments at end of period	<u><u>\$676,665</u></u>	<u><u>\$676,665</u></u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
May 2012

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Reconciliation of operating loss to net cash flows from operating activities		
Operating loss	(\$60,689)	(\$45,783)
Noncash item in operating income:		
Depreciation of utility plant	49,083	245,415
Changes in assets and liabilities:		
Consumer accounts receivable	(21,735)	(25,514)
Inventories	9,091	(5,835)
Prepaid and deferred expenses	455	(15,575)
Accounts payable	(24,609)	(21,367)
Pension provision	9,618	48,090
Health & dental insurance provision	(3,196)	(20,677)
Other post-employment benefit provision	198	990
Intercompany payable	(1,448)	63,929
Accrued payroll	(39,182)	(4,978)
Accrued vacation	(13)	10,375
Miscellaneous accrued expenses	549	9,224
	<hr/>	<hr/>
Net cash flows from operating activities	<u><u>(\$81,878)</u></u>	<u><u>\$238,294</u></u>

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - May 2012

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$2,368		\$2,347		\$2,186	
Operation Labor and Expenses	1,138		2,562		1,439	
Miscellaneous Expense	726		180		394	
Maintenance of Wells	23,000		21,864		---	
Maintenance of Supply Mains	---		55		476	
Depreciation	6,224		5,911		5,141	
Total Source of Supply Expense	33,456	8.6	32,919	8.4	9,636	2.6
<u>Pumping</u>						
Operation Supervision	2,853		2,756		2,555	
Fuel or Power Purchased	57,158		55,740		56,365	
Pumping Labor and Expenses	3,688		4,008		2,550	
Miscellaneous Expense	217		289		304	
Maintenance of Structures	117		---		---	
Maintenance of Pumping Equipment	7,324		35,009		4,210	
Depreciation	5,614		5,498		5,677	
Total Pumping Expense	76,971	19.8	103,300	26.5	71,661	19.6
<u>Water Treatment</u>						
Operation Supervision	2,784		2,787		2,675	
Chemicals	17,083		16,557		14,664	
Operation Labor and Expenses	11,624		12,919		10,944	
Miscellaneous Expense	2,007		3,496		644	
Maintenance of Structures	479		802		245	
Maintenance of Purification Equip.	1,854		2,663		5,451	
Depreciation	2,353		2,338		2,338	
Total Water Treatment Expense	38,184	9.8	41,562	10.6	36,961	10.1
<u>Distribution</u>						
Operation Supervision	2,776		2,763		2,680	
Storage Facilities Expense	1,458		3,949		1,768	
Trans. & Distr. Lines Expense	3,904		8,903		2,529	
Meter Expense	11,951		14,489		10,693	
Consumer Installation Expense	5,509		3,903		4,295	
Miscellaneous Expense	3,749		8,850		4,558	
Vehicle Expense	4,379		4,070		4,354	
Maintenance:						
Supervision	4,338		4,448		4,250	
Structures	259		555		137	
Reservoirs and Standpipes	10,049		2,154		883	
Mains	14,548		53,331		6,995	
Valves	4,192		3,763		2,192	
Meters	3,399		2,968		2,726	
Hydrants	6,138		651		986	
Miscellaneous Plant	2,045		2,608		1,925	
Vacation, Holiday, Sick Leave	12,666		12,504		10,820	
Depreciation	30,765		30,533		29,963	
Total Distribution Expense	\$122,125	31.4	\$160,442	41.1	\$91,754	25.1

Muscatine Power and Water - Water Utility
Summary of Expenses
Calendar Year-to-Date - May 2012

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$11,758		\$12,272		\$11,521	
Operation Labor and Expenses	5,844		6,467		6,377	
Miscellaneous Expense	1,553		672		436	
Maintenance of Wells	23,000		52,728		---	
Maintenance of Supply Mains	---		4,181		1,095	
Depreciation	31,121		29,555		25,705	
Total Source of Supply Expense	73,276	3.9	105,875	5.8	45,134	2.6
<u>Pumping</u>						
Operation Supervision	13,897		14,281		13,534	
Fuel or Power Purchased	286,534		270,120		271,728	
Pumping Labor and Expenses	17,995		18,631		16,182	
Miscellaneous Expense	1,083		2,195		1,551	
Maintenance of Structures	583		---		---	
Maintenance of Pumping Equipment	36,974		88,537		29,409	
Depreciation	28,070		27,490		28,385	
Total Pumping Expense	385,136	20.7	421,254	23.0	360,789	20.5
<u>Water Treatment</u>						
Operation Supervision	13,857		14,434		13,865	
Chemicals	85,417		77,390		77,688	
Operation Labor and Expenses	61,079		60,351		60,018	
Miscellaneous Expense	9,920		8,768		7,448	
Maintenance of Structures	2,030		2,372		1,443	
Maintenance of Purification Equip.	8,562		7,801		17,908	
Depreciation	11,763		11,690		11,690	
Total Water Treatment Expense	192,628	10.4	182,806	10.0	190,060	10.8
<u>Distribution</u>						
Operation Supervision	13,867		14,244		13,553	
Storage Facilities Expense	6,349		11,933		7,984	
Trans. & Distr. Lines Expense	33,778		52,011		33,101	
Meter Expense	50,253		54,006		45,283	
Consumer Installation Expense	26,793		18,905		22,688	
Miscellaneous Expense	19,457		41,352		21,241	
Vehicle Expense	22,196		22,724		21,158	
Maintenance:						
Supervision	21,774		22,473		21,726	
Structures	10,937		1,896		8,197	
Reservoirs and Standpipes	10,246		7,563		3,799	
Mains	76,569		122,552		30,151	
Valves	18,637		18,126		18,476	
Meters	16,567		15,741		13,339	
Hydrants	16,648		13,940		8,372	
Miscellaneous Plant	10,226		12,364		10,409	
Vacation, Holiday, Sick Leave	54,089		55,779		47,818	
Depreciation	153,827		152,665		149,815	
Total Distribution Expense	\$562,213	30.2	\$638,274	34.8	\$477,110	27.0

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - May 2012

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$2,028</u>	0.5	<u>\$1,178</u>	0.3	<u>\$480</u>	0.1
<u>Consumer Accounts</u>						
Supervision	956		1,121		1,066	
Meter Reading Expense	3,476		3,974		3,709	
Consumer Records and Collection	12,525		13,657		10,537	
Uncollectible Accounts Expense	480		480		342	
Vacation, Holiday, Sick Leave	<u>1,983</u>		<u>2,039</u>		<u>1,655</u>	
Total Consumer Accounts Expense	<u>19,420</u>	5.0	<u>21,271</u>	5.4	<u>17,309</u>	4.7
<u>Administrative and General</u>						
Administrative and General Salaries	15,387		15,119		14,274	
Office Supplies and Expenses	1,623		1,574		1,210	
Outside Services Employed	1,388		1,510		33,165	
Property Insurance	977		971		808	
Casualty Ins, Injuries & Damages	3,160		5,287		7,403	
Employee Pensions and Benefits	44,513		45,832		41,496	
Fringe Benefits Charged to Constr.	(3,229)		(2,097)		(6,488)	
Miscellaneous General Expense	7,599		7,504		5,934	
Rents	5,754		5,754		5,243	
Maintenance of General Plant	1,721		1,518		1,220	
Vacation, Holiday, Sick Leave	2,768		2,595		2,429	
Depreciation	<u>8,546</u>		<u>4,803</u>		<u>2,502</u>	
Total Administrative and General	<u>90,207</u>	23.2	<u>90,370</u>	23.2	<u>109,196</u>	29.8
Total Operating Expense	<u><u>\$382,391</u></u>		<u><u>\$451,042</u></u>		<u><u>\$336,997</u></u>	
Percent to Operating Revenue		98.3		115.5		92.0

Muscatine Power and Water - Water Utility
Summary of Expenses
Calendar Year-to-Date - May 2012

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$12,843</u>	0.7	<u>\$5,767</u>	0.3	<u>\$9,735</u>	0.6
<u>Consumer Accounts</u>						
Supervision	4,779		5,038		4,821	
Meter Reading Expense	17,758		21,084		19,061	
Customer Records and Collection	63,269		58,083		55,972	
Uncollectible Accounts Expense	2,400		2,400		1,708	
Vacation, Holiday, Sick Leave	<u>8,649</u>		<u>9,252</u>		<u>7,681</u>	
Total Consumer Accounts Expense	<u>96,855</u>	5.2	<u>95,857</u>	5.2	<u>89,243</u>	5.1
<u>Administrative and General</u>						
Administrative and General Salaries	77,074		67,759		71,498	
Office Supplies and Expenses	8,614		6,960		6,943	
Outside Services Employed	9,428		6,498		98,634	
Property Insurance	4,378		4,368		4,180	
Casualty Ins, Injuries & Damages	15,800		17,903		20,283	
Employee Pensions and Benefits	222,687		224,147		211,797	
Fringe Benefits Charged to Constr.	(12,997)		(5,681)		(11,438)	
Miscellaneous General Expense	40,052		36,668		31,423	
Rents	28,770		28,770		26,215	
Maintenance of General Plant	10,158		8,821		10,859	
Vacation, Holiday, Sick Leave	12,122		10,608		10,004	
Depreciation	<u>42,731</u>		<u>24,015</u>		<u>12,510</u>	
Total Administrative and General	<u>458,817</u>	24.7	<u>430,836</u>	23.5	<u>492,908</u>	27.9
Total Operating Expense	<u>\$1,781,768</u>		<u>\$1,880,669</u>		<u>\$1,664,979</u>	
Percent to Operating Revenue		95.8		102.5		94.4

Muscatine Power and Water - Water Utility
Statistical Data
Current Month - May 2012

	<u>2012</u>		<u>2011</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.495	0.525	0.459	0.487
Cost Per 1,000 Gallons	<u>0.576</u>	<u>0.611</u>	<u>0.425</u>	<u>0.450</u>
Margin	<u>(0.081)</u>	<u>(0.086)</u>	<u>0.035</u>	<u>0.037</u>
	<u>2012</u>		<u>2011</u>	
Maximum Daily Water Pumped (1,000 gallons)	28,712	31,865		
Date of Maximum	05/27	05/19		

Calendar Year-to-Date

	<u>2012</u>		<u>2011</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.494	0.524	0.460	0.488
Cost Per 1,000 Gallons	<u>0.509</u>	<u>0.539</u>	<u>0.438</u>	<u>0.464</u>
Margin	<u>(0.015)</u>	<u>(0.016)</u>	<u>0.023</u>	<u>0.024</u>
	<u>2012</u>		<u>2011</u>	
Maximum Daily Water Pumped (1,000 gallons)	28,712	31,865		
Date of Maximum	05/27	05/19		

Services

Contract Customers	2	2
Power Plants	2	2
Residential	8,574	8,534
Commercial	<u>1,091</u>	<u>1,087</u>
Total	<u>9,669</u>	<u>9,625</u>