

Muscatine Power and Water

Water Utility

Operating Statements and Balance Sheets

July 2012

**Muscatine Power and Water
Water Utility**

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Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - July 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	586,421	2.7	602,061	(5.7)	638,586
Power Plants	93,496	22.9	114,922	14.7	100,222
Residential	43,159	42.2	61,351	13.8	53,916
Commercial	35,865	32.6	47,560	4.5	45,526
Total Metered Customers	758,941	8.8	825,894	(1.5)	838,250
Rated Customers - Estimate	---	---	15	---	7
City Use, Line Loss, Cycle Billing	46,471	6.6	49,554	(1.5)	50,295
Total Water Pumped	805,412	8.7	875,462	(1.5)	888,552

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	4,196,094	(5.9)	3,949,584	(6.4)	4,218,018
Power Plants	447,192	15.5	516,406	4.1	495,929
Residential	273,432	10.0	300,708	8.7	276,639
Commercial	209,295	13.9	238,400	8.0	220,741
Total Metered Customers	5,126,013	(2.4)	5,005,098	(4.0)	5,211,327
Rated Customers - Estimate	---	---	67	36.7	49
City Use, Line Loss, Cycle Billing	313,871	(4.3)	300,306	(4.0)	312,680
Total Water Pumped	5,439,884	(2.5)	5,305,471	(4.0)	5,524,056

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Current Month - July 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	\$184,740	3.5	\$191,212	0.7	\$189,794
Power Plants	31,921	14.6	36,592	13.4	32,259
Residential	132,067	16.3	153,574	11.9	137,267
Commercial	<u>42,887</u>	21.3	<u>52,002</u>	8.7	<u>47,852</u>
Water Sales	<u>391,615</u>	10.7	<u>433,380</u>	6.4	<u>407,172</u>
<u>Other Revenue</u>					
Penalty Revenue	564	70.9	964	35.0	714
Merchandise & Job Sales-Net	1,000	(84.9)	151	(86.9)	1,153
Miscellaneous Revenue	<u>969</u>	---	<u>2,155</u>	---	<u>832</u>
Total Other Revenue	<u>2,533</u>	29.1	<u>3,270</u>	21.2	<u>2,699</u>
Operating Revenue	<u>394,148</u>	10.8	<u>436,650</u>	6.5	<u>409,871</u>
<u>Operating Expense</u>					
Operation	255,114	2.7	261,968	6.8	245,328
Maintenance	75,124	(9.4)	68,092	13.0	60,285
Depreciation	<u>53,502</u>	(8.3)	<u>49,083</u>	7.6	<u>45,621</u>
Total Operating Expense	<u>383,740</u>	(1.2)	<u>379,143</u>	7.9	<u>351,234</u>
Operating Income	<u>10,408</u>	---	<u>57,507</u>	(1.9)	<u>58,637</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	447	(96.0)	18	---	9
Interest Expense	<u>(9,885)</u>	(93.2)	<u>(669)</u>	0.5	<u>(666)</u>
Net Nonoperating Revenues (Expenses)	<u>(9,438)</u>	(93.1)	<u>(651)</u>	(0.9)	<u>(657)</u>
Change in Net Assets	970	---	56,856	---	57,980
Beginning Net Assets	<u>13,687,479</u>		<u>13,674,559</u>		<u>13,518,480</u>
Ending Net Assets	<u>\$13,688,449</u>		<u>\$13,731,415</u>		<u>\$13,576,460</u>
Net Income (Loss) to Total Income	0.2		13.0		14.1
Debt Service Coverage	5.27		35.50		30.52

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Calendar Year-to-Date - July 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	\$1,308,707	(2.2)	\$1,279,747	1.2	\$1,265,000
Power Plants	201,986	(0.7)	200,589	8.5	184,857
Residential	859,388	4.3	896,552	8.4	827,308
Commercial	<u>262,233</u>	9.2	<u>286,412</u>	10.1	<u>260,211</u>
Water Sales	<u>2,632,314</u>	1.2	<u>2,663,300</u>	5.0	<u>2,537,376</u>
<u>Other Revenue</u>					
Penalty Revenue	3,952	4.5	4,130	8.9	3,794
Merchandise & Job Sales-Net	6,353	(54.7)	2,877	(55.5)	6,461
Miscellaneous Revenue	<u>7,058</u>	(8.4)	<u>6,468</u>	(6.9)	<u>6,948</u>
Total Other Revenue	<u>17,363</u>	(22.4)	<u>13,475</u>	(21.7)	<u>17,203</u>
Operating Revenue	<u>2,649,677</u>	1.0	<u>2,676,775</u>	4.8	<u>2,554,579</u>
<u>Operating Expense</u>					
Operation	1,756,060	0.4	1,762,285	1.2	1,741,544
Maintenance	444,724	15.7	514,674	69.5	303,558
Depreciation	<u>374,517</u>	(8.3)	<u>343,581</u>	7.6	<u>319,347</u>
Total Operating Expense	<u>2,575,301</u>	1.8	<u>2,620,540</u>	10.8	<u>2,364,449</u>
Operating Income	<u>74,376</u>	(24.4)	<u>56,235</u>	(70.4)	<u>190,130</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	3,579	(97.8)	78	(54.4)	171
Interest Expense	<u>(69,559)</u>	(92.9)	<u>(4,951)</u>	(1.9)	<u>(5,049)</u>
Net Nonoperating Revenues (Expenses)	<u>(65,980)</u>	(92.6)	<u>(4,873)</u>	(0.1)	<u>(4,878)</u>
Change in Net Assets	8,396	---	51,362	(72.3)	185,252
Beginning Net Assets	<u>13,680,053</u>		<u>13,680,053</u>		<u>13,391,208</u>
Ending Net Assets	<u>\$13,688,449</u>		<u>\$13,731,415</u>		<u>\$13,576,460</u>
Net Income (Loss) to Total Income	0.3		1.9		7.3
Debt Service Coverage	5.29		19.16		26.76

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

ASSETS

	<u>2012</u>	<u>2011</u>
Current Assets:		
Cash - interest bearing	\$800,407	\$402,652
Receivables:		
Consumer Accounts	552,436	713,030
Interest	3	6
Inventories	298,936	304,284
Prepaid Expenses	<u>33,224</u>	<u>34,400</u>
Total Current Assets	<u>1,685,006</u>	<u>1,454,372</u>
Property and Equipment:		
At Cost	24,149,800	23,835,443
Less Accumulated Depreciation	<u>9,370,301</u>	<u>8,931,494</u>
Net Property and Equipment	<u>14,779,499</u>	<u>14,903,949</u>
 TOTAL ASSETS	 <u><u>\$16,464,505</u></u>	 <u><u>\$16,358,321</u></u>

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

LIABILITIES AND NET ASSETS

	<u>2012</u>	<u>2011</u>
Current Liabilities:		
<u>Restricted</u>		
State Revolving Loan	\$28,083	33,000
Accrued Interest	1,338	1,331
	<hr/>	<hr/>
Total Current Restricted Liabilities	29,421	34,331
	<hr/>	<hr/>
<u>Unrestricted</u>		
Accounts Payable	175,826	157,394
Pension Provision	67,652	57,098
Health & Dental Insurance Provision	19,578	23,244
Intercompanies Payable	5,778	4,844
Retained Percentage on Contracts	---	4,520
Consumer Advances for Construction	338,326	78,161
Accrued Payroll	39,677	30,634
Accrued Vacation	78,348	73,220
Miscellaneous Accrued Expenses	51,048	46,508
Miscellaneous Deferred Credits	5,200	5,200
	<hr/>	<hr/>
Total Current Unrestricted Liabilities	781,433	480,823
	<hr/>	<hr/>
Non-Current Liabilities:		
State Revolving Loan	218,917	204,846
Health & Dental Insurance Provision	120,449	142,393
Post-Employment Health Benefit Provision	15,316	13,471
Consumer Advances for Construction	1,567,554	1,905,997
	<hr/>	<hr/>
Total Non-Current Liabilities	1,922,236	2,266,707
	<hr/>	<hr/>
Net Assets:		
Invested in capital assets, net of related debt	12,626,619	12,681,945
Restricted	---	---
Unrestricted	1,104,796	894,515
	<hr/>	<hr/>
Total Net Assets	13,731,415	13,576,460
	<hr/>	<hr/>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$16,464,505</u></u>	 <u><u>\$16,358,321</u></u>

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

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$404,906	\$2,584,197
Miscellaneous sources	2,175	9,210
Cash paid to/for:		
Suppliers	(84,469)	(1,048,617)
Employees payroll, taxes and benefits	<u>(161,057)</u>	<u>(1,129,938)</u>
Net cash flows from operating activities	<u>161,555</u>	<u>414,852</u>
Cash flows from capital and related financing activities:		
State revolving loan fund principal payments	---	(27,000)
State revolving loan interest payments	---	(4,806)
Capital expenditures, net	<u>(26,938)</u>	<u>(182,870)</u>
Net cash flows from capital and related financing activities	<u>(26,938)</u>	<u>(214,676)</u>
Cash flows from investing activities:		
Interest received on investments	<u>18</u>	<u>80</u>
Net cash flows from investing activities	<u>18</u>	<u>80</u>
Net increase in cash and investments	<u>134,635</u>	<u>200,256</u>
Cash and investments at beginning of period	<u>665,772</u>	<u>600,151</u>
Cash and investments at end of period	<u><u>\$800,407</u></u>	<u><u>\$800,407</u></u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$57,507	\$56,235
Noncash item in operating income:		
Depreciation of utility plant	49,083	343,581
Changes in assets and liabilities:		
Consumer accounts receivable	(26,206)	(74,253)
Inventories	(14,549)	(13,574)
Prepaid and deferred expenses	4,569	(6,221)
Accounts payable	75,309	(26,528)
Pension provision	9,781	67,652
Health & dental insurance provision	(6,691)	(24,282)
Other post-employment benefit provision	198	1,386
Intercompany payable	4,171	63,448
Accrued payroll	10,448	10,918
Accrued vacation	(2,433)	2,358
Miscellaneous accrued expenses	368	14,132
	<u>368</u>	<u>14,132</u>
Net cash flows from operating activities	<u>\$161,555</u>	<u>\$414,852</u>

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$2,451		\$2,335		\$2,037	
Operation Labor and Expenses	1,110		2,406		1,690	
Miscellaneous Expense	726		513		408	
Maintenance of Wells	30,000		11,000		---	
Maintenance of Supply Mains	---		7		729	
Depreciation	6,224		5,911		5,141	
Total Source of Supply Expense	40,511	10.3	22,172	5.1	10,005	2.4
<u>Pumping</u>						
Operation Supervision	2,908		2,720		2,408	
Fuel or Power Purchased	63,558		65,527		62,805	
Pumping Labor and Expenses	3,783		2,923		4,650	
Miscellaneous Expense	217		321		304	
Maintenance of Structures	117		---		---	
Maintenance of Pumping Equipment	7,356		17,696		7,976	
Depreciation	5,614		5,498		5,677	
Total Pumping Expense	83,553	21.2	94,685	21.7	83,820	20.5
<u>Water Treatment</u>						
Operation Supervision	2,882		2,744		2,529	
Chemicals	17,083		17,667		19,028	
Operation Labor and Expenses	11,137		13,666		11,365	
Miscellaneous Expense	2,007		450		1,451	
Maintenance of Structures	479		2,628		1,321	
Maintenance of Purification Equip.	2,088		2,832		969	
Depreciation	2,353		2,338		2,338	
Total Water Treatment Expense	38,029	9.6	42,325	9.7	39,001	9.5
<u>Distribution</u>						
Operation Supervision	2,829		2,802		2,485	
Storage Facilities Expense	1,078		1,261		1,561	
Trans. & Distr. Lines Expense	3,904		3,389		3,547	
Meter Expense	11,871		13,842		8,690	
Consumer Installation Expense	5,451		4,008		5,089	
Miscellaneous Expense	3,896		8,012		5,525	
Vehicle Expense	4,383		3,788		4,264	
Maintenance:						
Supervision	4,490		4,317		4,015	
Structures	259		476		20	
Reservoirs and Standpipes	49		4,078		5	
Mains	13,414		16,811		23,752	
Valves	4,193		1,249		9,972	
Meters	6,198		2,457		4,499	
Hydrants	2,784		1,110		3,686	
Miscellaneous Plant	2,045		1,646		1,529	
Vacation, Holiday, Sick Leave	12,817		12,416		13,792	
Depreciation	30,765		30,533		29,963	
Total Distribution Expense	\$110,426	28.0	\$112,195	25.7	\$122,394	29.9

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Source of Supply</u>						
Operation Supervision	\$16,504		\$17,028		\$15,979	
Operation Labor and Expenses	8,092		9,731		9,081	
Miscellaneous Expense	3,005		1,748		1,347	
Maintenance of Wells	93,000		76,060		---	
Maintenance of Supply Mains	---		4,212		2,254	
Depreciation	43,570		41,377		35,987	
Total Source of Supply Expense	164,171	6.2	150,156	5.6	64,648	2.5
<u>Pumping</u>						
Operation Supervision	19,498		19,796		18,766	
Fuel or Power Purchased	409,550		394,250		390,818	
Pumping Labor and Expenses	25,396		25,879		23,666	
Miscellaneous Expense	1,517		2,800		2,189	
Maintenance of Structures	817		---		---	
Maintenance of Pumping Equipment	51,791		119,401		61,986	
Depreciation	39,298		38,486		39,739	
Total Pumping Expense	547,867	20.7	600,612	22.4	537,164	21.0
<u>Water Treatment</u>						
Operation Supervision	19,491		19,997		19,347	
Chemicals	119,583		109,602		112,733	
Operation Labor and Expenses	83,557		84,274		81,578	
Miscellaneous Expense	13,933		9,635		9,650	
Maintenance of Structures	2,988		7,046		3,014	
Maintenance of Purification Equip.	12,505		12,663		25,903	
Depreciation	16,468		16,366		16,366	
Total Water Treatment Expense	268,525	10.1	259,583	9.7	268,591	10.5
<u>Distribution</u>						
Operation Supervision	19,446		19,905		18,856	
Storage Facilities Expense	8,801		12,207		11,516	
Trans. & Distr. Lines Expense	41,586		60,723		44,171	
Meter Expense	73,815		79,371		65,336	
Consumer Installation Expense	37,647		25,978		33,025	
Miscellaneous Expense	27,154		59,588		29,951	
Vehicle Expense	31,094		29,857		30,325	
Maintenance:						
Supervision	30,620		31,290		30,160	
Structures	11,455		3,400		8,369	
Reservoirs and Standpipes	31,345		26,962		3,906	
Mains	104,361		148,102		75,785	
Valves	27,022		19,619		29,909	
Meters	26,175		20,549		18,989	
Hydrants	24,775		15,969		15,554	
Miscellaneous Plant	14,317		17,087		13,388	
Vacation, Holiday, Sick Leave	75,551		75,634		69,632	
Depreciation	215,357		213,731		209,741	
Total Distribution Expense	\$800,521	30.2	\$859,972	32.1	\$708,613	27.7

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$1,851</u>	0.5	<u>\$2,437</u>	0.6	<u>\$470</u>	0.1
<u>Consumer Accounts</u>						
Supervision	989		1,019		1,010	
Meter Reading Expense	3,512		3,544		3,844	
Consumer Records and Collection	13,108		11,769		12,832	
Uncollectible Accounts Expense	480		480		342	
Vacation, Holiday, Sick Leave	<u>2,033</u>		<u>2,393</u>		<u>1,907</u>	
Total Consumer Accounts Expense	<u>20,122</u>	5.1	<u>19,205</u>	4.4	<u>19,935</u>	4.9
<u>Administrative and General</u>						
Administrative and General Salaries	15,943		14,326		11,938	
Office Supplies and Expenses	1,602		1,377		1,652	
Outside Services Employed	1,627		3,960		613	
Property Insurance	977		971		808	
Casualty Ins, Injuries & Damages	3,160		3,319		2,195	
Employee Pensions and Benefits	43,998		43,984		40,876	
Fringe Benefits Charged to Constr.	(4,155)		(4,649)		(2,452)	
Miscellaneous General Expense	7,282		8,284		7,899	
Rents	5,754		5,754		5,243	
Maintenance of General Plant	1,652		1,785		1,812	
Vacation, Holiday, Sick Leave	2,862		2,210		2,523	
Depreciation	<u>8,546</u>		<u>4,803</u>		<u>2,502</u>	
Total Administrative and General	<u>89,248</u>	22.6	<u>86,124</u>	19.7	<u>75,609</u>	18.4
Total Operating Expense	<u><u>\$383,740</u></u>		<u><u>\$379,143</u></u>		<u><u>\$351,234</u></u>	
Percent to Operating Revenue		97.4		86.8		85.7

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$23,058</u>	0.9	<u>\$13,107</u>	0.5	<u>\$10,999</u>	0.4
<u>Consumer Accounts</u>						
Supervision	6,725		7,048		6,935	
Meter Reading Expense	24,746		28,141		26,661	
Customer Records and Collection	89,407		81,737		81,014	
Uncollectible Accounts Expense	3,360		3,360		2,392	
Vacation, Holiday, Sick Leave	<u>12,032</u>		<u>13,312</u>		<u>10,905</u>	
Total Consumer Accounts Expense	<u>136,270</u>	5.1	<u>133,598</u>	5.0	<u>127,907</u>	5.0
<u>Administrative and General</u>						
Administrative and General Salaries	108,480		96,615		97,524	
Office Supplies and Expenses	12,535		10,342		10,294	
Outside Services Employed	12,082		10,697		99,611	
Property Insurance	6,332		6,311		5,797	
Casualty Ins, Injuries & Damages	22,120		25,553		24,796	
Employee Pensions and Benefits	309,243		312,540		294,266	
Fringe Benefits Charged to Constr.	(21,293)		(10,965)		(16,940)	
Miscellaneous General Expense	54,844		52,187		48,446	
Rents	40,278		40,278		36,701	
Maintenance of General Plant	13,553		12,314		14,341	
Vacation, Holiday, Sick Leave	16,891		14,019		14,177	
Depreciation	<u>59,824</u>		<u>33,621</u>		<u>17,514</u>	
Total Administrative and General	<u>634,889</u>	24.0	<u>603,512</u>	22.5	<u>646,527</u>	25.3
Total Operating Expense	<u>\$2,575,301</u>		<u>\$2,620,540</u>		<u>\$2,364,449</u>	
Percent to Operating Revenue		97.2		97.9		92.6

**Muscatine Power and Water - Water Utility
Statistical Data
Current Month - July 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	0.458	0.486
Cost Per 1,000 Gallons	<u>0.433</u>	<u>0.459</u>	<u>0.395</u>	<u>0.419</u>
Margin	<u>0.062</u>	<u>0.066</u>	<u>0.063</u>	<u>0.067</u>
	<u>2012</u>	<u>2011</u>		
Maximum Daily Water Pumped (1,000 gallons)	32,371	33,869		
Date of Maximum	07/10	07/20		

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	0.502	0.532	0.459	0.487
Cost Per 1,000 Gallons	<u>0.494</u>	<u>0.524</u>	<u>0.428</u>	<u>0.454</u>
Margin	<u>0.008</u>	<u>0.009</u>	<u>0.031</u>	<u>0.033</u>
	<u>2012</u>	<u>2011</u>		
Maximum Daily Water Pumped (1,000 gallons)	32,371	33,869		
Date of Maximum	07/10	07/20		

Services

Contract Customers	2	2
Power Plants	2	2
Residential	8,592	8,544
Commercial	<u>1,095</u>	<u>1,090</u>
Total	<u>9,691</u>	<u>9,638</u>