

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

**Muscatine Power and Water
Water Utility**

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Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - August 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	671,111	(14.0)	576,956	(12.8)	661,397
Power Plants	86,847	14.4	99,392	3.1	96,426
Residential	42,190	32.1	55,722	5.4	52,850
Commercial	43,058	5.6	45,449	2.7	44,243
Total Metered Customers	843,206	(7.8)	777,519	(9.1)	854,916
Rated Customers - Estimate	---	---	11	---	4
City Use, Line Loss, Cycle Billing	51,630	(9.6)	46,651	(9.1)	51,295
Total Water Pumped	894,836	(7.9)	824,181	(9.1)	906,215

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	4,867,205	(7.0)	4,526,539	(7.2)	4,879,414
Power Plants	534,039	15.3	615,798	4.0	592,355
Residential	315,622	12.9	356,430	8.2	329,489
Commercial	252,353	12.5	283,850	7.1	264,984
Total Metered Customers	5,969,219	(3.1)	5,782,617	(4.7)	6,066,242
Rated Customers - Estimate	---	---	79	51.9	52
City Use, Line Loss, Cycle Billing	365,501	(5.1)	346,957	(4.7)	363,975
Total Water Pumped	6,334,720	(3.2)	6,129,654	(4.7)	6,430,269

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Current Month - August 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	\$203,437	(9.7)	\$183,644	(5.4)	\$194,043
Power Plants	30,402	13.2	34,418	10.0	31,300
Residential	129,384	13.2	146,519	7.7	135,996
Commercial	<u>48,156</u>	4.4	<u>50,275</u>	7.3	<u>46,873</u>
Water Sales	<u>411,379</u>	0.8	<u>414,856</u>	1.6	<u>408,212</u>
<u>Other Revenue</u>					
Penalty Revenue	564	54.3	870	(12.7)	997
Merchandise & Job Sales-Net	1,000	(13.2)	868	(38.0)	1,400
Miscellaneous Revenue	<u>1,270</u>	(45.9)	<u>687</u>	(31.3)	<u>1,000</u>
Total Other Revenue	<u>2,834</u>	(14.4)	<u>2,425</u>	(28.6)	<u>3,397</u>
Operating Revenue	<u>414,213</u>	0.7	<u>417,281</u>	1.4	<u>411,609</u>
<u>Operating Expense</u>					
Operation	250,894	5.6	265,029	6.8	248,118
Maintenance	47,946	67.7	80,409	(7.1)	86,508
Depreciation	<u>53,502</u>	(8.3)	<u>49,083</u>	7.6	<u>45,621</u>
Total Operating Expense	<u>352,342</u>	12.0	<u>394,521</u>	3.8	<u>380,247</u>
Operating Income	<u>61,871</u>	---	<u>22,760</u>	(27.4)	<u>31,362</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	425	(95.1)	21	---	10
Interest Expense	<u>(9,885)</u>	(93.2)	<u>(669)</u>	(4.3)	<u>(699)</u>
Net Nonoperating Revenues (Expenses)	<u>(9,460)</u>	(93.2)	<u>(648)</u>	(6.0)	<u>(689)</u>
Net Income before Capital Contributions	52,411	(57.8)	22,112	(27.9)	30,673
Capital Contributions	<u>---</u>	---	<u>---</u>	---	<u>---</u>
Change in Net Assets	52,411	(57.8)	22,112	(27.9)	30,673
Beginning Net Assets	<u>13,688,449</u>		<u>13,731,415</u>		<u>13,576,460</u>
Ending Net Assets	<u>\$13,740,860</u>		<u>\$13,753,527</u>		<u>\$13,607,133</u>
Net Income (Loss) to Total Income	12.6		5.3		7.5
Debt Service Coverage	9.48		23.93		22.32

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Calendar Year-to-Date - August 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	\$1,512,144	(3.2)	\$1,463,391	0.3	\$1,459,043
Power Plants	232,388	1.1	235,007	8.7	216,157
Residential	988,772	5.5	1,043,071	8.3	963,304
Commercial	<u>310,389</u>	8.5	<u>336,687</u>	9.6	<u>307,084</u>
Water Sales	<u>3,043,693</u>	1.1	<u>3,078,156</u>	4.5	<u>2,945,588</u>
<u>Other Revenue</u>					
Penalty Revenue	4,516	10.7	5,000	4.4	4,790
Merchandise & Job Sales-Net	7,353	(49.1)	3,745	(52.4)	7,862
Miscellaneous Revenue	<u>8,327</u>	(14.1)	<u>7,156</u>	(10.0)	<u>7,949</u>
Total Other Revenue	<u>20,196</u>	(21.3)	<u>15,901</u>	(22.8)	<u>20,601</u>
Operating Revenue	<u>3,063,889</u>	1.0	<u>3,094,057</u>	4.3	<u>2,966,189</u>
<u>Operating Expense</u>					
Operation	2,006,954	1.0	2,027,315	1.9	1,989,661
Maintenance	492,669	20.8	595,083	52.6	390,067
Depreciation	<u>428,020</u>	(8.3)	<u>392,664</u>	7.6	<u>364,968</u>
Total Operating Expense	<u>2,927,643</u>	3.0	<u>3,015,062</u>	9.9	<u>2,744,696</u>
Operating Income	<u>136,246</u>	(42.0)	<u>78,995</u>	(64.3)	<u>221,493</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	4,004	(97.5)	99	(45.3)	181
Interest Expense	<u>(79,443)</u>	(92.9)	<u>(5,620)</u>	(2.2)	<u>(5,749)</u>
Net Nonoperating Revenues (Expenses)	<u>(75,439)</u>	(92.7)	<u>(5,521)</u>	(0.8)	<u>(5,568)</u>
<u>Net Income (Loss) before Capital Contributions</u>	<u>60,807</u>	20.8	<u>73,474</u>	(66.0)	<u>215,925</u>
Capital Contributions	<u>---</u>	---	<u>---</u>	---	<u>---</u>
Change in Net Assets	<u>60,807</u>	20.8	<u>73,474</u>	(66.0)	<u>215,925</u>
Beginning Net Assets	<u>13,680,053</u>		<u>13,680,053</u>		<u>13,391,208</u>
Ending Net Assets	<u>\$13,740,860</u>		<u>\$13,753,527</u>		<u>\$13,607,133</u>
Net Income (Loss) to Total Income	2.0		2.4		7.3
Debt Service Coverage	5.82		19.76		25.27

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

ASSETS

	<u>2012</u>	<u>2011</u>
Current Assets:		
Cash - interest bearing	\$867,452	\$664,450
Investments	---	---
Receivables:		
Consumer Accounts	546,122	537,141
Interest	3	4
Inventories	290,560	287,734
Prepaid Expenses	<u>29,573</u>	<u>30,971</u>
Total Current Assets	<u>1,733,710</u>	<u>1,520,300</u>
Property and Equipment:		
At Cost	24,241,268	23,946,299
Less Accumulated Depreciation	<u>9,419,385</u>	<u>8,977,115</u>
Net Property and Equipment	<u>14,821,883</u>	<u>14,969,184</u>
 TOTAL ASSETS	 <u><u>\$16,555,593</u></u>	 <u><u>\$16,489,484</u></u>

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

LIABILITIES AND NET ASSETS

	<u>2012</u>	<u>2011</u>
Current Liabilities:		
<u>Restricted</u>		
State Revolving Loan	\$28,166	33,000
Accrued Interest	2,007	2,031
	<hr/>	<hr/>
Total Current Restricted Liabilities	30,173	35,031
	<hr/>	<hr/>
<u>Unrestricted</u>		
Accounts Payable	203,700	247,250
Pension Provision	77,433	16,314
Health & Dental Insurance Provision	19,578	23,244
Intercompanies Payable	12,011	6,886
Retained Percentage on Contracts	---	4,520
Consumer Advances for Construction	360,335	78,161
Accrued Payroll	61,999	45,165
Accrued Vacation	75,881	72,079
Miscellaneous Accrued Expenses	55,272	49,395
Miscellaneous Deferred Credits	5,200	5,200
	<hr/>	<hr/>
Total Current Unrestricted Liabilities	871,409	548,214
	<hr/>	<hr/>
Non-Current Liabilities:		
State Revolving Loan	218,834	236,000
Health & Dental Insurance Provision	120,591	143,393
Post-Employment Health Benefit Provision	15,514	13,716
Consumer Advances for Construction	1,545,545	1,905,997
	<hr/>	<hr/>
Total Non-Current Liabilities	1,900,484	2,299,106
	<hr/>	<hr/>
Net Assets:		
Invested in capital assets, net of related debt	12,669,003	12,716,026
Restricted	---	---
Unrestricted	1,084,524	891,107
	<hr/>	<hr/>
Total Net Assets	13,753,527	13,607,133
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$16,555,593</u></u>	<u><u>\$16,489,484</u></u>

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

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$422,601	\$3,006,798
Miscellaneous sources	75	9,285
Cash paid to/for:		
Suppliers	(164,502)	(1,213,119)
Employees payroll, taxes and benefits	<u>(162,889)</u>	<u>(1,292,827)</u>
Net cash flows from operating activities	<u>95,285</u>	<u>510,137</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>(28,261)</u>	<u>(211,131)</u>
Net cash flows from capital and related financing activities	<u>(28,261)</u>	<u>(242,937)</u>
Cash flows from investing activities:		
Interest received on investments	<u>21</u>	<u>101</u>
Net cash flows from investing activities	<u>21</u>	<u>101</u>
Net increase in cash and investments	<u>67,045</u>	<u>267,301</u>
Cash and investments at beginning of period	<u>800,407</u>	<u>600,151</u>
Cash and investments at end of period	<u><u>\$867,452</u></u>	<u><u>\$867,452</u></u>

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

	<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	\$22,760	\$78,995
Noncash item in operating income:		
Depreciation of utility plant	49,083	392,664
Changes in assets and liabilities:		
Consumer accounts receivable	6,314	(67,939)
Inventories	8,376	(5,198)
Prepaid and deferred expenses	3,651	(2,570)
Accounts payable	(35,332)	(61,860)
Pension provision	9,781	77,433
Health & dental insurance provision	142	(24,140)
Other post-employment benefit provision	198	1,584
Intercompany payable	6,233	69,681
Accrued payroll	22,322	33,240
Accrued vacation	(2,467)	(109)
Miscellaneous accrued expenses	4,224	18,356
	<hr/>	<hr/>
Net cash flows from operating activities	<u>\$95,285</u>	<u>\$510,137</u>

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Source of Supply</u>						
Operation Supervision	\$2,408		\$2,668		\$2,309	
Operation Labor and Expenses	1,205		1,078		979	
Miscellaneous Expense	726		426		363	
Maintenance of Wells	---		---		---	
Maintenance of Supply Mains	---		500		837	
Depreciation	6,224		5,911		5,141	
Total Source of Supply Expense	10,563	2.6	10,583	2.5	9,629	2.3
<u>Pumping</u>						
Operation Supervision	2,750		3,088		2,711	
Fuel or Power Purchased	64,361		63,390		61,521	
Pumping Labor and Expenses	3,735		2,844		5,060	
Miscellaneous Expense	217		686		304	
Maintenance of Structures	117		---		---	
Maintenance of Pumping Equipment	7,233		8,658		24,511	
Depreciation	5,614		5,498		5,677	
Total Pumping Expense	84,027	20.3	84,164	20.2	99,784	24.2
<u>Water Treatment</u>						
Operation Supervision	2,848		3,106		2,829	
Chemicals	17,083		15,063		17,186	
Operation Labor and Expenses	12,455		9,129		10,167	
Miscellaneous Expense	2,007		308		576	
Maintenance of Structures	479		2,038		975	
Maintenance of Purification Equip.	2,088		872		1,231	
Depreciation	2,353		2,338		2,338	
Total Water Treatment Expense	39,313	9.5	32,854	7.9	35,302	8.6
<u>Distribution</u>						
Operation Supervision	2,847		3,185		2,863	
Storage Facilities Expense	1,164		3,906		1,721	
Trans. & Distr. Lines Expense	3,904		5,398		6,317	
Meter Expense	12,134		13,548		11,323	
Consumer Installation Expense	5,542		6,170		5,283	
Miscellaneous Expense	3,808		7,520		3,953	
Vehicle Expense	4,525		3,967		4,634	
Maintenance:						
Supervision	4,559		4,872		4,484	
Structures	259		552		129	
Reservoirs and Standpipes	49		1,754		11	
Mains	13,414		45,435		31,021	
Valves	4,192		4,746		9,466	
Meters	6,503		5,651		4,377	
Hydrants	5,344		846		5,533	
Miscellaneous Plant	2,045		2,745		2,541	
Vacation, Holiday, Sick Leave	8,748		7,291		7,266	
Depreciation	30,765		30,533		29,963	
Total Distribution Expense	\$109,802	26.5	\$148,119	35.5	\$130,885	31.8

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Source of Supply</u>						
Operation Supervision	\$18,912		\$19,696		\$18,288	
Operation Labor and Expenses	9,297		10,809		10,059	
Miscellaneous Expense	3,731		2,174		1,710	
Maintenance of Wells	93,000		76,060		---	
Maintenance of Supply Mains	---		4,712		3,092	
Depreciation	49,794		47,288		41,128	
Total Source of Supply Expense	174,734	5.7	160,739	5.2	74,277	2.5
<u>Pumping</u>						
Operation Supervision	22,248		22,884		21,478	
Fuel or Power Purchased	473,911		457,640		452,339	
Pumping Labor and Expenses	29,132		28,723		28,726	
Miscellaneous Expense	1,733		3,487		2,494	
Maintenance of Structures	934		---		---	
Maintenance of Pumping Equipment	59,024		128,058		86,497	
Depreciation	44,912		43,984		45,416	
Total Pumping Expense	631,894	20.6	684,776	22.1	636,950	21.5
<u>Water Treatment</u>						
Operation Supervision	22,339		23,103		22,177	
Chemicals	136,667		124,665		129,919	
Operation Labor and Expenses	96,011		93,404		91,745	
Miscellaneous Expense	15,940		9,942		10,226	
Maintenance of Structures	3,467		9,084		3,989	
Maintenance of Purification Equip.	14,593		13,535		27,134	
Depreciation	18,821		18,704		18,704	
Total Water Treatment Expense	307,838	10.0	292,437	9.5	303,894	10.2
<u>Distribution</u>						
Operation Supervision	22,293		23,091		21,719	
Storage Facilities Expense	9,965		16,113		13,236	
Trans. & Distr. Lines Expense	45,491		66,121		50,488	
Meter Expense	85,949		92,919		76,659	
Consumer Installation Expense	43,188		32,148		38,307	
Miscellaneous Expense	30,962		67,107		33,904	
Vehicle Expense	35,619		33,824		34,959	
Maintenance:						
Supervision	35,179		36,162		34,644	
Structures	11,715		3,953		8,498	
Reservoirs and Standpipes	31,394		28,717		3,917	
Mains	117,775		193,537		106,807	
Valves	31,214		24,365		39,374	
Meters	32,677		26,200		23,366	
Hydrants	30,118		16,814		21,087	
Miscellaneous Plant	16,362		19,832		15,929	
Vacation, Holiday, Sick Leave	84,299		82,924		76,897	
Depreciation	246,123		244,264		239,704	
Total Distribution Expense	\$910,323	29.7	\$1,008,091	32.6	\$839,495	28.3

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$2,173</u>	0.5	<u>\$513</u>	0.1	<u>\$3,598</u>	0.9
<u>Consumer Accounts</u>						
Supervision	944		1,180		1,108	
Meter Reading Expense	3,450		4,056		3,960	
Consumer Records and Collection	13,202		13,249		11,797	
Uncollectible Accounts Expense	480		480		342	
Vacation, Holiday, Sick Leave	<u>1,384</u>		<u>1,423</u>		<u>1,131</u>	
Total Consumer Accounts Expense	<u>19,460</u>	4.7	<u>20,388</u>	4.9	<u>18,338</u>	4.5
<u>Administrative and General</u>						
Administrative and General Salaries	16,043		16,553		14,087	
Office Supplies and Expenses	1,941		1,560		986	
Outside Services Employed	1,028		11,120		10,464	
Property Insurance	977		971		809	
Casualty Ins, Injuries & Damages	3,160		5,329		4,215	
Employee Pensions and Benefits	43,187		47,052		40,989	
Fringe Benefits Charged to Constr.	(4,510)		(4,549)		(4,967)	
Miscellaneous General Expense	7,242		6,227		5,729	
Rents	5,754		5,754		5,243	
Maintenance of General Plant	1,664		1,740		1,392	
Vacation, Holiday, Sick Leave	1,972		1,340		1,262	
Depreciation	<u>8,546</u>		<u>4,803</u>		<u>2,502</u>	
Total Administrative and General	<u>87,004</u>	21.0	<u>97,900</u>	23.5	<u>82,711</u>	20.1
Total Operating Expense	<u>\$352,342</u>		<u>\$394,521</u>		<u>\$380,247</u>	
Percent to Operating Revenue		85.1		94.5		92.4

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$25,231</u>	0.8	<u>\$13,621</u>	0.4	<u>\$14,597</u>	0.5
<u>Consumer Accounts</u>						
Supervision	7,669		8,229		8,043	
Meter Reading Expense	28,195		32,196		30,621	
Customer Records and Collection	102,609		94,985		92,811	
Uncollectible Accounts Expense	3,840		3,840		2,733	
Vacation, Holiday, Sick Leave	<u>13,416</u>		<u>14,736</u>		<u>12,035</u>	
Total Consumer Accounts Expense	<u>155,729</u>	5.1	<u>153,986</u>	5.0	<u>146,243</u>	4.9
<u>Administrative and General</u>						
Administrative and General Salaries	124,523		113,168		111,612	
Office Supplies and Expenses	14,476		11,902		11,280	
Outside Services Employed	13,110		21,817		110,075	
Property Insurance	7,309		7,282		6,606	
Casualty Ins, Injuries & Damages	25,280		30,882		29,011	
Employee Pensions and Benefits	352,430		359,592		335,255	
Fringe Benefits Charged to Constr.	(25,802)		(15,515)		(21,906)	
Miscellaneous General Expense	62,086		58,414		54,175	
Rents	46,032		46,032		41,944	
Maintenance of General Plant	15,217		14,054		15,733	
Vacation, Holiday, Sick Leave	18,863		15,360		15,439	
Depreciation	<u>68,370</u>		<u>38,424</u>		<u>20,016</u>	
Total Administrative and General	<u>721,894</u>	23.6	<u>701,412</u>	22.7	<u>729,240</u>	24.6
Total Operating Expense	<u>\$2,927,643</u>		<u>\$3,015,062</u>		<u>\$2,744,696</u>	
Percent to Operating Revenue		95.6		97.4		92.5

Muscatine Power and Water - Water Utility
Statistical Data
Current Month - August 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	0.503	0.534	0.450	0.477
Cost Per 1,000 Gallons	<u>0.479</u>	<u>0.507</u>	<u>0.420</u>	<u>0.445</u>
Margin	<u>0.025</u>	<u>0.026</u>	<u>0.031</u>	<u>0.033</u>
	<u>2012</u>		<u>2011</u>	
Maximum Daily Water Pumped (1,000 gallons)	30,651		30,999	
Date of Maximum	08/02		08/22	

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	0.458	0.486
Cost Per 1,000 Gallons	<u>0.492</u>	<u>0.521</u>	<u>0.427</u>	<u>0.452</u>
Margin	<u>0.010</u>	<u>0.011</u>	<u>0.031</u>	<u>0.033</u>
	<u>2012</u>		<u>2011</u>	
Maximum Daily Water Pumped (1,000 gallons)	30,651		33,869	
Date of Maximum	08/02		07/20	

Services

Contract Customers	2	2
Power Plants	2	2
Residential	8,585	8,550
Commercial	<u>1,096</u>	<u>1,089</u>
Total	<u>9,685</u>	<u>9,643</u>