

Muscatine Power and Water

Water Utility

Operating Statements and Balance Sheets

November 2012

**Muscatine Power and Water
Water Utility**

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Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - November 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	571,535	(7.4)	529,264	(10.7)	592,880
Power Plants	49,735	21.6	60,488	(25.7)	81,447
Residential	35,908	5.5	37,888	4.6	36,222
Commercial	<u>25,418</u>	<u>13.8</u>	<u>28,926</u>	<u>2.6</u>	<u>28,191</u>
Total Metered Customers	682,596	(3.8)	656,565	(11.1)	738,740
Rated Customers - Estimate	---		11	1.8X	4
City Use, Line Loss, Cycle Billing	<u>41,796</u>	<u>(5.7)</u>	<u>39,394</u>	<u>(11.1)</u>	<u>44,324</u>
Total Water Pumped	<u><u>724,392</u></u>	<u><u>(3.9)</u></u>	<u><u>695,970</u></u>	<u><u>(11.1)</u></u>	<u><u>783,068</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	6,687,909	(8.0)	6,150,434	(8.4)	6,717,329
Power Plants	706,871	12.6	795,745	(4.2)	830,319
Residential	435,367	9.4	476,449	4.9	454,088
Commercial	<u>350,897</u>	<u>10.4</u>	<u>387,422</u>	<u>5.4</u>	<u>367,495</u>
Total Metered Customers	8,181,044	(4.5)	7,810,051	(6.7)	8,369,231
Rated Customers - Estimate	---		105	64.1	64
City Use, Line Loss, Cycle Billing	<u>500,934</u>	<u>(6.5)</u>	<u>468,603</u>	<u>(6.7)</u>	<u>502,154</u>
Total Water Pumped	<u><u>8,681,978</u></u>	<u><u>(4.6)</u></u>	<u><u>8,278,759</u></u>	<u><u>(6.7)</u></u>	<u><u>8,871,449</u></u>

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

	Budget Estimate	%Increase (Decrease) From Budget	This Year	%Increase (Decrease) Fr. Last Yr.	Last Year
<u>Sales of Water</u>					
Contract Customers	\$186,922	(9.4)	\$169,332	(7.3)	\$182,684
Power Plants	23,694	13.2	26,822	(7.4)	28,978
Residential	121,394	2.5	124,415	7.0	116,285
Commercial	<u>34,764</u>	8.5	<u>37,714</u>	6.7	<u>35,345</u>
Water Sales	<u>366,774</u>	(2.3)	<u>358,283</u>	(1.4)	<u>363,292</u>
<u>Other Revenue</u>					
Penalty Revenue	565	44.6	817	13.5	720
Merchandise & Job Sales-Net	825	(54.7)	374	(11.6)	423
Miscellaneous Revenue	<u>769</u>	(15.5)	<u>650</u>	(10.2)	<u>724</u>
Total Other Revenue	<u>2,159</u>	(14.7)	<u>1,841</u>	(1.4)	<u>1,867</u>
Operating Revenue	<u>368,933</u>	(2.4)	<u>360,124</u>	(1.4)	<u>365,159</u>
<u>Operating Expense</u>					
Operation	254,067	(3.1)	246,310	2.7	239,927
Maintenance	45,884	(9.9)	41,354	(50.9)	84,248
Depreciation	<u>53,502</u>	(8.3)	<u>49,083</u>	7.6	<u>45,621</u>
Total Operating Expense	<u>353,453</u>	(4.7)	<u>336,747</u>	(8.9)	<u>369,796</u>
Operating Income (Loss)	<u>15,480</u>	51.0	<u>23,377</u>	-6.0X	<u>(4,637)</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	361	(87.5)	45	4.6X	8
Interest Expense	<u>(9,885)</u>	(93.2)	<u>(669)</u>	(9.7)	<u>(741)</u>
Net Nonoperating Revenues (Expenses)	<u>(9,524)</u>	(93.4)	<u>(624)</u>	(14.9)	<u>(733)</u>
Net Income before Capital Contributions	5,956	2.8X	22,753	-5.2X	(5,370)
Capital Contributions	<u>---</u>	---	<u>---</u>	---	<u>47,791</u>
Change in Net Position	5,956	2.8X	22,753	(46.4)	42,421
Beginning Net Position	<u>14,185,612</u>		<u>14,072,460</u>		<u>13,626,548</u>
Ending Net Position	<u>\$14,191,568</u>		<u>\$14,095,213</u>		<u>\$13,668,969</u>
Net Income (Loss) to Operating Revenue	1.6		6.3		(1.5)
Debt Service Coverage	5.59		43.57		11.74

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - November 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	\$2,090,418	(5.0)	\$1,985,733	(1.5)	\$2,015,653
Power Plants	307,814	2.6	315,738	4.6	301,994
Residential	1,368,532	4.1	1,424,985	7.0	1,331,210
Commercial	<u>432,247</u>	<u>7.0</u>	<u>462,676</u>	<u>8.5</u>	<u>426,323</u>
Water Sales	<u>4,199,011</u>	<u>(0.2)</u>	<u>4,189,132</u>	<u>2.8</u>	<u>4,075,180</u>
<u>Other Revenue</u>					
Penalty Revenue	6,210	21.9	7,572	10.1	6,875
Merchandise & Job Sales-Net	10,087	(41.6)	5,890	(43.2)	10,377
Miscellaneous Revenue	<u>10,572</u>	<u>(16.5)</u>	<u>8,832</u>	<u>(7.9)</u>	<u>9,591</u>
Total Other Revenue	<u>26,869</u>	<u>(17.0)</u>	<u>22,294</u>	<u>(16.9)</u>	<u>26,843</u>
Operating Revenue	<u>4,225,880</u>	<u>(0.3)</u>	<u>4,211,426</u>	<u>2.7</u>	<u>4,102,023</u>
<u>Operating Expense</u>					
Operation	2,778,128	0.2	2,784,248	1.9	2,733,599
Maintenance	628,700	16.9	734,654	16.8	628,857
Depreciation	<u>588,527</u>	<u>(8.3)</u>	<u>539,913</u>	<u>7.6</u>	<u>501,831</u>
Total Operating Expense	<u>3,995,355</u>	<u>1.6</u>	<u>4,058,815</u>	<u>5.0</u>	<u>3,864,287</u>
Operating Income	<u>230,525</u>	<u>(33.8)</u>	<u>152,611</u>	<u>(35.8)</u>	<u>237,736</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	5,152	(94.5)	285	35.1	211
Interest Expense	<u>(109,098)</u>	<u>(93.0)</u>	<u>(7,627)</u>	<u>(4.4)</u>	<u>(7,977)</u>
Net Nonoperating Revenues (Expenses)	<u>(103,946)</u>	<u>(92.9)</u>	<u>(7,342)</u>	<u>(5.5)</u>	<u>(7,766)</u>
Net Income (Loss) before Capital Contributions	126,579	14.8	145,269	(36.8)	229,970
Capital Contributions	<u>383,935</u>	<u>(29.7)</u>	<u>269,891</u>	<u>4.6X</u>	<u>47,791</u>
Change in Net Position	510,514	(18.7)	415,160	49.5	277,761
Beginning Net Position	<u>13,680,053</u>		<u>13,680,053</u>		<u>13,391,208</u>
Ending Net Position	<u>\$14,190,567</u>		<u>\$14,095,213</u>		<u>\$13,668,969</u>
Net Income (Loss) to Operating Revenue	3.0		3.4		5.6
Debt Service Coverage	6.13		21.97		19.89

Muscatine Power and Water - Water Utility
Statement of Net Position
November 2012

ASSETS

	<u>2012</u>	<u>2011</u>
Current Assets:		
Cash - interest bearing	\$646,134	\$537,817
Investments	---	---
Receivables:		
Consumer Accounts	499,578	496,951
Interest	3	6
Inventories	281,127	291,219
Intercompanies	21,446	---
Prepaid Pension	9,781	8,157
Prepaid Expenses	<u>18,217</u>	<u>20,364</u>
Total Current Assets	<u>1,476,286</u>	<u>1,354,514</u>
Property and Equipment:		
At Cost	24,503,693	24,079,771
Less Accumulated Depreciation	<u>9,534,853</u>	<u>9,107,504</u>
Net Property and Equipment	<u>14,968,840</u>	<u>14,972,267</u>
 TOTAL ASSETS	 <u><u>\$16,445,126</u></u>	 <u><u>\$16,326,781</u></u>

Muscatine Power and Water - Water Utility
Statement of Net Position
November 2012

LIABILITIES AND NET ASSETS

	<u>2012</u>	<u>2011</u>
Current Liabilities:		
<u>Restricted</u>		
State Revolving Loan	\$28,417	\$33,000
Accrued Interest	309	426
	<hr/>	<hr/>
Total Current Restricted Liabilities	28,726	33,426
	<hr/>	<hr/>
<u>Unrestricted</u>		
Accounts Payable	142,232	140,849
Health & Dental Insurance Provision	19,578	23,244
Intercompanies Payable	---	13,997
Retained Percentage on Contracts	5,667	---
Consumer Advances for Construction	151,185	287,157
Accrued Payroll	28,596	16,285
Accrued Vacation	82,787	73,827
Miscellaneous Accrued Expenses	45,244	42,610
Miscellaneous Deferred Credits	5,200	5,200
	<hr/>	<hr/>
Total Current Unrestricted Liabilities	480,489	603,169
	<hr/>	<hr/>
Non-Current Liabilities:		
State Revolving Loan	218,583	241,000
Health & Dental Insurance Provision	155,547	144,212
Post-Employment Health Benefit Provision	14,411	13,737
Consumer Advances for Construction	1,452,157	1,622,268
	<hr/>	<hr/>
Total Non-Current Liabilities	1,840,698	2,021,217
	<hr/>	<hr/>
Net Position:		
Invested in capital assets, net of related debt	13,118,498	12,788,842
Restricted	---	---
Unrestricted	976,715	880,127
	<hr/>	<hr/>
Total Net Position	14,095,213	13,668,969
	<hr/>	<hr/>
 TOTAL LIABILITIES AND NET POSITION	 <u><u>\$16,445,126</u></u>	 <u><u>\$16,326,781</u></u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$369,731	\$4,163,566
Miscellaneous sources	75	19,814
Cash paid to/for:		
Suppliers	(101,427)	(1,604,270)
Employees payroll, taxes and benefits	<u>(189,496)</u>	<u>(1,937,066)</u>
Net cash flows from operating activities	<u>78,883</u>	<u>642,044</u>
Cash flows from capital and related financing activities:		
State revolving loan fund principal payments	---	(27,000)
State revolving loan interest payments	(3,705)	(8,511)
Capital expenditures, net	<u>(160,975)</u>	<u>(560,837)</u>
Net cash flows from capital and related financing activities	<u>(164,680)</u>	<u>(596,348)</u>
Cash flows from investing activities:		
Interest received on investments	<u>45</u>	<u>287</u>
Net cash flows from investing activities	<u>45</u>	<u>287</u>
Net increase (decrease) in cash and investments	<u>(85,752)</u>	<u>45,983</u>
Cash and investments at beginning of period	<u>731,886</u>	<u>600,151</u>
Cash and investments at end of period	<u><u>\$646,134</u></u>	<u><u>\$646,134</u></u>

**Muscatine Power and Water -.Water Utility
Statements of Cash Flows
November 2012**

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$23,377	\$152,611
Noncash item in operating income:		
Depreciation of utility plant	49,083	539,913
Changes in assets and liabilities:		
Consumer accounts receivable	11,603	(21,395)
Inventories	12,239	4,235
Prepaid and deferred expenses	3,693	8,786
Accounts payable	(13,225)	(100,475)
Pension provision	(29,071)	(9,781)
Health & dental insurance provision	40,727	10,816
Other post-employment benefit provision	(1,499)	481
Intercompany payable	(35,410)	36,224
Retained Percentage	5,667	5,667
Accrued payroll	10,947	(163)
Accrued vacation	4,087	6,797
Miscellaneous accrued expenses	(3,335)	8,328
	<u>\$78,883</u>	<u>\$642,044</u>
Net cash flows from operating activities	<u>\$78,883</u>	<u>\$642,044</u>

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Source of Supply</u>						
Operation Supervision	\$2,451		\$2,361		\$2,063	
Operation Labor and Expenses	1,082		1,691		899	
Miscellaneous Expense	165		---		---	
Maintenance of Wells	---		---		(14,568)	
Maintenance of Supply Mains	---		27		697	
Depreciation	6,224		5,911		5,141	
Total Source of Supply Expense	9,922	2.7	9,990	2.8	(5,768)	-1.6
<u>Pumping</u>						
Operation Supervision	2,908		2,760		2,430	
Fuel or Power Purchased	54,598		53,937		55,363	
Pumping Labor and Expenses	3,738		2,997		3,413	
Miscellaneous Expense	217		248		364	
Maintenance of Structures	117		---		169	
Maintenance of Pumping Equipment	7,066		1,328		38,568	
Depreciation	5,614		5,498		5,677	
Total Pumping Expense	74,258	20.1	66,768	18.5	105,984	29.0
<u>Water Treatment</u>						
Operation Supervision	2,882		2,778		2,529	
Chemicals	17,083		14,697		16,176	
Operation Labor and Expenses	11,758		10,768		15,910	
Miscellaneous Expense	2,007		1,021		673	
Maintenance of Structures	424		4,179		1,240	
Maintenance of Purification Equip.	1,717		820		3,036	
Depreciation	2,353		2,338		2,338	
Total Water Treatment Expense	38,224	10.4	36,601	10.2	41,902	11.5
<u>Distribution</u>						
Operation Supervision	2,829		2,839		2,524	
Storage Facilities Expense	3,274		3,851		3,760	
Trans. & Distr. Lines Expense	2,904		1,264		3,057	
Meter Expense	11,572		9,193		9,584	
Consumer Installation Expense	5,423		4,597		4,775	
Miscellaneous Expense	4,466		6,682		8,734	
Vehicle Expense	4,383		4,384		4,506	
Maintenance:						
Supervision	4,446		4,419		4,015	
Structures	259		16		1,256	
Reservoirs and Standpipes	49		190		166	
Mains	13,414		8,894		32,450	
Valves	5,894		5,896		6,173	
Meters	6,039		1,670		2,681	
Hydrants	2,784		9,565		4,078	
Miscellaneous Plant	2,045		2,691		2,803	
Vacation, Holiday, Sick Leave	16,885		19,487		15,737	
Depreciation	30,765		30,533		29,963	
Total Distribution Expense	\$117,431	31.8	\$116,171	32.3	\$136,262	37.3

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Source of Supply</u>						
Operation Supervision	\$26,222		\$27,186		\$24,993	
Operation Labor and Expenses	12,258		14,302		12,065	
Miscellaneous Expense	5,010		2,590		2,338	
Maintenance of Wells	93,000		76,060		46,712	
Maintenance of Supply Mains	—		6,313		5,444	
Depreciation	68,467		65,021		56,551	
Total Source of Supply Expense	204,957	4.9	191,472	4.5	148,103	3.6
<u>Pumping</u>						
Operation Supervision	30,814		31,516		29,281	
Fuel or Power Purchased	622,728		603,346		611,919	
Pumping Labor and Expenses	39,954		37,002		40,468	
Miscellaneous Expense	2,383		4,197		3,599	
Maintenance of Structures	1,283		—		247	
Maintenance of Pumping Equipment	80,151		139,509		142,242	
Depreciation	61,754		60,478		62,447	
Total Pumping Expense	839,067	19.9	876,048	20.8	890,203	21.7
<u>Water Treatment</u>						
Operation Supervision	30,951		31,839		30,332	
Chemicals	187,917		170,222		181,066	
Operation Labor and Expenses	129,824		122,756		132,985	
Miscellaneous Expense	21,450		12,049		13,703	
Maintenance of Structures	4,736		14,165		6,068	
Maintenance of Purification Equip.	20,116		18,291		31,538	
Depreciation	25,878		25,718		25,718	
Total Water Treatment Expense	420,872	10.0	395,040	9.4	421,410	10.3
<u>Distribution</u>						
Operation Supervision	30,747		31,859		29,823	
Storage Facilities Expense	42,521		51,006		40,539	
Trans. & Distr. Lines Expense	71,460		97,768		84,776	
Meter Expense	121,149		125,550		105,433	
Consumer Installation Expense	59,070		48,959		54,120	
Miscellaneous Expense	42,953		91,665		55,077	
Vehicle Expense	48,911		46,624		47,093	
Maintenance:						
Supervision	48,482		49,639		47,340	
Structures	12,492		11,722		9,810	
Reservoirs and Standpipes	31,542		35,042		4,100	
Mains	156,995		235,152		174,398	
Valves	45,153		33,384		51,830	
Meters	51,092		35,867		33,558	
Hydrants	41,029		30,139		32,492	
Miscellaneous Plant	22,498		29,786		23,351	
Vacation, Holiday, Sick Leave	122,749		122,185		113,172	
Depreciation	338,419		335,863		329,593	
Total Distribution Expense	\$1,287,262	30.5	\$1,412,210	33.5	\$1,236,505	30.1

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - November 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>\$1,584</u>	0.4	<u>\$750</u>	0.2
<u>Consumer Accounts</u>						
Supervision	944		966		1,043	
Meter Reading Expense	3,476		4,508		3,718	
Consumer Records and Collection	12,868		12,455		10,892	
Uncollectible Accounts Expense	480		480		342	
Vacation, Holiday, Sick Leave	<u>2,682</u>		<u>2,709</u>		<u>2,298</u>	
Total Consumer Accounts Expense	<u>20,450</u>	5.5	<u>21,118</u>	5.9	<u>18,293</u>	5.0
<u>Administrative and General</u>						
Administrative and General Salaries	15,935		14,958		11,965	
Office Supplies and Expenses	1,554		1,902		1,478	
Outside Services Employed	1,027		954		978	
Property Insurance	977		971		808	
Casualty Ins, Injuries & Damages	3,160		3,526		1,212	
Employee Pensions and Benefits	43,480		42,320		40,580	
Fringe Benefits Charged to Constr.	(2,092)		(2,322)		(2,139)	
Miscellaneous General Expense	7,418		6,259		5,490	
Rents	5,754		5,754		5,243	
Maintenance of General Plant	1,630		1,659		1,484	
Vacation, Holiday, Sick Leave	3,751		3,731		2,772	
Depreciation	<u>8,546</u>		<u>4,803</u>		<u>2,502</u>	
Total Administrative and General	<u>91,140</u>	24.7	<u>84,515</u>	23.5	<u>72,373</u>	19.8
Total Operating Expense	<u>\$353,453</u>		<u>\$336,747</u>		<u>\$369,796</u>	
Percent to Operating Revenue		95.8		93.5		101.3

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$33,143</u>	0.8	<u>\$18,150</u>	0.4	<u>\$17,492</u>	0.4
<u>Consumer Accounts</u>						
Supervision	10,502		11,005		10,943	
Meter Reading Expense	38,659		44,003		41,843	
Customer Records and Collection	141,159		133,843		126,629	
Uncollectible Accounts Expense	5,280		5,280		3,758	
Vacation, Holiday, Sick Leave	<u>19,516</u>		<u>20,563</u>		<u>18,000</u>	
Total Consumer Accounts Expense	<u>215,116</u>	5.1	<u>214,694</u>	5.1	<u>201,173</u>	4.9
<u>Administrative and General</u>						
Administrative and General Salaries	172,346		159,198		148,215	
Office Supplies and Expenses	19,926		16,586		16,220	
Outside Services Employed	16,492		28,607		112,943	
Property Insurance	10,239		10,196		9,031	
Casualty Ins, Injuries & Damages	34,760		40,585		33,950	
Employee Pensions and Benefits	482,353		488,306		456,995	
Fringe Benefits Charged to Constr.	(33,451)		(25,732)		(27,507)	
Miscellaneous General Expense	87,392		75,055		72,939	
Rents	63,294		63,294		57,673	
Maintenance of General Plant	20,131		19,585		19,727	
Vacation, Holiday, Sick Leave	27,447		22,688		21,693	
Depreciation	<u>94,009</u>		<u>52,833</u>		<u>27,522</u>	
Total Administrative and General	<u>994,938</u>	23.5	<u>951,201</u>	22.6	<u>949,401</u>	23.1
Total Operating Expense	<u>\$3,995,355</u>		<u>\$4,058,815</u>		<u>\$3,864,287</u>	
Percent to Operating Revenue		94.5		96.4		94.2

**Muscatine Power and Water - Water Utility
Statistical Data
Current Month - November 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	0.515	0.546	0.464	0.492
Cost Per 1,000 Gallons	<u>0.484</u>	<u>0.513</u>	<u>0.472</u>	<u>0.501</u>
Margin	<u>0.031</u>	<u>0.033</u>	<u>(0.008)</u>	<u>(0.009)</u>
	<u>2012</u>		<u>2011</u>	
Maximum Daily Water Pumped (1,000 gallons)	25,402		28,662	
Date of Maximum	11/14		11/14	

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	0.506	0.536	0.459	0.487
Cost Per 1,000 Gallons	<u>0.490</u>	<u>0.520</u>	<u>0.436</u>	<u>0.462</u>
Margin	<u>0.016</u>	<u>0.017</u>	<u>0.024</u>	<u>0.025</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	8,577	8,556
Commercial	<u>1,089</u>	<u>1,086</u>
Total	<u>9,670</u>	<u>9,646</u>