

Muscatine Power and Water
Water Utility
Operating Statements and Balance Sheets
February 2013

**Muscatine Power and Water
Water Utility**

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Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - February 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>
<u>Water Distribution - 1,000 Gallons</u>					
Contract Customers	550,528	(4.1)	528,087	0.9	523,487
Power Plants	63,729	10.9	70,673	(5.6)	74,831
Residential	33,683	2.6	34,572	3.1	33,530
Commercial	26,669	2.5	27,327	4.7	26,100
Total Metered Customers	674,609	(2.1)	660,658	0.4	657,948
Rated Customers - Estimate	---	---	15	1.1X	7
City Use, Line Loss, Cycle Billing	40,477	(2.1)	39,639	0.4	39,477
Total Water Pumped	<u>715,086</u>	(2.1)	<u>700,313</u>	0.4	<u>697,432</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	1,157,904	(6.6)	1,080,976	0.1	1,079,532
Power Plants	137,591	10.0	151,377	(1.1)	153,098
Residential	71,530	0.5	71,884	0.4	71,585
Commercial	56,624	0.5	56,881	6.7	53,306
Total Metered Customers	1,423,649	(4.4)	1,361,118	0.3	1,357,521
Rated Customers - Estimate	---	---	34	2.1X	11
City Use, Line Loss, Cycle Billing	85,419	(4.4)	81,667	0.3	81,451
Total Water Pumped	<u>1,509,068</u>	(4.4)	<u>1,442,819</u>	0.3	<u>1,438,983</u>

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - February 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>
<u>Sales of Water</u>					
Contract Customers	\$178,012	(5.0)	\$169,034	(1.8)	\$172,094
Power Plants	26,608	8.0	28,727	3.2	27,833
Residential	113,734	5.7	120,266	6.2	113,216
Commercial	<u>34,104</u>	6.8	<u>36,419</u>	7.3	<u>33,928</u>
Water Sales	<u>352,458</u>	0.6	<u>354,446</u>	2.1	<u>347,071</u>
<u>Other Revenue</u>					
Penalty Revenue	625	(13.3)	542	6.9	507
Merchandise & Job Sales-Net	791	(45.3)	433	2.9	421
Miscellaneous Revenue	<u>805</u>	3.4	<u>832</u>	4.3	<u>798</u>
Total Other Revenue	<u>2,221</u>	(18.6)	<u>1,807</u>	4.7	<u>1,726</u>
Operating Revenue	<u>354,679</u>	0.4	<u>356,253</u>	2.1	<u>348,797</u>
<u>Operating Expense</u>					
Operation	281,263	(11.6)	248,728	3.9	239,412
Maintenance	48,767	(18.2)	39,880	(31.9)	58,595
Depreciation	<u>56,506</u>	(7.4)	<u>52,340</u>	6.6	<u>49,083</u>
Total Operating Expense	<u>386,536</u>	(11.8)	<u>340,948</u>	(1.8)	<u>347,090</u>
Operating Income (Loss)	<u>(31,857)</u>	-1.5X	<u>15,305</u>	8.0X	<u>1,707</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	(23)	-1.7X	16	77.8	9
Interest Expense	<u>(669)</u>	---	<u>(669)</u>	(4.8)	<u>(703)</u>
Net Nonoperating Revenues (Expenses)	<u>(692)</u>	(5.6)	<u>(653)</u>	(5.9)	<u>(694)</u>
Net Income before Capital Contributions	(32,549)	-1.5X	14,652	13.5X	1,013
Capital Contributions	<u>52,597</u>	---	<u>---</u>	---	<u>---</u>
Change in Net Position	20,048	(26.9)	14,652	13.5X	1,013
Beginning Net Position	<u>14,070,196</u>		<u>14,166,304</u>		<u>13,733,095</u>
Ending Net Position	<u>\$14,090,244</u>		<u>\$14,180,956</u>		<u>\$13,734,108</u>
Net Income (Loss) to Operating Revenue	(9.2)		4.1		0.3
Debt Service Coverage	8.22		23.88		17.20

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - February 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>
<u>Sales of Water</u>					
Contract Customers	\$365,134	(6.3)	\$342,071	(2.0)	\$349,175
Power Plants	55,082	7.7	59,314	5.4	56,262
Residential	231,661	5.4	244,084	5.3	231,789
Commercial	<u>72,620</u>	2.8	<u>74,667</u>	8.8	<u>68,619</u>
Water Sales	<u>724,497</u>	(0.6)	<u>720,136</u>	2.0	<u>705,845</u>
<u>Other Revenue</u>					
Penalty Revenue	1,250	(41.7)	729	43.8	507
Merchandise & Job Sales-Net	1,583	(67.4)	516	(43.7)	916
Miscellaneous Revenue	<u>1,610</u>	3.6X	<u>7,428</u>	3.4X	<u>1,696</u>
Total Other Revenue	<u>4,443</u>	95.2	<u>8,673</u>	1.8X	<u>3,119</u>
Operating Revenue	<u>728,940</u>	---	<u>728,809</u>	2.8	<u>708,964</u>
<u>Operating Expense</u>					
Operation	589,161	(12.8)	513,619	5.2	488,273
Maintenance	95,296	(7.4)	88,243	31.7	67,018
Depreciation	<u>113,013</u>	(7.4)	<u>104,680</u>	6.6	<u>98,166</u>
Total Operating Expense	<u>797,470</u>	(11.4)	<u>706,542</u>	8.1	<u>653,457</u>
Operating Income (Loss)	<u>(68,530)</u>	-1.3X	<u>22,267</u>	(59.9)	<u>55,507</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	26	34.6	35	94.4	18
Interest Expense	<u>(1,338)</u>	---	<u>(1,338)</u>	(9.0)	<u>(1,470)</u>
Net Nonoperating Revenues (Expenses)	<u>(1,312)</u>	(0.7)	<u>(1,303)</u>	(10.3)	<u>(1,452)</u>
Net Income (Loss) before Capital Contributions	(69,842)	-1.3X	20,964	(61.2)	54,055
Capital Contributions	<u>52,597</u>	(0.2)	<u>52,503</u>	---	<u>---</u>
Change in Net Position	(17,245)	-5.3X	73,467	35.9	54,055
Beginning Net Position	<u>14,107,489</u>		<u>14,107,489</u>		<u>13,680,053</u>
Ending Net Position	<u>\$14,090,244</u>		<u>\$14,180,956</u>		<u>\$13,734,108</u>
Net Income (Loss) to Operating Revenue	(9.6)		2.9		7.6
Debt Service Coverage	7.42		21.82		25.74

Muscatine Power and Water - Water Utility
Statements of Net Position
February 2013

ASSETS

	<u>2013</u>	<u>2012</u>
Current Assets:		
Cash - interest bearing	\$492,142	\$657,256
Receivables:		
Consumer Accounts	497,206	470,405
Interest	2	4
Inventories	276,942	316,051
Prepaid Expenses	<u>34,104</u>	<u>36,870</u>
Total Current Assets	<u>1,300,396</u>	<u>1,480,586</u>
Property and Equipment:		
At Cost	25,014,547	24,068,037
Less Accumulated Depreciation	<u>9,594,886</u>	<u>9,114,471</u>
Net Property and Equipment	<u>15,419,661</u>	<u>14,953,566</u>
 TOTAL ASSETS	 <u><u>\$16,720,057</u></u>	 <u><u>\$16,434,152</u></u>

Muscatine Power and Water - Water Utility
Statements of Net Position
February 2013

LIABILITIES AND NET ASSETS

	<u>2013</u>	<u>2012</u>
Current Liabilities:		
<u>Restricted</u>		
State Revolving Loan	\$28,000	\$34,000
Accrued Interest	2,316	2,663
	<hr/>	<hr/>
Total Current Restricted Liabilities	30,316	36,663
	<hr/>	<hr/>
<u>Unrestricted</u>		
Accounts Payable	103,924	129,448
Pension provision	20,075	19,236
Health & Dental Insurance Provision	17,316	19,578
Intercompanies Payable	---	11,673
Retained Percentage on Contracts	9,749	---
Consumer Advances for Construction	1,115,571	338,326
Accrued Payroll	50,817	42,285
Accrued Vacation	100,498	82,623
Miscellaneous Accrued Expenses	57,457	42,572
Miscellaneous Deferred Credits	5,200	5,200
	<hr/>	<hr/>
Total Current Unrestricted Liabilities	1,480,607	690,941
	<hr/>	<hr/>
Non-Current Liabilities:		
State Revolving Loan	219,000	240,000
Health & Dental Insurance Provision	160,106	147,984
Post-Employment Health Benefit Provision	14,998	14,326
Consumer Advances for Construction	634,074	1,570,130
	<hr/>	<hr/>
Total Non-Current Liabilities	1,028,178	1,972,440
	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets	13,423,016	12,771,110
Unrestricted	757,940	962,998
	<hr/>	<hr/>
Total Net Position	14,180,956	13,734,108
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$16,720,057</u></u>	<u><u>\$16,434,152</u></u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
February 2013

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$358,046	\$721,703
Miscellaneous sources	2,208	9,014
Cash paid to/for:		
Suppliers	(130,749)	(365,263)
Employees payroll, taxes and benefits	<u>(157,522)</u>	<u>(328,791)</u>
Net cash flows from operating activities	<u>71,983</u>	<u>36,663</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	<u>(75,412)</u>	<u>(191,527)</u>
Net cash flows from capital and related financing activities	<u>(75,412)</u>	<u>(191,527)</u>
Cash flows from investing activities:		
Interest received on investments	<u>17</u>	<u>36</u>
Net cash flows from investing activities	<u>17</u>	<u>36</u>
Net decrease in cash and investments	<u>(3,412)</u>	<u>(154,828)</u>
Cash and investments at beginning of period	<u>495,554</u>	<u>646,970</u>
Cash and investments at end of period	<u><u>\$492,142</u></u>	<u><u>\$492,142</u></u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
February 2013

	<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	\$15,305	\$22,267
Noncash item in operating income:		
Depreciation of utility plant	52,340	104,680
Changes in assets and liabilities:		
Consumer accounts receivable	5,140	4,952
Inventories	16,643	14,927
Prepaid and deferred expenses	4,270	(14,779)
Accounts payable	(27,208)	(136,063)
Pension provision	10,038	20,075
Health & dental insurance provision	(6,162)	(3,856)
Other post-employment benefit provision	206	413
Intercompany payable	—	(8,493)
Retained Percentage	(93)	1,515
Accrued payroll	(2,949)	16,394
Accrued vacation	5,592	14,851
Miscellaneous accrued expenses	(1,139)	(220)
Net cash flows from operating activities	<u>\$71,983</u>	<u>\$36,663</u>

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$2,379		\$2,380		\$2,578	
Operation Labor and Expenses	1,591		1,225		1,102	
Miscellaneous Expense	166		307		142	
Maintenance of Wells	---		---		---	
Maintenance of Supply Mains	735		769		996	
Depreciation	5,962		5,958		5,911	
Total Source of Supply Expense	10,833	3.1	10,639	3.0	10,729	3.1
 <u>Pumping</u>						
Operation Supervision	2,756		2,717		2,969	
Fuel or Power Purchased	54,500		52,354		48,813	
Pumping Labor and Expenses	3,825		3,131		3,403	
Miscellaneous Expense	217		282		734	
Maintenance of Structures	2,642		49		---	
Maintenance of Pumping Equipment	7,932		2,286		27,225	
Depreciation	5,498		5,498		5,498	
Total Pumping Expense	77,370	21.8	66,317	18.6	88,642	25.4
 <u>Water Treatment</u>						
Operation Supervision	2,811		2,739		3,009	
Chemicals	16,916		13,421		14,368	
Operation Labor and Expenses	17,054		13,634		11,993	
Miscellaneous Expense	2,659		1,134		2,550	
Maintenance of Structures	2,295		2,137		27	
Maintenance of Purification Equip.	1,019		4,293		2,057	
Depreciation	2,352		2,338		2,338	
Total Water Treatment Expense	45,106	12.7	39,696	11.1	36,342	10.4
 <u>Distribution</u>						
Operation Supervision	2,801		2,762		2,986	
Storage Facilities Expense	3,728		3,901		3,996	
Trans. & Distr. Lines Expense	4,205		5,759		7,208	
Meter Expense	9,570		11,621		9,705	
Consumer Installation Expense	4,862		4,184		3,159	
Miscellaneous Expense	11,800		8,627		9,109	
Vehicle Expense	5,211		3,096		3,226	
Maintenance:						
Supervision	4,363		4,347		4,615	
Structures	139		205		548	
Reservoirs and Standpipes	27		269		7	
Mains	13,687		7,506		9,390	
Valves	4,644		7,819		3,403	
Meters	4,481		1,691		3,052	
Hydrants	2,299		1,946		2,770	
Miscellaneous Plant	2,582		4,843		2,939	
Vacation, Holiday, Sick Leave	9,086		10,683		9,514	
Depreciation	31,526		31,035		30,533	
Total Distribution Expense	\$115,011	32.4	\$110,294	31.0	\$106,160	30.4

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Source of Supply</u>						
Operation Supervision	\$4,833		\$4,822		\$4,937	
Operation Labor and Expenses	2,916		3,430		2,103	
Miscellaneous Expense	274		739		142	
Maintenance of Wells	---		129		---	
Maintenance of Supply Mains	1,469		4,258		3,783	
Depreciation	11,925		11,916		11,822	
Total Source of Supply Expense	21,417	2.9	25,294	3.5	22,787	3.2
<u>Pumping</u>						
Operation Supervision	5,607		5,558		5,741	
Fuel or Power Purchased	113,800		107,760		100,720	
Pumping Labor and Expenses	7,754		6,223		6,918	
Miscellaneous Expense	433		586		1,041	
Maintenance of Structures	5,283		49		---	
Maintenance of Pumping Equipment	13,015		8,167		4,615	
Depreciation	10,996		10,996		10,996	
Total Pumping Expense	156,888	21.5	139,339	19.1	130,031	18.3
<u>Water Treatment</u>						
Operation Supervision	5,656		5,614		5,820	
Chemicals	33,832		29,111		29,971	
Operation Labor and Expenses	35,900		27,363		24,688	
Miscellaneous Expense	5,319		2,647		3,031	
Maintenance of Structures	4,676		7,687		966	
Maintenance of Purification Equip.	1,971		7,548		2,933	
Depreciation	4,704		4,676		4,676	
Total Water Treatment Expense	92,058	12.6	84,646	11.6	72,085	10.2
<u>Distribution</u>						
Operation Supervision	5,635		5,585		5,775	
Storage Facilities Expense	7,374		7,900		8,436	
Trans. & Distr. Lines Expense	14,336		8,340		10,659	
Meter Expense	19,658		19,768		21,453	
Consumer Installation Expense	11,373		7,075		8,069	
Miscellaneous Expense	23,629		21,836		17,224	
Vehicle Expense	10,314		7,452		8,542	
Maintenance:						
Supervision	8,760		8,996		9,129	
Structures	278		429		1,161	
Reservoirs and Standpipes	53		444		595	
Mains	27,661		20,306		15,968	
Valves	9,288		11,542		4,182	
Meters	9,100		3,076		7,362	
Hydrants	4,770		4,674		6,569	
Miscellaneous Plant	5,164		7,405		6,100	
Vacation, Holiday, Sick Leave	22,595		29,542		22,413	
Depreciation	63,053		62,070		61,066	
Total Distribution Expense	\$243,041	33.3	\$226,440	31.1	\$214,703	30.3

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$4,273</u>	1.2	<u>\$423</u>	0.1	<u>\$1,449</u>	0.4
<u>Consumer Accounts</u>						
Supervision	1,183		1,359		1,043	
Meter Reading Expense	3,649		3,843		4,652	
Consumer Records and Collection	15,938		11,627		10,111	
Uncollectible Accounts Expense	569		569		480	
Vacation, Holiday, Sick Leave	<u>1,410</u>		<u>1,898</u>		<u>1,573</u>	
Total Consumer Accounts Expense	<u>22,749</u>	6.4	<u>19,296</u>	5.4	<u>17,859</u>	5.1
<u>Administrative and General</u>						
Administrative and General Salaries	15,760		13,393		12,571	
Office Supplies and Expenses	1,973		1,555		1,657	
Outside Services Employed	15,795		3,092		2,140	
Property Insurance	1,311		971		809	
Casualty Ins, Injuries & Damages	3,148		1,188		3,243	
Employee Pensions and Benefits	46,998		45,685		43,832	
Fringe Benefits Charged to Constr.	(2,338)		(617)		(738)	
Miscellaneous General Expense	7,861		11,979		8,628	
Rents	5,579		5,579		5,754	
Maintenance of General Plant	1,922		1,720		1,566	
Vacation, Holiday, Sick Leave	2,017		2,227		1,644	
Depreciation	<u>11,168</u>		<u>7,511</u>		<u>4,803</u>	
Total Administrative and General	<u>111,194</u>	31.4	<u>94,283</u>	26.5	<u>85,909</u>	24.6
Total Operating Expense	<u><u>\$386,536</u></u>		<u><u>\$340,948</u></u>		<u><u>\$347,090</u></u>	
Percent to Operating Revenue		109.0		95.7		99.5

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$6,087</u>	0.8	<u>\$884</u>	0.1	<u>\$2,707</u>	0.4
<u>Consumer Accounts</u>						
Supervision	2,410		2,758		2,066	
Meter Reading Expense	7,379		8,332		8,763	
Customer Records and Collection	29,047		25,746		22,189	
Uncollectible Accounts Expense	1,138		1,138		960	
Vacation, Holiday, Sick Leave	<u>3,472</u>		<u>4,665</u>		<u>3,463</u>	
Total Consumer Accounts Expense	<u>43,446</u>	6.0	<u>42,639</u>	5.9	<u>37,441</u>	5.3
<u>Administrative and General</u>						
Administrative and General Salaries	31,532		28,754		24,869	
Office Supplies and Expenses	4,287		3,294		2,879	
Outside Services Employed	40,610		3,896		2,380	
Property Insurance	2,622		1,943		1,617	
Casualty Ins, Injuries & Damages	6,297		3,725		8,280	
Employee Pensions and Benefits	95,107		93,849		90,871	
Fringe Benefits Charged to Constr.	(3,533)		(2,063)		(1,544)	
Miscellaneous General Expense	15,347		17,700		15,330	
Rents	11,158		11,158		11,508	
Maintenance of General Plant	3,808		3,533		3,655	
Vacation, Holiday, Sick Leave	4,963		6,489		4,252	
Depreciation	<u>22,335</u>		<u>15,022</u>		<u>9,606</u>	
Total Administrative and General	<u>234,533</u>	32.2	<u>187,300</u>	25.7	<u>173,703</u>	24.5
Total Operating Expense	<u><u>\$797,470</u></u>		<u><u>\$706,542</u></u>		<u><u>\$653,457</u></u>	
Percent to Operating Revenue		109.4		96.9		92.2

Muscatine Power and Water - Water Utility
Statistical Data
Current Month - February 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	0.506	0.537	0.498	0.528
Cost Per 1,000 Gallons	<u>0.487</u>	<u>0.516</u>	<u>0.498</u>	<u>0.528</u>
Margin	<u>0.019</u>	<u>0.020</u>	<u>(0.000)</u>	<u>(0.000)</u>
	<u>2013</u>		<u>2012</u>	
Maximum Daily Water Pumped (1,000 gallons)	26,284		27,469	
Date of Maximum	02/25		02/14	

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	0.499	0.529	0.491	0.520
Cost Per 1,000 Gallons	<u>0.490</u>	<u>0.519</u>	<u>0.454</u>	<u>0.481</u>
Margin	<u>0.009</u>	<u>0.010</u>	<u>0.036</u>	<u>0.039</u>
	<u>2013</u>		<u>2012</u>	
Maximum Daily Water Pumped (1,000 gallons)	26,900		27,469	
Date of Maximum	01/17		02/14	

Services

Contract Customers	2	2
Power Plants	2	2
Residential	8,565	8,514
Commercial	<u>1,090</u>	<u>1,084</u>
Total	<u>9,659</u>	<u>9,602</u>