

Muscatine Power and Water

Water Utility

Operating Statements and Balance Sheets

June 2012

**Muscatine Power and Water
Water Utility**

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Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - June 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	637,821	(19.3)	514,536	(19.4)	638,412
Power Plants	63,502	20.3	76,363	8.1	70,639
Residential	41,130	36.1	55,989	32.8	42,157
Commercial	<u>31,839</u>	37.6	<u>43,816</u>	33.9	<u>32,733</u>
Total Metered Customers	774,292	(10.8)	690,705	(11.9)	783,941
Rated Customers - Estimate	---	---	11	---	7
City Use, Line Loss, Cycle Billing	<u>47,411</u>	(12.6)	<u>41,442</u>	(11.9)	<u>47,036</u>
Total Water Pumped	<u>821,703</u>	(10.9)	<u>732,158</u>	(11.9)	<u>830,984</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	3,609,673	(7.3)	3,347,523	(6.5)	3,579,432
Power Plants	353,696	13.5	401,485	1.5	395,708
Residential	230,273	3.9	239,357	7.5	222,723
Commercial	<u>173,430</u>	10.0	<u>190,840</u>	8.9	<u>175,215</u>
Total Metered Customers	4,367,072	(4.3)	4,179,205	(4.4)	4,373,078
Rated Customers - Estimate	---	---	52	26.8	41
City Use, Line Loss, Cycle Billing	<u>267,400</u>	(6.2)	<u>250,752</u>	(4.4)	<u>262,385</u>
Total Water Pumped	<u>4,634,472</u>	(4.4)	<u>4,430,009</u>	(4.4)	<u>4,635,504</u>

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

	<u>Budget</u>	<u>% Increase (Decrease)</u>	<u>This Year</u>	<u>% Increase (Decrease)</u>	<u>Last Year</u>
	<u>Estimate</u>	<u>From Budget</u>	<u>Fr. Last Yr.</u>		
<u>Sales of Water</u>					
Contract Customers	\$195,301	(9.3)	\$177,167	(6.5)	\$189,454
Power Plants	29,899	1.7	30,418	12.3	27,087
Residential	127,697	14.8	146,660	19.1	123,163
Commercial	<u>39,496</u>	<u>24.4</u>	<u>49,117</u>	<u>27.0</u>	<u>38,670</u>
Water Sales	<u>392,393</u>	<u>2.8</u>	<u>403,362</u>	<u>6.6</u>	<u>378,374</u>
<u>Other Revenue</u>					
Penalty Revenue	564	1.1	570	(16.5)	683
Merchandise & Job Sales-Net	1,000	--	549	--	613
Miscellaneous Revenue	<u>954</u>	<u>(20.5)</u>	<u>758</u>	<u>(9.1)</u>	<u>834</u>
Total Other Revenue	<u>2,518</u>	<u>(25.5)</u>	<u>1,877</u>	<u>(11.9)</u>	<u>2,130</u>
Operating Revenue	<u>394,911</u>	<u>2.6</u>	<u>405,239</u>	<u>6.5</u>	<u>380,504</u>
<u>Operating Expense</u>					
Operation	249,604	(2.2)	244,159	4.1	234,522
Maintenance	106,687	--	67,487	--	68,093
Depreciation	<u>53,502</u>	<u>(8.3)</u>	<u>49,083</u>	<u>7.6</u>	<u>45,621</u>
Total Operating Expense	<u>409,793</u>	<u>(12.0)</u>	<u>360,729</u>	<u>3.6</u>	<u>348,236</u>
Operating Income (Loss)	<u>(14,882)</u>	<u>--</u>	<u>44,510</u>	<u>--</u>	<u>32,268</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	468	(97.9)	10	(47.4)	19
Interest Expense	<u>(9,885)</u>	<u>(93.2)</u>	<u>(669)</u>	<u>0.5</u>	<u>(666)</u>
Net Nonoperating Revenues (Expenses)	<u>(9,417)</u>	<u>(93.0)</u>	<u>(659)</u>	<u>1.9</u>	<u>(647)</u>
Net Income before Capital Contributions	<u>(24,299)</u>	<u>--</u>	<u>43,851</u>	<u>--</u>	<u>31,621</u>
Capital Contributions	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Change in Net Assets	<u>(24,299)</u>	<u>--</u>	<u>43,851</u>	<u>--</u>	<u>31,621</u>
Beginning Net Assets	<u>13,711,778</u>		<u>13,630,708</u>		<u>13,486,859</u>
Ending Net Assets	<u>\$13,687,479</u>		<u>\$13,674,559</u>		<u>\$13,518,480</u>
Net Income (Loss) to Total Income	(6.1)		10.8		8.3
Debt Service Coverage	3.20		31.17		23.86

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

	<u>Budget Estimate</u>	%Increase (Decrease) From Budget	This Year	%Increase (Decrease) Fr. Last Yr.	Last Year
<u>Sales of Water</u>					
Contract Customers	\$1,123,968	(3.2)	\$1,088,535	1.2	\$1,075,206
Power Plants	170,065	(3.6)	163,997	7.5	152,598
Residential	727,321	2.2	742,978	7.7	690,041
Commercial	<u>219,346</u>	6.9	<u>234,411</u>	10.4	<u>212,359</u>
Water Sales	<u>2,240,700</u>	(0.5)	<u>2,229,921</u>	4.7	<u>2,130,204</u>
<u>Other Revenue</u>					
Penalty Revenue	3,387	(6.5)	3,166	2.8	3,079
Merchandise & Job Sales-Net	5,353	(49.1)	2,726	(48.7)	5,309
Miscellaneous Revenue	<u>6,089</u>	(29.2)	<u>4,313</u>	(29.5)	<u>6,116</u>
Total Other Revenue	<u>14,829</u>	(31.2)	<u>10,205</u>	(29.6)	<u>14,504</u>
Operating Revenue	<u>2,255,529</u>	(0.7)	<u>2,240,126</u>	4.4	<u>2,144,708</u>
<u>Operating Expense</u>					
Operation	1,500,949	---	1,500,318	0.3	1,496,214
Maintenance	369,598	20.8	446,582	83.6	243,275
Depreciation	<u>321,014</u>	(8.3)	<u>294,498</u>	7.6	<u>273,726</u>
Total Operating Expense	<u>2,191,561</u>	2.3	<u>2,241,398</u>	11.3	<u>2,013,215</u>
Operating Income (Loss)	<u>63,968</u>	---	<u>(1,272)</u>	---	<u>131,493</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	3,132	(98.1)	60	(63.2)	163
Interest Expense	<u>(59,674)</u>	(92.8)	<u>(4,282)</u>	(2.3)	<u>(4,384)</u>
Net Nonoperating Revenues (Expenses)	<u>(56,542)</u>	(92.5)	<u>(4,222)</u>	0.0	<u>(4,221)</u>
<u>Net Income (Loss) before Capital Contributions</u>					
Capital Contributions	7,426	---	(5,494)	---	127,272
Change in Net Assets	7,426	---	(5,494)	---	127,272
Beginning Net Assets	<u>13,680,053</u>		<u>13,680,053</u>		<u>13,391,208</u>
Ending Net Assets	<u>\$13,687,479</u>		<u>\$13,674,559</u>		<u>\$13,518,480</u>
Net Income (Loss) to Total Income	0.3		(0.2)		5.9
Debt Service Coverage	5.30		16.42		23.86

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

ASSETS

	<u>2012</u>	<u>2011</u>
Current Assets:		
Cash - interest bearing	\$665,772	\$519,116
Investments	---	---
Receivables:		
Consumer Accounts	526,230	498,122
Interest	3	16
Inventories	284,387	304,892
Prepaid Expenses	<u>37,793</u>	<u>36,388</u>
Total Current Assets	<u>1,514,185</u>	<u>1,358,534</u>
Property and Equipment:		
At Cost	24,120,709	23,821,410
Less Accumulated Depreciation	<u>9,321,218</u>	<u>8,885,873</u>
Net Property and Equipment	<u>14,799,491</u>	<u>14,935,537</u>
TOTAL ASSETS	<u><u>\$16,313,676</u></u>	<u><u>\$16,294,071</u></u>

Muscatine Power and Water - Water Utility
Statements of Net Assets
June 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	669	666
	<u>28,669</u>	<u>33,666</u>
<u>Unrestricted</u>		
Accounts Payable	98,364	148,058
Pension Provision	57,871	50,418
Health & Dental Insurance Provision	19,578	23,244
Intercompanies Payable	1,607	13,091
Retained Percentage on Contracts	---	4,520
Consumer Advances for Construction	338,326	78,111
Accrued Payroll	29,229	20,755
Accrued Vacation	80,781	74,453
Miscellaneous Accrued Expenses	50,680	47,077
Miscellaneous Deferred Credits	5,200	5,200
	<u>681,636</u>	<u>464,927</u>
Non-Current Liabilities:		
State Revolving Loan	219,000	204,846
Health & Dental Insurance Provision	127,140	151,117
Post-Employment Health Benefit Provision	15,118	13,226
Consumer Advances for Construction	1,567,554	1,907,809
	<u>1,928,812</u>	<u>2,276,998</u>
Net Assets:		
Invested in capital assets, net of related debt	12,646,611	12,711,771
Restricted	---	---
Unrestricted	<u>1,027,948</u>	<u>806,709</u>
	<u>13,674,559</u>	<u>13,518,480</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$16,313,676</u>	<u>\$16,294,071</u>

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

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$377,642	\$2,179,291
Miscellaneous sources	3,899	7,034
Cash paid to/for:		
Suppliers	(216,295)	(964,147)
Employees payroll, taxes and benefits	<u>(150,242)</u>	<u>(968,880)</u>
Net cash flows from operating activities	<u>15,004</u>	<u>253,298</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>(25,906)</u>	<u>(155,933)</u>
Net cash flows from capital and related financing activities	<u>(25,906)</u>	<u>(187,739)</u>
Cash flows from investing activities:		
Interest received on investments	<u>9</u>	<u>62</u>
Net cash flows from investing activities	<u>9</u>	<u>62</u>
Net increase (decrease) in cash and investments	<u>(10,893)</u>	<u>65,621</u>
Cash and investments at beginning of period	<u>676,665</u>	<u>600,151</u>
Cash and investments at end of period	<u><u>\$665,772</u></u>	<u><u>\$665,772</u></u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$44,510	(\$1,272)
Noncash item in operating income:		
Depreciation of utility plant	49,083	294,498
Changes in assets and liabilities:		
Consumer accounts receivable	(22,533)	(48,047)
Inventories	6,810	975
Prepaid and deferred expenses	4,785	(10,790)
Accounts payable	(80,469)	(101,836)
Pension provision	9,781	57,871
Health & dental insurance provision	3,086	(17,591)
Other post-employment benefit provision	198	1,188
Intercompany payable	(4,652)	59,277
Accrued payroll	5,448	470
Accrued vacation	(5,584)	4,791
Miscellaneous accrued expenses	<u>4,541</u>	<u>13,764</u>
Net cash flows from operating activities	<u><u>\$15,004</u></u>	<u><u>\$253,298</u></u>

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

	<u>Budget Est.</u>	<u>This Year</u>	<u>Last Year</u>
<u>Source of Supply</u>			
Operation Supervision	\$2,295	\$2,421	\$2,421
Operation Labor and Expenses	1,138	858	1,014
Miscellaneous Expense	726	563	504
Maintenance of Wells	40,000	12,332	---
Maintenance of Supply Mains	---	24	431
Depreciation	<u>6,224</u>	<u>5,911</u>	<u>5,141</u>
 Total Source of Supply Expense	 <u>50,383</u>	 <u>12.8</u>	 <u>5.5</u>
<u>Pumping</u>			
Operation Supervision	2,693	2,796	2,824
Fuel or Power Purchased	59,458	58,603	56,285
Pumping Labor and Expenses	3,618	4,324	2,834
Miscellaneous Expense	217	285	334
Maintenance of Structures	117	---	---
Maintenance of Pumping Equipment	7,460	13,168	24,601
Depreciation	<u>5,614</u>	<u>5,498</u>	<u>5,677</u>
 Total Pumping Expense	 <u>79,177</u>	 <u>20.0</u>	 <u>20.9</u>
<u>Water Treatment</u>			
Operation Supervision	2,752	2,819	2,953
Chemicals	17,083	14,544	16,017
Operation Labor and Expenses	11,340	10,257	10,195
Miscellaneous Expense	2,007	417	751
Maintenance of Structures	479	2,046	250
Maintenance of Purification Equip.	1,854	2,031	7,027
Depreciation	<u>2,353</u>	<u>2,338</u>	<u>2,338</u>
 Total Water Treatment Expense	 <u>37,868</u>	 <u>9.6</u>	 <u>8.5</u>
<u>Distribution</u>			
Operation Supervision	2,751	2,860	2,818
Storage Facilities Expenses	1,374	(986)	1,971
Trans. & Distr. Lines Expense	3,904	5,322	7,524
Meter Expense	11,691	11,523	11,363
Consumer Installation Expense	5,402	3,065	5,248
Miscellaneous Expense	3,801	10,224	3,184
Vehicle Expense	4,515	3,345	4,902
Maintenance:			
Supervision	4,356	4,500	4,420
Structures	259	1,028	152
Reservoirs and Standpipes	21,049	15,321	102
Mains	14,378	8,738	21,882
Valves	4,193	243	1,461
Meters	3,410	2,350	1,151
Hydrants	5,344	919	3,495
Miscellaneous Plant	2,045	3,078	1,450
Vacation, Holiday, Sick Leave	8,645	7,439	8,021
Depreciation	<u>30,765</u>	<u>30,533</u>	<u>29,963</u>
 Total Distribution Expense	 <u>\$127,882</u>	 <u>32.4</u>	 <u>27.0</u>
			 <u>\$109,502</u>
			 <u>28.7</u>

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

	<u>Budget Est.</u>	<u>This Year</u>	<u>Last Year</u>
<u>Source of Supply</u>			
Operation Supervision	\$14,053	\$14,692	\$13,942
Operation Labor and Expenses	6,982	7,325	7,391
Miscellaneous Expense	2,279	1,235	940
Maintenance of Wells	63,000	65,060	—
Maintenance of Supply Mains	---	4,205	1,525
Depreciation	<u>37,346</u>	<u>35,466</u>	<u>30,846</u>
 Total Source of Supply Expense	 <u>123,660</u>	 5.5	 <u>54,644</u> 2.5
<u>Pumping</u>			
Operation Supervision	16,590	17,076	16,358
Fuel or Power Purchased	345,992	328,723	328,013
Pumping Labor and Expenses	21,613	22,956	19,016
Miscellaneous Expense	1,300	2,480	1,885
Maintenance of Structures	700	---	---
Maintenance of Pumping Equipment	44,434	101,705	54,011
Depreciation	<u>33,684</u>	<u>32,988</u>	<u>34,062</u>
 Total Pumping Expense	 <u>464,313</u>	 20.6	 <u>453,345</u> 21.1
<u>Water Treatment</u>			
Operation Supervision	16,609	17,253	16,818
Chemicals	102,500	91,934	93,705
Operation Labor and Expenses	72,419	70,608	70,213
Miscellaneous Expense	11,927	9,185	8,199
Maintenance of Structures	2,509	4,418	1,693
Maintenance of Purification Equip.	10,417	9,832	24,935
Depreciation	<u>14,115</u>	<u>14,028</u>	<u>14,028</u>
 Total Water Treatment Expense	 <u>230,496</u>	 10.2	 <u>229,591</u> 10.7
<u>Distribution</u>			
Operation Supervision	16,617	17,104	16,371
Storage Facilities Expense	7,723	10,947	9,955
Trans. & Distr. Lines Expense	37,682	57,333	40,624
Meter Expense	61,945	65,529	56,647
Consumer Installation Expense	32,196	21,970	27,936
Miscellaneous Expense	23,258	51,576	24,425
Vehicle Expense	26,711	26,069	26,060
Maintenance:			
Supervision	26,130	26,973	26,145
Structures	11,196	2,924	8,349
Reservoirs and Standpipes	31,295	22,884	3,901
Mains	90,947	131,290	52,033
Valves	22,829	18,369	19,937
Meters	19,977	18,092	14,490
Hydrants	21,991	14,859	11,867
Miscellaneous Plant	12,272	15,441	11,859
Vacation, Holiday, Sick Leave	62,734	63,218	55,839
Depreciation	<u>184,592</u>	<u>183,198</u>	<u>179,778</u>
 Total Distribution Expense	 <u>\$690,095</u>	 30.6	 <u>\$747,776</u> 33.4 <u>\$586,216</u> 27.3

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

	<u>Budget Est.</u>	<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>					
Customer Information Expense	<u>\$8,364</u>	2.1	<u>\$4,904</u>	1.2	<u>\$793</u>
<u>Consumer Accounts</u>					
Supervision	956	991		1,104	
Meter Reading Expense	3,476	3,513		3,756	
Consumer Records and Collection	13,030	11,885		12,209	
Uncollectible Accounts Expense	480	480		342	
Vacation, Holiday, Sick Leave	<u>1,350</u>	<u>1,667</u>		<u>1,317</u>	
Total Consumer Accounts Expense	<u>19,292</u>	4.9	<u>18,536</u>	4.6	<u>18,728</u>
<u>Administrative and General</u>					
Administrative and General Salaries	15,464	14,530		14,088	
Office Supplies and Expenses	2,319	2,004		1,699	
Outside Services Employed	1,028	240		364	
Property Insurance	977	971		809	
Casualty Ins, Injuries & Damages	3,160	4,330		2,318	
Employee Pensions and Benefits	42,559	44,410		41,593	
Fringe Benefits Charged to Constr.	(4,141)	(635)		(3,050)	
Miscellaneous General Expense	7,510	7,234		9,124	
Rents	5,754	5,754		5,243	
Maintenance of General Plant	1,743	1,709		1,671	
Vacation, Holiday, Sick Leave	1,908	1,202		1,650	
Depreciation	<u>8,546</u>	<u>4,803</u>		<u>2,502</u>	
Total Administrative and General	<u>86,827</u>	22.0	<u>86,552</u>	21.4	<u>78,011</u>
Total Operating Expense	<u>\$409,793</u>		<u>\$360,729</u>		<u>\$348,236</u>
Percent to Operating Revenue		103.8		89.0	
				91.5	

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

	<u>Budget Est.</u>	<u>This Year</u>	<u>Last Year</u>
<u>Customer Service Expense</u>			
Customer Information Expense	<u>\$21,207</u>	0.9	<u>\$10,670</u> 0.5
<u>Consumer Accounts</u>			
Supervision	5,735	6,029	5,924
Meter Reading Expense	21,234	24,597	22,817
Customer Records and Collection	76,300	69,968	68,182
Uncollectible Accounts Expense	2,880	2,880	2,050
Vacation, Holiday, Sick Leave	<u>9,999</u>	<u>10,919</u>	<u>8,998</u>
Total Consumer Accounts Expense	<u>116,148</u>	5.1	<u>114,393</u> 5.1
<u>Administrative and General</u>			
Administrative and General Salaries	92,537	82,289	85,586
Office Supplies and Expenses	10,933	8,965	8,642
Outside Services Employed	10,455	6,738	98,998
Property Insurance	5,355	5,339	4,989
Casualty Ins, Injuries & Damages	18,960	22,234	22,601
Employee Pensions and Benefits	265,245	268,556	253,390
Fringe Benefits Charged to Constr.	(17,137)	(6,316)	(14,487)
Miscellaneous General Expense	47,563	43,903	40,547
Rents	34,524	34,524	31,458
Maintenance of General Plant	11,901	10,530	12,530
Vacation, Holiday, Sick Leave	14,029	11,810	11,654
Depreciation	<u>51,277</u>	<u>28,818</u>	<u>15,012</u>
Total Administrative and General	<u>545,642</u>	24.2	<u>517,390</u> 23.1
Total Operating Expense	<u>\$2,191,561</u>	<u>\$2,241,398</u>	<u>\$2,013,215</u>
Percent to Operating Revenue	97.2	100.1	93.9

Muscatine Power and Water - Water Utility
Statistical Data
Current Month - June 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	0.505	0.535	0.455	0.483
Cost Per 1,000 Gallons	<u>0.451</u>	<u>0.478</u>	<u>0.419</u>	<u>0.444</u>
Margin	<u>0.053</u>	<u>0.057</u>	<u>0.036</u>	<u>0.038</u>
	2012		2011	
Maximum Daily Water Pumped (1,000 gallons)	29,072		30,063	
Date of Maximum	06/29		06/07	

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	0.496	0.526	0.460	0.487
Cost Per 1,000 Gallons	<u>0.498</u>	<u>0.528</u>	<u>0.434</u>	<u>0.460</u>
Margin	<u>(0.003)</u>	<u>(0.003)</u>	<u>0.025</u>	<u>0.027</u>
	2012		2011	
Maximum Daily Water Pumped (1,000 gallons)	29,072		31,865	
Date of Maximum	06/29		05/19	

Services

Contract Customers	2	2
Power Plants	2	2
Residential	8,567	8,537
Commercial	<u>1,093</u>	<u>1,086</u>
Total	<u>9,664</u>	<u>9,627</u>