

**Muscatine Power and Water**  
**Water Utility**  
**Operating Statements and Balance Sheets**  
**July 2012**

**Muscatine Power and Water  
Water Utility**

**Table of Contents**

	Page
Classification of Water Distribution.....	1
Statements of Revenues, Expenses, and Changes in Net Assets.....	2 - 3
Balance Sheets.....	4 - 5
Statements of Cash Flows.....	6 - 7
Summary of Expenses.....	8 - 11
Statistical Data.....	12

**Muscatine Power and Water - Water Utility**  
**Classification of Water Distribution**  
**Current Month - July 2012**

	<u>Budget</u> <u>Estimate</u>	<u>%Increase</u> <u>(Decrease)</u> <u>From Budget</u>	<u>This</u> <u>Year</u>	<u>%Increase</u> <u>(Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last</u> <u>Year</u>
<b><u>Water Distribution - 1,000 Gallons</u></b>					
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	<u>35,865</u>	32.6	<u>47,560</u>	4.5	<u>45,526</u>
Total Metered Customers	758,941	8.8	825,894	(1.5)	838,250
Rated Customers - Estimate	---	---	15	---	7
City Use, Line Loss, Cycle Billing	<u>46,471</u>	6.6	<u>49,554</u>	(1.5)	<u>50,295</u>
Total Water Pumped	<u><u>805,412</u></u>	<u>8.7</u>	<u><u>875,462</u></u>	<u>(1.5)</u>	<u><u>888,552</u></u>

**Calendar Year-to-Date**

	<u>Budget</u> <u>Estimate</u>	<u>%Increase</u> <u>(Decrease)</u> <u>From Budget</u>	<u>This</u> <u>Year</u>	<u>%Increase</u> <u>(Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last</u> <u>Year</u>
<b><u>Water Distribution - 1,000 Gallons</u></b>					
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	<u>209,295</u>	13.9	<u>238,400</u>	8.0	<u>220,741</u>
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	<u>313,871</u>	(4.3)	<u>300,306</u>	(4.0)	<u>312,680</u>
Total Water Pumped	<u><u>5,439,884</u></u>	<u>(2.5)</u>	<u><u>5,305,471</u></u>	<u>(4.0)</u>	<u><u>5,524,056</u></u>

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

	<b>Budget Estimate</b>	<b>%Increase (Decrease) From Budget</b>	<b>This Year</b>	<b>%Increase (Decrease) Fr. Last Yr.</b>	<b>Last Year</b>
<b><u>Sales of Water</u></b>					
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>
<b><u>Other Revenue</u></b>					
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>
<b><u>Operating Expense</u></b>					
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>
<b><u>Nonoperating Revenues (Expenses)</u></b>					
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>	%Increase (Decrease) <u>From Budget</u>	<u>This Year</u>	%Increase (Decrease) <u>Fr. Last Yr.</u>	<u>Last Year</u>
<b><u>Sales of Water</u></b>					
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>
<b><u>Other Revenue</u></b>					
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>
<b><u>Operating Expense</u></b>					
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>
<b><u>Nonoperating Revenues (Expenses)</u></b>					
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>
<b>Current Assets:</b>		
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>
<b>Property and Equipment:</b>		
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>
<b>TOTAL ASSETS</b>	<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>
<b>Current Liabilities:</b>		
<b><u>Restricted</u></b>		
State Revolving Loan	\$28,083	33,000
Accrued Interest	1,338	1,331
	<hr/>	<hr/>
<b>Total Current Restricted Liabilities</b>	<b>29,421</b>	<b>34,331</b>
<b><u>Unrestricted</u></b>		
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/>
<b>Total Current Unrestricted Liabilities</b>	<b>781,433</b>	<b>480,823</b>
<b>Non-Current Liabilities:</b>		
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/>
<b>Total Non-Current Liabilities</b>	<b>1,922,236</b>	<b>2,266,707</b>
<b>Net Assets:</b>		
Invested in capital assets, net of related debt	12,626,619	12,681,945
<b>Restricted</b>	---	---
<b>Unrestricted</b>	<b>1,104,796</b>	<b>894,515</b>
	<hr/>	<hr/>
<b>Total Net Assets</b>	<b>13,731,415</b>	<b>13,576,460</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$16,464,505</u></b>	<b><u>\$16,358,321</u></b>

**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>
<b>Cash flows from operating activities:</b>		
<b>Cash received from:</b>		
Water sales	\$404,906	\$2,584,197
Miscellaneous sources	2,175	9,210
<b>Cash paid to/for:</b>		
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>
<b>Cash flows from capital and related financing activities:</b>		
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>
<b>Cash flows from investing activities:</b>		
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	<u>368</u>	<u>14,132</u>
Net cash flows from operating activities	<u><u>\$161,555</u></u>	<u><u>\$414,852</u></u>

**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>
<b><u>Source of Supply</u></b>			
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	5.1	10,005
	2.4		
<b><u>Pumping</u></b>			
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	21.7	83,820
	20.5		
<b><u>Water Treatment</u></b>			
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	9.7	39,001
	9.5		
<b><u>Distribution</u></b>			
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	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>
<b><u>Source of Supply</u></b>			
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
<b><u>Pumping</u></b>			
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
<b><u>Water Treatment</u></b>			
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
<b><u>Distribution</u></b>			
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

**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>	
<b><u>Customer Service Expense</u></b>				
Customer Information Expense	<u>\$1,851</u>	0.5	<u>\$2,437</u>	0.6
<b><u>Consumer Accounts</u></b>				
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
<b><u>Administrative and General</u></b>				
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
<b>Total Operating Expense</b>	<b><u>\$383,740</u></b>		<b><u>\$379,143</u></b>	
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>	
<b><u>Customer Service Expense</u></b>				
Customer Information Expense	<u>\$23,058</u>	0.9	<u>\$13,107</u>	0.5
<b><u>Consumer Accounts</u></b>				
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
<b><u>Administrative and General</u></b>				
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
<b>Total Operating Expense</b>	<b><u>\$2,575,301</u></b>		<b><u>\$2,620,540</u></b>	
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	0.062	0.066	0.063	0.067

	<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	0.008	0.009	0.031	0.033

	<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>
<b>Total</b>	<b><u>9,691</u></b>	<b><u>9,638</u></b>