

**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	<u>43,058</u>	5.6	<u>45,449</u>	2.7	<u>44,243</u>
Total Metered Customers	843,206	(7.8)	777,519	(9.1)	854,916
Rated Customers - Estimate	---	---	11	---	4
City Use, Line Loss, Cycle Billing	<u>51,630</u>	(9.6)	<u>46,651</u>	(9.1)	<u>51,295</u>
Total Water Pumped	<u><u>894,836</u></u>	(7.9)	<u><u>824,181</u></u>	(9.1)	<u><u>906,215</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	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	<u>252,353</u>	12.5	<u>283,850</u>	7.1	<u>264,984</u>
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	<u>365,501</u>	(5.1)	<u>346,957</u>	(4.7)	<u>363,975</u>
Total Water Pumped	<u><u>6,334,720</u></u>	(3.2)	<u><u>6,129,654</u></u>	(4.7)	<u><u>6,430,269</u></u>

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

	Budget Estimate	%Increase (Decrease) From Budget	This Year	%Increase (Decrease) Fr. Last Yr.	Last Year
<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	---	---	---	---	---
Change in Net Assets	52,411	(57.8)	22,112	(27.9)	30,673
Beginning Net Assets	13,688,449		13,731,415		13,576,460
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>					
Capital Contributions	60,807	20.8	73,474	(66.0)	215,925
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	<u>2,007</u>	<u>2,031</u>
Total Current Restricted Liabilities	<u>30,173</u>	<u>35,031</u>
<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	<u>5,200</u>	<u>5,200</u>
Total Current Unrestricted Liabilities	<u>871,409</u>	<u>548,214</u>
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	<u>1,545,545</u>	<u>1,905,997</u>
Total Non-Current Liabilities	<u>1,900,484</u>	<u>2,299,106</u>
Net Assets:		
Invested in capital assets, net of related debt	12,669,003	12,716,026
<u>Restricted</u>	---	---
<u>Unrestricted</u>	<u>1,084,524</u>	<u>891,107</u>
Total Net Assets	<u>13,753,527</u>	<u>13,607,133</u>
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 Month</u>	<u>Year- 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>\$867,452</u>	<u>\$867,452</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	<u>4,224</u>	<u>18,356</u>
Net cash flows from operating activities	<u><u>\$95,285</u></u>	<u><u>\$510,137</u></u>

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

<u>Source of Supply</u>	<u>Budget Est.</u>	<u>This Year</u>	<u>Last Year</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	<u>6,224</u>	<u>5,911</u>	<u>5,141</u>
 Total Source of Supply Expense	<u>10,563</u>	<u>10,583</u>	<u>9,629</u>
	2.6	2.5	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	<u>5,614</u>	<u>5,498</u>	<u>5,677</u>
 Total Pumping Expense	<u>84,027</u>	<u>84,164</u>	<u>99,784</u>
	20.3	20.2	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	<u>2,353</u>	<u>2,338</u>	<u>2,338</u>
 Total Water Treatment Expense	<u>39,313</u>	<u>32,854</u>	<u>35,302</u>
	9.5	7.9	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	<u>30,765</u>	<u>30,533</u>	<u>29,963</u>
 Total Distribution Expense	<u>\$109,802</u>	<u>26.5</u>	<u>\$148,119</u>
			35.5
			<u>\$130,885</u>
			31.8

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

<u>Source of Supply</u>	<u>Budget Est.</u>	<u>This Year</u>	<u>Last Year</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	<u>49,794</u>	<u>47,288</u>	<u>41,128</u>		
 Total Source of Supply Expense	<u>174,734</u>	<u>160,739</u>	<u>74,277</u>		
 <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	<u>44,912</u>	<u>43,984</u>	<u>45,416</u>		
 Total Pumping Expense	<u>631,894</u>	<u>684,776</u>	<u>636,950</u>		
 <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	<u>18,821</u>	<u>18,704</u>	<u>18,704</u>		
 Total Water Treatment Expense	<u>307,838</u>	<u>10.0</u>	<u>292,437</u>		
 <u>9.5</u>	<u>303,894</u>	<u>10.2</u>			
 <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	<u>246,123</u>	<u>244,264</u>	<u>239,704</u>		
 Total Distribution Expense	<u>\$910,323</u>	<u>29.7</u>	<u>\$1,008,091</u>		
			<u>32.6</u>	<u>\$839,495</u>	<u>28.3</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>Customer Service Expense</u>				
Customer Information Expense	<u>\$2,173</u>	0.5	<u>\$513</u>	0.1
<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>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
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>