

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

**Muscatine Power and Water
Water Utility**

Table of Contents

	Page
Classification of Water Distribution.....	1
Statements of Revenues, Expenses, and Changes in Net Position.....	2 - 3
Statements of Net Position.....	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 - 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	<u>26,669</u>	2.5	<u>27,327</u>	4.7	<u>26,100</u>
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	<u>40,477</u>	(2.1)	<u>39,639</u>	0.4	<u>39,477</u>
Total Water Pumped	<u><u>715,086</u></u>	(2.1)	<u><u>700,313</u></u>	0.4	<u><u>697,432</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	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	<u>56,624</u>	0.5	<u>56,881</u>	6.7	<u>53,306</u>
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	<u>85,419</u>	(4.4)	<u>81,667</u>	0.3	<u>81,451</u>
Total Water Pumped	<u><u>1,509,068</u></u>	(4.4)	<u><u>1,442,819</u></u>	0.3	<u><u>1,438,983</u></u>

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - February 2013

	<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	\$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	<u>(32,549)</u>	-1.5X	<u>14,652</u>	13.5X	<u>1,013</u>
Capital Contributions	<u>52,597</u>	---	<u>---</u>	---	<u>---</u>
Change in Net Position	<u>20,048</u>	(26.9)	<u>14,652</u>	13.5X	<u>1,013</u>
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>
<u>Net Income (Loss) before Capital Contributions</u>					
	(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	<u>2,316</u>	<u>2,663</u>
Total Current Restricted Liabilities	<u>30,316</u>	<u>36,663</u>
<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	<u>5,200</u>	<u>5,200</u>
Total Current Unrestricted Liabilities	<u>1,480,607</u>	<u>690,941</u>
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	<u>634,074</u>	<u>1,570,130</u>
Total Non-Current Liabilities	<u>1,028,178</u>	<u>1,972,440</u>
Net Position:		
Net Investment in Capital Assets	13,423,016	12,771,110
Unrestricted	<u>757,940</u>	<u>962,998</u>
Total Net Position	<u>14,180,956</u>	<u>13,734,108</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$16,720,057</u>	<u>\$16,434,152</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>\$492,142</u>	<u>\$492,142</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	<u>(1,139)</u>	<u>(220)</u>
Net cash flows from operating activities	<u><u>\$71,983</u></u>	<u><u>\$36,663</u></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	<u>5,962</u>	<u>5,958</u>	<u>5,911</u>
 Total Source of Supply Expense	<u>10,833</u>	<u>10,639</u>	<u>10,729</u>
 <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	<u>5,498</u>	<u>5,498</u>	<u>5,498</u>
 Total Pumping Expense	<u>77,370</u>	<u>21.8</u>	<u>66,317</u>
 <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	<u>2,352</u>	<u>2,338</u>	<u>2,338</u>
 Total Water Treatment Expense	<u>45,106</u>	<u>12.7</u>	<u>39,696</u>
 <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	<u>31,526</u>	<u>31,035</u>	<u>30,533</u>
 Total Distribution Expense	<u>\$115,011</u>	<u>32.4</u>	<u>\$110,294</u>

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	<u>11,925</u>	<u>11,916</u>	<u>11,822</u>
Total Source of Supply Expense	<u>21,417</u>	2.9	<u>22,787</u> 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	<u>10,996</u>	<u>10,996</u>	<u>10,996</u>
Total Pumping Expense	<u>156,888</u>	21.5	<u>130,031</u> 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	<u>4,704</u>	<u>4,676</u>	<u>4,676</u>
Total Water Treatment Expense	<u>92,058</u>	12.6	<u>72,085</u> 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	<u>63,053</u>	<u>62,070</u>	<u>61,066</u>
Total Distribution Expense	<u>\$243,041</u>	33.3	<u>\$214,703</u> 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>\$386,536</u>		<u>\$340,948</u>	
			<u>\$347,090</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>\$2,707</u>
	<u> </u>	0.1	<u> </u>
<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>37,441</u>
	<u> </u>	5.9	<u> </u>
<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>173,703</u>
	<u> </u>	25.7	<u> </u>
Total Operating Expense	<u>\$797,470</u>	<u>\$706,542</u>	<u>\$653,457</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>