

Muscatine Power and Water

Water Utility

Operating Statements and Balance Sheets

**December 2012
(Unaudited)**

**Muscatine Power and Water
Water Utility**

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Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - December 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	572,429	(5.0)	543,783	3.4	525,875
Power Plants	63,129	23.3	77,854	(2.9)	80,168
Residential	38,633	(7.7)	35,676	(4.6)	37,407
Commercial	29,103	(9.7)	26,270	(3.2)	27,149
Total Metered Customers	703,294	(2.8)	683,583	1.9	670,599
Rated Customers - Estimate	---	---	19	3.8X	4
City Use, Line Loss, Cycle Billing	43,066	(4.8)	41,015	1.9	40,236
Total Water Pumped	746,360	(2.9)	724,617	1.9	710,839

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	7,260,338	(7.8)	6,694,218	(7.6)	7,243,204
Power Plants	770,000	13.5	873,599	(4.1)	910,487
Residential	474,000	8.0	512,125	4.2	491,496
Commercial	380,000	8.9	413,692	4.8	394,645
Total Metered Customers	8,884,338	(4.4)	8,493,634	(6.0)	9,039,832
Rated Customers - Estimate	---	---	123	83.6	67
City Use, Line Loss, Cycle Billing	544,000	(6.3)	509,618	(6.0)	542,390
Total Water Pumped	9,428,338	(4.5)	9,003,375	(6.0)	9,582,289

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - December 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>
<u>Sales of Water</u>					
Contract Customers	\$187,173	(8.4)	\$171,505	(0.5)	\$172,320
Power Plants	26,149	15.0	30,059	4.5	28,764
Residential	124,579	(0.7)	123,675 ^{fn1}	4.5	118,301 ^{fn2}
Commercial	<u>37,506</u>	(3.8)	<u>36,071</u> ^{fn1}	3.9	<u>34,706</u> ^{fn2}
Water Sales	<u>375,407</u>	(3.8)	<u>361,310</u>	2.0	<u>354,091</u>
<u>Other Revenue</u>					
Penalty Revenue	565	10.1	622	(30.7)	897
Merchandise & Job Sales-Net	825	(48.0)	429	(46.9)	808
Miscellaneous Revenue	<u>770</u>	0.6	<u>775</u>	(9.8)	<u>859</u>
Total Other Revenue	<u>2,160</u>	(15.5)	<u>1,826</u>	(28.8)	<u>2,564</u>
Operating Revenue	<u>377,567</u>	(3.8)	<u>363,136</u>	1.8	<u>356,655</u>
<u>Operating Expense</u>					
Operation	255,688	(2.7)	248,734	7.0	232,453
Maintenance	46,474	(21.8)	36,365	(45.5)	66,738
Depreciation	<u>53,502</u>	(8.3)	<u>49,083</u>	7.6	<u>45,621</u>
Total Operating Expense	<u>355,664</u>	(6.0)	<u>334,182</u>	(3.1)	<u>344,812</u>
Operating Income	<u>21,903</u>	32.2	<u>28,954</u>	1.4X	<u>11,843</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	340	(91.5)	29	2.6X	8
Interest Expense	<u>(9,885)</u>	(93.2)	<u>(669)</u>	(12.8)	<u>(767)</u>
Net Nonoperating Revenues (Expenses)	<u>(9,545)</u>	(93.3)	<u>(640)</u>	(15.7)	<u>(759)</u>
Net Income before Capital Contributions	12,358	1.3X	28,314	1.6X	11,084
Capital Contributions	---	---	---	---	---
Change in Net Position	12,358	1.3X	28,314	1.6X	11,084
Beginning Net Position	<u>14,190,568</u>		<u>14,095,213</u>		<u>13,668,969</u>
Ending Net Position	<u>\$14,202,926</u>		<u>\$14,123,527</u>		<u>\$13,680,053</u>
Net Income (Loss) to Operating Revenue	3.3		7.8		3.1
Debt Service Coverage	6.20		26.00		16.34

fn1 Includes an adjustment to unbilled revenues of \$1,827 and \$317 for residential and commercial customers, respectively.

fn2 Includes an adjustment to unbilled revenues of \$536 and \$83 for residential and commercial customers, respectively.

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - December 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	\$2,277,591	(5.3)	\$2,157,238	(1.4)	\$2,187,973
Power Plants	333,964	3.5	345,797	4.5	330,758
Residential	1,493,111	3.7	1,548,660 ^{fn1}	6.8	1,449,511 ^{fn2}
Commercial	<u>469,753</u>	6.2	<u>498,747</u> ^{fn1}	8.2	<u>461,032</u> ^{fn2}
Water Sales	<u>4,574,419</u>	(0.5)	<u>4,550,442</u>	2.7	<u>4,429,274</u>
<u>Other Revenue</u>					
Penalty Revenue	6,775	20.9	8,194	5.4	7,772
Merchandise & Job Sales-Net	10,912	(42.1)	6,319	(43.5)	11,186
Miscellaneous Revenue	<u>11,341</u>	(15.3)	<u>9,605</u>	(8.0)	<u>10,445</u>
Total Other Revenue	<u>29,028</u>	(16.9)	<u>24,118</u>	(18.0)	<u>29,403</u>
Operating Revenue	<u>4,603,447</u>	(0.6)	<u>4,574,560</u>	2.6	<u>4,458,677</u>
<u>Operating Expense</u>					
Operation	3,033,813	(0.0)	3,032,980	2.3	2,966,053
Maintenance	675,175	14.2	771,020	10.8	695,594
Depreciation	<u>642,029</u>	(8.3)	<u>588,996</u>	7.6	<u>547,452</u>
Total Operating Expense	<u>4,351,017</u>	1.0	<u>4,392,996</u>	4.4	<u>4,209,099</u>
Operating Income	<u>252,430</u>	(28.1)	<u>181,565</u>	(27.3)	<u>249,578</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	5,492	(94.3)	314	42.7	220
Interest Expense	<u>(118,982)</u>	(93.0)	<u>(8,296)</u>	(5.1)	<u>(8,744)</u>
Net Nonoperating Revenues (Expenses)	<u>(113,490)</u>	(93.0)	<u>(7,982)</u>	(6.4)	<u>(8,524)</u>
<u>Net Income (Loss) before Capital Contributions</u>					
Contributions	138,940	24.9	173,583	(28.0)	241,054
Capital Contributions	<u>383,935</u>	(29.7)	<u>269,891</u>	4.6X	<u>47,791</u>
Change in Net Position	522,875	(15.2)	443,474	53.5	288,845
Beginning Net Position	<u>13,680,053</u>		<u>13,680,053</u>		<u>13,391,208</u>
Ending Net Position	<u>\$14,202,928</u>		<u>\$14,123,527</u>		<u>\$13,680,053</u>
Net Income (Loss) to Operating Revenue	3.0		3.8		5.4
Debt Service Coverage	6.14		21.48		19.37

fn1 Includes an adjustment to unbilled revenues of \$1,827 and \$317 for residential and commercial customers, respectively.

fn2 Includes an adjustment to unbilled revenues of \$536 and \$83 for residential and commercial customers, respectively.

Muscatine Power and Water - Water Utility
Statements of Net Position
December 2012

ASSETS

	<u>2012</u>	<u>2011</u>
Current Assets:		
Cash - interest bearing	\$646,970	\$600,151
Receivables:		
Consumer Accounts	502,158 ^{fn1}	478,183 ^{fn2}
Interest	3	5
Inventories	291,869	285,362
Prepaid Expenses	19,325	27,003
	<u>1,460,325</u>	<u>1,390,704</u>
Property and Equipment:		
At Cost	24,696,523	24,025,396
Less Accumulated Depreciation	<u>9,490,206</u>	<u>9,057,117</u>
	<u>15,206,317</u>	<u>14,968,279</u>
TOTAL ASSETS	<u><u>\$16,666,642</u></u>	<u><u>\$16,358,983</u></u>

fn1 Includes \$54,062 for unbilled revenues.

fn2 Includes \$51,917 for unbilled revenues.

Muscatine Power and Water - Water Utility
Statements of Net Position
December 2012

LIABILITIES AND NET ASSETS

	<u>2012</u>	<u>2011</u>
Current Liabilities:		
<u>Restricted</u>		
State Revolving Loan	\$28,000	\$27,000
Accrued Interest	978	1,193
	<hr/>	<hr/>
Total Current Restricted Liabilities	28,978	28,193
	<hr/>	<hr/>
<u>Unrestricted</u>		
Accounts Payable	313,091	160,368
Health & Dental Insurance Provision	17,316	19,578
Intercompanies Payable	8,493	9,809
Retained Percentage on Contracts	8,234	—
Consumer Advances for Construction	1,172,269	287,157
Accrued Payroll	34,423	28,759
Accrued Vacation	85,647	75,990
Miscellaneous Accrued Expenses	41,640	36,916
Miscellaneous Deferred Credits	5,200	5,200
	<hr/>	<hr/>
Total Current Unrestricted Liabilities	1,686,313	623,777
	<hr/>	<hr/>
Non-Current Liabilities:		
State Revolving Loan	219,000	247,000
Health & Dental Insurance Provision	163,962	144,731
Post-Employment Health Benefit Provision	14,585	13,930
Consumer Advances for Construction	430,277	1,621,299
	<hr/>	<hr/>
Total Non-Current Liabilities	827,824	2,026,960
	<hr/>	<hr/>
Net Position:		
Invested in capital assets, net of related debt	13,356,771	12,785,823
Unrestricted	766,756	894,230
	<hr/>	<hr/>
Total Net Position	14,123,527	13,680,053
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET POSITION	<u>\$16,666,642</u>	<u>\$16,358,983</u>

**Muscatine Power and Water - Water Utility
Statements of Cash Flows
December 2012**

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$369,416	\$4,524,080
Miscellaneous sources	4,136	23,950
Cash paid to/for:		
Suppliers	(7,661)	(1,603,029)
Employees payroll, taxes and benefits	<u>(126,955)</u>	<u>(2,064,021)</u>
Net cash flows from operating activities	<u>238,936</u>	<u>880,981</u>
Cash flows from capital and related financing activities:		
State revolving loan fund principal payments	---	(27,000)
State revolving loan interest payments	---	(8,511)
Capital expenditures, net	<u>(238,129)</u>	<u>(798,967)</u>
Net cash flows from capital and related financing activities	<u>(238,129)</u>	<u>(834,478)</u>
Cash flows from investing activities:		
Interest received on investments	<u>29</u>	<u>316</u>
Net cash flows from investing activities	<u>29</u>	<u>316</u>
Net increase in cash and investments	<u>836</u>	<u>46,819</u>
Cash and investments at beginning of period	<u>646,134</u>	<u>600,151</u>
Cash and investments at end of period	<u><u>\$646,970</u></u>	<u><u>\$646,970</u></u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
December 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	\$28,954	\$181,565
Noncash item in operating income:		
Depreciation of utility plant	49,083	588,996
Changes in assets and liabilities:		
Consumer accounts receivable	(2,580)	(23,975)
Inventories	(10,742)	(6,507)
Prepaid and deferred expenses	(1,108)	7,678
Accounts payable	121,632	21,158
Pension provision	9,781	---
Health & dental insurance provision	6,153	16,969
Other post-employment benefit provision	174	655
Intercompany payable	29,939	66,163
Retained Percentage	2,567	8,234
Accrued payroll	5,827	5,664
Accrued vacation	2,860	9,657
Miscellaneous accrued expenses	(3,604)	4,724
	<u>\$238,936</u>	<u>\$880,981</u>
Net cash flows from operating activities	<u>\$238,936</u>	<u>\$880,981</u>

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$2,408		\$2,189		\$2,286	
Operation Labor and Expenses	1,082		592		1,180	
Miscellaneous Expense	165		15		---	
Maintenance of Wells	---		---		15,432	
Maintenance of Supply Mains	---		543		1,750	
Depreciation	6,224		5,911		5,141	
Total Source of Supply Expense	9,879	2.6	9,250	2.5	25,789	7.2
 <u>Pumping</u>						
Operation Supervision	2,750		2,543		2,659	
Fuel or Power Purchased	54,620		54,258		51,458	
Pumping Labor and Expenses	3,832		2,896		4,232	
Miscellaneous Expense	217		287		339	
Maintenance of Structures	117		189		312	
Maintenance of Pumping Equipment	6,941		4,117		12,831	
Depreciation	5,614		5,498		5,677	
Total Pumping Expense	74,091	19.6	69,788	19.2	77,508	21.7
 <u>Water Treatment</u>						
Operation Supervision	2,848		2,607		2,683	
Chemicals	17,083		14,711		14,054	
Operation Labor and Expenses	12,525		13,308		13,070	
Miscellaneous Expense	2,007		388		748	
Maintenance of Structures	395		4,645		1,837	
Maintenance of Purification Equip.	1,717		3,858		3,585	
Depreciation	2,353		2,338		2,338	
Total Water Treatment Expense	38,928	10.3	41,855	11.5	38,315	10.7
 <u>Distribution</u>						
Operation Supervision	2,796		2,507		2,538	
Storage Facilities Expense	3,802		3,942		3,880	
Trans. & Distr. Lines Expense	3,904		1,450		1,437	
Meter Expense	10,744		9,079		8,882	
Consumer Installation Expense	5,387		3,004		3,064	
Miscellaneous Expense	3,871		8,470		6,781	
Vehicle Expense	4,525		4,532		1,911	
Maintenance:						
Supervision	4,412		3,996		3,999	
Structures	259		20		868	
Reservoirs and Standpipes	49		65		6	
Mains	14,321		5,959		10,229	
Valves	5,894		5,589		8,327	
Meters	5,909		1,521		2,443	
Hydrants	2,784		1,033		1,996	
Miscellaneous Plant	2,045		2,758		1,460	
Vacation, Holiday, Sick Leave	16,885		20,330		19,638	
Depreciation	30,765		30,533		29,963	
Total Distribution Expense	\$118,352	31.3	\$104,788	28.9	\$107,422	30.1

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$28,631		\$29,375		\$27,279	
Operation Labor and Expenses	13,340		14,893		13,244	
Miscellaneous Expense	5,175		2,605		2,338	
Maintenance of Wells	93,000		76,060		62,144	
Maintenance of Supply Mains	---		6,857		7,194	
Depreciation	74,691		70,932		61,692	
Total Source of Supply Expense	214,837	4.7	200,722	4.4	173,891	3.9
 <u>Pumping</u>						
Operation Supervision	33,564		34,058		31,940	
Fuel or Power Purchased	677,348		657,604		663,378	
Pumping Labor and Expenses	43,786		39,899		44,700	
Miscellaneous Expense	2,600		4,484		3,938	
Maintenance of Structures	1,400		189		559	
Maintenance of Pumping Equipment	87,091		143,627		155,073	
Depreciation	67,368		65,976		68,124	
Total Pumping Expense	913,157	19.8	945,837	20.7	967,712	21.7
 <u>Water Treatment</u>						
Operation Supervision	33,800		34,446		33,015	
Chemicals	205,000		184,933		195,120	
Operation Labor and Expenses	142,349		136,064		146,056	
Miscellaneous Expense	23,456		12,438		14,451	
Maintenance of Structures	5,131		18,809		7,905	
Maintenance of Purification Equip.	21,834		22,149		35,122	
Depreciation	28,231		28,056		28,056	
Total Water Treatment Expense	459,801	10.0	436,895	9.6	459,725	10.3
 <u>Distribution</u>						
Operation Supervision	33,543		34,366		32,360	
Storage Facilities Expense	46,323		54,948		44,418	
Trans. & Distr. Lines Expense	75,365		99,218		86,213	
Meter Expense	131,893		134,628		114,315	
Consumer Installation Expense	64,456		51,963		57,185	
Miscellaneous Expense	46,824		100,135		61,858	
Vehicle Expense	53,435		51,156		49,004	
Maintenance:						
Supervision	52,895		53,634		51,338	
Structures	12,752		11,743		10,678	
Reservoirs and Standpipes	31,591		35,107		4,106	
Mains	171,316		241,112		184,627	
Valves	51,047		38,972		60,157	
Meters	57,001		37,388		36,002	
Hydrants	43,812		31,172		34,488	
Miscellaneous Plant	24,543		32,544		24,811	
Vacation, Holiday, Sick Leave	139,634		142,515		132,810	
Depreciation	369,184		366,396		359,556	
Total Distribution Expense	\$1,405,614	30.5	\$1,516,997	33.2	\$1,343,926	30.1

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$2,384</u>	0.6	<u>\$3,092</u>	0.9	<u>\$273</u>	0.1
<u>Consumer Accounts</u>						
Supervision	944		698		626	
Meter Reading Expense	3,568		4,054		4,118	
Consumer Records and Collection	12,891		10,926		10,917	
Uncollectible Accounts Expense	480		1,181		3,488	
Vacation, Holiday, Sick Leave	<u>2,682</u>		<u>2,927</u>		<u>2,838</u>	
Total Consumer Accounts Expense	<u>20,565</u>	5.4	<u>19,786</u>	5.4	<u>21,987</u>	6.2
<u>Administrative and General</u>						
Administrative and General Salaries	15,881		12,817		11,421	
Office Supplies and Expenses	1,705		899		1,709	
Outside Services Employed	2,198		1,649		816	
Property Insurance	977		971		808	
Casualty Ins, Injuries & Damages	3,160		4,378		1,766	
Employee Pensions and Benefits	43,035		47,282		40,870	
Fringe Benefits Charged to Constr.	(1,886)		(3,188)		(2,086)	
Miscellaneous General Expense	6,713		3,920		5,464	
Rents	5,754		5,754		5,243	
Maintenance of General Plant	1,631		2,072		1,663	
Vacation, Holiday, Sick Leave	3,751		4,266		3,342	
Depreciation	<u>8,546</u>		<u>4,803</u>		<u>2,502</u>	
Total Administrative and General	<u>91,465</u>	24.2	<u>85,623</u>	23.6	<u>73,518</u>	20.6
Total Operating Expense	<u><u>\$355,664</u></u>		<u><u>\$334,182</u></u>		<u><u>\$344,812</u></u>	
Percent to Operating Revenue		94.2		92.0		96.7

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$35,525</u>	0.8	<u>\$21,242</u>	0.5	<u>\$17,766</u>	0.4
<u>Consumer Accounts</u>						
Supervision	11,447		11,703		11,569	
Meter Reading Expense	42,226		48,057		45,961	
Customer Records and Collection	154,050		144,769		137,545	
Uncollectible Accounts Expense	5,760		6,461		7,246	
Vacation, Holiday, Sick Leave	<u>22,198</u>		<u>23,490</u>		<u>20,838</u>	
Total Consumer Accounts Expense	<u>235,681</u>	5.1	<u>234,480</u>	5.1	<u>223,159</u>	5.0
<u>Administrative and General</u>						
Administrative and General Salaries	188,227		172,015		159,636	
Office Supplies and Expenses	21,631		17,484		17,929	
Outside Services Employed	18,690		30,256		113,759	
Property Insurance	11,216		11,167		9,840	
Casualty Ins, Injuries & Damages	37,920		44,964		35,716	
Employee Pensions and Benefits	525,388		535,587		497,865	
Fringe Benefits Charged to Constr.	(35,338)		(28,920)		(29,593)	
Miscellaneous General Expense	94,105		78,975		78,403	
Rents	69,048		69,048		62,916	
Maintenance of General Plant	21,762		21,657		21,390	
Vacation, Holiday, Sick Leave	31,198		26,954		25,035	
Depreciation	<u>102,555</u>		<u>57,636</u>		<u>30,024</u>	
Total Administrative and General	<u>1,086,402</u>	23.6	<u>1,036,823</u>	22.7	<u>1,022,920</u>	22.9
Total Operating Expense	<u><u>\$4,351,017</u></u>		<u><u>\$4,392,996</u></u>		<u><u>\$4,209,099</u></u>	
Percent to Operating Revenue		94.5		96.0		94.4

**Muscatine Power and Water - Water Utility
Statistical Data
Current Month - December 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	0.499	0.529	0.498	0.528
Cost Per 1,000 Gallons	<u>0.461</u>	<u>0.489</u>	<u>0.485</u>	<u>0.514</u>
Margin	<u>0.037</u>	<u>0.040</u>	<u>0.013</u>	<u>0.014</u>
		<u>2012</u>		<u>2011</u>
Maximum Daily Water Pumped (1,000 gallons)		25,128		27,533
Date of Maximum		12/07		12/13

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	0.505	0.536	0.462	0.490
Cost Per 1,000 Gallons	<u>0.488</u>	<u>0.517</u>	<u>0.439</u>	<u>0.466</u>
Margin	<u>0.017</u>	<u>0.019</u>	<u>0.023</u>	<u>0.024</u>
		<u>2012</u>		<u>2011</u>
Maximum Daily Water Pumped (1,000 gallons)		32,371		33,869
Date of Maximum		07/10		07/20
<u>Services</u>				
Contract Customers		2		2
Power Plants		2		2
Residential		8,580		8,510
Commercial		<u>1,090</u>		<u>1,086</u>
Total		<u>9,674</u>		<u>9,600</u>