

Muscatine Power and Water

Water Utility

Operating Statements and Balance Sheets

January 2008

**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 |
| Balance Sheets..... | 3 - 4 |
| Statements of Cash Flows..... | 5 - 6 |
| Summary of Expenses..... | 7 - 8 |
| Statistical Data..... | 9 |

Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - January 2008

| | Budget | % Increase | | % Increase | |
|--------------------------------------------------|------------------------|---------------------------|-----------------------|----------------------------|-----------------------|
| | <u>Estimate</u> | <u>(Decrease)</u> | <u>This</u> | <u>(Decrease)</u> | <u>Last</u> |
| <u>Water Distribution - 1,000 Gallons</u> | | <u>From Budget</u> | <u>Year</u> | <u>Fr. Last Yr.</u> | <u>Year</u> |
| Contract Customers | 643,295 | (1.1) | 635,937 | (7.7) | 688,651 |
| Power Plants | 92,343 | 17.2 | 108,257 | 17.2 | 92,342 |
| Residential | 41,000 | (3.9) | 39,399 | (1.4) | 39,969 |
| Commercial | <u>31,000</u> | <u>(3.8)</u> | <u>29,826</u> | <u>1.2</u> | <u>29,470</u> |
| Total Metered Customers | 807,638 | 0.7 | 813,419 | (4.4) | 850,432 |
| Rated Customers - Estimate | --- | --- | 30 | (11.8) | 34 |
| City Use, Line Loss, Cycle Billing | <u>48,458</u> | <u>0.7</u> | <u>48,805</u> | <u>---</u> | <u>(8,113)</u> |
| Total Water Pumped | <u><u>856,096</u></u> | <u>0.7</u> | <u><u>862,254</u></u> | <u>2.4</u> | <u><u>842,353</u></u> |

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Current Month - January 2008

| | <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 | \$174,070 | (0.6) | \$172,996 | (2.1) | \$176,772 |
| Power Plants | 28,280 | 13.4 | 32,079 | 8.6 | 29,547 |
| Residential | 104,550 | (0.9) | 103,599 | 5.0 | 98,680 |
| Commercial | <u>32,550</u> | <u>(2.8)</u> | <u>31,635</u> | <u>5.1</u> | <u>30,105</u> |
| Water Sales | <u>339,450</u> | <u>0.3</u> | <u>340,309</u> | <u>1.6</u> | <u>335,104</u> |
| <u>Other Revenue</u> | | | | | |
| Penalty Revenue | 467 | (70.2) | 139 | 14.9 | 121 |
| Merchandise & Job Sales-Net | 433 | --- | (22) | (83.8) | (136) |
| Miscellaneous Revenue | <u>631</u> | <u>20.3</u> | <u>759</u> | <u>(66.5)</u> | <u>2,268</u> |
| Total Other Revenue | <u>1,531</u> | <u>(42.8)</u> | <u>876</u> | <u>(61.1)</u> | <u>2,253</u> |
| Operating Revenue | <u>340,981</u> | <u>0.1</u> | <u>341,185</u> | <u>1.1</u> | <u>337,357</u> |
| <u>Operating Expense</u> | | | | | |
| Operation | 244,180 | --- | 244,283 | 0.5 | 243,160 |
| Maintenance | 41,768 | 69.9 | 70,953 | 90.4 | 37,265 |
| Depreciation | <u>48,905</u> | <u>(4.1)</u> | <u>46,878</u> | <u>2.4</u> | <u>45,766</u> |
| Total Operating Expense | <u>334,853</u> | <u>8.1</u> | <u>362,114</u> | <u>11.0</u> | <u>326,191</u> |
| Operating Income (Loss) | 6,128 | --- | (20,929) | --- | 11,166 |
| Interest Income | <u>8,248</u> | <u>26.9</u> | <u>10,468</u> | <u>15.0</u> | <u>9,102</u> |
| Net Income Before Capital Contributions | 14,376 | --- | (10,461) | --- | 20,268 |
| Capital Contributions | <u>---</u> | <u>---</u> | <u>---</u> | <u>---</u> | <u>---</u> |
| Change in Net Assets | 14,376 | --- | (10,461) | --- | 20,268 |
| Beginning Net Assets | <u>12,287,939</u> | | <u>12,287,939</u> | | <u>11,943,670</u> |
| Ending Net Assets | <u>\$12,302,315</u> | | <u>\$12,277,478</u> | | <u>\$11,963,938</u> |
| Percent to Total Income | 4.2 | | (3.1) | | 6.0 |

Muscatine Power and Water - Water Utility
Balance Sheets
January 2008

ASSETS

| | <u>2008</u> | <u>2007</u> |
|--------------------------------|----------------------------|----------------------------|
| Current Assets: | | |
| Cash | 245,025 | 401,971 |
| Investments | 1,759,347 | 1,436,266 |
| Receivables: | | |
| Consumer Accounts | 407,390 | 467,405 |
| Interest | 11,824 | 24,319 |
| Inventories | 238,247 | 210,973 |
| Prepaid Expenses | <u>22,926</u> | <u>27,277</u> |
| Total Current Assets | <u>2,684,759</u> | <u>2,568,211</u> |
| Property and Equipment: | | |
| At Cost | 20,638,265 | 20,003,116 |
| Less Accumulated Depreciation | <u>8,354,376</u> | <u>7,942,060</u> |
| Net Property and Equipment | <u>12,283,889</u> | <u>12,061,056</u> |
| TOTAL ASSETS | <u><u>\$14,968,648</u></u> | <u><u>\$14,629,267</u></u> |

Muscatine Power and Water - Water Utility
Balance Sheets
January 2008

LIABILITIES AND NET ASSETS

| | <u>2008</u> | <u>2007</u> |
|---------------------------------------------|--------------------------------|--------------------------------|
| Current Liabilities: | | |
| Accounts Payable | \$125,051 | \$127,290 |
| Pension Provision | 3,730 | 3,997 |
| Health Insurance Provision | 140,036 | 113,732 |
| Intercompanies Payable | 11,297 | 9,140 |
| Consumer Advances for Construction | 2,282,180 | 2,281,912 |
| Accrued Payroll | 21,506 | 16,530 |
| Accrued Vacation | 70,743 | 68,062 |
| Miscellaneous Accrued Expenses | 26,627 | 34,666 |
| Miscellaneous Deferred Credits | <u>10,000</u> | <u>10,000</u> |
| Total Current Liabilities | <u>2,691,170</u> | <u>2,665,329</u> |
| Net Assets: | | |
| Invested in capital assets | 10,001,709 | 9,779,144 |
| Unrestricted | <u>2,275,769</u> | <u>2,184,794</u> |
| Total Net Assets | <u>12,277,478</u> | <u>11,963,938</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u><u>\$14,968,648</u></u> | <u><u>\$14,629,267</u></u> |

Muscatine Power and Water - Water Utility
Statements of Cash Flows
January 2008

| | <u>Current Month</u> |
|-----------------------------------------------------------------|---------------------------------|
| Cash flows from operating activities: | |
| Cash received from: | |
| Water sales | \$337,265 |
| Miscellaneous sources | 3,689 |
| Cash paid to/for: | |
| Suppliers | (330,966) |
| Employees payroll, taxes and benefits | <u>(149,690)</u> |
| Net cash flows from operating activities | <u>(139,702)</u> |
| Cash flows from capital and related financing activities: | |
| Capital expenditures, net | <u>(15,263)</u> |
| Net cash flows from capital and related financing activities | <u>(15,263)</u> |
| Cash flows from investing activities: | |
| Interest received on investments | 651 |
| Accrued interest purchased | --- |
| Amortization/accretion of investments | 2,325 |
| Mark to market | <u>3,020</u> |
| Net cash flows from investing activities | <u>5,996</u> |
| Net decrease in cash and investments | <u>(148,969)</u> |
| Cash and investments at beginning of period | <u>2,153,341</u> |
| Cash and investments at end of period | <u><u>\$2,004,372</u></u> |

Muscatine Power and Water - Water Utility
Statements of Cash Flows
January 2008

| | <u>Current Month</u> |
|------------------------------------------------------------------------------|---------------------------------|
| Reconciliation of operating loss to net cash flows from operating activities | |
| Operating loss | (\$20,929) |
| Noncash item in operating income: | |
| Depreciation of utility plant | 46,878 |
| Changes in assets and liabilities: | |
| Consumer accounts receivable | 227 |
| Inventories | (10,780) |
| Prepaid and deferred expenses | (8,510) |
| Accounts payable | (118,042) |
| Pension provision | 3,730 |
| Health insurance provision | 4,403 |
| Intercompany payable | 3,989 |
| Accrued payroll | (39,571) |
| Accrued vacation | 4,947 |
| Miscellaneous accrued expenses | <u>(6,044)</u> |
| Net cash flows from operating activities | <u><u>(\$139,702)</u></u> |

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - January 2008

| | <u>Budget Est.</u> | | <u>This Year</u> | | <u>Last Year</u> | |
|------------------------------------|--------------------|------|------------------|------|------------------|------|
| <u>Source of Supply</u> | | | | | | |
| Operation Supervision | \$1,921 | | \$2,241 | | \$2,304 | |
| Operation Labor and Expenses | 1,165 | | 1,155 | | 1,248 | |
| Miscellaneous Expense | 50 | | 910 | | --- | |
| Maintenance of Wells | --- | | 21,189 | | --- | |
| Maintenance of Supply Mains | 1,198 | | 1,664 | | 4,385 | |
| Depreciation | 4,587 | | 4,587 | | 4,580 | |
| Total Source of Supply Expense | 8,921 | 2.6 | 31,746 | 9.3 | 12,517 | 3.7 |
| <u>Pumping</u> | | | | | | |
| Operation Supervision | 2,276 | | 2,647 | | 2,630 | |
| Fuel or Power Purchased | 73,200 | | 68,190 | | 70,581 | |
| Pumping Labor and Expenses | 4,782 | | 5,447 | | 4,771 | |
| Miscellaneous Expense | 380 | | 243 | | 340 | |
| Maintenance of Structures | 1,329 | | 1,544 | | 197 | |
| Maintenance of Pumping Equipment | 5,974 | | 9,698 | | 4,266 | |
| Depreciation | 3,696 | | 3,675 | | 3,536 | |
| Total Pumping Expense | 91,637 | 26.9 | 91,444 | 26.8 | 86,321 | 25.6 |
| <u>Water Treatment</u> | | | | | | |
| Operation Supervision | 2,517 | | 2,763 | | 2,747 | |
| Chemicals | 14,167 | | 13,431 | | 15,353 | |
| Operation Labor and Expenses | 12,148 | | 11,637 | | 13,594 | |
| Miscellaneous Expense | 683 | | 400 | | 265 | |
| Maintenance of Structures | 439 | | 3,550 | | 1,299 | |
| Maintenance of Purification Equip. | 2,307 | | 5,723 | | 3,312 | |
| Depreciation | 2,340 | | 2,340 | | 2,324 | |
| Total Water Treatment Expense | 34,601 | 10.1 | 39,844 | 11.7 | 38,894 | 11.5 |
| <u>Distribution</u> | | | | | | |
| Operation Supervision | 2,408 | | 2,515 | | 2,594 | |
| Storage Facilities Expense | 1,384 | | 1,463 | | 1,253 | |
| Trans. & Distr. Lines Expense | 2,726 | | 4,456 | | 3,506 | |
| Meter Expense | 9,516 | | 9,263 | | 7,162 | |
| Consumer Installation Expense | 4,115 | | 2,813 | | 2,408 | |
| Miscellaneous Expense | 4,404 | | 6,763 | | 5,931 | |
| Vehicle Expense | 3,096 | | 5,146 | | 3,193 | |
| Maintenance: | | | | | | |
| Supervision | 4,275 | | 4,020 | | 3,953 | |
| Structures | 169 | | 1,047 | | 85 | |
| Reservoirs and Standpipes | 169 | | 23 | | 137 | |
| Mains | 13,262 | | 7,378 | | 2,262 | |
| Valves | 5,901 | | 5,977 | | 11,936 | |
| Meters | 1,282 | | 985 | | 1,583 | |
| Hydrants | 1,464 | | 3,084 | | 400 | |
| Miscellaneous Plant | 1,929 | | 4,006 | | 1,743 | |
| Vacation, Holiday, Sick Leave | 12,470 | | 13,519 | | 14,789 | |
| Depreciation | 26,375 | | 26,430 | | 25,338 | |
| Total Distribution Expense | \$94,945 | 27.8 | \$98,888 | 29.0 | \$88,273 | 26.2 |

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - January 2008

| | <u>Budget Est.</u> | | <u>This Year</u> | | <u>Last Year</u> | |
|------------------------------------------|--------------------|------|------------------|-------|------------------|------|
| <u>Customer Service Expense</u> | | | | | | |
| Customer Information Expense | <u>\$966</u> | 0.3 | <u>\$1,874</u> | 0.5 | <u>\$232</u> | 0.1 |
| <u>Consumer Accounts</u> | | | | | | |
| Supervision | 829 | | 962 | | 926 | |
| Meter Reading Expense | 3,248 | | 3,185 | | 3,455 | |
| Consumer Records and Collection | 11,031 | | 12,539 | | 10,168 | |
| Uncollectible Accounts Expense | 267 | | 268 | | 359 | |
| Vacation, Holiday, Sick Leave | <u>1,735</u> | | <u>1,866</u> | | <u>1,757</u> | |
| Total Consumer Accounts Expense | <u>17,110</u> | 5.0 | <u>18,820</u> | 5.5 | <u>16,665</u> | 4.9 |
| <u>Administrative and General</u> | | | | | | |
| Administrative and General Salaries | 13,810 | | 13,769 | | 13,102 | |
| Office Supplies and Expenses | 1,467 | | 1,813 | | 1,938 | |
| Outside Services Employed | 3,310 | | 787 | | 2,004 | |
| Property Insurance | 713 | | 682 | | 788 | |
| Casualty Ins, Injuries & Damages | 2,716 | | 122 | | 4,163 | |
| Employee Pensions and Benefits | 40,668 | | 39,914 | | 40,444 | |
| Fringe Benefits Charged to Constr. | (3,253) | | (1,241) | | (2,279) | |
| Miscellaneous General Expense | 6,093 | | 5,406 | | 5,047 | |
| Rents | 5,043 | | 5,043 | | 5,103 | |
| Maintenance of General Plant | 2,070 | | 1,065 | | 1,707 | |
| Vacation, Holiday, Sick Leave | 2,129 | | 2,292 | | 1,284 | |
| Depreciation | <u>11,907</u> | | <u>9,846</u> | | <u>9,988</u> | |
| Total Administrative and General | <u>86,673</u> | 25.4 | <u>79,498</u> | 23.3 | <u>83,289</u> | 24.7 |
| Total Operating Expense | <u>\$334,853</u> | | <u>\$362,114</u> | | <u>\$326,191</u> | |
| Percent to Operating Revenue | | 98.2 | | 106.1 | | 96.7 |

Muscatine Power and Water - Water Utility
Statistical Data
Current Month - January 2008

| | <u>2008</u> | | <u>2007</u> | |
|-----------------------------------|----------------------|--------------------|----------------------|--------------------|
| | <u>Pumped</u> | <u>Sold</u> | <u>Pumped</u> | <u>Sold</u> |
| Average Revenue Per 1,000 Gallons | \$0.395 | \$0.418 | \$0.398 | \$0.394 |
| Cost Per 1,000 Gallons | <u>0.420</u> | <u>0.445</u> | <u>0.387</u> | <u>0.384</u> |
| Margin | <u>(\$0.025)</u> | <u>(\$0.027)</u> | <u>\$0.011</u> | <u>\$0.010</u> |

| | <u>2008</u> | <u>2007</u> |
|--------------------------------------------|--------------------|--------------------|
| Maximum Daily Water Pumped (1,000 gallons) | 32,523 | 32,094 |
| Date of Maximum | 01/08 | 01/04 |

Services

| | | |
|--------------------|---------------------|---------------------|
| Contract Customers | 2 | 2 |
| Power Plants | 2 | 2 |
| Residential | 8,483 | 8,399 |
| Commercial | <u>1,095</u> | <u>1,085</u> |
| Total | <u><u>9,582</u></u> | <u><u>9,488</u></u> |