

Muscatine Power and Water

Water Utility

Operating Statements and Balance Sheets

August 2011

**Muscatine Power and Water
Water Utility**

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Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - August 2011

	Budget Estimate	%Increase (Decrease) From Budget	This Year	%Increase (Decrease) Fr. Last Yr.	Last Year
<u>Water Distribution - 1,000 Gallons</u>					
Contract Customers	641,396	3.1	661,397	(0.1)	662,119
Power Plants	95,721	0.7	96,426	(4.1)	100,536
Residential	42,392	24.7	52,850	27.5	41,451
Commercial	<u>38,772</u>	14.1	<u>44,243</u>	1.6	<u>43,528</u>
Total Metered Customers	818,281	4.5	854,916	0.9	847,634
Rated Customers - Estimate	---	---	4	(78.9)	19
City Use, Line Loss, Cycle Billing	<u>49,097</u>	4.5	<u>51,295</u>	0.9	<u>50,858</u>
Total Water Pumped	<u>867,378</u>	4.5	<u>906,215</u>	0.9	<u>898,511</u>

Calendar Year-to-Date

	Budget Estimate	%Increase (Decrease) From Budget	This Year	%Increase (Decrease) Fr. Last Yr.	Last Year
<u>Water Distribution - 1,000 Gallons</u>					
Contract Customers	4,751,285	2.7	4,879,414	1.5	4,805,603
Power Plants	704,317	(15.9)	592,355	(4.5)	620,046
Residential	324,669	1.5	329,489	6.3	310,094
Commercial	<u>267,298</u>	(0.9)	<u>264,984</u>	3.9	<u>255,105</u>
Total Metered Customers	6,047,569	0.3	6,066,242	1.3	5,990,848
Rated Customers - Estimate	---	---	52	(66.0)	153
City Use, Line Loss, Cycle Billing	<u>362,854</u>	0.3	<u>363,975</u>	1.3	<u>359,451</u>
Total Water Pumped	<u>6,410,423</u>	0.3	<u>6,430,269</u>	1.3	<u>6,350,452</u>

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Current Month - August 2011

	Budget Estimate	%Increase (Decrease) From Budget	This Year	%Increase (Decrease) Fr. Last Yr.	Last Year
<u>Sales of Water</u>					
Contract Customers	\$187,514	3.5	\$194,043	4.3	\$186,068
Power Plants	33,694	(7.1)	31,300	3.2	30,339
Residential	123,543	10.1	135,996	15.4	117,852
Commercial	42,460	10.4	46,873	5.1	44,579
Water Sales	<u>387,211</u>	5.4	<u>408,212</u>	7.8	<u>378,838</u>
<u>Other Revenue</u>					
Penalty Revenue	581	71.6	997	44.1	692
Merchandise & Job Sales-Net	1,000	40.0	1,400	—	509
Miscellaneous Revenue	1,239	(19.3)	1,000	66.1	602
Total Other Revenue	<u>2,820</u>	20.5	<u>3,397</u>	88.4	<u>1,803</u>
Operating Revenue	<u>390,031</u>	5.5	<u>411,609</u>	8.1	<u>380,641</u>
<u>Operating Expense</u>					
Operation	255,427	(2.9)	248,118	0.8	246,198
Maintenance	35,674	—	86,508	42.0	60,920
Depreciation	45,787	(0.4)	45,621	5.1	43,404
Total Operating Expense	<u>336,888</u>	12.9	<u>380,247</u>	8.5	<u>350,522</u>
Operating Income	53,143	(41.0)	31,362	4.1	30,119
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	91	(89.0)	10	(85.1)	67
Interest Expense	(913)	(23.4)	(699)	19.9	(583)
Net Nonoperating Revenues (Expenses)	<u>(822)</u>	(16.2)	<u>(689)</u>	33.5	<u>(516)</u>
Net Income before Capital Contributions	52,321	(41.4)	30,673	3.6	29,603
Capital Contributions	—	—	—	—	—
Change in Net Assets	52,321	(41.4)	30,673	3.6	29,603
Beginning Net Assets	<u>13,346,268</u>		<u>13,576,460</u>		<u>13,294,007</u>
Ending Net Assets	<u>\$13,398,589</u>		<u>\$13,607,133</u>		<u>\$13,323,610</u>
Net Income (Loss) to Total Income	13.4		7.5		7.8
Debt Service Coverage	27.03		22.32		27.59

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Calendar Year-to-Date - August 2011

	<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	\$1,432,111	1.9	\$1,459,043	5.5	\$1,383,486
Power Plants	253,298	(14.7)	216,157	(1.6)	219,681
Residential	959,866	0.4	963,304	6.3	906,340
Commercial	<u>306,319</u>	0.2	<u>307,084</u>	6.3	<u>288,884</u>
Water Sales	<u>2,951,594</u>	(0.2)	<u>2,945,588</u>	5.3	<u>2,798,391</u>
<u>Other Revenue</u>					
Penalty Revenue	4,067	17.8	4,790	8.7	4,408
Merchandise & Job Sales-Net	7,200	9.2	7,862	4.3	7,539
Miscellaneous Revenue	<u>6,710</u>	18.5	<u>7,949</u>	22.7	<u>6,476</u>
Total Other Revenue	<u>17,977</u>	14.6	<u>20,601</u>	11.8	<u>18,423</u>
Operating Revenue	<u>2,969,571</u>	(0.1)	<u>2,966,189</u>	5.3	<u>2,816,814</u>
<u>Operating Expense</u>					
Operation	2,201,493	(9.6)	1,989,661	1.7	1,956,484
Maintenance	387,525	0.7	390,067	8.1	360,963
Depreciation	<u>366,304</u>	(0.4)	<u>364,968</u>	5.1	<u>347,230</u>
Total Operating Expense	<u>2,955,322</u>	(7.1)	<u>2,744,696</u>	3.0	<u>2,664,677</u>
Operating Income	<u>14,249</u>	---	<u>221,493</u>	45.6	<u>152,137</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	921	(80.3)	181	(74.2)	701
Interest Expense	<u>(7,788)</u>	(26.2)	<u>(5,749)</u>	(46.5)	<u>(10,752)</u>
Net Nonoperating Revenues (Expenses)	<u>(6,867)</u>	(18.9)	<u>(5,568)</u>	(44.6)	<u>(10,051)</u>
<u>Net Income (Loss) before Capital Contributions</u>					
	7,382	---	215,925	52.0	142,086
Capital Contributions	---	---	---	---	<u>92,081</u>
Change in Net Assets	7,382	---	215,925	(7.8)	234,167
Beginning Net Assets	<u>13,391,208</u>		<u>13,391,208</u>		<u>13,089,443</u>
Ending Net Assets	<u>\$13,398,590</u>		<u>\$13,607,133</u>		<u>\$13,323,610</u>
Net Income (Loss) to Total Income	0.2		7.3		5.0
Debt Service Coverage	17		25.27		22.07

Muscatine Power and Water - Water Utility
Statements of Net Assets
August 2011

ASSETS

	<u>2011</u>	<u>2010</u>
Current Assets:		
Cash - interest bearing	\$664,450	\$517,890
Investments	---	---
Receivables:		
Consumer Accounts	537,141	498,447
Interest	4	21
Inventories	287,734	289,938
Prepaid Pension	---	28,548
Prepaid Expenses	30,971	31,201
	<hr/>	<hr/>
Total Current Assets	1,520,300	1,366,045
 Property and Equipment:		
At Cost	23,946,299	23,386,513
Less Accumulated Depreciation	8,977,115	8,601,848
	<hr/>	<hr/>
Net Property and Equipment	14,969,184	14,784,665
	<hr/>	<hr/>
 TOTAL ASSETS	<hr/> \$16,489,484	<hr/> \$16,150,710

Muscatine Power and Water - Water Utility
Statements of Net Assets
August 2011

LIABILITIES AND NET ASSETS

	<u>2011</u>	<u>2010</u>
Current Liabilities:		
<u>Restricted</u>		
State Revolving Loan	\$33,000	---
Accrued Interest	2,031	1,642
	<hr/>	<hr/>
Total Current Restricted Liabilities	35,031	1,642
<u>Unrestricted</u>		
Accounts Payable	247,250	173,565
Pension Provision	16,314	---
Health & Dental Insurance Provision	23,244	23,460
Intercompanies Payable	6,886	2,104
Retained Percentage on Contracts	4,520	91,109
Consumer Advances for Construction	78,161	28,129
Accrued Payroll	45,165	40,177
Accrued Vacation	72,079	71,369
Miscellaneous Accrued Expenses	49,395	31,066
Miscellaneous Deferred Credits	5,200	7,600
	<hr/>	<hr/>
Total Current Unrestricted Liabilities	548,214	468,579
Non-Current Liabilities:		
State Revolving Loan	236,000	202,192
Health & Dental Insurance Provision	143,393	167,083
Post-Employment Health Benefit Provision	13,716	---
Consumer Advances for Construction	1,905,997	1,987,604
	<hr/>	<hr/>
Total Non-Current Liabilities	2,299,106	2,356,879
Net Assets:		
Invested in capital assets, net of related debt	12,713,995	12,565,098
Restricted	35,031	1,642
Unrestricted	858,107	756,870
	<hr/>	<hr/>
Total Net Assets	13,607,133	13,323,610
TOTAL LIABILITIES AND NET ASSETS	<u>\$16,489,484</u>	<u>\$16,150,710</u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
August 2011

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$584,642	\$2,889,071
Miscellaneous sources	3,973	17,526
Cash paid to/for:		
Suppliers	(128,588)	(1,033,539)
Employees payroll, taxes and benefits	<u>(207,627)</u>	<u>(1,285,876)</u>
Net cash flows from operating activities	<u>252,400</u>	<u>587,182</u>
Cash flows from capital and related financing activities:		
State revolving loan fund proceeds	31,154	35,904
State revolving loan fund principal payments	---	(32,000)
State revolving loan interest payments	---	(4,911)
Capital expenditures, net	<u>(21,767)</u>	<u>(344,136)</u>
Net cash flows from capital and related financing activities	<u>9,387</u>	<u>(345,143)</u>
Cash flows from investing activities:		
Interest received on investments	<u>11</u>	<u>182</u>
Net cash flows from investing activities	<u>11</u>	<u>182</u>
Net increase in cash and investments	<u>261,798</u>	<u>242,221</u>
Cash and investments at beginning of period	<u>402,652</u>	<u>422,229</u>
Cash and investments at end of period	<u><u>\$664,450</u></u>	<u><u>\$664,450</u></u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
August 2011

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$31,362	\$221,493
Noncash item in operating income:		
Depreciation of utility plant	45,621	364,968
Changes in assets and liabilities:		
Consumer accounts receivable	175,889	(54,360)
Inventories	16,550	1,752
Prepaid and deferred expenses	3,429	(7,620)
Accounts payable	767	46,536
Pension provision	(40,784)	16,314
Health & dental insurance provision	1,000	(11,953)
Other post-employment benefit provision	245	1,960
Intercompany payable	2,042	189
Retained percentage	--	(19,308)
Accrued payroll	14,531	17,511
Accrued vacation	(1,141)	2,416
Miscellaneous accrued expenses	<u>2,889</u>	<u>7,284</u>
Net cash flows from operating activities	<u>\$252,400</u>	<u>\$587,182</u>

**Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - August 2011**

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>
<u>Source of Supply</u>					
Operation Supervision	\$2,317		\$2,309		\$2,588
Operation Labor and Expenses	859		979		1,842
Miscellaneous Expense	1,536		363		1,456
Maintenance of Wells	---		---		14,778
Maintenance of Supply Mains	1,420		837		1,181
Depreciation	5,614		5,141		5,207
 Total Source of Supply Expense	 11,746	3.0	 9,629	2.3	 27,052
<u>Pumping</u>					
Operation Supervision	2,646		2,711		2,974
Fuel or Power Purchased	67,353		61,521		67,086
Pumping Labor and Expenses	5,100		5,060		3,811
Miscellaneous Expense	233		304		389
Maintenance of Structures	97		---		---
Maintenance of Pumping Equipment	6,426		24,511		14,747
Depreciation	5,000		5,677		4,356
 Total Pumping Expense	 86,855	22.3	 99,784	24.2	 93,363
<u>Water Treatment</u>					
Operation Supervision	2,739		2,829		2,991
Chemicals	21,333		17,186		21,718
Operation Labor and Expenses	10,075		10,167		10,223
Miscellaneous Expense	1,491		576		629
Maintenance of Structures	543		975		76
Maintenance of Purification Equip.	1,139		1,231		976
Depreciation	2,347		2,338		2,340
 Total Water Treatment Expense	 39,667	10.2	 35,302	8.6	 38,953
<u>Distribution</u>					
Operation Supervision	2,743		2,863		2,992
Storage Facilities Expense	1,948		1,721		2,465
Trans. & Distr. Lines Expense	6,639		6,317		4,523
Meter Expense	12,858		11,323		10,178
Consumer Installation Expense	4,912		5,283		5,175
Miscellaneous Expense	2,541		3,953		6,830
Vehicle Expense	3,564		4,634		3,411
Maintenance:					
Supervision	4,389		4,484		4,544
Structures	28		129		1,322
Reservoirs and Standpipes	---		11		2,305
Mains	8,016		31,021		8,543
Valves	3,929		9,466		4,198
Meters	2,496		4,377		2,088
Hydrants	3,613		5,533		3,214
Miscellaneous Plant	1,890		2,541		1,820
Vacation, Holiday, Sick Leave	9,157		7,266		6,901
Depreciation	30,213		29,963		29,223
 Total Distribution Expense	 \$98,936	25.4	 \$130,885	31.8	 \$99,732
					26.2

Muscatine Power and Water - Water Utility
Summary of Expenses
Calendar Year-to-Date - August 2011

<u>Source of Supply</u>	<u>Budget Est.</u>	<u>This Year</u>	<u>Last Year</u>	
Operation Supervision	\$18,336	\$18,288		\$18,991
Operation Labor and Expenses	6,702	10,059		10,398
Miscellaneous Expense	7,428	1,710		6,836
Maintenance of Wells	90,000	---		45,409
Maintenance of Supply Mains	10,925	3,092		8,313
Depreciation	44,911	41,128		41,656
 Total Source of Supply Expense	 178,302	 6.0	 74,277	 2.5
			 131,603	 4.7
 <u>Pumping</u>				
Operation Supervision	21,582	21,478		22,140
Fuel or Power Purchased	505,539	452,339		501,505
Pumping Labor and Expenses	36,421	28,726		31,203
Miscellaneous Expense	1,867	2,494		2,653
Maintenance of Structures	3,909	---		---
Maintenance of Pumping Equipment	49,323	86,497		74,212
Depreciation	40,002	45,416		34,848
 Total Pumping Expense	 658,643	 22.2	 636,950	 21.5
			 666,561	 23.7
 <u>Water Treatment</u>				
Operation Supervision	21,662	22,177		22,312
Chemicals	170,667	129,919		154,938
Operation Labor and Expenses	86,233	91,745		87,690
Miscellaneous Expense	11,981	10,226		6,867
Maintenance of Structures	3,630	3,989		3,874
Maintenance of Purification Equip.	16,908	27,134		25,026
Depreciation	18,779	18,704		18,720
 Total Water Treatment Expense	 329,860	 11.1	 303,894	 10.2
			 319,427	 11.3
 <u>Distribution</u>				
Operation Supervision	21,632	21,719		21,253
Storage Facilities Expense	13,269	13,236		17,252
Trans. & Distr. Lines Expense	68,024	50,488		36,973
Meter Expense	91,735	76,659		81,055
Consumer Installation Expense	39,201	38,307		40,833
Miscellaneous Expense	27,910	33,904		35,643
Vehicle Expense	27,974	34,959		28,522
Maintenance:				
Supervision	34,171	34,644		33,546
Structures	5,721	8,498		3,810
Reservoirs and Standpipes	3,500	3,917		12,355
Mains	69,272	106,807		67,918
Valves	25,775	39,374		17,816
Meters	18,174	23,366		19,775
Hydrants	24,862	21,087		22,791
Miscellaneous Plant	15,117	15,929		14,484
Vacation, Holiday, Sick Leave	80,000	76,897		76,797
Depreciation	241,703	239,704		233,784
 Total Distribution Expense	 \$808,040	 27.2	 \$839,495	 28.3
			 \$764,607	 27.1

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - August 2011

	<u>Budget Est.</u>	<u>This Year</u>	<u>Last Year</u>	
<u>Customer Service Expense</u>				
Customer Information Expense	<u>\$2,069</u>	0.5	<u>\$3,598</u>	0.9
			<u>\$2,090</u>	0.5
<u>Consumer Accounts</u>				
Supervision	910	1,108		1,015
Meter Reading Expense	3,339	3,960		3,567
Consumer Records and Collection	13,094	11,797		11,863
Uncollectible Accounts Expense	342	342		267
Vacation, Holiday, Sick Leave	<u>1,173</u>	<u>1,131</u>		<u>1,247</u>
Total Consumer Accounts Expense	<u>18,858</u>	4.8	<u>18,338</u>	4.5
			<u>17,959</u>	4.7
<u>Administrative and General</u>				
Administrative and General Salaries	15,379	14,087		14,700
Office Supplies and Expenses	1,376	986		1,179
Outside Services Employed	790	10,464		313
Property Insurance	815	809		855
Casualty Ins, Injuries & Damages	3,025	4,215		2,421
Employee Pensions and Benefits	41,399	40,989		40,727
Fringe Benefits Charged to Constr.	(1,587)	(4,967)		(4,054)
Miscellaneous General Expense	6,032	5,729		4,053
Rents	5,243	5,243		6,298
Maintenance of General Plant	1,688	1,392		1,128
Vacation, Holiday, Sick Leave	1,984	1,262		1,475
Depreciation	<u>2,613</u>	<u>2,502</u>		<u>2,278</u>
Total Administrative and General	<u>78,757</u>	20.2	<u>82,711</u>	20.1
			<u>71,373</u>	18.8
Total Operating Expense	<u>\$336,888</u>		<u>\$380,247</u>	
			<u>\$350,522</u>	
Percent to Operating Revenue		86.4	92.4	92.1

Muscatine Power and Water - Water Utility
Summary of Expenses
Calendar Year-to-Date - August 2011

	<u>Budget Est.</u>	<u>This Year</u>	<u>Last Year</u>	
<u>Customer Service Expense</u>				
Customer Information Expense	<u>\$24,121</u>	0.8	<u>\$14,597</u>	0.5
				<u>\$7,200</u>
				0.3
<u>Consumer Accounts</u>				
Supervision	7,446	8,043	7,909	
Meter Reading Expense	27,334	30,621	30,495	
Customer Records and Collection	103,568	92,811	95,449	
Uncollectible Accounts Expense	2,733	2,733	2,137	
Vacation, Holiday, Sick Leave	<u>10,703</u>	<u>12,035</u>	<u>12,011</u>	
Total Consumer Accounts Expense	<u>151,784</u>	5.1	<u>146,243</u>	4.9
				<u>148,001</u>
				5.3
<u>Administrative and General</u>				
Administrative and General Salaries	119,957	111,612	115,263	
Office Supplies and Expenses	12,657	11,280	11,235	
Outside Services Employed	147,983	110,075	6,861	
Property Insurance	6,638	6,606	6,835	
Casualty Ins, Injuries & Damages	24,203	29,011	22,243	
Employee Pensions and Benefits	339,237	335,255	336,984	
Fringe Benefits Charged to Constr.	(11,649)	(21,906)	(18,427)	
Miscellaneous General Expense	68,715	54,175	49,626	
Rents	41,944	41,944	50,384	
Maintenance of General Plant	16,238	15,733	11,634	
Vacation, Holiday, Sick Leave	17,740	15,439	16,418	
Depreciation	<u>20,909</u>	<u>20,016</u>	<u>18,222</u>	
Total Administrative and General	<u>804,572</u>	27.1	<u>729,240</u>	24.6
				<u>627,278</u>
				22.3
Total Operating Expense	<u>\$2,955,322</u>		<u>\$2,744,696</u>	
				<u>\$2,664,677</u>
Percent to Operating Revenue		99.5		92.5
				94.6

Muscatine Power and Water - Water Utility
Statistical Data
Current Month - August 2011

	<u>2011</u>		<u>2010</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.450	0.477	0.422	0.447
Cost Per 1,000 Gallons	<u>0.420</u>	<u>0.445</u>	<u>0.390</u>	<u>0.414</u>
Margin	<u>0.031</u>	<u>0.033</u>	<u>0.032</u>	<u>0.033</u>

	<u>2011</u>		<u>2010</u>	
Maximum Daily Water Pumped (1,000 gallons)	30,999		32,273	
Date of Maximum	08/22		08/10	

Calendar Year-to-Date

	<u>2011</u>		<u>2010</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.458	0.486	0.441	0.467
Cost Per 1,000 Gallons	<u>0.427</u>	<u>0.452</u>	<u>0.420</u>	<u>0.445</u>
Margin	<u>0.031</u>	<u>0.033</u>	<u>0.021</u>	<u>0.022</u>

	<u>2011</u>		<u>2010</u>	
Maximum Daily Water Pumped (1,000 gallons)	33,869		32,273	
Date of Maximum	07/20		08/10	

Services

Contract Customers	2	2
Power Plants	2	2
Residential	8,550	8,521
Commercial	<u>1,089</u>	<u>1,093</u>
Total	<u>9,643</u>	<u>9,618</u>