

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	38,772	14.1	44,243	1.6	43,528
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	49,097	4.5	51,295	0.9	50,858
Total Water Pumped	867,378	4.5	906,215	0.9	898,511

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	267,298	(0.9)	264,984	3.9	255,105
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	362,854	0.3	363,975	1.3	359,451
Total Water Pumped	6,410,423	0.3	6,430,269	1.3	6,350,452

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Current Month - 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	\$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	<u>---</u>	---	<u>---</u>	---	<u>---</u>
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	306,319	0.2	307,084	6.3	288,884
	<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	6,710	18.5	7,949	22.7	6,476
	<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	366,304	(0.4)	364,968	5.1	347,230
	<u>2,955,322</u>	(7.1)	<u>2,744,696</u>	3.0	<u>2,664,677</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	(7,788)	(26.2)	(5,749)	(46.5)	(10,752)
	<u>(6,867)</u>	(18.9)	<u>(5,568)</u>	(44.6)	<u>(10,051)</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>	<u>7,382</u>	---	<u>215,925</u>	52.0	<u>142,086</u>
Capital Contributions	<u>---</u>	---	<u>---</u>	---	<u>92,081</u>
Change in Net Assets	<u>7,382</u>	---	<u>215,925</u>	(7.8)	<u>234,167</u>
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
	<hr/>	<hr/>
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	 <u><u>\$16,489,484</u></u>	 <u><u>\$16,150,710</u></u>

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
	<hr/>	<hr/>
<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
	<hr/>	<hr/>
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
	<hr/>	<hr/>
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
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 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$16,489,484</u></u>	 <u><u>\$16,150,710</u></u>

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

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>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	(207,627)	(1,285,876)
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	(21,767)	(344,136)
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	2,889	7,284
	<hr/>	<hr/>
Net cash flows from operating activities	<u><u>\$252,400</u></u>	<u><u>\$587,182</u></u>

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</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	7.1
<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	24.5
<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	10.2
<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><u>\$336,888</u></u>		<u><u>\$380,247</u></u>		<u><u>\$350,522</u></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>