

**Muscatine Power and Water****Water Utility****Operating Statements and Balance Sheets****March 2006**

**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 - 3
Balance Sheets.....	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 - March 2006**

	<b>Budget Estimate</b>	<b>% Increase (Decrease) From Budget</b>	<b>This Year</b>	<b>% Increase (Decrease) Fr. Last Yr.</b>	<b>Last Year</b>
<b><u>Water Distribution - 1,000 Gallons</u></b>					
Contract Customers	626,674	(2.5)	610,817	7.5	568,164
Power Plants	78,891	3.1	81,359	(6.9)	87,351
Residential	39,300	(6.1)	36,887	(3.6)	38,272
Commercial	<u>31,900</u>	0.5	<u>32,046</u>	(0.5)	<u>32,213</u>
 Total Metered Customers	 776,765	 (2.0)	 761,109	 4.8	 726,000
Rated Customers - Estimate	---	---	22	(51.1)	45
City Use, Line Loss, Cycle Billing	<u>62,001</u>	(80.8)	<u>11,919</u>	(80.2)	<u>60,298</u>
 Total Water Pumped	 <u>838,766</u>	 (7.8)	 <u>773,050</u>	 (1.7)	 <u>786,343</u>

**Calendar Year-to-Date**

	<b>Budget Estimate</b>	<b>% Increase (Decrease) From Budget</b>	<b>This Year</b>	<b>% Increase (Decrease) Fr. Last Yr.</b>	<b>Last Year</b>
<b><u>Water Distribution - 1,000 Gallons</u></b>					
Contract Customers	1,784,077	(3.0)	1,729,936	0.6	1,719,132
Power Plants	262,448	13.1	296,955	5.5	281,391
Residential	120,600	(5.7)	113,679	(0.5)	114,266
Commercial	<u>99,800</u>	(8.4)	<u>91,462</u>	---	<u>91,494</u>
 Total Metered Customers	 2,266,925	 (1.5)	 2,232,032	 1.2	 2,206,283
Rated Customers - Estimate	---	---	94	(35.6)	146
City Use, Line Loss, Cycle Billing	<u>181,001</u>	(46.7)	<u>96,531</u>	(53.3)	<u>206,792</u>
 Total Water Pumped	 <u>2,447,926</u>	 (4.9)	 <u>2,328,657</u>	 (3.5)	 <u>2,413,221</u>

**Muscatine Power and Water - Water Utility**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**Current Month - March 2006**

	<b>Budget Estimate</b>	<b>% Increase (Decrease) From Budget</b>	<b>This Year</b>	<b>% Increase (Decrease) Fr. Last Yr.</b>	<b>Last Year</b>
<b><u>Sales of Water</u></b>					
Contract Customers	\$165,300	(4.5)	\$157,793	0.7	\$156,735
Power Plants	27,600	1.2	27,939	(0.3)	28,033
Residential	89,900	(1.2)	88,838	(0.7)	89,459
Commercial	<u>29,600</u>	0.8	<u>29,824</u>	0.2	<u>29,758</u>
Water Sales	<u>312,400</u>	(2.6)	<u>304,394</u>	0.1	<u>303,985</u>
<b><u>Other Revenue</u></b>					
Penalty Revenue	367	43.3	526	2.3	514
Merchandise & Job Sales-Net	243	(64.2)	87	(62.3)	231
Miscellaneous Revenue	<u>365</u>	27.1	<u>464</u>	7.9	<u>430</u>
Total Other Revenue	<u>975</u>	10.5	<u>1,077</u>	(8.3)	<u>1,175</u>
Operating Revenue	<u>313,375</u>	(2.5)	<u>305,471</u>	0.1	<u>305,160</u>
<b><u>Operating Expense</u></b>					
Operation	243,452	(3.5)	234,921	(2.8)	241,679
Maintenance	42,776	(45.8)	23,197	(26.9)	31,732
Depreciation	<u>46,744</u>	(3.1)	<u>45,303</u>	5.4	<u>42,964</u>
Total Operating Expense	<u>332,972</u>	(8.9)	<u>303,421</u>	(4.1)	<u>316,375</u>
Operating Income (Loss)	(19,597)	---	2,050	---	(11,215)
Interest Income	<u>2,725</u>	---	<u>7,316</u>	---	<u>1,643</u>
<b>Income (Loss) before Capital Contributions</b>	(16,872)	---	9,366	---	(9,572)
Capital Contributions	---	---	---	---	---
<b>Change in Net Assets</b>	(16,872)		9,366		(9,572)
<b>Beginning Net Assets</b>	<u>11,518,142</u>		<u>11,567,734</u>		<u>11,461,259</u>
<b>Ending Net Assets</b>	<u>\$11,501,270</u>		<u>\$11,577,100</u>		<u>\$11,451,687</u>
Percent to Total Income	(5.4)		3.1		(3.1)

**Muscatine Power and Water - Water Utility**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**Calendar Year-to-Date - March 2006**

	<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>
<b><u>Sales of Water</u></b>					
Contract Customers	\$483,700	(5.0)	\$459,515	(2.9)	\$473,032
Power Plants	86,300	6.0	91,503	5.6	86,631
Residential	272,600	(1.4)	268,848	0.5	267,638
Commercial	<u>90,900</u>	(4.4)	<u>86,923</u>	0.8	<u>86,217</u>
Water Sales	<u>933,500</u>	(2.9)	<u>906,789</u>	(0.7)	<u>913,518</u>
<b><u>Other Revenue</u></b>					
Penalty Revenue	1,101	(19.7)	884	(10.2)	984
Merchandise & Job Sales-Net	1,687	(85.1)	251	20.1	209
Miscellaneous Revenue	<u>1,663</u>	(0.8)	<u>1,649</u>	3.1	<u>1,599</u>
Total Other Revenue	<u>4,451</u>	(37.5)	<u>2,784</u>	(0.3)	<u>2,792</u>
Operating Revenue	<u>937,951</u>	(3.0)	<u>909,573</u>	(0.7)	<u>916,310</u>
<b><u>Operating Expense</u></b>					
Operation	706,021	(3.7)	679,973	(1.5)	690,500
Maintenance	128,281	(48.7)	65,767	(21.0)	83,209
Depreciation	<u>140,232</u>	(3.1)	<u>135,909</u>	5.4	<u>128,892</u>
Total Operating Expense	<u>974,534</u>	(9.5)	<u>881,649</u>	(2.3)	<u>902,601</u>
Operating Income (Loss)	(36,583)	---	27,924	---	13,709
Interest Income	<u>8,989</u>	---	<u>20,312</u>	23.6	<u>16,430</u>
<b>Income (Loss) before Capital Contributions</b>	<b>(27,594)</b>	---	<b>48,236</b>	<b>60.0</b>	<b>30,139</b>
Capital Contributions	<u>---</u>	---	<u>---</u>	---	<u>18,208</u>
<b>Change in Net Assets</b>	<b>(27,594)</b>		<b>48,236</b>		<b>48,347</b>
<b>Beginning Net Assets</b>	<b><u>11,528,864</u></b>		<b><u>11,528,864</u></b>		<b><u>11,403,188</u></b>
<b>Ending Net Assets</b>	<b><u>\$11,501,270</u></b>		<b><u>\$11,577,100</u></b>		<b><u>\$11,451,535</u></b>
Percent to Total Income	(2.9)		5.3		5.2

**Muscatine Power and Water - Water Utility**  
**Balance Sheets**  
**March 2006**

**ASSETS**

	<u>2006</u>	<u>2005</u>
<b>Current Assets:</b>		
<b><u>Restricted (Depr., Extension and Impr. Fund)</u></b>		
Cash - interest bearing	---	9,837
Investments	<u>---</u>	<u>1,500,680</u>
Total Restricted Current Assets	<u>---</u>	<u>1,510,517</u>
<b><u>Unrestricted</u></b>		
Cash - interest bearing	166,140	577,752
Investments	1,731,989	496,335
Receivables:		
Consumer Accounts	369,186	349,197
Interest	10,937	9,386
Inventories	184,811	178,068
Prepaid Expenses	<u>32,038</u>	<u>22,207</u>
Total Unrestricted Current Assets	<u>2,495,101</u>	<u>1,632,945</u>
Total Current Assets	<u>2,495,101</u>	<u>3,143,462</u>
<b>Property and Equipment:</b>		
At Cost	19,683,281	18,342,241
Less Accumulated Depreciation	<u>7,897,652</u>	<u>7,457,164</u>
Net Property and Equipment	<u>11,785,629</u>	<u>10,885,077</u>
<b>TOTAL ASSETS</b>	<u><b>\$14,280,730</b></u>	<u><b>\$14,028,539</b></u>

**Muscatine Power and Water - Water Utility**  
**Balance Sheets**  
**March 2006**

**LIABILITIES AND NET ASSETS**

	<u>2006</u>	<u>2005</u>
<b>Current Liabilities:</b>		
Accounts Payable	\$118,892	\$110,198
Pension Provision	9,230	9,936
Intercompanies Payable	28,293	29,585
Retained Percentage on Contracts	23,251	---
Consumer Advances for Construction	2,387,417	2,295,140
Accrued Payroll	26,808	19,736
Accrued Vacation	76,852	73,451
Miscellaneous Accrued Expenses	22,887	28,520
Miscellaneous Deferred Credits	<u>10,000</u>	<u>10,000</u>
 Total Current Liabilities	 <u>2,703,630</u>	 <u>2,576,566</u>
 <b>Net Assets:</b>		
Invested in capital assets	9,398,212	8,589,937
Restricted	---	1,510,517
Unrestricted	<u>2,178,888</u>	<u>1,351,519</u>
 Total Net Assets	 <u>11,577,100</u>	 <u>11,451,973</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <u><u>\$14,280,730</u></u>	 <u><u>\$14,028,539</u></u>

**Muscatine Power and Water - Water Utility**  
**Statements of Cash Flows**  
**March 2006**

	<u>Current Month</u>	<u>Year- To-Date</u>
<b>Cash flows from operating activities:</b>		
Cash received from water sales	\$300,624	\$909,960
Cash paid to suppliers	(93,335)	(392,116)
Property & casualty insurance	(9,956)	(37,122)
Employees payroll, taxes and benefits	(137,010)	(463,584)
Other	<u>1,456</u>	<u>6,790</u>
Net cash provided by operating activities	<u>61,779</u>	<u>23,928</u>
<b>Cash flows from capital and related financing activities:</b>		
Capital expenditures, net	<u>(36,816)</u>	<u>(94,919)</u>
Net cash used for capital and related financing activities	<u>(36,816)</u>	<u>(94,919)</u>
<b>Cash flows from investing activities:</b>		
Interest received on investments	12,830	24,222
Accrued interest purchased	(6,835)	(7,666)
Mark to market	<u>3,059</u>	<u>7,542</u>
Net cash provided by investing activities	<u>9,054</u>	<u>24,098</u>
Net increase (decrease) in cash and investments	<u>34,017</u>	<u>(46,893)</u>
Cash and investments at beginning of period	<u>1,864,112</u>	<u>1,945,022</u>
Cash and investments at end of period	<u>\$1,898,129</u>	<u>\$1,898,129</u>

**Muscatine Power and Water - Water Utility**  
**Statements of Cash Flows**  
**March 2006**

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$2,050	\$27,924
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation of utility plant	45,303	135,909
Change in consumer accounts receivable	(4,561)	8,828
Change in inventories	3,130	(7,982)
Change in prepaid and deferred expenses	(6,133)	(22,738)
Change in accounts payable	(850)	(58,355)
Change in pension provision	3,076	9,230
Change in intercompany payable	807	(47,314)
Change in retained percentage on contracts	---	(3,042)
Change in accrued payroll	17,466	(25,027)
Change in accrued vacation	2,142	8,643
Change in miscellaneous accrued expenses	<u>(651)</u>	<u>(2,148)</u>
Net cash provided by operating activities	<u><u>\$61,779</u></u>	<u><u>\$23,928</u></u>

**Muscatine Power and Water - Water Utility  
Summary of Expenses  
Current Month - March 2006**

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>
<b><u>Source of Supply</u></b>					
Operation Supervision	\$2,149		\$2,305		\$2,256
Operation Labor and Expenses	1,348		1,159		1,008
Miscellaneous Expense	648		---		196
Maintenance of Wells	3,786		---		40
Maintenance of Supply Mains	1,078		257		149
Depreciation	4,764		4,033		4,021
 Total Source of Supply Expense	 13,773	 4.4	 7,754	 2.5	 7,670
<b><u>Pumping</u></b>					
Operation Supervision	2,273		2,396		2,446
Fuel or Power Purchased	67,700		68,709		67,342
Pumping Labor and Expenses	2,852		4,410		2,822
Miscellaneous Expense	100		277		239
Maintenance of Structures	191		---		40
Maintenance of Pumping Equipment	10,744		3,664		3,484
Depreciation	3,550		3,176		3,032
 Total Pumping Expense	 87,410	 27.9	 82,632	 27.1	 79,405
<b><u>Water Treatment</u></b>					
Operation Supervision	2,349		2,489		2,583
Chemicals	13,000		14,633		12,333
Operation Labor and Expenses	11,300		10,803		10,684
Miscellaneous Expense	454		1,962		1,007
Maintenance of Structures	765		178		811
Maintenance of Purification Equip.	1,582		1,860		1,562
Depreciation	2,326		2,264		2,224
 Total Water Treatment Expense	 31,776	 10.1	 34,189	 11.2	 31,204
<b><u>Distribution</u></b>					
Operation Supervision	2,431		2,521		2,442
Storage Facilities Expense	1,689		892		1,090
Trans. & Distr. Lines Expense	9,893		4,084		7,642
Meter Expense	9,048		10,092		9,209
Consumer Installation Expense	4,944		4,426		3,885
Miscellaneous Expense	4,865		5,513		6,699
Vehicle Expense	2,143		2,445		2,457
Maintenance:					
Supervision	3,594		3,837		4,607
Structures	100		23		245
Reservoirs and Standpipes	200		11		---
Mains	7,567		6,494		5,113
Valves	8,300		1,207		10,239
Meters	949		3,168		872
Hydrants	1,003		139		2,379
Miscellaneous Plant	1,238		1,208		1,026
Vacation, Holiday, Sick Leave	8,350		7,836		14,190
Depreciation	24,725		24,631		22,828
 Total Distribution Expense	 \$91,039	 29.1	 \$78,527	 25.7	 \$94,923
					31.1

**Muscatine Power and Water - Water Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - March 2006**

	<u>Budget Est.</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>Source of Supply</u></b>			
Operation Supervision	\$6,274	\$6,711	\$6,084
Operation Labor and Expenses	4,044	3,676	3,005
Miscellaneous Expense	2,475	86	195
Maintenance of Wells	3,786	---	40
Maintenance of Supply Mains	3,234	1,009	3,065
Depreciation	<u>14,292</u>	<u>12,099</u>	<u>12,063</u>
Total Source of Supply Expense	<u>34,105</u>	3.6	<u>23,581</u> 2.6
			<u>24,452</u> 2.7
<b><u>Pumping</u></b>			
Operation Supervision	6,745	6,982	6,593
Fuel or Power Purchased	197,800	202,513	203,317
Pumping Labor and Expenses	8,674	12,424	7,733
Miscellaneous Expense	300	1,206	716
Maintenance of Structures	573	---	307
Maintenance of Pumping Equipment	31,319	10,149	12,734
Depreciation	<u>10,650</u>	<u>9,528</u>	<u>9,096</u>
Total Pumping Expense	<u>256,061</u>	27.3	<u>242,802</u> 26.7
			<u>240,496</u> 26.2
<b><u>Water Treatment</u></b>			
Operation Supervision	6,973	7,254	6,976
Chemicals	39,000	38,696	35,316
Operation Labor and Expenses	35,365	31,970	31,064
Miscellaneous Expense	1,425	2,960	5,732
Maintenance of Structures	2,272	503	2,509
Maintenance of Purification Equip.	5,447	6,096	2,278
Depreciation	<u>6,978</u>	<u>6,792</u>	<u>6,672</u>
Total Water Treatment Expense	<u>97,460</u>	10.4	<u>94,271</u> 10.4
			<u>90,547</u> 9.9
<b><u>Distribution</u></b>			
Operation Supervision	7,068	7,288	6,686
Storage Facilities Expense	4,759	2,746	3,351
Trans. & Distr. Lines Expense	20,409	8,839	19,123
Meter Expense	25,543	26,323	27,061
Consumer Installation Expense	14,682	11,719	11,637
Miscellaneous Expense	14,254	11,682	19,702
Vehicle Expense	6,433	7,109	6,652
Maintenance:			
Supervision	10,687	10,986	12,002
Structures	300	68	276
Reservoirs and Standpipes	400	34	---
Mains	28,725	12,472	19,265
Valves	25,777	11,079	17,000
Meters	2,775	4,600	3,722
Hydrants	4,173	1,156	3,174
Miscellaneous Plant	3,715	3,442	2,691
Vacation, Holiday, Sick Leave	28,852	31,324	37,597
Depreciation	<u>74,175</u>	<u>73,893</u>	<u>68,484</u>
Total Distribution Expense	<u>\$272,727</u>	29.1	<u>\$224,760</u> 24.7
			<u>\$258,423</u> 28.2

**Muscatine Power and Water - Water Utility**  
**Summary of Expenses**  
**Current Month - March 2006**

	<u>Budget Est.</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>Customer Service Expense</u></b>			
Customer Information Expense	\$1,278	0.4	<u>\$1,495</u> 0.5
<b><u>Consumer Accounts</u></b>			
Supervision	726	935	864
Meter Reading Expense	3,619	3,651	3,611
Consumer Records and Collection	10,082	11,315	10,793
Uncollectible Accounts Expense	367	367	434
Vacation, Holiday, Sick Leave	1,077	<u>1,212</u>	<u>1,567</u>
Total Consumer Accounts Expense	<u>15,871</u>	5.1	<u>17,480</u> 5.7
<b><u>Administrative and General</u></b>			
Administrative and General Salaries	14,537	14,283	13,092
Office Supplies and Expenses	1,410	1,611	1,223
Outside Services Employed	2,293	1,836	2,461
Property Insurance	753	754	786
Casualty Ins, Injuries & Damages	3,944	609	2,170
Employee Pensions and Benefits	39,134	40,798	40,720
Fringe Benefits Charged to Constr.	(1,713)	(6,011)	(1,823)
Miscellaneous General Expense	11,129	7,697	6,277
Rents	5,790	5,790	5,357
Maintenance of General Plant	1,679	1,151	1,165
Vacation, Holiday, Sick Leave	1,490	1,627	2,282
Depreciation	<u>11,379</u>	<u>11,199</u>	<u>10,859</u>
Total Administrative and General	<u>91,825</u>	29.3	<u>81,344</u> 26.6
<b>Total Operating Expense</b>	<b><u>\$332,972</u></b>	<b><u>\$303,421</u></b>	<b><u>\$316,375</u></b>
Percent to Operating Revenue		106.3	99.3
		-	103.7

**Muscatine Power and Water - Water Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - March 2006**

	<u>Budget Est.</u>	<u>This Year</u>	<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>				
Customer Information Expense	<u>\$4,763</u>	0.5	<u>\$2,928</u>	0.3
<b><u>Consumer Accounts</u></b>				
Supervision	2,214	2,317	2,199	
Meter Reading Expense	9,828	11,404	10,339	
Customer Records and Collection	30,151	31,330	29,930	
Uncollectible Accounts Expense	1,101	1,101	1,302	
Vacation, Holiday, Sick Leave	<u>3,820</u>	<u>3,852</u>	<u>3,516</u>	
Total Consumer Accounts Expense	<u>47,114</u>	5.0	<u>50,004</u>	5.5
<b><u>Administrative and General</u></b>				
Administrative and General Salaries	40,606	38,325	36,928	
Office Supplies and Expenses	4,206	4,457	3,433	
Outside Services Employed	9,694	3,110	10,273	
Property Insurance	2,261	2,261	2,358	
Casualty Ins, Injuries & Damages	11,837	10,770	12,390	
Employee Pensions and Benefits	114,849	118,063	102,742	
Fringe Benefits Charged to Constr.	(5,676)	(14,553)	(3,970)	
Miscellaneous General Expense	22,782	18,593	15,940	
Rents	17,370	17,370	16,071	
Maintenance of General Plant	5,098	4,173	4,146	
Vacation, Holiday, Sick Leave	5,140	6,247	5,581	
Depreciation	<u>34,137</u>	<u>33,597</u>	<u>32,577</u>	
Total Administrative and General	<u>262,304</u>	28.0	<u>242,413</u>	26.7
<b>Total Operating Expense</b>	<b><u>\$974,534</u></b>	<b><u>\$881,649</u></b>	<b><u>\$902,601</u></b>	
Percent to Operating Revenue	103.9	96.9	98.5	
	-			

**Muscatine Power and Water - Water Utility**  
**Statistical Data**  
**Current Month - March 2006**

	<u>2006</u>		<u>2005</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.394	0.400	0.387	0.419
Cost Per 1,000 Gallons	<u>0.392</u>	<u>0.399</u>	<u>0.402</u>	<u>0.436</u>
Margin	<u>0.001</u>	<u>0.001</u>	<u>(0.016)</u>	<u>(0.017)</u>

	<u>2006</u>	<u>2005</u>
Maximum Daily Water Pumped (1,000 gallons)	29,854	29,246
Date of Maximum	03/13	03/30

**Calendar Year-to-Date**

	<u>2006</u>		<u>2005</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.389	0.406	0.379	0.414
Cost Per 1,000 Gallons	<u>0.379</u>	<u>0.395</u>	<u>0.374</u>	<u>0.409</u>
Margin	<u>0.011</u>	<u>0.011</u>	<u>0.005</u>	<u>0.005</u>

	<u>2006</u>	<u>2005</u>
Maximum Daily Water Pumped (1,000 gallons)	29,854	31,071
Date of Maximum	03/13	02/03

**Services**

Contract Customers	2	2
Power Plants	2	2
Residential	8,279	8,158
Commercial	<u>1,085</u>	<u>1,069</u>
Total	<u>9,368</u>	<u>9,231</u>