

**Muscatine Power and Water**

**Water Utility**

**Operating Statements and Balance Sheets**

**July 2007**

**Muscatine Power and Water  
Water Utility**

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**Muscatine Power and Water - Water Utility**  
**Classification of Water Distribution**  
**Current Month - July 2007**

	<u>Budget</u>	<u>%Increase</u>	<u>This</u>	<u>%Increase</u>	<u>Last</u>
	<u>Estimate</u>	<u>(Decrease)</u>	<u>Year</u>	<u>(Decrease)</u>	<u>Year</u>
		<u>From Budget</u>		<u>Fr. Last Yr.</u>	
<b><u>Water Distribution - 1,000 Gallons</u></b>					
Contract Customers	606,198	19.1	722,020	1.6	710,334
Power Plants	115,131	9.5	126,048	24.2	101,453
Residential	66,300	(16.8)	55,172	0.2	55,073
Commercial	54,300	(16.5)	45,358	(1.3)	45,944
Total Metered Customers	841,929	12.7	948,598	3.9	912,804
Rated Customers - Estimate	---	---	37	8.8	34
City Use, Line Loss, Cycle Billing	67,001	(62.7)	25,008	(65.0)	71,513
Total Water Pumped	908,930	7.1	973,643	(1.1)	984,351

**Calendar Year-to-Date**

	<u>Budget</u>	<u>%Increase</u>	<u>This</u>	<u>%Increase</u>	<u>Last</u>
	<u>Estimate</u>	<u>(Decrease)</u>	<u>Year</u>	<u>(Decrease)</u>	<u>Year</u>
		<u>From Budget</u>		<u>Fr. Last Yr.</u>	
<b><u>Water Distribution - 1,000 Gallons</u></b>					
Contract Customers	4,153,777	12.6	4,677,489	10.8	4,220,590
Power Plants	639,650	(3.4)	617,930	(1.3)	625,972
Residential	305,700	0.1	305,904	1.4	301,715
Commercial	250,700	(2.2)	245,308	(0.1)	245,662
Total Metered Customers	5,349,827	9.3	5,846,631	8.4	5,393,939
Rated Customers - Estimate	---	---	243	(3.2)	251
City Use, Line Loss, Cycle Billing	427,001	(72.5)	117,477	(58.3)	281,719
Total Water Pumped	5,776,828	3.2	5,964,351	5.1	5,675,909

**Muscatine Power and Water - Water Utility**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**Current Month - July 2007**

	<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	\$162,200	13.9	\$184,672	2.4	\$180,279
Power Plants	33,200	5.1	34,901	12.5	31,024
Residential	128,500	(7.0)	119,536	5.6	113,232
Commercial	46,500	(10.7)	41,512	3.0	40,314
Water Sales	<u>370,400</u>	2.8	<u>380,621</u>	4.3	<u>364,849</u>
<b><u>Other Revenue</u></b>					
Penalty Revenue	552	37.5	759	82.0	417
Merchandise & Job Sales-Net	330	(88.5)	38	(75.8)	157
Miscellaneous Revenue	623	(4.8)	593	11.5	532
Total Other Revenue	<u>1,505</u>	(7.6)	<u>1,390</u>	25.7	<u>1,106</u>
Operating Revenue	<u>371,905</u>	2.7	<u>382,011</u>	4.4	<u>365,955</u>
<b><u>Operating Expense</u></b>					
Operation	238,570	(2.1)	233,454	(4.4)	244,307
Maintenance	28,471	(14.0)	24,494	(59.2)	60,028
Depreciation	47,323	(3.3)	45,766	1.0	45,303
Total Operating Expense	<u>314,364</u>	(3.4)	<u>303,714</u>	(13.1)	<u>349,638</u>
Operating Income	57,541	36.1	78,297	---	16,317
Interest Income	4,903	98.0	9,710	12.5	8,628
Net Income Before Capital Contributions	62,444	40.9	88,007	---	24,945
Capital Contributions	---	---	---	---	---
Change in Net Assets	62,444		88,007		24,945
Beginning Net Assets	<u>11,987,932</u>		<u>12,121,116</u>		<u>11,592,237</u>
Ending Net Assets	<u>\$12,050,376</u>		<u>\$12,209,123</u>		<u>\$11,617,182</u>
Percent to Total Income	16.8		23.0		6.8

**Muscatine Power and Water - Water Utility**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**Calendar Year-to-Date - July 2007**

	<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	\$1,151,800	6.9	\$1,231,705	10.2	\$1,117,713
Power Plants	207,800	(1.4)	204,918	(0.4)	205,729
Residential	719,100	2.7	738,353	7.1	689,375
Commercial	<u>240,000</u>	0.4	<u>240,867</u>	4.9	<u>229,608</u>
Water Sales	<u>2,318,700</u>	4.2	<u>2,415,843</u>	7.7	<u>2,242,425</u>
<b><u>Other Revenue</u></b>					
Penalty Revenue	3,040	8.3	3,292	13.4	2,902
Merchandise & Job Sales-Net	4,944	(71.7)	1,400	(7.5)	1,513
Miscellaneous Revenue	<u>4,292</u>	33.0	<u>5,710</u>	36.0	<u>4,200</u>
Total Other Revenue	<u>12,276</u>	(15.3)	<u>10,402</u>	20.7	<u>8,615</u>
Operating Revenue	<u>2,330,976</u>	4.1	<u>2,426,245</u>	7.8	<u>2,251,040</u>
<b><u>Operating Expense</u></b>					
Operation	1,633,398	3.2	1,685,833	4.3	1,616,781
Maintenance	327,502	(25.8)	242,855	(13.2)	279,788
Depreciation	<u>331,270</u>	(3.3)	<u>320,362</u>	1.0	<u>317,121</u>
Total Operating Expense	<u>2,292,170</u>	(1.9)	<u>2,249,050</u>	1.6	<u>2,213,690</u>
Operating Income	38,806	---	177,195	---	37,350
Interest Income	<u>42,600</u>	43.8	<u>61,253</u>	20.2	<u>50,968</u>
<b>Income before Capital Contributions</b>	81,406	---	238,448	---	88,318
Capital Contributions	<u>25,300</u>	6.7	<u>27,005</u>	---	<u>---</u>
<b>Change in Net Assets</b>	106,706		265,453		88,318
<b>Beginning Net Assets</b>	<u>11,943,670</u>		<u>11,943,670</u>		<u>11,528,864</u>
<b>Ending Net Assets</b>	<u>\$12,050,376</u>		<u>\$12,209,123</u>		<u>\$11,617,182</u>
Percent to Total Income	4.5		10.8		3.9

**Muscatine Power and Water - Water Utility  
Balance Sheets  
July 2007**

**ASSETS**

	<u>2007</u>	<u>2006</u>
<b>Current Assets:</b>		
Cash - interest bearing	179,340	294,393
Investments	1,740,126	1,593,612
Receivables:		
Consumer Accounts	480,979	461,142
Interest	13,718	11,936
Intercompanies	24,438	---
Inventories	209,533	220,767
Prepaid Pension	20,239	---
Prepaid Expenses	21,200	22,131
	<u>2,689,573</u>	<u>2,603,981</u>
<b>Property and Equipment:</b>		
At Cost	20,353,949	19,981,344
Less Accumulated Depreciation	8,200,999	8,072,101
	<u>12,152,950</u>	<u>11,909,243</u>
<b>TOTAL ASSETS</b>	<u><u>\$14,842,523</u></u>	<u><u>\$14,513,224</u></u>

**Muscatine Power and Water - Water Utility  
Balance Sheets  
July 2007**

**LIABILITIES AND NET ASSETS**

	<u>2007</u>	<u>2006</u>
<b>Current Liabilities:</b>		
Accounts Payable	\$106,810	\$209,208
Pension Provision	---	22,679
Health Insurance Provision	119,730	108,182
Intercompanies Payable	---	3,453
Retained Percentage on Contracts	10,962	1,829
Consumer Advances for Construction	2,287,449	2,379,277
Accrued Payroll	9,392	55,506
Accrued Vacation	63,404	74,002
Miscellaneous Accrued Expenses	25,653	31,906
Miscellaneous Deferred Credits	10,000	10,000
	<hr/>	<hr/>
Total Current Liabilities	2,633,400	2,896,042
	<hr/>	<hr/>
<b>Net Assets:</b>		
Invested in capital assets	9,865,501	9,529,966
Unrestricted	2,343,622	2,087,216
	<hr/>	<hr/>
Total Net Assets	12,209,123	11,617,182
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$14,842,523</u>	<u>\$14,513,224</u>

**Muscatine Power and Water - Water Utility**  
**Statements of Cash Flows**  
**July 2007**

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from water sales	\$322,889	\$2,304,388
Cash paid to/for:		
Suppliers	(101,800)	(868,013)
Employees payroll, taxes and benefits	(254,190)	(1,165,264)
Other	1,912	104,288
	<u>                    </u>	<u>                    </u>
Net cash flows from operating activities	<u>(31,189)</u>	<u>375,399</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	<u>(268,634)</u>	<u>(379,050)</u>
Net cash flows from capital and related financing activities	<u>(268,634)</u>	<u>(379,050)</u>
Cash flows from investing activities:		
Interest received on investments	3,776	77,252
Accrued interest purchased	(8,644)	(11,426)
Amortization/accretion of investments	1,902	7,476
Mark to market	879	1,927
	<u>                    </u>	<u>                    </u>
Net cash flows from investing activities	<u>(2,087)</u>	<u>75,229</u>
Net increase (decrease) in cash and investments	<u>(301,910)</u>	<u>71,578</u>
Cash and investments at beginning of period	<u>2,221,376</u>	<u>1,847,888</u>
Cash and investments at end of period	<u><u>\$1,919,466</u></u>	<u><u>\$1,919,466</u></u>



**Muscatine Power and Water - Water Utility**  
**Statements of Cash Flows**  
**July 2007**

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$78,297	\$177,195
Noncash item in operating income:		
Depreciation of utility plant	45,766	320,362
Changes in assets and liabilities:		
Consumer accounts receivable	(57,371)	(24,501)
Inventories	21,516	(5,355)
Prepaid and deferred expenses	3,878	(11,576)
Accounts payable	(35,812)	(18,660)
Pension provision	(44,272)	(20,239)
Health insurance provision	4,424	10,654
Intercompany payable	(40,251)	(34,350)
Retained Percentage on Contracts	---	10,962
Consumer advances for construction	37,826	32,543
Accrued payroll	(37,253)	(48,538)
Accrued vacation	(2,324)	(5,671)
Miscellaneous accrued expenses	(5,613)	(7,427)
	<u>(\$31,189)</u>	<u>\$375,399</u>

**Muscatine Power and Water - Water Utility**  
**Summary of Expenses**  
**Current Month - July 2007**

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$2,075		\$1,199		\$2,781	
Operation Labor and Expenses	1,130		1,145		1,049	
Miscellaneous Expense	1,185		1,575		1,065	
Maintenance of Wells	37		---		13,940	
Maintenance of Supply Mains	1,102		737		552	
Depreciation	4,711		4,580		4,033	
<b>Total Source of Supply Expense</b>	<b>10,240</b>	<b>2.8</b>	<b>9,236</b>	<b>2.4</b>	<b>23,420</b>	<b>6.4</b>
 <b><u>Pumping</u></b>						
Operation Supervision	2,375		1,454		2,676	
Fuel or Power Purchased	70,100		73,986		76,398	
Pumping Labor and Expenses	3,024		4,628		4,394	
Miscellaneous Expense	705		570		493	
Maintenance of Structures	192		---		---	
Maintenance of Pumping Equipment	8,207		3,294		21,032	
Depreciation	3,777		3,536		3,176	
<b>Total Pumping Expense</b>	<b>88,380</b>	<b>23.8</b>	<b>87,468</b>	<b>22.9</b>	<b>108,169</b>	<b>29.6</b>
 <b><u>Water Treatment</u></b>						
Operation Supervision	2,475		1,565		2,752	
Chemicals	12,500		22,272		15,578	
Operation Labor and Expenses	11,238		9,810		8,551	
Miscellaneous Expense	468		120		421	
Maintenance of Structures	768		439		207	
Maintenance of Purification Equip.	1,743		787		2,083	
Depreciation	2,303		2,324		2,264	
<b>Total Water Treatment Expense</b>	<b>31,495</b>	<b>8.5</b>	<b>37,317</b>	<b>9.8</b>	<b>31,856</b>	<b>8.7</b>
 <b><u>Distribution</u></b>						
Operation Supervision	2,413		1,594		2,789	
Storage Facilities Expense	2,099		2,289		1,204	
Trans. & Distr. Lines Expense	2,404		2,543		2,815	
Meter Expense	11,055		8,026		7,240	
Consumer Installation Expense	4,369		3,721		4,391	
Miscellaneous Expense	4,435		3,717		4,733	
Vehicle Expense	3,058		3,242		3,917	
Maintenance:						
Supervision	3,923		2,808		3,865	
Structures	100		130		58	
Reservoirs and Standpipes	100		12		12	
Mains	2,525		5,762		5,612	
Valves	4,217		6,783		7,039	
Meters	1,426		786		3,039	
Hydrants	957		890		441	
Miscellaneous Plant	1,695		1,018		834	
Vacation, Holiday, Sick Leave	12,522		12,473		11,882	
Depreciation	25,204		25,338		24,631	
<b>Total Distribution Expense</b>	<b>\$82,502</b>	<b>22.2</b>	<b>\$81,132</b>	<b>21.2</b>	<b>\$84,502</b>	<b>23.1</b>

**Muscatine Power and Water - Water Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - July 2007**

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$13,810		\$12,484		\$16,078	
Operation Labor and Expenses	9,240		8,116		9,388	
Miscellaneous Expense	4,889		6,398		4,072	
Maintenance of Wells	72,262		737		69,700	
Maintenance of Supply Mains	7,482		9,355		3,773	
Depreciation	32,980		32,060		28,231	
<b>Total Source of Supply Expense</b>	<b>140,663</b>	<b>6.0</b>	<b>69,150</b>	<b>2.9</b>	<b>131,242</b>	<b>5.8</b>
 <b><u>Pumping</u></b>						
Operation Supervision	15,952		14,731		16,531	
Fuel or Power Purchased	456,000		488,414		483,277	
Pumping Labor and Expenses	20,985		31,732		30,604	
Miscellaneous Expense	4,934		2,583		2,714	
Maintenance of Structures	1,345		1,169		---	
Maintenance of Pumping Equipment	59,621		22,292		61,433	
Depreciation	26,441		24,752		22,232	
<b>Total Pumping Expense</b>	<b>585,278</b>	<b>25.1</b>	<b>585,673</b>	<b>24.1</b>	<b>616,791</b>	<b>27.4</b>
 <b><u>Water Treatment</u></b>						
Operation Supervision	16,521		15,486		17,137	
Chemicals	87,500		119,294		93,203	
Operation Labor and Expenses	76,575		85,177		71,405	
Miscellaneous Expense	4,342		6,334		5,165	
Maintenance of Structures	5,305		3,918		1,652	
Maintenance of Purification Equip.	11,574		13,981		12,435	
Depreciation	16,121		16,268		15,848	
<b>Total Water Treatment Expense</b>	<b>217,938</b>	<b>9.3</b>	<b>260,458</b>	<b>10.7</b>	<b>216,845</b>	<b>9.6</b>
 <b><u>Distribution</u></b>						
Operation Supervision	16,255		15,221		17,307	
Storage Facilities Expense	13,633		12,184		9,887	
Trans. & Distr. Lines Expense	37,765		35,023		32,441	
Meter Expense	75,487		65,528		61,082	
Consumer Installation Expense	27,880		25,514		27,114	
Miscellaneous Expense	30,392		35,841		28,389	
Vehicle Expense	21,371		22,576		19,136	
Maintenance:						
Supervision	26,411		24,960		26,054	
Structures	700		468		244	
Reservoirs and Standpipes	9,100		185		81	
Mains	49,797		94,897		32,133	
Valves	44,533		32,880		32,784	
Meters	9,968		7,477		13,800	
Hydrants	8,727		8,490		7,938	
Miscellaneous Plant	11,875		13,261		8,205	
Vacation, Holiday, Sick Leave	74,796		76,279		76,392	
Depreciation	176,432		177,366		172,417	
<b>Total Distribution Expense</b>	<b>\$635,122</b>	<b>27.2</b>	<b>\$648,150</b>	<b>26.7</b>	<b>\$565,404</b>	<b>25.1</b>

**Muscatine Power and Water - Water Utility  
Summary of Expenses  
Current Month - July 2007**

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense	\$5,637	1.5	\$816	0.2	\$5,593	1.5
<b><u>Consumer Accounts</u></b>						
Supervision	788		840		800	
Meter Reading Expense	3,380		2,776		2,172	
Consumer Records and Collection	10,742		9,529		10,045	
Uncollectible Accounts Expense	358		358		367	
Vacation, Holiday, Sick Leave	1,556		1,950		1,526	
Total Consumer Accounts Expense	16,824	4.5	15,453	4.0	14,910	4.1
<b><u>Administrative and General</u></b>						
Administrative and General Salaries	12,121		12,382		11,225	
Office Supplies and Expenses	1,412		1,094		1,186	
Outside Services Employed	1,570		487		4,290	
Property Insurance	824		682		788	
Casualty Ins, Injuries & Damages	3,109		(628)		1,936	
Employee Pensions and Benefits	40,297		37,438		36,679	
Fringe Benefits Charged to Constr.	(9,310)		(3,296)		(3,775)	
Miscellaneous General Expense	9,345		5,694		8,623	
Rents	5,103		5,103		5,790	
Maintenance of General Plant	1,479		1,048		1,314	
Vacation, Holiday, Sick Leave	2,008		2,300		1,933	
Depreciation	11,328		9,988		11,199	
Total Administrative and General	79,286	21.3	72,292	18.9	81,188	22.2
Total Operating Expense	<u>\$314,364</u>		<u>\$303,714</u>		<u>\$349,638</u>	
Percent to Operating Revenue		84.5		79.5		95.5

**Muscatine Power and Water - Water Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - July 2007**

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense	<u>\$21,275</u>	0.9	<u>\$7,790</u>	0.3	<u>\$12,877</u>	0.6
<b><u>Consumer Accounts</u></b>						
Supervision	5,193		5,872		5,433	
Meter Reading Expense	21,911		22,744		21,065	
Customer Records and Collection	72,335		72,188		72,258	
Uncollectible Accounts Expense	2,510		2,510		2,569	
Vacation, Holiday, Sick Leave	<u>9,047</u>		<u>10,011</u>		<u>9,918</u>	
Total Consumer Accounts Expense	<u>110,996</u>	4.8	<u>113,325</u>	4.7	<u>111,243</u>	4.9
<b><u>Administrative and General</u></b>						
Administrative and General Salaries	82,965		84,176		88,102	
Office Supplies and Expenses	9,962		10,061		9,600	
Outside Services Employed	18,614		11,386		9,925	
Property Insurance	5,661		5,095		5,415	
Casualty Ins, Injuries & Damages	21,752		17,902		18,642	
Employee Pensions and Benefits	283,005		276,581		266,689	
Fringe Benefits Charged to Constr.	(31,281)		(15,308)		(31,725)	
Miscellaneous General Expense	54,878		47,349		49,727	
Rents	35,721		35,721		40,530	
Maintenance of General Plant	8,802		8,785		9,556	
Vacation, Holiday, Sick Leave	11,523		12,840		14,434	
Depreciation	<u>79,296</u>		<u>69,916</u>		<u>78,393</u>	
Total Administrative and General	<u>580,898</u>	24.9	<u>564,504</u>	23.3	<u>559,288</u>	24.8
Total Operating Expense	<u>\$2,292,170</u>		<u>\$2,249,050</u>		<u>\$2,213,690</u>	
Percent to Operating Revenue		98.3		92.7		98.3

**Muscatine Power and Water - Water Utility  
Statistical Data  
Current Month - July 2007**

	<u>2007</u>		<u>2006</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.391	0.401	0.371	0.400
Cost Per 1,000 Gallons	<u>0.312</u>	<u>0.320</u>	<u>0.355</u>	<u>0.383</u>
Margin	<u>0.079</u>	<u>0.081</u>	<u>0.015</u>	<u>0.017</u>
	<u>2007</u>		<u>2006</u>	
Maximum Daily Water Pumped (1,000 gallons)	37,246	37,117		
Date of Maximum	07/30	07/31		

**Calendar Year-to-Date**

	<u>2007</u>		<u>2006</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.405	0.413	0.395	0.416
Cost Per 1,000 Gallons	<u>0.377</u>	<u>0.385</u>	<u>0.390</u>	<u>0.410</u>
Margin	<u>0.028</u>	<u>0.029</u>	<u>0.005</u>	<u>0.005</u>
	<u>2007</u>		<u>2006</u>	
Maximum Daily Water Pumped (1,000 gallons)	37,868	37,117		
Date of Maximum	06/14	07/31		
<b><u>Services</u></b>				
Contract Customers	2	2		
Power Plants	2	2		
Residential	8,456	8,377		
Commercial	<u>1,103</u>	<u>1,093</u>		
Total	<u>9,563</u>	<u>9,474</u>		