

Muscatine Power and Water

Water Utility

Operating Statements and Balance Sheets

July 2011

**Muscatine Power and Water
Water Utility**

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Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - July 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	648,800	(1.6)	638,586	10.4	578,200
Power Plants	112,418	(10.8)	100,222	16.5	86,028
Residential	44,500	21.2	53,916	27.2	42,403
Commercial	39,451	15.4	45,526	25.6	36,256
Total Metered Customers	845,169	(0.8)	838,250	12.8	742,887
Rated Customers - Estimate	---	---	7	(79.4)	34
City Use, Line Loss, Cycle Billing	50,710	(0.8)	50,295	12.8	44,573
Total Water Pumped	895,879	(0.8)	888,552	12.8	787,494

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	4,109,889	2.6	4,218,018	1.8	4,143,484
Power Plants	608,596	(18.5)	495,929	(4.5)	519,509
Residential	282,277	(2.0)	276,639	3.0	268,643
Commercial	228,526	(3.4)	220,741	4.3	211,576
Total Metered Customers	5,229,288	(0.3)	5,211,327	1.3	5,143,212
Rated Customers - Estimate	---	---	49	(63.7)	135
City Use, Line Loss, Cycle Billing	313,757	(0.3)	312,680	1.3	308,593
Total Water Pumped	5,543,045	(0.3)	5,524,056	1.3	5,451,940

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Current Month - July 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	\$188,347	0.8	\$189,794	9.4	\$173,487
Power Plants	36,567	(11.8)	32,259	10.1	29,292
Residential	127,455	7.7	137,267	15.5	118,823
Commercial	43,527	9.9	47,852	20.5	39,704
Water Sales	395,896	2.8	407,172	12.7	361,306
<u>Other Revenue</u>					
Penalty Revenue	581	22.9	714	(13.9)	829
Merchandise & Job Sales-Net	1,000	15.3	1,153	(38.5)	1,874
Miscellaneous Revenue	939	(11.4)	832	(52.3)	1,745
Total Other Revenue	2,520	7.1	2,699	(39.3)	4,448
Operating Revenue	398,416	2.9	409,871	12.1	365,754
<u>Operating Expense</u>					
Operation	271,685	(9.7)	245,328	1.1	242,734
Maintenance	69,773	(13.6)	60,285	(11.7)	68,258
Depreciation	45,789	(0.4)	45,621	5.1	43,404
Total Operating Expense	387,247	(9.3)	351,234	(0.9)	354,396
Operating Income	11,169	---	58,637	---	11,358
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	98	(90.8)	9	(88.2)	76
Interest Expense	(913)	(27.1)	(666)	20.4	(553)
Net Nonoperating Revenues (Expenses)	(815)	(19.4)	(657)	37.7	(477)
Net Income before Capital Contributions	10,354	---	57,980	---	10,881
Capital Contributions	---	---	---	---	---
Change in Net Assets	10,354	---	57,980	---	10,881
Beginning Net Assets	13,335,914		13,518,480		13,283,126
Ending Net Assets	\$13,346,268		\$13,576,460		\$13,294,007
Net Income (Loss) to Total Income	2.6		14.1		3.0
Debt Service Coverage	15.58		30.52		17.03

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Calendar Year-to-Date - July 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	\$1,244,597	1.6	\$1,265,000	5.6	\$1,197,418
Power Plants	219,605	(15.8)	184,857	(2.4)	189,342
Residential	836,323	(1.1)	827,308	4.9	788,488
Commercial	263,858	(1.4)	260,211	6.5	244,304
Water Sales	<u>2,564,383</u>	(1.1)	<u>2,537,376</u>	4.9	<u>2,419,552</u>
<u>Other Revenue</u>					
Penalty Revenue	3,486	8.8	3,794	2.1	3,717
Merchandise & Job Sales-Net	6,200	4.2	6,461	(8.1)	7,030
Miscellaneous Revenue	<u>5,471</u>	27.0	<u>6,948</u>	18.3	<u>5,874</u>
Total Other Revenue	<u>15,157</u>	13.5	<u>17,203</u>	3.5	<u>16,621</u>
Operating Revenue	<u>2,579,540</u>	(1.0)	<u>2,554,579</u>	4.9	<u>2,436,173</u>
<u>Operating Expense</u>					
Operation	1,946,063	(10.5)	1,741,544	1.8	1,710,286
Maintenance	351,855	(13.7)	303,558	1.2	300,043
Depreciation	<u>320,516</u>	(0.4)	<u>319,347</u>	5.1	<u>303,826</u>
Total Operating Expense	<u>2,618,434</u>	(9.7)	<u>2,364,449</u>	2.2	<u>2,314,155</u>
Operating Income (Loss)	<u>(38,894)</u>	---	<u>190,130</u>	55.8	<u>122,018</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	830	(79.4)	171	(73.0)	634
Interest Expense	<u>(6,875)</u>	(26.6)	<u>(5,049)</u>	(50.3)	<u>(10,169)</u>
Net Nonoperating Revenues (Expenses)	<u>(6,045)</u>	(19.3)	<u>(4,878)</u>	(48.8)	<u>(9,535)</u>
<u>Net Income (Loss) before Capital Contributions</u>	<u>(44,939)</u>	---	<u>185,252</u>	64.7	<u>112,483</u>
Capital Contributions	<u>---</u>	---	<u>---</u>	---	<u>92,081</u>
Change in Net Assets	<u>(44,939)</u>	---	<u>185,252</u>	(9.4)	<u>204,564</u>
Beginning Net Assets	<u>13,391,208</u>		<u>13,391,208</u>		<u>13,089,443</u>
Ending Net Assets	<u>\$13,346,269</u>		<u>\$13,576,460</u>		<u>\$13,294,007</u>
Net Income (Loss) to Total Income	(1.7)		7.3		4.6
Debt Service Coverage	11.99		26.76		19.77

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

ASSETS

	<u>2011</u>	<u>2010</u>
Current Assets:		
Cash - interest bearing	\$402,652	\$553,316
Investments	---	---
Receivables:		
Consumer Accounts	713,030	485,541
Interest	6	3
Inventories	304,284	295,054
Prepaid Expenses	<u>34,400</u>	<u>34,689</u>
Total Current Assets	<u>1,454,372</u>	<u>1,368,603</u>
Property and Equipment:		
At Cost	23,835,443	23,371,381
Less Accumulated Depreciation	<u>8,931,494</u>	<u>8,558,444</u>
Net Property and Equipment	<u>14,903,949</u>	<u>14,812,937</u>
 TOTAL ASSETS	 <u><u>\$16,358,321</u></u>	 <u><u>\$16,181,540</u></u>

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

LIABILITIES AND NET ASSETS

	<u>2011</u>	<u>2010</u>
Current Liabilities:		
<u>Restricted</u>		
State Revolving Loan	\$33,000	---
Accrued Interest	1,331	1,059
	<hr/>	<hr/>
Total Current Restricted Liabilities	34,331	1,059
	<hr/>	<hr/>
<u>Unrestricted</u>		
Accounts Payable	157,394	193,284
Pension Provision	57,098	49,959
Health & Dental Insurance Provision	23,244	23,460
Intercompanies Payable	4,844	3,164
Retained Percentage on Contracts	4,520	91,109
Consumer Advances for Construction	78,161	28,129
Accrued Payroll	30,634	28,246
Accrued Vacation	73,220	71,287
Miscellaneous Accrued Expenses	46,508	32,333
Miscellaneous Deferred Credits	5,200	7,600
	<hr/>	<hr/>
Total Current Unrestricted Liabilities	480,823	528,571
	<hr/>	<hr/>
Non-Current Liabilities:		
State Revolving Loan	204,846	202,192
Health & Dental Insurance Provision	142,393	168,107
Post-Employment Health Benefit Provision	13,471	---
Consumer Advances for Construction	1,905,997	1,987,604
	<hr/>	<hr/>
Total Non-Current Liabilities	2,266,707	2,357,903
	<hr/>	<hr/>
Net Assets:		
Invested in capital assets, net of related debt	12,680,614	12,593,953
Restricted	34,331	1,059
Unrestricted	861,515	698,995
	<hr/>	<hr/>
Total Net Assets	13,576,460	13,294,007
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	<u>\$16,358,321</u>	<u>\$16,181,540</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$193,246	\$2,304,429
Miscellaneous sources	1,325	13,553
Cash paid to/for:		
Suppliers	(147,509)	(904,949)
Employees payroll, taxes and benefits	(148,181)	(1,078,249)
Net cash flows from operating activities	<u>(101,119)</u>	<u>334,784</u>
Cash flows from capital and related financing activities:		
State revolving loan fund proceeds	---	4,750
State revolving loan fund principal payments	---	(32,000)
State revolving loan interest payments	---	(4,911)
Capital expenditures, net	(15,364)	(322,370)
Net cash flows from capital and related financing activities	<u>(15,364)</u>	<u>(354,531)</u>
Cash flows from investing activities:		
Interest received on investments	19	170
Net cash flows from investing activities	<u>19</u>	<u>170</u>
Net decrease in cash and investments	<u>(116,464)</u>	<u>(19,577)</u>
Cash and investments at beginning of period	<u>519,116</u>	<u>422,229</u>
Cash and investments at end of period	<u><u>\$402,652</u></u>	<u><u>\$402,652</u></u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$58,637	\$190,130
Noncash item in operating income:		
Depreciation of utility plant	45,621	319,347
Changes in assets and liabilities:		
Consumer accounts receivable	(214,908)	(230,249)
Inventories	608	(14,798)
Prepaid and deferred expenses	1,988	(11,049)
Accounts payable	8,905	45,770
Pension provision	6,680	57,098
Health & dental insurance provision	(8,724)	(12,953)
Other post-employment benefit provision	245	1,715
Intercompany payable	(8,247)	(1,853)
Retained percentage	---	(19,308)
Accrued payroll	9,879	2,980
Accrued vacation	(1,233)	3,557
Miscellaneous accrued expenses	(570)	4,397
	<hr/>	<hr/>
Net cash flows from operating activities	<u>(\$101,119)</u>	<u>\$334,784</u>

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Source of Supply</u>						
Operation Supervision	\$2,357		\$2,037		\$2,432	
Operation Labor and Expenses	859		1,690		1,696	
Miscellaneous Expense	1,536		408		1,950	
Maintenance of Wells	30,000		---		14,778	
Maintenance of Supply Mains	1,420		729		67	
Depreciation	5,614		5,141		5,207	
Total Source of Supply Expense	41,786	10.5	10,005	2.4	26,130	7.1
<u>Pumping</u>						
Operation Supervision	2,798		2,408		2,795	
Fuel or Power Purchased	70,354		62,805		60,000	
Pumping Labor and Expenses	4,657		4,650		4,042	
Miscellaneous Expense	233		304		279	
Maintenance of Structures	97		---		---	
Maintenance of Pumping Equipment	6,274		7,976		20,140	
Depreciation	5,000		5,677		4,356	
Total Pumping Expense	89,413	22.4	83,820	20.5	91,612	25.0
<u>Water Treatment</u>						
Operation Supervision	2,771		2,529		2,813	
Chemicals	21,333		19,028		18,851	
Operation Labor and Expenses	9,180		11,365		11,173	
Miscellaneous Expense	1,491		1,451		336	
Maintenance of Structures	543		1,321		326	
Maintenance of Purification Equip.	1,019		969		4,909	
Depreciation	2,348		2,338		2,340	
Total Water Treatment Expense	38,685	9.7	39,001	9.5	40,748	11.1
<u>Distribution</u>						
Operation Supervision	2,725		2,485		2,806	
Storage Facilities Expense	1,873		1,561		3,048	
Trans. & Distr. Lines Expense	6,639		3,547		1,726	
Meter Expense	12,187		8,690		7,230	
Consumer Installation Expense	4,860		5,089		4,810	
Miscellaneous Expense	2,626		5,525		3,780	
Vehicle Expense	3,428		4,264		3,539	
Maintenance:						
Supervision	4,322		4,015		4,311	
Structures	4,028		20		454	
Reservoirs and Standpipes	---		5		1,149	
Mains	8,016		23,752		14,254	
Valves	3,404		9,972		902	
Meters	2,123		4,499		2,498	
Hydrants	3,862		3,686		1,093	
Miscellaneous Plant	1,890		1,529		1,817	
Vacation, Holiday, Sick Leave	12,143		13,792		10,653	
Depreciation	30,213		29,963		29,223	
Total Distribution Expense	\$104,339	26.2	\$122,394	29.9	\$93,293	25.5

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$16,018		\$15,979		\$16,403	
Operation Labor and Expenses	5,843		9,081		8,556	
Miscellaneous Expense	5,892		1,347		5,380	
Maintenance of Wells	90,000		---		30,631	
Maintenance of Supply Mains	9,505		2,254		7,132	
Depreciation	39,297		35,987		36,449	
Total Source of Supply Expense	166,555	6.5	64,648	2.5	104,551	4.3
<u>Pumping</u>						
Operation Supervision	18,936		18,766		19,166	
Fuel or Power Purchased	438,186		390,818		434,419	
Pumping Labor and Expenses	31,321		23,666		27,392	
Miscellaneous Expense	1,633		2,189		2,263	
Maintenance of Structures	3,812		---		---	
Maintenance of Pumping Equipment	42,897		61,986		59,466	
Depreciation	35,002		39,739		30,492	
Total Pumping Expense	571,787	22.2	537,164	21.0	573,198	23.5
<u>Water Treatment</u>						
Operation Supervision	18,923		19,347		19,321	
Chemicals	149,333		112,733		133,220	
Operation Labor and Expenses	76,158		81,578		77,467	
Miscellaneous Expense	10,489		9,650		6,237	
Maintenance of Structures	3,087		3,014		3,797	
Maintenance of Purification Equip.	15,770		25,903		24,050	
Depreciation	16,432		16,366		16,380	
Total Water Treatment Expense	290,192	11.2	268,591	10.5	280,472	11.5
<u>Distribution</u>						
Operation Supervision	18,890		18,856		18,261	
Storage Facilities Expense	11,321		11,516		14,788	
Trans. & Distr. Lines Expense	61,384		44,171		32,450	
Meter Expense	78,878		65,336		70,877	
Consumer Installation Expense	34,289		33,025		35,658	
Miscellaneous Expense	25,370		29,951		28,813	
Vehicle Expense	24,410		30,325		25,111	
Maintenance:						
Supervision	29,782		30,160		29,002	
Structures	5,694		8,369		2,488	
Reservoirs and Standpipes	3,500		3,906		10,050	
Mains	61,257		75,785		59,374	
Valves	21,846		29,909		13,618	
Meters	15,678		18,989		17,687	
Hydrants	21,249		15,554		19,577	
Miscellaneous Plant	13,228		13,388		12,665	
Vacation, Holiday, Sick Leave	70,843		69,632		69,896	
Depreciation	211,490		209,741		204,561	
Total Distribution Expense	\$709,109	27.5	\$708,613	27.7	\$664,876	27.3

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$2,139</u>	0.5	<u>\$470</u>	0.1	<u>\$382</u>	0.1
<u>Consumer Accounts</u>						
Supervision	954		1,010		1,066	
Meter Reading Expense	3,365		3,844		3,703	
Consumer Records and Collection	13,248		12,832		10,641	
Uncollectible Accounts Expense	342		342		267	
Vacation, Holiday, Sick Leave	<u>1,643</u>		<u>1,907</u>		<u>1,630</u>	
Total Consumer Accounts Expense	<u>19,552</u>	4.9	<u>19,935</u>	4.9	<u>17,307</u>	4.7
<u>Administrative and General</u>						
Administrative and General Salaries	15,207		11,938		13,331	
Office Supplies and Expenses	1,450		1,652		1,672	
Outside Services Employed	9,889		613		2,247	
Property Insurance	815		808		854	
Casualty Ins, Injuries & Damages	3,025		2,195		2,416	
Employee Pensions and Benefits	42,291		40,876		48,030	
Fringe Benefits Charged to Constr.	(1,498)		(2,452)		(4,468)	
Miscellaneous General Expense	6,840		7,899		8,557	
Rents	5,243		5,243		6,298	
Maintenance of General Plant	2,775		1,812		1,560	
Vacation, Holiday, Sick Leave	2,682		2,523		2,149	
Depreciation	<u>2,614</u>		<u>2,502</u>		<u>2,278</u>	
Total Administrative and General	<u>91,333</u>	22.9	<u>75,609</u>	18.4	<u>84,924</u>	23.2
Total Operating Expense	<u><u>\$387,247</u></u>		<u><u>\$351,234</u></u>		<u><u>\$354,396</u></u>	
Percent to Operating Revenue		97.2		85.7		96.9

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$22,052</u>	0.9	<u>\$10,999</u>	0.4	<u>\$5,109</u>	0.2
<u>Consumer Accounts</u>						
Supervision	6,536		6,935		6,895	
Meter Reading Expense	23,995		26,661		26,928	
Customer Records and Collection	90,473		81,014		83,586	
Uncollectible Accounts Expense	2,392		2,392		1,870	
Vacation, Holiday, Sick Leave	<u>9,530</u>		<u>10,905</u>		<u>10,764</u>	
Total Consumer Accounts Expense	<u>132,926</u>	5.2	<u>127,907</u>	5.0	<u>130,043</u>	5.3
<u>Administrative and General</u>						
Administrative and General Salaries	104,578		97,524		100,563	
Office Supplies and Expenses	11,281		10,294		10,056	
Outside Services Employed	147,193		99,611		6,549	
Property Insurance	5,823		5,797		5,981	
Casualty Ins, Injuries & Damages	21,177		24,796		19,822	
Employee Pensions and Benefits	297,838		294,266		296,257	
Fringe Benefits Charged to Constr.	(10,062)		(16,940)		(14,373)	
Miscellaneous General Expense	62,683		48,446		45,572	
Rents	36,701		36,701		44,086	
Maintenance of General Plant	14,550		14,341		10,506	
Vacation, Holiday, Sick Leave	15,756		14,177		14,943	
Depreciation	<u>18,295</u>		<u>17,514</u>		<u>15,944</u>	
Total Administrative and General	<u>725,813</u>	28.1	<u>646,527</u>	25.3	<u>555,906</u>	22.8
Total Operating Expense	<u>\$2,618,434</u>		<u>\$2,364,449</u>		<u>\$2,314,155</u>	
Percent to Operating Revenue		101.5		92.6		95.0

**Muscatine Power and Water - Water Utility
Statistical Data
Current Month - July 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	0.458	0.486	0.459	0.486
Cost Per 1,000 Gallons	<u>0.395</u>	<u>0.419</u>	<u>0.450</u>	<u>0.477</u>
Margin	<u>0.063</u>	<u>0.067</u>	<u>0.009</u>	<u>0.009</u>
	<u>2011</u>	<u>2010</u>		
Maximum Daily Water Pumped (1,000 gallons)	33,869	30,645		
Date of Maximum	07/20	07/28		

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	0.459	0.487	0.444	0.470
Cost Per 1,000 Gallons	<u>0.428</u>	<u>0.454</u>	<u>0.424</u>	<u>0.450</u>
Margin	<u>0.031</u>	<u>0.033</u>	<u>0.019</u>	<u>0.020</u>
	<u>2011</u>	<u>2010</u>		
Maximum Daily Water Pumped (1,000 gallons)	33,869	31,786		
Date of Maximum	07/20	04/20		

Services

Contract Customers	2	2
Power Plants	2	2
Residential	8,544	8,521
Commercial	<u>1,090</u>	<u>1,095</u>
Total	<u>9,638</u>	<u>9,620</u>