

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

	<u>Budget</u> <u>Estimate</u>	<u>%Increase</u> <u>(Decrease)</u> <u>From Budget</u>	<u>This</u> <u>Year</u>	<u>%Increase</u> <u>(Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last</u> <u>Year</u>
<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	 <u>895,879</u>	 (0.8)	 <u>888,552</u>	 12.8	 <u>787,494</u>

Calendar Year-to-Date

	<u>Budget</u> <u>Estimate</u>	<u>%Increase</u> <u>(Decrease)</u> <u>From Budget</u>	<u>This</u> <u>Year</u>	<u>%Increase</u> <u>(Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last</u> <u>Year</u>
<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	 <u>5,543,045</u>	 (0.3)	 <u>5,524,056</u>	 1.3	 <u>5,451,940</u>

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

	Budget Estimate	%Increase (Decrease) From Budget	This Year	%Increase (Decrease) Fr. Last Yr.	Last Year
<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	<u>43,527</u>	9.9	<u>47,852</u>	20.5	<u>39,704</u>
Water Sales	<u>395,896</u>	2.8	<u>407,172</u>	12.7	<u>361,306</u>
<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	<u>939</u>	(11.4)	<u>832</u>	(52.3)	<u>1,745</u>
Total Other Revenue	<u>2,520</u>	7.1	<u>2,699</u>	(39.3)	<u>4,448</u>
Operating Revenue	<u>398,416</u>	2.9	<u>409,871</u>	12.1	<u>365,754</u>
<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	<u>45,789</u>	(0.4)	<u>45,621</u>	5.1	<u>43,404</u>
Total Operating Expense	<u>387,247</u>	(9.3)	<u>351,234</u>	(0.9)	<u>354,396</u>
Operating Income	11,169	--	58,637	--	11,358
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	98	(90.8)	9	(88.2)	76
Interest Expense	<u>(913)</u>	(27.1)	<u>(666)</u>	20.4	<u>(553)</u>
Net Nonoperating Revenues (Expenses)	<u>(815)</u>	(19.4)	<u>(657)</u>	37.7	<u>(477)</u>
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	<u>13,335,914</u>		<u>13,518,480</u>		<u>13,283,126</u>
Ending Net Assets	<u>\$13,346,268</u>		<u>\$13,576,460</u>		<u>\$13,294,007</u>
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>	% Increase (Decrease) From Budget	<u>This Year</u>	% Increase (Decrease) Fr. Last Yr.	<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	<u>263,858</u>	(1.4)	<u>260,211</u>	6.5	<u>244,304</u>
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>					
Capital Contributions	--	--	--	--	<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	<u>1,331</u>	<u>1,059</u>
Total Current Restricted Liabilities	<u>34,331</u>	<u>1,059</u>
<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	<u>5,200</u>	<u>7,600</u>
Total Current Unrestricted Liabilities	<u>480,823</u>	<u>528,571</u>
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	<u>1,905,997</u>	<u>1,987,604</u>
Total Non-Current Liabilities	<u>2,266,707</u>	<u>2,357,903</u>
Net Assets:		
Invested in capital assets, net of related debt	12,680,614	12,593,953
Restricted	<u>34,331</u>	<u>1,059</u>
Unrestricted	<u>861,515</u>	<u>698,995</u>
Total Net Assets	<u>13,576,460</u>	<u>13,294,007</u>
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</u> <u>Month</u>	<u>Year-</u> <u>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	<u>(148,181)</u>	<u>(1,078,249)</u>
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	<u>(15,364)</u>	<u>(322,370)</u>
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	<u>19</u>	<u>170</u>
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>\$402,652</u>	<u>\$402,652</u>

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

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>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	<u>(570)</u>	<u>4,397</u>
Net cash flows from operating activities	<u><u>(\$101,119)</u></u>	<u><u>\$334,784</u></u>

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

<u>Source of Supply</u>	<u>Budget Est.</u>	<u>This Year</u>	<u>Last Year</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	<u>5,614</u>	<u>5,141</u>	<u>5,207</u>
 Total Source of Supply Expense	<u>41,786</u>	<u>10,005</u>	<u>26,130</u>
 <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	<u>5,000</u>	<u>5,677</u>	<u>4,356</u>
 Total Pumping Expense	<u>89,413</u>	<u>22.4</u>	<u>83,820</u>
 <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	<u>2,348</u>	<u>2,338</u>	<u>2,340</u>
 Total Water Treatment Expense	<u>38,685</u>	<u>9.7</u>	<u>39,001</u>
 <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	<u>30,213</u>	<u>29,963</u>	<u>29,223</u>
 Total Distribution Expense	<u>\$104,339</u>	<u>26.2</u>	<u>\$122,394</u>

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>Source of Supply</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	<u>39,297</u>		<u>35,987</u>		<u>36,449</u>
 Total Source of Supply Expense	 <u>166,555</u>	 6.5	 <u>64,648</u>	 2.5	 <u>104,551</u> 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	<u>35,002</u>		<u>39,739</u>		<u>30,492</u>
 Total Pumping Expense	 <u>571,787</u>	 22.2	 <u>537,164</u>	 21.0	 <u>573,198</u> 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	<u>16,432</u>		<u>16,366</u>		<u>16,380</u>
 Total Water Treatment Expense	 <u>290,192</u>	 11.2	 <u>268,591</u>	 10.5	 <u>280,472</u> 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	<u>211,490</u>		<u>209,741</u>		<u>204,561</u>
 Total Distribution Expense	 <u>\$709,109</u>	 27.5	 <u>\$708,613</u>	 27.7	 <u>\$664,876</u> 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>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>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
Total Operating Expense	<u>\$387,247</u>		<u>\$351,234</u>	<u>\$354,396</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>