

**Muscatine Power and Water**

**Water Utility**

**Operating Statements and Balance Sheets**

**June 2011**

**Muscatine Power and Water  
Water Utility**

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**Muscatine Power and Water - Water Utility**  
**Classification of Water Distribution**  
**Current Month - June 2011**

	<b><u>Budget Estimate</u></b>	<b><u>%Increase (Decrease) From Budget</u></b>	<b><u>This Year</u></b>	<b><u>%Increase (Decrease) Fr. Last Yr.</u></b>	<b><u>Last Year</u></b>
<b><u>Water Distribution - 1,000 Gallons</u></b>					
Contract Customers	583,612	9.4	638,412	1.0	631,928
Power Plants	61,965	14.0	70,639	(10.4)	78,858
Residential	41,846	0.7	42,157	4.3	40,410
Commercial	41,383	(20.9)	32,733	1.7	32,186
Total Metered Customers	728,806	7.6	783,941	0.1	783,382
Rated Customers - Estimate	---	---	7	(36.4)	11
City Use, Line Loss, Cycle Billing	43,728	7.6	47,036	0.1	47,003
Total Water Pumped	772,534	7.6	830,984	0.1	830,396

**Calendar Year-to-Date**

	<b><u>Budget Estimate</u></b>	<b><u>%Increase (Decrease) From Budget</u></b>	<b><u>This Year</u></b>	<b><u>%Increase (Decrease) Fr. Last Yr.</u></b>	<b><u>Last Year</u></b>
<b><u>Water Distribution - 1,000 Gallons</u></b>					
Contract Customers	3,461,089	3.4	3,579,432	0.4	3,565,284
Power Plants	496,178	(20.2)	395,708	(8.7)	433,481
Residential	237,777	(6.3)	222,723	(1.6)	226,240
Commercial	189,075	(7.3)	175,215	(0.1)	175,321
Total Metered Customers	4,384,119	(0.3)	4,373,078	(0.6)	4,400,326
Rated Customers - Estimate	---	---	41	(59.4)	101
City Use, Line Loss, Cycle Billing	263,047	(0.3)	262,385	(0.6)	264,020
Total Water Pumped	4,647,166	(0.3)	4,635,504	(0.6)	4,664,447

**Muscatine Power and Water - Water Utility**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**Current Month - June 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>
<b><u>Sales of Water</u></b>					
Contract Customers	\$177,732	6.6	\$189,454	4.1	\$182,039
Power Plants	27,604	(1.9)	27,087	(4.0)	28,214
Residential	124,032	(0.7)	123,163	5.7	116,505
Commercial	45,203	(14.5)	38,670	5.2	36,746
Water Sales	<u>374,571</u>	1.0	<u>378,374</u>	4.1	<u>363,504</u>
<b><u>Other Revenue</u></b>					
Penalty Revenue	581	17.6	683	0.3	681
Merchandise & Job Sales-Net	1,000	(38.7)	613	(70.5)	2,076
Miscellaneous Revenue	928	(10.1)	834	22.1	683
Total Other Revenue	<u>2,509</u>	(15.1)	<u>2,130</u>	(38.1)	<u>3,440</u>
Operating Revenue	<u>377,080</u>	0.9	<u>380,504</u>	3.7	<u>366,944</u>
<b><u>Operating Expense</u></b>					
Operation	265,172	(11.6)	234,522	(1.7)	238,697
Maintenance	81,238	(16.2)	68,093	20.0	56,730
Depreciation	45,789	(0.4)	45,621	5.1	43,404
Total Operating Expense	<u>392,199</u>	(11.2)	<u>348,236</u>	2.8	<u>338,831</u>
Operating Income (Loss)	(15,119)	---	32,268	14.8	28,113
<b><u>Nonoperating Revenues (Expenses)</u></b>					
Interest Income	105	(81.9)	19	(68.3)	60
Interest Expense	(913)	(27.1)	(666)	31.6	(506)
Net Nonoperating Revenues (Expenses)	<u>(808)</u>	(19.9)	<u>(647)</u>	45.1	<u>(446)</u>
Net Income before Capital Contributions	(15,927)	---	31,621	14.3	27,667
Capital Contributions	<u>---</u>	---	<u>---</u>	---	<u>---</u>
Change in Net Assets	(15,927)	---	31,621	14.3	27,667
Beginning Net Assets	<u>13,351,841</u>		<u>13,486,859</u>		<u>13,255,459</u>
Ending Net Assets	<u>\$13,335,914</u>		<u>\$13,518,480</u>		<u>\$13,283,126</u>
Net Income (Loss) to Total Income	(4.2)		8.3		7.5
Debt Service Coverage	8.4		23.86		22.55

**Muscatine Power and Water - Water Utility**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**Calendar Year-to-Date - June 2011**

	<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	\$1,056,249	1.8	\$1,075,206	5.0	\$1,023,930
Power Plants	183,037	(16.6)	152,598	(4.7)	160,050
Residential	708,868	(2.7)	690,041	3.0	669,666
Commercial	220,332	(3.6)	212,359	3.8	204,600
Water Sales	2,168,486	(1.8)	2,130,204	3.5	2,058,246
<b><u>Other Revenue</u></b>					
Penalty Revenue	2,905	6.0	3,079	6.6	2,888
Merchandise & Job Sales-Net	5,200	2.1	5,309	3.0	5,155
Miscellaneous Revenue	4,532	35.0	6,116	48.1	4,129
Total Other Revenue	12,637	14.8	14,504	19.2	12,172
Operating Revenue	2,181,123	(1.7)	2,144,708	3.6	2,070,418
<b><u>Operating Expense</u></b>					
Operation	1,674,380	(10.6)	1,496,214	2.0	1,467,550
Maintenance	282,081	(13.8)	243,275	5.0	231,786
Depreciation	274,726	(0.4)	273,726	5.1	260,423
Total Operating Expense	2,231,187	(9.8)	2,013,215	2.7	1,959,759
Operating Income (Loss)	(50,064)	---	131,493	18.8	110,659
<b><u>Nonoperating Revenues (Expenses)</u></b>					
Interest Income	732	(77.7)	163	(70.8)	559
Interest Expense	(5,962)	(26.5)	(4,384)	(54.4)	(9,616)
Net Nonoperating Revenues (Expenses)	(5,230)	(19.3)	(4,221)	(53.4)	(9,057)
<b>Net Income (Loss) before Capital Contributions</b>	(55,294)	---	127,272	25.3	101,602
Capital Contributions	---	---	---	---	92,081
Change in Net Assets	(55,294)	---	127,272	(34.3)	193,683
Beginning Net Assets	13,391,208		13,391,208		13,089,443
Ending Net Assets	\$13,335,914		\$13,518,480		\$13,283,126
Net Income (Loss) to Total Income	(2.5)		5.9		4.9
Debt Service Coverage	8.4		23.86		22.55

**Muscatine Power and Water - Water Utility**  
**Statements of Net Assets**  
**June 2011**

**ASSETS**

	<u><b>2011</b></u>	<u><b>2010</b></u>
<b>Current Assets:</b>		
Cash - interest bearing	\$519,116	\$609,079
Investments	---	42,991
Receivables:		
Consumer Accounts	498,122	473,345
Interest	16	---
Inventories	304,892	290,245
Prepaid Expenses	36,388	39,217
	<u>1,358,534</u>	<u>1,454,877</u>
<b>Property and Equipment:</b>		
At Cost	23,821,410	23,283,585
Less Accumulated Depreciation	8,885,873	8,515,067
	<u>14,935,537</u>	<u>14,768,518</u>
 Net Property and Equipment	 <u>14,935,537</u>	 <u>14,768,518</u>
 <b>TOTAL ASSETS</b>	 <u><u>\$16,294,071</u></u>	 <u><u>\$16,223,395</u></u>

**Muscatine Power and Water - Water Utility**  
**Statements of Net Assets**  
**June 2011**

**LIABILITIES AND NET ASSETS**

	<u>2011</u>	<u>2010</u>
<b>Current Liabilities:</b>		
<u>Restricted</u>		
State Revolving Loan	\$33,000	---
Accrued Interest	666	506
	<hr/>	<hr/>
Total Current Restricted Liabilities	33,666	506
	<hr/>	<hr/>
<u>Unrestricted</u>		
Accounts Payable	148,058	282,859
Pension Provision	50,418	42,822
Health & Dental Insurance Provision	23,244	23,460
Intercompanies Payable	13,091	6,596
Retained Percentage on Contracts	4,520	89,496
Consumer Advances for Construction	78,111	28,129
Accrued Payroll	20,755	17,190
Accrued Vacation	74,453	73,938
Miscellaneous Accrued Expenses	47,077	37,422
Miscellaneous Deferred Credits	5,200	7,600
	<hr/>	<hr/>
Total Current Unrestricted Liabilities	464,927	609,512
	<hr/>	<hr/>
<b>Non-Current Liabilities:</b>		
State Revolving Loan	204,846	182,242
Health & Dental Insurance Provision	151,117	160,405
Post-Employment Health Benefit Provision	13,226	---
Consumer Advances for Construction	1,907,809	1,987,604
	<hr/>	<hr/>
Total Non-Current Liabilities	2,276,998	2,330,251
	<hr/>	<hr/>
<b>Net Assets:</b>		
Invested in capital assets, net of related debt	12,711,105	12,570,037
Restricted	33,666	506
Unrestricted	773,709	712,583
	<hr/>	<hr/>
Total Net Assets	13,518,480	13,283,126
	<hr/>	<hr/>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <u><u>\$16,294,071</u></u>	 <u><u>\$16,223,395</u></u>

**Muscatine Power and Water - Water Utility**  
**Statements of Cash Flows**  
**June 2011**

	<b><u>Current Month</u></b>	<b><u>Year- To-Date</u></b>
<b>Cash flows from operating activities:</b>		
Cash received from:		
Water sales	\$364,003	\$2,111,183
Miscellaneous sources	2,561	12,228
Cash paid to/for:		
Suppliers	(145,665)	(757,442)
Employees payroll, taxes and benefits	(210,474)	(930,068)
Net cash flows from operating activities	<u>10,425</u>	<u>435,901</u>
<b>Cash flows from capital and related financing activities:</b>		
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	(68,539)	(307,005)
Net cash flows from capital and related financing activities	<u>(68,539)</u>	<u>(339,166)</u>
<b>Cash flows from investing activities:</b>		
Interest received on investments	<u>20</u>	<u>152</u>
Net cash flows from investing activities	<u>20</u>	<u>152</u>
<b>Net increase (decrease) in cash and investments</b>	<u>(58,094)</u>	<u>96,887</u>
<b>Cash and investments at beginning of period</b>	<u>577,210</u>	<u>422,229</u>
<b>Cash and investments at end of period</b>	<u><u>\$519,116</u></u>	<u><u>\$519,116</u></u>



**Muscatine Power and Water - Water Utility**  
**Statements of Cash Flows**  
**June 2011**

	<b><u>Current</u></b> <b><u>Month</u></b>	<b><u>Year-</u></b> <b><u>To-Date</u></b>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$32,268	\$131,493
Noncash item in operating income:		
Depreciation of utility plant	45,621	273,726
Changes in assets and liabilities:		
Consumer accounts receivable	(14,004)	(15,341)
Inventories	(11,724)	(15,406)
Prepaid and deferred expenses	4,404	(13,037)
Accounts payable	(13,615)	36,864
Pension provision	8,403	50,418
Health & dental insurance provision	7,654	(4,229)
Other post-employment benefit provision	245	1,470
Intercompany payable	2,833	6,394
Retained percentage	---	(19,308)
Accrued payroll	(46,547)	(6,899)
Accrued vacation	(2,137)	4,790
Miscellaneous accrued expenses	(2,976)	4,966
	<hr/>	<hr/>
Net cash flows from operating activities	<u>\$10,425</u>	<u>\$435,901</u>

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$2,231		\$2,421		\$2,201	
Operation Labor and Expenses	859		1,014		596	
Miscellaneous Expense	1,536		504		1,270	
Maintenance of Wells	40,000		---		15,448	
Maintenance of Supply Mains	1,420		431		3,248	
Depreciation	5,614		5,141		5,207	
<b>Total Source of Supply Expense</b>	<b>51,660</b>	<b>13.7</b>	<b>9,511</b>	<b>2.5</b>	<b>27,970</b>	<b>7.6</b>
 <u>Pumping</u>						
Operation Supervision	2,619		2,824		2,618	
Fuel or Power Purchased	63,071		56,285		62,949	
Pumping Labor and Expenses	4,463		2,834		4,327	
Miscellaneous Expense	233		334		355	
Maintenance of Structures	97		---		---	
Maintenance of Pumping Equipment	6,051		24,601		7,997	
Depreciation	5,000		5,677		4,356	
<b>Total Pumping Expense</b>	<b>81,534</b>	<b>21.6</b>	<b>92,555</b>	<b>24.3</b>	<b>82,602</b>	<b>22.5</b>
 <u>Water Treatment</u>						
Operation Supervision	2,676		2,953		2,632	
Chemicals	21,333		16,017		19,980	
Operation Labor and Expenses	10,452		10,195		10,719	
Miscellaneous Expense	1,645		751		548	
Maintenance of Structures	543		250		276	
Maintenance of Purification Equip.	4,916		7,027		2,267	
Depreciation	2,348		2,338		2,340	
<b>Total Water Treatment Expense</b>	<b>43,913</b>	<b>11.6</b>	<b>39,531</b>	<b>10.4</b>	<b>38,762</b>	<b>10.6</b>
 <u>Distribution</u>						
Operation Supervision	2,676		2,818		2,572	
Storage Facilities Expense	2,127		1,971		2,154	
Trans. & Distr. Lines Expense	6,639		7,524		2,641	
Meter Expense	12,586		11,363		11,879	
Consumer Installation Expense	4,829		5,248		4,613	
Miscellaneous Expense	2,551		3,184		4,850	
Vehicle Expense	3,559		4,902		3,494	
Maintenance:						
Supervision	4,244		4,420		4,145	
Structures	28		152		243	
Reservoirs and Standpipes	2,000		102		1,619	
Mains	8,680		21,882		8,564	
Valves	3,432		1,461		3,680	
Meters	2,398		1,151		3,452	
Hydrants	3,862		3,495		2,815	
Miscellaneous Plant	1,890		1,450		2,058	
Vacation, Holiday, Sick Leave	9,089		8,021		6,871	
Depreciation	30,213		29,963		29,223	
<b>Total Distribution Expense</b>	<b>\$100,803</b>	<b>26.7</b>	<b>\$109,107</b>	<b>28.7</b>	<b>\$94,873</b>	<b>25.9</b>

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$13,661		\$13,942		\$13,971	
Operation Labor and Expenses	4,985		7,391		6,860	
Miscellaneous Expense	4,357		940		3,430	
Maintenance of Wells	60,000		---		15,853	
Maintenance of Supply Mains	8,085		1,525		7,065	
Depreciation	33,683		30,846		31,242	
<b>Total Source of Supply Expense</b>	<b>124,771</b>	<b>5.7</b>	<b>54,644</b>	<b>2.5</b>	<b>78,421</b>	<b>3.8</b>
 <u>Pumping</u>						
Operation Supervision	16,138		16,358		16,371	
Fuel or Power Purchased	367,832		328,013		374,419	
Pumping Labor and Expenses	26,664		19,016		23,350	
Miscellaneous Expense	1,400		1,885		1,984	
Maintenance of Structures	3,714		---		---	
Maintenance of Pumping Equipment	36,623		54,011		39,324	
Depreciation	30,001		34,062		26,136	
<b>Total Pumping Expense</b>	<b>482,372</b>	<b>22.1</b>	<b>453,345</b>	<b>21.1</b>	<b>481,584</b>	<b>23.3</b>
 <u>Water Treatment</u>						
Operation Supervision	16,152		16,818		16,507	
Chemicals	128,000		93,705		114,369	
Operation Labor and Expenses	66,978		70,213		66,294	
Miscellaneous Expense	8,998		8,199		5,902	
Maintenance of Structures	2,544		1,693		3,471	
Maintenance of Purification Equip.	14,751		24,935		19,141	
Depreciation	14,084		14,028		14,040	
<b>Total Water Treatment Expense</b>	<b>251,507</b>	<b>11.5</b>	<b>229,591</b>	<b>10.7</b>	<b>239,724</b>	<b>11.6</b>
 <u>Distribution</u>						
Operation Supervision	16,165		16,371		15,455	
Storage Facilities Expense	9,448		9,955		11,740	
Trans. & Distr. Lines Expense	54,745		40,624		30,725	
Meter Expense	66,691		56,647		63,647	
Consumer Installation Expense	29,429		27,936		30,847	
Miscellaneous Expense	22,743		24,425		25,033	
Vehicle Expense	20,982		26,060		21,573	
Maintenance:						
Supervision	25,460		26,145		24,691	
Structures	1,666		8,349		2,035	
Reservoirs and Standpipes	3,500		3,901		8,902	
Mains	53,241		52,033		45,121	
Valves	18,442		19,937		12,716	
Meters	13,555		14,490		15,189	
Hydrants	17,387		11,867		18,484	
Miscellaneous Plant	11,338		11,859		10,848	
Vacation, Holiday, Sick Leave	58,700		55,839		59,243	
Depreciation	181,277		179,778		175,338	
<b>Total Distribution Expense</b>	<b>\$604,769</b>	<b>27.7</b>	<b>\$586,216</b>	<b>27.3</b>	<b>\$571,587</b>	<b>27.6</b>

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense	<u>\$7,762</u>	2.1	<u>\$793</u>	0.2	<u>\$1,241</u>	0.3
<b><u>Consumer Accounts</u></b>						
Supervision	930		1,104		1,040	
Meter Reading Expense	3,365		3,756		4,054	
Consumer Records and Collection	13,116		12,209		11,816	
Uncollectible Accounts Expense	342		342		267	
Vacation, Holiday, Sick Leave	<u>1,150</u>		<u>1,317</u>		<u>1,110</u>	
Total Consumer Accounts Expense	<u>18,903</u>	5.0	<u>18,728</u>	4.9	<u>18,287</u>	5.0
<b><u>Administrative and General</u></b>						
Administrative and General Salaries	14,954		14,088		15,135	
Office Supplies and Expenses	1,979		1,699		1,630	
Outside Services Employed	9,282		364		313	
Property Insurance	815		809		854	
Casualty Ins, Injuries & Damages	3,025		2,318		1,266	
Employee Pensions and Benefits	40,998		41,593		37,845	
Fringe Benefits Charged to Constr.	(1,821)		(3,050)		(2,292)	
Miscellaneous General Expense	6,922		9,124		9,229	
Rents	5,243		5,243		6,298	
Maintenance of General Plant	1,677		1,671		918	
Vacation, Holiday, Sick Leave	1,936		1,650		1,622	
Depreciation	<u>2,614</u>		<u>2,502</u>		<u>2,278</u>	
Total Administrative and General	<u>87,624</u>	23.2	<u>78,011</u>	20.5	<u>75,096</u>	20.5
Total Operating Expense	<u>\$392,199</u>		<u>\$348,236</u>		<u>\$338,831</u>	
Percent to Operating Revenue		104.0		91.5		92.3

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense	<u>\$19,914</u>	0.9	<u>\$10,528</u>	0.5	<u>\$4,728</u>	0.2
<b><u>Consumer Accounts</u></b>						
Supervision	5,582		5,924		5,829	
Meter Reading Expense	20,630		22,817		23,225	
Customer Records and Collection	77,225		68,182		72,945	
Uncollectible Accounts Expense	2,050		2,050		1,602	
Vacation, Holiday, Sick Leave	<u>7,887</u>		<u>8,998</u>		<u>9,134</u>	
Total Consumer Accounts Expense	<u>113,374</u>	5.2	<u>107,971</u>	5.0	<u>112,735</u>	5.4
<b><u>Administrative and General</u></b>						
Administrative and General Salaries	89,371		85,586		87,232	
Office Supplies and Expenses	9,831		8,642		8,383	
Outside Services Employed	137,304		98,998		4,301	
Property Insurance	5,008		4,989		5,126	
Casualty Ins, Injuries & Damages	18,152		22,601		17,406	
Employee Pensions and Benefits	255,547		253,390		248,227	
Fringe Benefits Charged to Constr.	(8,564)		(14,487)		(9,905)	
Miscellaneous General Expense	55,843		40,547		37,015	
Rents	31,458		31,458		37,788	
Maintenance of General Plant	11,775		12,530		8,946	
Vacation, Holiday, Sick Leave	13,074		11,654		12,794	
Depreciation	<u>15,681</u>		<u>15,012</u>		<u>13,667</u>	
Total Administrative and General	<u>634,480</u>	29.1	<u>570,920</u>	26.6	<u>470,980</u>	22.7
Total Operating Expense	<u>\$2,231,187</u>		<u>\$2,013,215</u>		<u>\$1,959,759</u>	
Percent to Operating Revenue		102.3		93.9		94.7

**Muscatine Power and Water - Water Utility**  
**Statistical Data**  
**Current Month - June 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	0.455	0.483	0.438	0.464
Cost Per 1,000 Gallons	<u>0.419</u>	<u>0.444</u>	<u>0.408</u>	<u>0.433</u>
Margin	<u>0.036</u>	<u>0.038</u>	<u>0.030</u>	<u>0.031</u>
	<u>2011</u>	<u>2010</u>		
Maximum Daily Water Pumped (1,000 gallons)	30,063	31,446		
Date of Maximum	06/07	06/14		

**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	0.460	0.487	0.441	0.468
Cost Per 1,000 Gallons	<u>0.434</u>	<u>0.460</u>	<u>0.420</u>	<u>0.445</u>
Margin	<u>0.025</u>	<u>0.027</u>	<u>0.021</u>	<u>0.022</u>
	<u>2011</u>	<u>2010</u>		
Maximum Daily Water Pumped (1,000 gallons)	31,865	31,786		
Date of Maximum	05/19	04/20		

**Services**

Contract Customers	2	2
Power Plants	2	2
Residential	8,537	8,506
Commercial	<u>1,086</u>	<u>1,084</u>
Total	<u>9,627</u>	<u>9,594</u>