

Muscatine Power and Water
Water Utility
Operating Statements and Balance Sheets
November 2010

**Muscatine Power and Water
Water Utility**

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Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - November 2010

	<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	558,981	0.5	561,707	(4.8)	589,786
Power Plants	83,932	(28.1)	60,337	26.4	47,743
Residential	37,552	(6.1)	35,279	(1.1)	35,654
Commercial	<u>30,379</u>	(15.4)	<u>25,695</u>	0.9	<u>25,454</u>
Total Metered Customers	710,844	(3.9)	683,018	(2.2)	698,637
Rated Customers - Estimate	---	---	19	(26.9)	26
City Use, Line Loss, Cycle Billing	<u>42,651</u>	(3.9)	<u>40,981</u>	(2.2)	<u>41,918</u>
Total Water Pumped	<u><u>753,495</u></u>	(3.9)	<u><u>724,018</u></u>	(2.2)	<u><u>740,581</u></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	6,394,391	3.2	6,597,199	2.6	6,431,015
Power Plants	973,256	(14.3)	833,644	(4.7)	874,415
Residential	454,668	(5.9)	427,742	(1.7)	435,165
Commercial	<u>378,494</u>	(6.3)	<u>354,723</u>	4.6	<u>339,048</u>
Total Metered Customers	8,200,809	0.2	8,213,308	1.7	8,079,643
Rated Customers - Estimate	---	---	206	(9.6)	228
City Use, Line Loss, Cycle Billing	<u>492,049</u>	0.2	<u>492,798</u>	1.7	<u>484,779</u>
Total Water Pumped	<u><u>8,692,858</u></u>	0.2	<u><u>8,706,312</u></u>	1.7	<u><u>8,564,650</u></u>

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Current Month - November 2010

	<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	\$165,488	3.2	\$170,705	2.4	\$166,680
Power Plants	27,663	(14.5)	23,652	0.3	23,587
Residential	115,217	(3.8)	110,852	7.3	103,323
Commercial	<u>35,668</u>	(9.8)	<u>32,184</u>	3.9	<u>30,983</u>
Water Sales	<u>344,036</u>	(1.9)	<u>337,393</u>	3.9	<u>324,573</u>
<u>Other Revenue</u>					
Penalty Revenue	545	22.8	669	40.8	475
Merchandise & Job Sales-Net	789	(49.2)	401	(18.0)	489
Miscellaneous Revenue	<u>1,637</u>	(62.0)	<u>622</u>	(53.1)	<u>1,326</u>
Total Other Revenue	<u>2,971</u>	(43.0)	<u>1,692</u>	(26.1)	<u>2,290</u>
Operating Revenue	<u>347,007</u>	(2.3)	<u>339,085</u>	3.7	<u>326,863</u>
<u>Operating Expense</u>					
Operation	247,646	(5.3)	234,505	(6.9)	251,802
Maintenance	37,363	16.8	43,655	(9.0)	47,986
Depreciation	<u>42,976</u>	1.0	<u>43,404</u>	10.0	<u>39,457</u>
Total Operating Expense	<u>327,985</u>	(2.0)	<u>321,564</u>	(5.2)	<u>339,245</u>
Operating Income (Loss)	19,022	(7.9)	17,521	---	(12,382)
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	820	(93.0)	57	(75.8)	236
Interest Expense	<u>(1,205)</u>	(51.7)	<u>(582)</u>	---	<u>(75)</u>
Net Nonoperating Revenues (Expenses)	<u>(385)</u>	36.4	<u>(525)</u>	---	<u>161</u>
Net Income before Capital Contributions	18,637	(8.8)	16,996	---	(12,221)
Capital Contributions	<u>---</u>	---	<u>---</u>	---	<u>5,767</u>
Change in Net Assets	18,637	(8.8)	16,996	---	(6,454)
Beginning Net Assets	<u>13,253,373</u>		<u>13,356,176</u>		<u>13,106,879</u>
Ending Net Assets	<u>\$13,272,010</u>		<u>\$13,373,172</u>		<u>\$13,100,425</u>
Net Income to Total Income	5.4		5.0		(3.7)
Debt Service Coverage	17.45		18.76		---

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Calendar Year-to-Date - November 2010

	<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>Sales of Water</u>					
Contract Customers	\$1,857,702	2.9	\$1,911,800	2.6	\$1,862,880
Power Plants	318,515	(7.1)	296,039	(6.3)	315,817
Residential	1,293,616	(3.2)	1,252,082	2.8	1,218,433
Commercial	420,545	(4.7)	400,957	7.5	373,030
Water Sales	<u>3,890,378</u>	(0.8)	<u>3,860,878</u>	2.4	<u>3,770,160</u>
<u>Other Revenue</u>					
Penalty Revenue	5,450	16.0	6,324	4.8	6,036
Merchandise & Job Sales-Net	8,624	(2.2)	8,433	---	3,576
Miscellaneous Revenue	10,882	(17.9)	8,929	(5.1)	9,408
Total Other Revenue	<u>24,956</u>	(5.1)	<u>23,686</u>	24.5	<u>19,020</u>
Operating Revenue	<u>3,915,334</u>	(0.8)	<u>3,884,564</u>	2.5	<u>3,789,180</u>
<u>Operating Expense</u>					
Operation	2,719,628	(0.9)	2,696,358	(2.6)	2,767,270
Maintenance	534,824	(5.1)	507,500	(10.9)	569,299
Depreciation	472,726	1.0	477,441	10.0	434,027
Total Operating Expense	<u>3,727,178</u>	(1.2)	<u>3,681,299</u>	(2.4)	<u>3,770,596</u>
Operating Income	<u>188,156</u>	8.0	<u>203,265</u>	---	<u>18,584</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	6,442	(86.3)	883	(95.4)	19,019
Interest Expense	(12,031)	3.9	(12,500)	---	(75)
Net Nonoperating Revenues (Expenses)	<u>(5,589)</u>	---	<u>(11,617)</u>	---	<u>18,944</u>
<u>Net Income (Loss) before Capital Contributions</u>					
Contributions	182,567	5.0	191,648	---	37,528
Capital Contributions	---	---	92,081	(23.9)	120,988
Change in Net Assets	182,567	55.4	283,729	79.0	158,516
Beginning Net Assets	<u>13,089,443</u>		<u>13,089,443</u>		<u>12,941,909</u>
Ending Net Assets	<u>\$13,272,010</u>		<u>\$13,373,172</u>		<u>\$13,100,425</u>
Net Income (Loss) to Total Income	4.7		4.9		1.0
Debt Service Coverage	22.57		19.67		---

Muscatine Power and Water - Water Utility
Statements of Net Assets
November 2010

ASSETS

	<u>2010</u>	<u>2009</u>
Current Assets:		
Cash - interest bearing	\$417,981	\$265,524
Investments	146,998	251,000
Receivables:		
Consumer Accounts	473,320	445,810
Interest	1	1,007
Intercompanies	---	27,535
Prepaid Pension	7,137	---
Inventories	282,537	287,387
Prepaid Expenses	20,336	24,284
	<hr/>	<hr/>
Total Current Assets	1,348,310	1,302,547
	<hr/>	<hr/>
Property and Equipment:		
At Cost	23,668,463	23,455,005
Less Accumulated Depreciation	8,731,643	9,009,447
	<hr/>	<hr/>
Net Property and Equipment	14,936,820	14,445,558
	<hr/>	<hr/>
Other Assets:		
Unamortized Cost of Issuing Debt	---	8,318
	<hr/>	<hr/>
	---	8,318
	<hr/>	<hr/>
TOTAL ASSETS	<u><u>\$16,285,130</u></u>	<u><u>\$15,756,423</u></u>

Muscatine Power and Water - Water Utility
Statements of Net Assets
November 2010

LIABILITIES AND NET ASSETS

	<u>2010</u>	<u>2009</u>
Current Liabilities:		
<u>Restricted</u>		
Accrued Interest	\$466	\$67
	<hr/>	<hr/>
<u>Unrestricted</u>		
Accounts Payable	277,320	140,471
Pension Provision	---	62,473
Health & Dental Insurance Provision	23,460	19,760
Intercompanies Payable	72,885	---
Retained Percentage on Contracts	23,828	65,189
Consumer Advances for Construction	77,311	27,929
Accrued Payroll	11,140	61,559
Accrued Vacation	74,919	73,105
Miscellaneous Accrued Expenses	34,899	31,545
Miscellaneous Deferred Credits	7,600	7,600
	<hr/>	<hr/>
Total Current Unrestricted Liabilities	603,362	489,631
	<hr/>	<hr/>
Non-Current Liabilities:		
State Revolving Loan	202,192	3,730
Health & Dental Insurance Provision	162,575	171,716
Post-Employment Health Benefit Provision	11,511	---
Consumer Advances for Construction	1,931,852	1,990,854
	<hr/>	<hr/>
Total Non-Current Liabilities	2,308,130	2,166,300
	<hr/>	<hr/>
Net Assets:		
Invested in capital assets, net of related debt	12,724,999	12,431,296
Unrestricted	648,173	669,129
	<hr/>	<hr/>
Total Net Assets	13,373,172	13,100,425
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	<u>\$16,285,130</u>	<u>\$15,756,423</u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
November 2010

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$376,535	\$3,834,661
Miscellaneous sources	651	31,353
Cash paid to/for:		
Suppliers	(176,733)	(1,342,120)
Employees payroll, taxes and benefits	(205,339)	(1,847,739)
Net cash flows from operating activities	<u>(4,886)</u>	<u>676,155</u>
Cash flows from capital and related financing activities:		
State revolving loan fund proceeds	—	239,943
State revolving loan interest payment	(2,925)	(4,880)
Capital expenditures, net	(21,479)	(804,431)
Net cash flows from capital and related financing activities	<u>(24,404)</u>	<u>(569,368)</u>
Cash flows from investing activities:		
Interest received on investments	55	2,043
Amortization/accretion of investments	(17)	(60)
Mark to market	19	86
Net cash flows from investing activities	<u>57</u>	<u>2,069</u>
Net increase (decrease) in cash and investments	<u>(29,233)</u>	<u>108,856</u>
Cash and investments at beginning of period	<u>594,212</u>	<u>456,123</u>
Cash and investments at end of period	<u><u>\$564,979</u></u>	<u><u>\$564,979</u></u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
November 2010

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$17,521	\$203,265
Noncash item in operating income:		
Depreciation of utility plant	43,404	477,441
Changes in assets and liabilities:		
Consumer accounts receivable	29,696	(34,657)
Inventories	15,388	4,576
Prepaid and deferred expenses	3,096	5,617
Accounts payable	(75,739)	11,479
Pension provision	7,137	(7,137)
Health & dental insurance provision	538	(12,301)
Other post-employment benefit provision	245	11,511
Intercompany payable	58,821	61,101
Retained percentage	(67,281)	(41,361)
Accrued payroll	(40,432)	(10,491)
Accrued vacation	3,241	2,079
Miscellaneous accrued expenses	(521)	5,033
Miscellaneous deferred credits	---	---
	<hr/>	<hr/>
Net cash flows from operating activities	<u>(\$4,886)</u>	<u>\$676,155</u>

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - November 2010

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$2,309		\$2,431		\$2,159	
Operation Labor and Expenses	819		1,278		1,130	
Miscellaneous Expense	212		---		---	
Maintenance of Wells	---		10,689		---	
Maintenance of Supply Mains	1,361		1,814		1,039	
Depreciation	5,646		5,207		5,208	
Total Source of Supply Expense	10,347	3.0	21,419	6.3	9,536	2.9
 <u>Pumping</u>						
Operation Supervision	2,694		2,770		2,506	
Fuel or Power Purchased	59,577		54,036		63,162	
Pumping Labor and Expenses	3,615		3,158		3,435	
Miscellaneous Expense	254		378		1,094	
Maintenance of Structures	171		---		204	
Maintenance of Pumping Equipment	5,645		5,060		8,866	
Depreciation	4,810		4,356		4,126	
Total Pumping Expense	76,766	22.1	69,758	20.6	83,393	25.5
 <u>Water Treatment</u>						
Operation Supervision	2,694		2,813		2,613	
Chemicals	16,333		18,990		19,775	
Operation Labor and Expenses	8,476		11,702		12,109	
Miscellaneous Expense	611		239		702	
Maintenance of Structures	650		77		847	
Maintenance of Purification Equip.	1,000		1,305		1,371	
Depreciation	2,350		2,340		2,340	
Total Water Treatment Expense	32,114	9.3	37,466	11.0	39,757	12.2
 <u>Distribution</u>						
Operation Supervision	2,799		2,790		2,564	
Storage Facilities Expense	1,054		1,432		1,168	
Trans. & Distr. Lines Expense	5,706		6,503		3,134	
Meter Expense	10,859		7,628		9,950	
Consumer Installation Expense	4,813		4,357		4,645	
Miscellaneous Expense	5,404		4,878		7,798	
Vehicle Expense	3,662		3,103		2,922	
Maintenance:						
Supervision	4,281		4,282		3,989	
Structures	401		34		52	
Reservoirs and Standpipes	46		3,093		1	
Mains	9,745		9,053		14,157	
Valves	6,637		3,511		8,317	
Meters	1,393		967		2,225	
Hydrants	2,409		1,118		1,929	
Miscellaneous Plant	2,255		1,324		2,143	
Vacation, Holiday, Sick Leave	15,958		16,041		16,685	
Depreciation	29,287		29,223		27,783	
Total Distribution Expense	\$106,709	30.8	\$99,337	29.3	\$109,462	33.5

Muscatine Power and Water - Water Utility
Summary of Expenses
Calendar Year-to-Date - November 2010

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$25,108		\$26,091		\$25,268	
Operation Labor and Expenses	9,216		12,997		12,577	
Miscellaneous Expense	13,074		8,770		15,414	
Maintenance of Wells	88,000		87,732		82,770	
Maintenance of Supply Mains	15,179		10,329		13,546	
Depreciation	62,100		57,277		57,288	
Total Source of Supply Expense	212,677	5.4	203,196	5.2	206,863	5.5
 <u>Pumping</u>						
Operation Supervision	29,424		30,318		29,074	
Fuel or Power Purchased	659,591		673,420		685,931	
Pumping Labor and Expenses	38,681		42,158		41,776	
Miscellaneous Expense	2,794		3,588		3,828	
Maintenance of Structures	1,877		37		1,084	
Maintenance of Pumping Equipment	68,150		104,798		61,910	
Depreciation	52,908		47,916		45,386	
Total Pumping Expense	853,425	21.8	902,235	23.2	868,989	22.9
 <u>Water Treatment</u>						
Operation Supervision	29,476		30,585		30,104	
Chemicals	179,667		212,987		226,839	
Operation Labor and Expenses	94,825		122,646		123,242	
Miscellaneous Expense	6,717		7,580		10,127	
Maintenance of Structures	6,781		4,451		4,786	
Maintenance of Purification Equip.	21,562		30,208		10,660	
Depreciation	25,853		25,740		25,740	
Total Water Treatment Expense	364,881	9.3	434,197	11.2	431,498	11.4
 <u>Distribution</u>						
Operation Supervision	31,137		29,491		25,217	
Storage Facilities Expense	23,347		22,794		25,840	
Trans. & Distr. Lines Expense	69,511		68,079		68,851	
Meter Expense	115,668		105,499		116,252	
Consumer Installation Expense	56,667		56,899		53,906	
Miscellaneous Expense	64,991		51,119		86,978	
Vehicle Expense	40,954		37,382		36,155	
Maintenance:						
Supervision	47,670		46,436		37,033	
Structures	4,624		3,894		5,711	
Reservoirs and Standpipes	10,502		19,842		150	
Mains	107,284		84,938		218,294	
Valves	76,309		26,412		45,341	
Meters	16,578		25,327		29,667	
Hydrants	28,602		26,572		17,494	
Miscellaneous Plant	24,763		19,858		16,968	
Vacation, Holiday, Sick Leave	118,394		112,478		116,171	
Depreciation	322,157		321,453		305,613	
Total Distribution Expense	\$1,159,158	29.6	\$1,058,473	27.2	\$1,205,641	31.8

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - November 2010

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$1,671</u>	0.5	<u>\$305</u>	0.1	<u>\$1,525</u>	0.5
<u>Consumer Accounts</u>						
Supervision	888		989		900	
Meter Reading Expense	3,119		3,758		2,861	
Consumer Records and Collection	12,003		11,222		12,120	
Uncollectible Accounts Expense	267		267		217	
Vacation, Holiday, Sick Leave	<u>2,582</u>		<u>2,898</u>		<u>2,626</u>	
Total Consumer Accounts Expense	<u>18,859</u>	5.4	<u>19,134</u>	5.6	<u>18,724</u>	5.7
<u>Administrative and General</u>						
Administrative and General Salaries	14,953		13,351		13,472	
Office Supplies and Expenses	1,512		1,065		1,313	
Outside Services Employed	1,469		472		339	
Property Insurance	905		854		854	
Casualty Ins, Injuries & Damages	3,283		3,132		5,469	
Employee Pensions and Benefits	43,320		40,682		38,163	
Fringe Benefits Charged to Constr.	(1,661)		(1,981)		(592)	
Miscellaneous General Expense	5,662		3,361		5,830	
Rents	6,298		6,298		5,702	
Maintenance of General Plant	1,369		1,328		2,846	
Vacation, Holiday, Sick Leave	3,526		3,305		3,452	
Depreciation	<u>883</u>		<u>2,278</u>		<u>---</u>	
Total Administrative and General	<u>81,519</u>	23.5	<u>74,145</u>	21.9	<u>76,848</u>	23.5
Total Operating Expense	<u><u>\$327,985</u></u>		<u><u>\$321,564</u></u>		<u><u>\$339,245</u></u>	
Percent to Operating Revenue		94.5		94.8		103.8

Muscatine Power and Water - Water Utility
Summary of Expenses
Calendar Year-to-Date - November 2010

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$28,855	0.7	\$9,811	0.3	\$12,892	0.3
<u>Consumer Accounts</u>						
Supervision	10,065		10,929		9,864	
Meter Reading Expense	34,598		41,102		33,547	
Customer Records and Collection	135,826		130,248		129,661	
Uncollectible Accounts Expense	2,938		2,938		2,383	
Vacation, Holiday, Sick Leave	18,719		17,864		18,337	
Total Consumer Accounts Expense	202,146	5.2	203,081	5.2	193,792	5.1
<u>Administrative and General</u>						
Administrative and General Salaries	163,974		156,439		159,369	
Office Supplies and Expenses	18,218		15,233		16,644	
Outside Services Employed	24,823		9,194		19,568	
Property Insurance	9,803		9,398		8,925	
Casualty Ins, Injuries & Damages	36,066		36,300		35,546	
Employee Pensions and Benefits	474,869		468,728		454,561	
Fringe Benefits Charged to Constr.	(19,423)		(25,413)		(36,542)	
Miscellaneous General Expense	75,720		65,813		81,300	
Rents	69,278*		69,278		62,722	
Maintenance of General Plant	16,943		16,666		23,885	
Vacation, Holiday, Sick Leave	26,057		23,615		24,943	
Depreciation	9,708		25,055		---	
Total Administrative and General	906,036	23.1	870,306	22.4	850,921	22.5
Total Operating Expense	\$3,727,178		\$3,681,299		\$3,770,596	
Percent to Operating Revenue		95.2		94.8		99.5

**Muscatine Power and Water - Water Utility
Statistical Data
Current Month - November 2010**

	<u>2010</u>		<u>2009</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.466	0.494	0.438	0.465
Cost Per 1,000 Gallons	<u>0.444</u>	<u>0.471</u>	<u>0.458</u>	<u>0.486</u>
Margin	<u>0.022</u>	<u>0.023</u>	<u>(0.020)</u>	<u>(0.021)</u>
		<u>2010</u>		<u>2009</u>
Maximum Daily Water Pumped (1,000 gallons)		27,713		27,304
Date of Maximum		11/15		11/03

Calendar Year-to-Date

	<u>2010</u>		<u>2009</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.443	0.470	0.440	0.467
Cost Per 1,000 Gallons	<u>0.423</u>	<u>0.448</u>	<u>0.440</u>	<u>0.467</u>
Margin	<u>0.021</u>	<u>0.022</u>	<u>(0.000)</u>	<u>(0.000)</u>
		<u>2010</u>		<u>2009</u>
Maximum Daily Water Pumped (1,000 gallons)		32,273		32,414
Date of Maximum		08/10		09/10
 <u>Services</u>				
Contract Customers		2		2
Power Plants		2		2
Residential		8,509		8,496
Commercial		<u>1,086</u>		<u>1,082</u>
Total		<u>9,599</u>		<u>9,582</u>