

**Muscatine Power and Water**

**Water Utility**

**Operating Statements and Balance Sheets**

**February 2011**

**Muscatine Power and Water  
Water Utility**

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**Muscatine Power and Water - Water Utility**  
**Classification of Water Distribution**  
**Current Month - February 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>Water Distribution - 1,000 Gallons</u></b>					
Contract Customers	499,717	3.5	517,407	(7.8)	561,291
Power Plants	104,496	(39.2)	63,535	(11.4)	71,687
Residential	36,160	(4.7)	34,472	(4.2)	36,000
Commercial	<u>27,563</u>	(2.1)	<u>26,974</u>	(2.9)	<u>27,770</u>
Total Metered Customers	667,936	(3.8)	642,388	(7.8)	696,748
Rated Customers - Estimate	---	---	7	(68.2)	22
City Use, Line Loss, Cycle Billing	<u>40,076</u>	(3.8)	<u>38,543</u>	(7.8)	<u>41,805</u>
Total Water Pumped	<u>708,012</u>	(3.8)	<u>680,938</u>	(7.8)	<u>738,575</u>

**Calendar Year-to-Date**

	<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>Water Distribution - 1,000 Gallons</u></b>					
Contract Customers	1,055,276	7.5	1,134,107	2.8	1,103,127
Power Plants	228,304	(40.0)	137,037	(9.7)	151,702
Residential	80,393	(8.9)	73,205	(2.2)	74,845
Commercial	<u>57,345</u>	(0.1)	<u>57,271</u>	5.7	<u>54,180</u>
Total Metered Customers	1,421,318	(1.4)	1,401,620	1.3	1,383,854
Rated Customers - Estimate	---	---	15	(63.4)	41
City Use, Line Loss, Cycle Billing	<u>85,279</u>	(1.4)	<u>84,097</u>	1.3	<u>83,031</u>
Total Water Pumped	<u>1,506,597</u>	(1.4)	<u>1,485,732</u>	1.3	<u>1,466,926</u>

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

	Budget Estimate	% Increase (Decrease) From Budget	This Year	% Increase (Decrease) Fr. Last Yr.	Last Year
<b><u>Sales of Water</u></b>					
Contract Customers	\$161,546	1.6	\$164,145	1.0	\$162,567
Power Plants	33,500	(28.1)	24,100	(7.5)	26,051
Residential	111,481	(1.6)	109,667	1.8	107,763
Commercial	<u>33,282</u>	(0.3)	<u>33,167</u>	1.9	<u>32,554</u>
Water Sales	<u>339,809</u>	(2.6)	<u>331,079</u>	0.7	<u>328,935</u>
<b><u>Other Revenue</u></b>					
Penalty Revenue	580	(12.9)	505	9.1	463
Merchandise & Job Sales-Net	761	(3.3)	736	—	302
Miscellaneous Revenue	<u>728</u>	(11.5)	<u>644</u>	(19.4)	<u>799</u>
Total Other Revenue	<u>2,069</u>	(8.9)	<u>1,885</u>	20.5	<u>1,564</u>
Operating Revenue	<u>341,878</u>	(2.6)	<u>332,964</u>	0.7	<u>330,499</u>
<b><u>Operating Expense</u></b>					
Operation	282,703	(21.7)	221,492	(2.5)	227,225
Maintenance	34,955	44.0	50,350	53.1	32,887
Depreciation	<u>45,789</u>	(0.4)	<u>45,621</u>	0.7	<u>45,285</u>
Total Operating Expense	<u>363,447</u>	(12.7)	<u>317,463</u>	4.0	<u>305,397</u>
Operating Income (Loss)	(21,569)	—	15,501	(38.2)	25,102
<b><u>Nonoperating Revenues (Expenses)</u></b>					
Interest Income	132	(78.8)	28	(72.5)	102
Interest Expense	<u>(1,010)</u>	(26.7)	<u>(740)</u>	—	<u>(270)</u>
Net Nonoperating Revenues (Expenses)	<u>(878)</u>	(18.9)	<u>(712)</u>	—	<u>(168)</u>
Net Income before Capital Contributions	<u>(22,447)</u>	—	<u>14,789</u>	(40.7)	<u>24,934</u>
Capital Contributions	—	—	—	—	—
Change in Net Assets	<u>(22,447)</u>	—	<u>14,789</u>	(40.7)	<u>24,934</u>
Beginning Net Assets	<u>13,415,521</u>		<u>13,413,823</u>		<u>13,099,909</u>
Ending Net Assets	<u>\$13,393,074</u>		<u>\$13,428,612</u>		<u>\$13,124,843</u>
Net Income to Total Income	(6.6)		4.4		7.5
Debt Service Coverage	6.43		17.95		—

**Muscatine Power and Water - Water Utility**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**Calendar Year-to-Date - February 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	\$331,318	3.5	\$342,958	6.4	\$322,326
Power Plants	70,196	(29.0)	49,857	(7.4)	53,817
Residential	233,520	(4.1)	224,042	2.4	218,871
Commercial	<u>67,800</u>	1.1	<u>68,560</u>	6.7	<u>64,229</u>
Water Sales	<u>702,834</u>	(2.5)	<u>685,417</u>	4.0	<u>659,243</u>
<b><u>Other Revenue</u></b>					
Penalty Revenue	581	15.0	668	44.6	462
Merchandise & Job Sales-Net	1,521	(37.4)	952	(44.0)	1,701
Miscellaneous Revenue	<u>1,456</u>	20.1	<u>1,749</u>	1.9	<u>1,717</u>
Total Other Revenue	<u>3,558</u>	(5.3)	<u>3,369</u>	(13.2)	<u>3,880</u>
Operating Revenue	<u>706,392</u>	(2.5)	<u>688,786</u>	3.9	<u>663,123</u>
<b><u>Operating Expense</u></b>					
Operation	540,837	(15.4)	457,392	(3.9)	475,817
Maintenance	70,363	44.0	101,320	56.5	64,751
Depreciation	<u>91,577</u>	(0.4)	<u>91,242</u>	5.1	<u>86,808</u>
Total Operating Expense	<u>702,777</u>	(7.5)	<u>649,954</u>	3.6	<u>627,376</u>
Operating Income	<u>3,615</u>	---	<u>38,832</u>	8.6	<u>35,747</u>
<b><u>Nonoperating Revenues (Expenses)</u></b>					
Interest Income	271	(80.4)	53	(72.5)	193
Interest Expense	<u>(2,020)</u>	(26.7)	<u>(1,481)</u>	---	<u>(540)</u>
Net Nonoperating Revenues (Expenses)	<u>(1,749)</u>	(18.4)	<u>(1,428)</u>	---	<u>(347)</u>
<b><u>Net Income (Loss) before Capital Contributions</u></b>					
Capital Contributions	1,866	---	37,404	5.7	35,400
Change in Net Assets	<u>1,866</u>	---	<u>37,404</u>	5.7	<u>35,400</u>
Beginning Net Assets	<u>13,391,208</u>		<u>13,391,208</u>		<u>13,089,443</u>
Ending Net Assets	<u>\$13,393,074</u>		<u>\$13,428,612</u>		<u>\$13,124,843</u>
Net Income (Loss) to Total Income	0.3		5.4		5.3
Debt Service Coverage	19.33		19.38		---

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

**ASSETS**

	<u>2011</u>	<u>2010</u>
<b>Current Assets:</b>		
Cash - interest bearing	\$558,477	\$149,089
Investments	---	164,231
Receivables:		
Consumer Accounts	466,892	596,561
Interest	10	135
Inventories	266,212	299,963
Prepaid Expenses	<u>36,615</u>	<u>37,938</u>
Total Current Assets	<u>1,328,206</u>	<u>1,247,917</u>
<b>Property and Equipment:</b>		
At Cost	23,584,209	22,794,797
Less Accumulated Depreciation	<u>8,714,685</u>	<u>8,356,184</u>
Net Property and Equipment	<u>14,869,524</u>	<u>14,438,613</u>
<b>Other Assets:</b>		
Unamortized Cost of Issuing Debt	---	7,169
<b>TOTAL ASSETS</b>	<b><u>\$16,197,730</u></b>	<b><u>\$15,693,699</u></b>

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

**LIABILITIES AND NET ASSETS**

	<u>2011</u>	<u>2010</u>
<b>Current Liabilities:</b>		
<u>Restricted</u>		
State Revolving Loan	\$32,000	---
Accrued Interest	2,673	555
Total Current Restricted Liabilities	<u>34,673</u>	<u>555</u>
<u>Unrestricted</u>		
Accounts Payable	137,469	127,198
Pension Provision	16,806	15,062
Health & Dental Insurance Provision	23,244	23,460
Intercompanies Payable	11,535	6,837
Retained Percentage on Contracts	4,653	68,165
Consumer Advances for Construction	78,111	28,129
Accrued Payroll	29,830	25,528
Accrued Vacation	75,265	76,077
Miscellaneous Accrued Expenses	41,810	31,227
Miscellaneous Deferred Credits	5,200	7,600
Total Current Unrestricted Liabilities	<u>423,923</u>	<u>409,283</u>
<b>Non-Current Liabilities:</b>		
State Revolving Loan	233,096	7,407
Health & Dental Insurance Provision	156,409	163,082
Post-Employment Health Benefit Provision	12,246	---
Consumer Advances for Construction	1,908,771	1,988,529
Total Non-Current Liabilities	<u>2,310,522</u>	<u>2,159,018</u>
<b>Net Assets:</b>		
Invested in capital assets, net of related debt	12,614,873	12,421,162
Restricted	34,673	---
Unrestricted	779,066	703,681
Total Net Assets	<u>13,428,612</u>	<u>13,124,843</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$16,197,730</u></u>	<u><u>\$15,693,699</u></u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
<b>Cash flows from operating activities:</b>		
<b>Cash received from:</b>		
Water sales	\$345,667	\$699,698
Miscellaneous sources	806	2,716
<b>Cash paid to/for:</b>		
Suppliers	(115,465)	(222,067)
Employees payroll, taxes and benefits	<u>(139,660)</u>	<u>(296,172)</u>
<b>Net cash flows from operating activities</b>	<b><u>91,348</u></b>	<b><u>184,175</u></b>
<b>Cash flows from capital and related financing activities:</b>		
State revolving loan fund proceeds	---	---
State revolving loan interest payment	---	---
Capital expenditures, net	<u>(35,322)</u>	<u>(47,976)</u>
<b>Net cash flows from capital and related financing activities</b>	<b><u>(35,322)</u></b>	<b><u>(47,976)</u></b>
<b>Cash flows from investing activities:</b>		
Interest received on investments	31	49
Amortization/accretion of investments	---	---
Mark to market	---	---
<b>Net cash flows from investing activities</b>	<b><u>31</u></b>	<b><u>49</u></b>
<b>Net increase in cash and investments</b>	<b><u>56,057</u></b>	<b><u>136,248</u></b>
<b>Cash and investments at beginning of period</b>	<b><u>502,420</u></b>	<b><u>422,229</u></b>
<b>Cash and investments at end of period</b>	<b><u>\$558,477</u></b>	<b><u>\$558,477</u></b>

**Muscatine Power and Water - Water Utility**  
**Statements of Cash Flows**  
**February 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	\$15,501	\$38,832
Noncash item in operating income:		
Depreciation of utility plant	45,621	91,242
Changes in assets and liabilities:		
Consumer accounts receivable	13,943	15,889
Inventories	4,186	23,274
Prepaid and deferred expenses	(12,511)	(13,264)
Accounts payable	27,576	16,704
Pension provision	8,403	16,806
Health & dental insurance provision	827	1,063
Other post-employment benefit provision	245	490
Intercompany payable	3,653	4,838
Retained percentage	(17,824)	(19,175)
Accrued payroll	(1,860)	2,176
Accrued vacation	1,277	5,602
Miscellaneous accrued expenses	2,311	(302)
Miscellaneous deferred credits	---	---
Net cash flows from operating activities	<u><u>\$91,348</u></u>	<u><u>\$184,175</u></u>

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

	<u>Budget Est.</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>Source of Supply</u></b>			
Operation Supervision	\$2,262	\$2,248	\$2,337
Operation Labor and Expenses	817	1,462	1,244
Miscellaneous Expense	164	---	---
Maintenance of Wells	---	---	---
Maintenance of Supply Mains	1,472	---	394
Depreciation	<u>5,614</u>	<u>5,141</u>	<u>5,207</u>
 Total Source of Supply Expense	 <u>10,329</u>	 3.0	 <u>9,182</u> 2.8
 <b><u>Pumping</u></b>			
Operation Supervision	2,626	2,630	2,727
Fuel or Power Purchased	56,773	49,920	56,525
Pumping Labor and Expenses	4,454	3,409	3,472
Miscellaneous Expense	233	334	328
Maintenance of Structures	97	---	---
Maintenance of Pumping Equipment	6,007	18,789	3,171
Depreciation	<u>5,000</u>	<u>5,677</u>	<u>4,356</u>
 Total Pumping Expense	 <u>75,190</u>	 22.0	 <u>70,579</u> 21.4
 <b><u>Water Treatment</u></b>			
Operation Supervision	2,676	2,651	2,757
Chemicals	21,333	14,065	15,949
Operation Labor and Expenses	10,706	13,383	11,473
Miscellaneous Expense	1,491	3,816	814
Maintenance of Structures	353	736	1,409
Maintenance of Purification Equip.	834	2,793	7,478
Depreciation	<u>2,348</u>	<u>2,338</u>	<u>2,340</u>
 Total Water Treatment Expense	 <u>39,741</u>	 11.6	 <u>42,220</u> 12.8
 <b><u>Distribution</u></b>			
Operation Supervision	2,669	2,608	2,484
Storage Facilities Expense	1,146	1,536	1,421
Trans. & Distr. Lines Expense	6,639	1,355	1,361
Meter Expense	9,959	6,792	11,355
Consumer Installation Expense	5,046	3,450	4,641
Miscellaneous Expense	3,470	4,736	4,940
Vehicle Expense	3,559	3,638	4,864
Maintenance:			
Supervision	4,178	4,184	3,982
Structures	28	1,345	125
Reservoirs and Standpipes	---	899	52
Mains	10,008	9,395	5,980
Valves	3,265	4,048	2,095
Meters	2,159	985	1,904
Hydrants	2,976	2,787	4,447
Miscellaneous Plant	1,890	2,572	2,027
Vacation, Holiday, Sick Leave	9,089	8,158	8,184
Depreciation	<u>30,213</u>	<u>29,963</u>	<u>29,223</u>
 Total Distribution Expense	 <u>\$96,294</u>	 28.2	 <u>\$89,085</u> 27.0

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

<u>Source of Supply</u>	<u>Budget Est.</u>	<u>This Year</u>	<u>Last Year</u>
Operation Supervision	\$4,595	\$4,825	\$4,671
Operation Labor and Expenses	1,634	2,500	2,294
Miscellaneous Expense	327	42	---
Maintenance of Wells	---	---	---
Maintenance of Supply Mains	2,943	27	905
Depreciation	<u>11,228</u>	<u>10,282</u>	<u>10,414</u>
 Total Source of Supply Expense	<u>20,727</u>	<u>17,676</u>	<u>18,284</u>
 <u>Pumping</u>			2.8
Operation Supervision	5,342	5,624	5,439
Fuel or Power Purchased	118,770	108,460	120,976
Pumping Labor and Expenses	9,016	7,205	8,373
Miscellaneous Expense	467	639	690
Maintenance of Structures	195	---	---
Maintenance of Pumping Equipment	12,267	27,200	6,004
Depreciation	<u>10,001</u>	<u>11,354</u>	<u>8,712</u>
 Total Pumping Expense	<u>156,058</u>	<u>160,482</u>	<u>150,194</u>
 <u>Water Treatment</u>			22.6
Operation Supervision	5,384	5,684	5,484
Chemicals	42,667	30,762	35,767
Operation Labor and Expenses	22,184	26,519	23,263
Miscellaneous Expense	2,982	5,013	2,843
Maintenance of Structures	789	1,151	1,934
Maintenance of Purification Equip.	1,642	6,849	10,498
Depreciation	<u>4,695</u>	<u>4,676</u>	<u>4,680</u>
 Total Water Treatment Expense	<u>80,343</u>	<u>80,654</u>	<u>84,469</u>
 <u>Distribution</u>			12.7
Operation Supervision	5,370	5,516	5,120
Storage Facilities Expense	2,365	3,277	3,039
Trans. & Distr. Lines Expense	13,278	5,660	4,294
Meter Expense	20,273	17,097	21,887
Consumer Installation Expense	9,889	7,716	8,199
Miscellaneous Expense	11,433	8,921	8,370
Vehicle Expense	7,014	7,238	9,405
Maintenance:			
Supervision	8,388	8,780	8,057
Structures	55	7,832	1,675
Reservoirs and Standpipes	---	899	320
Mains	20,459	16,985	13,197
Valves	5,894	10,165	4,444
Meters	4,387	6,229	3,890
Hydrants	5,953	4,228	6,425
Miscellaneous Plant	3,779	4,887	4,336
Vacation, Holiday, Sick Leave	18,181	15,784	20,928
Depreciation	<u>60,426</u>	<u>59,926</u>	<u>58,446</u>
 Total Distribution Expense	<u>\$197,144</u>	<u>27.9</u>	<u>\$182,032</u>
			27.5

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

	<u>Budget Est.</u>	<u>This Year</u>	<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>				
Customer Information Expense	<u>\$2,069</u>	0.6	<u>\$536</u>	0.2
				<u>\$372</u>
				0.1
<b><u>Consumer Accounts</u></b>				
Supervision	930	660	643	
Meter Reading Expense	3,356	3,350	3,668	
Consumer Records and Collection	12,837	10,472	13,354	
Uncollectible Accounts Expense	342	267	267	
Vacation, Holiday, Sick Leave	<u>1,167</u>	<u>1,409</u>	<u>1,386</u>	
Total Consumer Accounts Expense	<u>18,632</u>	5.4	<u>16,158</u>	4.9
				<u>19,318</u>
				5.8
<b><u>Administrative and General</u></b>				
Administrative and General Salaries	14,933	12,180	13,780	
Office Supplies and Expenses	1,381	1,076	1,135	
Outside Services Employed	32,282	2,565	643	
Property Insurance	854	854	854	
Casualty Ins, Injuries & Damages	3,025	2,411	3,162	
Employee Pensions and Benefits	41,191	42,819	40,161	
Fringe Benefits Charged to Constr.	(1,267)	(1,063)	(1,466)	
Miscellaneous General Expense	17,265	10,707	4,240	
Rents	5,243	5,243	6,298	
Maintenance of General Plant	1,688	1,817	(177)	
Vacation, Holiday, Sick Leave	1,983	1,815	1,852	
Depreciation	<u>2,614</u>	<u>2,502</u>	<u>4,159</u>	
Total Administrative and General	<u>121,192</u>	35.4	<u>82,926</u>	24.9
				<u>74,641</u>
				22.6
Total Operating Expense	<u>\$363,447</u>		<u>\$317,463</u>	
				<u>\$305,397</u>
Percent to Operating Revenue		106.3		95.3
				92.4

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>
<b><u>Customer Service Expense</u></b>					
Customer Information Expense	<u>\$4,046</u>	0.6	<u>\$994</u>	0.1	<u>\$629</u>
<b><u>Consumer Accounts</u></b>					
Supervision	1,861		1,725		1,566
Meter Reading Expense	6,741		7,438		8,422
Customer Records and Collection	25,828		22,527		25,710
Uncollectible Accounts Expense	683		609		534
Vacation, Holiday, Sick Leave	2,334		2,726		3,319
Total Consumer Accounts Expense	<u>37,447</u>	5.3	<u>35,025</u>	5.1	<u>39,551</u>
<b><u>Administrative and General</u></b>					
Administrative and General Salaries	29,833		27,111		27,557
Office Supplies and Expenses	3,483		2,482		2,485
Outside Services Employed	34,264		2,837		747
Property Insurance	1,708		1,709		1,709
Casualty Ins, Injuries & Damages	6,051		5,026		7,516
Employee Pensions and Benefits	85,232		87,017		81,712
Fringe Benefits Charged to Constr.	(2,585)		(1,799)		(3,057)
Miscellaneous General Expense	25,734		14,497		8,867
Rents	10,486		10,486		12,596
Maintenance of General Plant	3,612		6,088		3,066
Vacation, Holiday, Sick Leave	3,967		3,525		4,463
Depreciation	5,227		5,004		4,556
Total Administrative and General	<u>207,012</u>	29.3	<u>163,983</u>	23.8	<u>152,217</u>
<b>Total Operating Expense</b>	<b><u>\$702,777</u></b>		<b><u>\$649,954</u></b>		<b><u>\$627,376</u></b>
Percent to Operating Revenue		99.5		94.4	
					94.6

**Muscatine Power and Water - Water Utility**  
**Statistical Data**  
**Current Month - February 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	0.485	0.514	0.446	0.472
Cost Per 1,000 Gallons	<u>0.466</u>	<u>0.494</u>	<u>0.413</u>	<u>0.438</u>
Margin	<u>0.019</u>	<u>0.020</u>	<u>0.032</u>	<u>0.034</u>

	<u>2011</u>		<u>2010</u>	
Maximum Daily Water Pumped (1,000 gallons)	26,906		28,481	
Date of Maximum	02/18		02/01	

**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	0.461	0.488	0.450	0.477
Cost Per 1,000 Gallons	<u>0.437</u>	<u>0.464</u>	<u>0.428</u>	<u>0.453</u>
Margin	<u>0.023</u>	<u>0.025</u>	<u>0.022</u>	<u>0.023</u>

	<u>2011</u>		<u>2010</u>	
Maximum Daily Water Pumped (1,000 gallons)	28,525		28,481	
Date of Maximum	01/06		02/01	

**Services**

Contract Customers	2	2
Power Plants	2	2
Residential	8,493	8,459
Commercial	<u>1,081</u>	<u>1,076</u>
 Total	<u><u>9,578</u></u>	<u><u>9,539</u></u>