

Muscatine Power and Water

Electric Utility

Operating Statements and Balance Sheets

May 2011

**Muscatine Power and Water
Electric Utility**

Table of Contents

	Page
Classification of Electric Energy Distribution.....	1 - 2
Statements of Revenues, Expenses, and Changes in Net Assets.....	3 - 4
Balance Sheets.....	5 - 6
Statements of Cash Flows.....	7 - 8
Funds Appropriated for Specific Purposes.....	9
Summary of Expenses.....	10 - 15
Statistical Data.....	16
Wholesale Sales Analysis.....	17

Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Current Month - May 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>KWH Generated and Sold</u>					
Gross Generation	89,700,470	(81.3)	16,774,774	(78.9)	79,553,238
Less: Plant Use	<u>7,348,070</u>	<u>(73.0)</u>	<u>1,986,667</u>	<u>(76.0)</u>	<u>8,275,552</u>
Net Generation/Wholesale Sales	<u>82,352,400</u>	<u>(82.0)</u>	<u>14,788,107</u>	<u>(79.3)</u>	<u>71,277,686</u>
<u>Net Capacity Factors</u>					
Unit 9	59.49	(90.9)	5.41	(90.2)	55.31
Unit 8/8A	4.87	24.0	6.04	20.1	5.03
Unit 7	49.79	(25.5)	37.10	---	15.12
Total Plant	48.08	(82.0)	8.66	(79.2)	41.64
<u>KWH Distribution</u>					
Residential	6,349,473	6.9	6,789,363	3.1	6,583,573
Commercial I	2,796,600	(1.2)	2,762,264	1.6	2,719,212
Commercial II	8,437,582	2.4	8,639,644	(1.3)	8,753,043
Industrial I	9,289,156	8.6	10,090,080	0.1	10,075,960
Industrial II	36,680,771	3.6	38,019,237	2.9	36,938,350
City Enterprise Funds	486,014	(1.1)	480,692	(20.4)	604,015
Water & Communications Utilities	<u>1,287,288</u>	<u>(2.8)</u>	<u>1,251,383</u>	<u>(11.4)</u>	<u>1,412,848</u>
Native System Sales	65,326,884	4.1	68,032,663	1.4	67,087,001
City Lighting	177,511	(3.9)	170,524	(0.8)	171,821
City Buildings	446,768	(3.4)	431,458	(4.2)	450,518
Offline Power Plant Usage	---	---	39,955	(67.1)	121,478
Losses & Cycle Billing	<u>2,903,972</u>	<u>31.1</u>	<u>3,808,507</u>	<u>21.0</u>	<u>3,147,868</u>
Total Native System KWH Distributed/Purchased Power	<u>68,855,135</u>	<u>5.3</u>	<u>72,483,107</u>	<u>2.1</u>	<u>70,978,686</u>
<u>STEAM SALES - 1000 lbs</u>	<u>12,720</u>	<u>315.0</u>	<u>52,788</u>	<u>2.3</u>	<u>51,578</u>

Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - May 2011

Page 2

	<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>KWH Generated and Sold</u>					
Gross Generation	360,045,980	(19.0)	291,519,381	(46.3)	542,752,198
Less: Plant Use	<u>32,118,380</u>	(4.4)	<u>30,706,440</u>	(42.8)	<u>53,648,893</u>
Net Generation/Wholesale Sales	<u><u>327,927,600</u></u>	(20.5)	<u><u>260,812,941</u></u>	(46.7)	<u><u>489,103,305</u></u>
<u>Net Capacity Factors</u>					
Unit 9	37.43	(28.7)	26.70	(58.0)	63.52
Unit 8/8A	40.67	13.8	46.27	(12.3)	52.77
Unit 7	49.79	(27.6)	36.05	4.6	34.46
Total Plant	39.31	(20.2)	31.37	(46.4)	58.52
<u>KWH Distribution</u>					
Residential	37,861,222	6.3	40,254,181	0.3	40,152,857
Commercial I	15,014,908	2.6	15,412,617	1.7	15,157,319
Commercial II	40,546,760	0.8	40,868,793	0.1	40,825,530
Industrial I	44,215,079	5.8	46,757,640	2.6	45,562,282
Industrial II	185,415,895	0.9	187,113,729	1.5	184,265,413
City Enterprise Funds	2,485,726	(2.2)	2,430,418	(7.6)	2,631,075
Water & Communications Utilities	<u>6,547,105</u>	(6.9)	<u>6,092,865</u>	(12.5)	<u>6,965,562</u>
Native System Sales	332,086,695	2.1	338,930,243	1.0	335,560,038
City Lighting	841,001	(3.7)	809,910	(3.4)	838,797
City Buildings	2,618,595	5.4	2,759,755	0.5	2,746,574
Offline Power Plant Usage	---	---	261,296	(13.6)	302,410
Losses & Cycle Billing	<u>9,718,907</u>	17.6	<u>11,426,344</u>	54.0	<u>7,418,716</u>
Total Native System KWH Distributed/Purchased Power	<u><u>345,265,198</u></u>	2.6	<u><u>354,187,548</u></u>	2.1	<u><u>346,866,535</u></u>
 <u>STEAM SALES - 1000 lbs</u>					
	<u><u>1,006,320</u></u>	9.5	<u><u>1,102,123</u></u>	6.1	<u><u>1,039,204</u></u>

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

	<u>Budget Estimate</u>	<u>Avg. Price</u>	<u>This Year</u>	<u>Avg. Price</u>	<u>Last Year</u>	<u>Avg. Price</u>
<u>Sales of Electricity</u>						
Residential	\$499,894	0.0787	\$530,003	0.0781	\$496,787	0.0755
Commercial I	221,323	0.0791	219,246	0.0794	208,125	0.0765
Commercial II	492,021	0.0583	505,380	0.0585	490,421	0.0560
Industrial I	475,232	0.0512	489,523	0.0485	483,228	0.0480
Industrial II	1,576,084	0.0430	1,638,194	0.0431	1,526,637	0.0413
City Enterprise Funds	23,522	0.0484	26,784	0.0557	29,252	0.0484
Water & Communication Utilities	64,630	0.0502	60,754	0.0485	66,853	0.0473
Native System Sales	3,352,706	0.0513	3,469,884	0.0510	3,301,303	0.0492
Wholesale Sales	2,847,595	0.0346	432,679	0.0293	2,485,803	0.0349
Energy Sales	6,200,301		3,902,563		5,787,106	
<u>Steam Sales</u>	44,940	3.53	176,163	3.34	194,452	3.77
<u>Other Revenue</u>						
Rail Car Lease	31,500		---		---	
By-Product Revenue	26,643		6,645		17,576	
Miscellaneous Revenue	38,675		63,099		40,953	
Total Other Revenue	96,818		69,744		58,529	
Operating Revenue	6,342,059		4,148,470		6,040,087	
<u>Operating Expense</u>						
Purchased Power	2,120,039	0.0308	1,881,701	0.0260	2,103,385	0.0296
Production Fuel	1,647,043		566,670		1,276,007	
Emissions Allowance	2,822		9,856		(1,221)	
Operation	1,773,957		1,694,428		1,660,892	
Maintenance	1,671,337		1,103,828		1,424,508	
Depreciation	928,218		921,606		1,186,227	
Total Operating Expense	8,143,416		6,178,089		7,649,798	
Operating Loss	(1,801,357)		(2,029,619)		(1,609,711)	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	127,890		115,580		(57,923)	
Interest Expense	(64,475)		(63,197)		(124,817)	
Total Nonoperating Revenue (Expense)	63,415		52,383		(182,740)	
Net Loss Before Revenue Adjustment and Capital Contributions	(1,737,942)		(1,977,236)		(1,792,451)	
Capital Contributions	---		---		---	
Change in Net Assets	(1,737,942)		(1,977,236)		(1,792,451)	
Beginning Net Assets	156,192,125		160,076,763		168,969,133	
Ending Net Assets	<u>\$154,454,183</u>		<u>\$158,099,527</u>		<u>\$167,176,682</u>	
Net Income (Loss) to Total Income	(26.9)		(46.4)		(30.0)	
Debt Service Coverage	(0.64)		(0.84)		(0.22)	

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

Page 4

	<u>Budget Estimate</u>	<u>Avg. Price</u>	<u>This Year</u>	<u>Avg. Price</u>	<u>Last Year</u>	<u>Avg. Price</u>
<u>Sales of Electricity</u>						
Residential	\$2,881,158	0.0761	\$3,042,029	0.0756	\$2,917,433	0.0727
Commercial I	1,180,051	0.0786	1,207,002	0.0783	1,144,351	0.0755
Commercial II	2,387,419	0.0589	2,389,126	0.0585	2,299,702	0.0563
Industrial I	2,283,074	0.0516	2,328,106	0.0498	2,244,680	0.0493
Industrial II	8,061,767	0.0435	8,146,295	0.0435	7,705,413	0.0418
City Enterprise Funds	125,948	0.0507	136,222	0.0560	134,280	0.0510
Water & Communications Utilities	326,919	0.0499	297,171	0.0488	335,167	0.0481
Native System Sales	17,246,336	0.0519	17,545,951	0.0518	16,781,026	0.0500
Wholesale Sales	11,784,227	0.0359	8,516,026	0.0327	17,330,972	0.0354
Energy Sales	29,030,563		26,061,977		34,111,998	
<u>Steam Sales</u>	3,424,608	3.40	3,872,463	3.51	4,055,499	3.90
<u>Other Revenue</u>						
Rail Car Lease	94,500		219,956		90,806	
By-Product Revenue	63,653		38,139		78,862	
Miscellaneous Revenue	194,663		232,999		194,283	
Total Other Revenue	352,816		491,094		363,951	
Operating Revenue	32,807,987		30,425,534		38,531,448	
<u>Operating Expense</u>						
Purchased Power	11,446,502	0.0332	10,100,936	0.0285	11,092,715	0.0320
Production Fuel	8,316,962		7,297,548		8,952,982	
Emissions Allowance	199,639		197,202		350,922	
Operation	9,148,158		8,354,369		8,605,185	
Maintenance	8,772,015		7,864,332		4,134,510	
Depreciation	4,641,092		4,608,030		5,931,135	
Total Operating Expense	42,524,368		38,422,417		39,067,449	
Operating Loss	(9,716,381)		(7,996,883)		(536,001)	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	650,629		562,864		437,955	
Interest Expense	(322,377)		(317,639)		(623,930)	
Total Nonoperating Revenue (Expense)	328,252		245,225		(185,975)	
Net Loss Before Revenue Adjustment and Capital Contributions	(9,388,129)		(7,751,658)		(721,976)	
Capital Contributions	---		8,873		---	
Revenue Adjustment-Extraordinary O & M	---		2,000,000		5,100,000	
Change in Net Assets	(9,388,129)		(5,742,785)		4,378,024	
Beginning Net Assets	163,842,312		163,842,312		162,798,658	
Ending Net Assets	<u>\$154,454,183</u>		<u>\$158,099,527</u>		<u>\$167,176,682</u>	
Net Income (Loss) before Rev Adj to Total Income	(28.1)		(25.0)		(1.9)	
Net Income (Loss) after Rev Adj to Total Income	(28.1)		(18.5)		11.2	
Debt Service Coverage Before Transfers	(0.76)		(0.47)		1.05	
Debt Service Coverage After Transfers	(0.76)		(0.13)		1.93	

Muscatine Power and Water - Electric Utility
Statements of Net Assets
May 2011

ASSETS

	<u>2011</u>	<u>2010</u>
Current Assets:		
<u>Restricted</u>		
Cash - interest bearing	\$6,693,570	\$952,664
Investments	15,966,027	19,346,083
	<u>22,659,597</u>	<u>20,298,747</u>
Total Restricted Current Assets		
<u>Unrestricted</u>		
Cash - interest bearing	2,697,908	4,679,016
Investments	---	10,326,325
Receivables:		
Consumer Accounts	5,225,886	4,194,406
Wholesale	---	376,719
Steam Sales	---	486,526
Interest	601,972	770,377
Intercompanies	20,171	21,256
Inventories	6,374,063	6,593,365
Fuel	13,672,788	10,325,325
Prepaid Expenses	888,858	940,736
	<u>29,481,646</u>	<u>38,714,051</u>
Total Unrestricted Current Assets		
Total Current Assets	<u>52,141,243</u>	<u>59,012,798</u>
Property and Equipment:		
At Cost	406,899,341	404,627,704
Less Accumulated Depreciation	296,122,746	283,684,214
	<u>110,776,595</u>	<u>120,943,490</u>
Net Property and Equipment		
Other Assets:		
Unamortized Cost of Issuing Bonds	---	15,915
Note Receivable - Communications Utility	35,327,000	35,327,000
Joint Venture Rights	147,591	194,563
	<u>35,474,591</u>	<u>35,537,478</u>
Total Other Assets		
TOTAL ASSETS	<u><u>\$198,392,429</u></u>	<u><u>\$215,493,766</u></u>

Muscatine Power and Water - Electric Utility
Statements of Net Assets
May 2011

LIABILITIES AND NET ASSETS

	<u>2011</u>	<u>2010</u>
Current Liabilities:		
<u>Restricted</u>		
2001 Revenue Bonds - Plus Unamortized Premium of \$42,975 in 2011 and \$44,454 in 2010; and Less Deferred Amount on Refund of \$42,215 in 2011 and \$40,036 in 2010	\$13,270,760	\$12,589,418
Accrued Interest	304,104	592,510
Total Restricted Current Liabilities	<u>13,574,864</u>	<u>13,181,928</u>
<u>Unrestricted</u>		
Accounts Payable	5,007,142	2,683,477
Pension Provision	796,880	710,175
Health & Dental Insurance Provision	233,632	216,660
Accrued Payroll	769,524	693,531
Accrued Vacation	1,174,847	1,134,334
Accrued Emission Allowance Expense	179,385	350,922
Consumers' Deposits	600,276	610,967
Retained Percentage on Contracts	2,483	---
Accrued Property Taxes	87,018	92,143
Miscellaneous Accrued Expenses	736,343	551,410
Miscellaneous Deferred Credits	52,850	86,050
Total Unrestricted Current Liabilities	<u>9,640,380</u>	<u>7,129,669</u>
Total Current Liabilities	<u>23,215,244</u>	<u>20,311,597</u>
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,792,020	1,926,373
Post-Employment Health Benefit Provision	130,476	---
Long-Term Debt - Less Current Portion:		
2001 Revenue Bonds - Plus Unamortized Premium of \$120,541 in 2010 and less Deferred Amount on Refunding of \$114,589 in 2010	---	13,275,952
Total Non-Current Liabilities	<u>1,922,496</u>	<u>15,202,325</u>
Deferred Revenue - Extraordinary O & M	<u>15,155,162</u>	<u>12,803,162</u>
Net Assets:		
Invested in capital assets, net of related debt	97,521,750	95,136,412
Restricted	22,355,493	19,706,237
Unrestricted	38,222,284	52,334,033
Total Net Assets	<u>158,099,527</u>	<u>167,176,682</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$198,392,429</u></u>	<u><u>\$215,493,766</u></u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
May 2011

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$3,432,533	\$17,824,136
MISO sales	624,661	11,593,331
Steam sales	1,008,495	4,840,238
Coal & transportation allowances	---	226,346
Railcar leasing	19,683	122,486
By-product sales	1,432	65,401
Miscellaneous sources	66,683	218,296
Cash paid to/for:		
Suppliers	(2,040,396)	(6,404,320)
MISO purchases/administration fees	(1,824,534)	(10,258,031)
Coal	(2,953,414)	(8,370,056)
Employees payroll, taxes and benefits	(1,657,912)	(8,142,829)
Net cash flows from operating activities	<u>(3,322,769)</u>	<u>1,714,998</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(415,063)	(1,678,996)
Bond principal payments	---	(12,585,000)
Bond interest payments	---	(711,013)
Net cash flows from capital and related financing activities	<u>(415,063)</u>	<u>(14,975,009)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	---	(25,050)
Interest received on investments and note receivable	5,826	684,257
Accrued Interest Purchased	---	---
Amortization/accretion of investments	1,067	5,819
Mark to market	(9,775)	(60,803)
Net cash flows from investing activities	<u>(2,882)</u>	<u>604,223</u>
Net decrease in cash and investments	<u>(3,740,714)</u>	<u>(12,655,788)</u>
Cash and investments at beginning of period	<u>29,098,219</u>	<u>38,013,293</u>
Cash and investments at end of period	<u><u>\$25,357,505</u></u>	<u><u>\$25,357,505</u></u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
May 2011

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Reconciliation of operating loss to net cash flows from operating activities		
Operating loss	(\$2,029,619)	(\$7,996,883)
Noncash items in operating income:		
Depreciation of electric utility plant	921,606	4,608,030
Amortization of joint venture rights	8,174	39,991
Changes in assets and liabilities:		
Consumer accounts receivable	727,226	1,367,597
Wholesale receivable	---	1,292,599
Steam sales receivable	---	719,346
Intercompany receivable	2,758	2,029
Inventories	701,281	285,757
Fuel	(3,806,828)	(2,554,201)
Prepaid expenses	60,084	(362,710)
Hedge Asset	---	2,196,100
Accounts payable	370,977	3,343,043
Pension provision	159,376	796,880
Health & dental insurance provision	(23,755)	(66,862)
Other post-employment benefit provision	2,462	12,310
Accrued payroll	137,747	475,197
Accrued vacation	5,093	158,790
Accrued emission allowance expense	(644,397)	(457,051)
Consumers' deposits	5,048	2,484
Retained percentage	2,483	2,483
Accrued property taxes	7,813	(2,402)
Miscellaneous accrued expenses	69,702	48,571
Miscellaneous deferred credits	---	---
Hedge Liability	---	(2,196,100)
Net cash flows from operating activities	<u>(\$3,322,769)</u>	<u>\$1,714,998</u>

Muscatine Power and Water - Electric Utility
Funds Appropriated for Specific Purposes
May 2011

	<u>This Year</u>	<u>Last Year</u>
Bond Reserve Fund	\$7,479,689	\$7,402,146
Extraordinary Operation & Maintenance Account	<u>15,179,908</u>	<u>12,896,601</u>
 Total Cash and Investments Appropriated for Specific Purposes	 <u><u>\$22,659,597</u></u>	 <u><u>\$20,298,747</u></u>

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$2,120,039</u>	33.4	<u>\$1,881,701</u>	45.4	<u>\$2,103,385</u>	34.8
Average price per kWh	\$0.0308		\$0.0260		\$0.0296	
<u>Generation</u>						
Operation Supervision	78,809		80,105		79,708	
Fuel:						
Coal	1,544,072		429,947		1,198,825	
Fuel Oil	10,000		79,664		327	
Gas	28,000		7,633		7,223	
Coal Handling Expense	53,906		43,302		64,966	
Landfill Operation Expense	11,065		6,124		4,666	
Emissions Allowance Expense	2,822		9,856		(1,221)	
Steam Expense:						
Boiler	67,502		82,253		127,676	
Pollution Control	37,136		27,990		34,278	
Electric Expense	88,238		82,465		82,647	
Miscellaneous Steam Power Expense	132,887		102,975		95,345	
Maintenance:						
Supervision	84,248		90,931		86,305	
Structures	115,534		53,304		73,808	
Boiler Plant:						
Boiler	569,515		375,170		778,910	
Pollution Control	59,654		65,376		35,289	
Electric Plant	351,700		154,382		81,148	
System Control	19,857		28,361		16,189	
Miscellaneous Steam Plant	55,038		54,355		54,356	
Coal Handling Equipment	217,769		119,219		130,301	
System Control and Load Dispatch	59,729		48,045		(52,921)	
Vacation, Holiday, Sick Leave	106,296		102,274		92,617	
Depreciation	<u>621,860</u>		<u>620,375</u>		<u>885,239</u>	
Total Generation Expense	<u>\$4,315,637</u>	68.0	<u>\$2,664,106</u>	64.2	<u>\$3,875,681</u>	64.2

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

Page 11

	<u>Budget</u>		<u>This Year</u>		<u>Last Year</u>	
	<u>Estimate</u>					
Purchased Power	<u>\$11,446,502</u>	34.9	<u>\$10,100,936</u>	33.2	<u>\$11,092,715</u>	28.8
Average price per kWh	\$0.0332		\$0.0285		\$0.0320	
 <u>Generation</u>						
Operation Supervision	379,139		406,828		417,138	
Fuel:						
Coal	7,779,683		6,682,631		8,544,508	
Fuel Oil	51,314		202,118		30,598	
Gas	155,400		99,979		43,629	
Coal Handling Expense	299,839		288,517		316,930	
Landfill Operation Expense	30,726		24,303		17,317	
Emissions Allowance Expense	199,639		197,202		350,922	
Steam Expense:						
Boiler	494,371		503,444		572,776	
Pollution Control	277,696		133,650		188,902	
Electric Expense	482,704		418,100		455,605	
Miscellaneous Steam Power Expense	666,963		594,166		535,552	
Maintenance:						
Supervision	402,938		451,216		425,447	
Structures	520,919		346,599		277,000	
Boiler Plant:						
Boiler	2,648,063		2,501,926		1,295,206	
Pollution Control	842,643		778,496		195,940	
Electric Plant	2,365,987		2,113,657		246,003	
System Control	109,331		109,729		69,203	
Miscellaneous Steam Plant	295,439		310,928		272,589	
Coal Handling Equipment	604,764		446,684		491,164	
System Control and Load Dispatch	303,284		192,968		288,459	
Vacation, Holiday, Sick Leave	433,552		428,639		478,997	
Depreciation	<u>3,109,302</u>		<u>3,101,875</u>		<u>4,426,195</u>	
 Total Generation Expense	<u>\$22,453,696</u>	68.4	<u>\$20,333,655</u>	66.8	<u>\$19,940,080</u>	51.8

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

	Budget		This Year		Last Year	
	<u>Estimate</u>					
<u>Transmission</u>						
Operation Supervision	\$3,784		\$1,277		\$3,611	
Load Dispatching	10,701		7,434		20,138	
Station Expense	15,567		9,708		6,595	
Overhead Line Expense	---		---		277	
Miscellaneous Transmission Expense	11,359		8,292		6,174	
Maintenance:						
Supervision	1,949		1,511		1,699	
Structures	2,317		---		---	
Station Equipment	6,573		5,564		6,494	
Overhead Lines	5,514		3,791		6,947	
Vacation, Holiday, Sick Leave	6,333		6,263		4,676	
Depreciation	30,608		30,592		30,568	
Tax on Rural Property	5,560		5,560		5,942	
Total Transmission Expense	100,265	1.6	79,992	1.9	93,121	1.5
<u>Distribution</u>						
Operation Supervision	10,773		8,940		11,631	
Load Dispatching	40,677		27,734		127,411	
Station Expense	10,018		6,404		9,824	
Overhead Line Expense	4,092		3,210		240	
Vehicle Expense	15,163		15,135		10,632	
Underground Line Expense	3,288		2,913		5,469	
Street Lighting	1,570		1,820		2,196	
Signal Expense	642		96		432	
Meter Expense	9,389		9,729		6,081	
Consumer Installation Expense	1,354		1,385		1,045	
Miscellaneous Distribution Expense	56,968		52,647		51,872	
Maintenance:						
Supervision	10,190		8,860		10,027	
Structures	2,481		---		---	
Station Equipment	9,180		8,297		11,739	
Overhead Lines	63,015		60,993		44,682	
Underground Lines	8,245		2,989		11,358	
Line Transformers	12,084		12,804		17,372	
Street Lighting	4,924		2,213		2,308	
Signal System	2,135		4,065		4,293	
Meters	776		2,427		35	
Miscellaneous Distribution Plant	2,917		3,831		1,719	
Vacation, Holiday, Sick Leave	29,783		27,643		41,708	
Depreciation	150,714		148,879		146,484	
Tax on Rural Property	1,661		1,661		1,775	
Total Distribution Expense	\$452,039	7.1	\$414,675	10.0	\$520,333	8.6

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$19,037		\$14,286		\$19,278	
Load Dispatching	53,631		39,406		51,202	
Station Expense	44,344		32,950		42,330	
Overhead Line Expense	303		869		1,452	
Miscellaneous Transmission Expense	64,108		48,034		49,141	
Maintenance:						
Supervision	9,794		8,807		8,947	
Structures	12,208		---		211	
Station Equipment	36,010		24,982		37,584	
Overhead Lines	27,570		41,090		62,025	
Vacation, Holiday, Sick Leave	26,827		28,345		28,022	
Depreciation	153,039		152,960		152,840	
Tax on Rural Property	27,800		27,879		29,851	
Total Transmission Expense	<u>474,671</u>	1.4	<u>419,608</u>	1.4	<u>482,883</u>	1.3
<u>Distribution</u>						
Operation Supervision	54,778		52,290		60,472	
Load Dispatching	201,456		152,048		158,066	
Station Expense	37,835		36,589		43,842	
Overhead Line Expense	15,809		12,538		4,017	
Vehicle Expense	75,746		71,538		71,950	
Underground Line Expense	16,248		11,288		15,475	
Street Lighting	7,550		10,821		12,448	
Signal Expense	3,006		798		6,751	
Meter Expense	47,660		44,412		44,361	
Consumer Installation Expense	6,955		7,751		6,582	
Miscellaneous Distribution Expense	312,246		258,650		311,718	
Maintenance:						
Supervision	50,421		48,960		52,818	
Structures	4,468		---		---	
Station Equipment	50,496		50,771		58,772	
Overhead Lines	313,822		257,224		273,171	
Underground Lines	40,866		22,182		30,169	
Line Transformers	26,197		36,825		43,901	
Street Lighting	24,550		21,841		23,936	
Signal System	9,651		23,943		12,951	
Meters	3,182		11,782		785	
Miscellaneous Distribution Plant	14,583		10,019		12,778	
Vacation, Holiday, Sick Leave	125,159		133,813		161,505	
Depreciation	753,571		744,395		732,420	
Tax on Rural Property	8,305		8,344		8,904	
Total Distribution Expense	<u>\$2,204,560</u>	6.7	<u>\$2,028,822</u>	6.7	<u>\$2,147,792</u>	5.6

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$57,545		\$16,674		\$25,404	
Electric Ranges/Dryers-Maint/Promotion	1,327		987		1,123	
Electric Water Heaters-Maint/Promotion	877		37		2,556	
	<u>59,749</u>	0.9	<u>17,698</u>	0.4	<u>29,083</u>	0.5
<u>Consumer Accounts</u>						
Supervision	1,945		2,202		2,097	
Meter Reading Expense	8,284		7,910		7,341	
Consumer Records and Collection	30,323		26,461		25,680	
Uncollectible Accounts Expense	1,942		1,942		1,834	
Vacation, Holiday, Sick Leave	3,764		4,032		4,139	
	<u>46,258</u>	0.7	<u>42,547</u>	1.0	<u>41,091</u>	0.7
<u>Administrative and General</u>						
Administrative and General Salaries	170,244		162,582		155,582	
Office Supplies and Expenses	16,792		14,353		16,947	
Outside Services Employed	53,890		65,940		33,768	
Property Insurance	39,120		38,809		41,012	
Casualty Ins, Injuries & Damages	38,044		88,438		35,799	
Employee Pensions and Benefits	489,434		486,642		488,400	
Fringe Benefits Charged to Constr.	(15,391)		(17,535)		(16,769)	
Regulatory Commission	4,400		655		4,400	
Miscellaneous General Expense	30,790		38,462		25,366	
Maintenance of General Plant	29,855		19,632		21,228	
Maintenance of A/O Center	35,867		25,753		28,301	
Vacation, Holiday, Sick Leave	31,348		31,879		29,134	
Depreciation	125,036		121,760		123,936	
	<u>1,049,429</u>	16.5	<u>1,077,370</u>	26.0	<u>987,104</u>	16.3
Total Operating Expense	<u><u>\$8,143,416</u></u>		<u><u>\$6,178,089</u></u>		<u><u>\$7,649,798</u></u>	
Percent to Operating Revenue		128.4		148.9		126.7

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$286,740		\$135,662		\$93,419	
Electric Ranges/Dryers-Maint/Promotion	7,134		4,943		6,573	
Electric Water Heaters-Maint/Promotion	4,354		4,379		7,165	
Total Customer Service Expense	<u>\$298,228</u>	0.9	<u>\$144,984</u>	0.5	<u>\$107,157</u>	0.3
<u>Consumer Accounts</u>						
Supervision	9,557		9,963		10,068	
Meter Reading Expense	41,108		40,537		41,734	
Consumer Records and Collection	152,461		138,768		149,364	
Uncollectible Accounts Expense	9,708		9,708		9,170	
Vacation, Holiday, Sick Leave	15,544		18,661		19,368	
Total Consumer Accounts Expense	<u>228,378</u>	0.7	<u>217,637</u>	0.7	<u>229,704</u>	0.6
<u>Administrative and General</u>						
Administrative and General Salaries	852,219		840,645		796,383	
Office Supplies and Expenses	92,490		69,579		72,972	
Outside Services Employed	299,540		322,763		343,115	
Property Insurance	201,276		200,654		205,043	
Casualty Ins, Injuries & Damages	190,218		248,893		173,189	
Employee Pensions and Benefits	2,470,149		2,442,634		2,362,540	
Fringe Benefits Charged to Constr.	(82,181)		(102,504)		(63,309)	
Regulatory Commission	22,000		18,255		35,998	
Miscellaneous General Expense	255,018		150,450		136,119	
Maintenance of General Plant	157,341		120,371		115,726	
Maintenance of A/O Center	200,772		126,300		128,184	
Vacation, Holiday, Sick Leave	134,311		129,935		141,478	
Depreciation	625,180		608,800		619,680	
Total Administrative and General	<u>5,418,333</u>	16.5	<u>5,176,775</u>	17.0	<u>5,067,118</u>	13.2
Total Operating Expense	<u>\$42,524,368</u>		<u>\$38,422,417</u>		<u>\$39,067,449</u>	
Percent to Operating Revenue		129.6		126.3		101.4

Muscatine Power and Water - Electric Utility
Statistical Data
May 2011

Per KWH Delivered to Wholesale Customers

	Current Month <u>2011 Budget</u>	Current Month <u>2011 Actual</u>	Current Month <u>2010 Actual</u>	Year-To-Date <u>2011 Budget</u>	Year-To-Date <u>2011 Actual</u>	Year-To-Date <u>2010 Actual</u>
Wholesale Sales KWHs	82,352,400	14,788,107	71,277,686	327,927,600	260,812,941	489,103,305
Wholesale Sales	\$0.03458	\$0.02926	\$0.03487	\$0.03594	\$0.03265	\$0.03543
Less:						
Generation	0.05016	0.16762	0.05099	0.06100	0.06797	0.03555
Transmission	0.00122	0.00541	0.00131	0.00145	0.00161	0.00099
Subtotal	0.05138	0.17303	0.05230	0.06245	0.06958	0.03654
Wholesale Margin	(\$0.01680)	(\$0.14377)	(\$0.01743)	(\$0.02651)	(\$0.03693)	(\$0.00111)

Per KWH Delivered to Paying Native System Customers

	Current Month <u>2011 Budget</u>	Current Month <u>2011 Actual</u>	Current Month <u>2010 Actual</u>	Year-To-Date <u>2011 Budget</u>	Year-To-Date <u>2011 Actual</u>	Year-To-Date <u>2010 Actual</u>
Native System Sales KWHs	65,326,884	68,032,663	67,087,001	332,086,695	338,930,243	335,560,038
Native System Sales	\$0.05132	\$0.05100	\$0.04921	\$0.05193	\$0.05177	\$0.05001
Less:						
Purchased Power	0.03245	0.02766	0.03135	0.03447	0.02980	0.03306
Distribution	0.00692	0.00610	0.00776	0.00664	0.00599	0.00640
Customer Service	0.00091	0.00026	0.00043	0.00090	0.00043	0.00032
Consumers Accounts	0.00071	0.00063	0.00061	0.00069	0.00064	0.00068
Administrative & General	0.01606	0.01584	0.01471	0.01632	0.01527	0.01510
Subtotal	0.05706	0.05048	0.05487	0.05901	0.05213	0.05556
Native System Margin	(0.00574)	0.00053	(0.00566)	(0.00708)	(0.00036)	(0.00555)
Wholesale Margin	(0.02118)	(0.03125)	(0.01851)	(0.02618)	(0.02842)	(0.00161)
Net Electric Margin before Steam Sales	(\$0.02692)	(\$0.03072)	(\$0.02417)	(\$0.03325)	(\$0.02878)	(\$0.00716)
Net Electric Margin after Steam Sales	(\$0.02906)	(\$0.03086)	(\$0.02487)	(\$0.03032)	(\$0.02504)	(\$0.00268)

Total Fuel Cost

(To & Including Ash Handling)

	<u>Current Month</u>		<u>Calendar Year-To-Date</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Per Million Btu.	\$2.242	\$1.480	\$1.614	\$1.350
Per Net MW Generated	\$30.75	\$16.97	\$17.63	\$14.99
Net Peak Monthly Demand-KW	124,080	131,600	124,080	131,600
Date of Peak	5/11	5/24	5/11	5/24
Hour of Peak	1400	1400	1400	1400
Average Temperature	61°	63°		
<u>Services</u>	<u>2011</u>	<u>2010</u>		
Residential	9,681	9,669		
Commercial I	1,388	1,394		
Commercial II	118	118		
Industrial I	11	11		
Industrial II	2	2		
City Enterprise Funds	22	22		
Water & Communications Utility	32	39		
Total	11,254	11,255		

Muscatine Power and Water - Electric Utility
Wholesale Sales Analysis
Current Month - May 2011

	<u>Budget</u> <u>Estimate</u>	<u>\$/kWh</u>	<u>This</u> <u>Year</u>	<u>\$/kWh</u>	<u>Last</u> <u>Year</u>	<u>\$/kWh</u>
<u>Wholesale kWh Sales</u>	<u>82,352,400</u>		<u>14,788,107</u>		<u>71,277,686</u>	
<u>Wholesale Sales</u>	<u>\$2,847,595</u>	<u>\$0.0346</u>	<u>\$432,679</u>	<u>\$0.0293</u>	<u>\$2,485,803</u>	<u>\$0.0349</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	1,550,971	0.0188	399,787	0.0270	1,128,452	0.0158
SO ² Allowances ^{fn1}	319	0.0000	33	0.0000	450	0.0000
NO _x Allowances ^{fn2}	5,324	0.0001	2,495	0.0002	26,634	0.0004
Other ^{fn4}	<u>283,062</u>	<u>0.0034</u>	<u>275,332</u>	<u>0.0186</u>	<u>296,229</u>	<u>0.0042</u>
Total Variable Costs	<u>1,839,676</u>	<u>0.0223</u>	<u>677,647</u>	<u>0.0458</u>	<u>1,451,765</u>	<u>0.0204</u>
Gross Margin	<u>\$1,007,919</u>	<u>\$0.0122</u>	<u>(\$244,968)</u>	<u>(\$0.0166)</u>	<u>\$1,034,038</u>	<u>\$0.0145</u>
Percent Gross Margin	35.4%		-56.6%		41.6%	

Calendar Year To Date

	<u>Budget</u> <u>Estimate</u>	<u>\$/kWh</u>	<u>This</u> <u>Year</u>	<u>\$/kWh</u>	<u>Last</u> <u>Year</u>	<u>\$/kWh</u>
<u>Wholesale kWh Sales</u>	<u>327,927,600</u>		<u>260,812,941</u>		<u>489,103,305</u>	
<u>Wholesale Sales</u>	<u>\$11,784,227</u>	<u>\$0.0359</u>	<u>\$8,516,026</u>	<u>\$0.0327</u>	<u>\$17,330,972</u>	<u>\$0.0354</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	5,959,621	0.0182	4,716,028	0.0181	6,906,667	0.0141
SO ² Allowances ^{fn1}	1,595	0.0000	2,106	0.0000	18,178	0.0000
NO _x Allowances ^{fn3}	156,868	0.0005	120,040	0.0005	361,681	0.0007
Other ^{fn4}	<u>1,415,310</u>	<u>0.0043</u>	<u>1,376,660</u>	<u>0.0053</u>	<u>1,481,145</u>	<u>0.0030</u>
Total Variable Costs	<u>7,533,394</u>	<u>0.0230</u>	<u>6,214,834</u>	<u>0.0238</u>	<u>8,767,671</u>	<u>0.0179</u>
Gross Margin	<u>\$4,250,833</u>	<u>\$0.0130</u>	<u>\$2,301,192</u>	<u>\$0.0088</u>	<u>\$8,563,301</u>	<u>\$0.0175</u>
Percent Gross Margin	36.1%		27.0%		49.4%	

Allowance costs are based on budgeted and market prices for allowances:

	<u>Budget</u>	<u>2011</u>	<u>2010</u>
fn1 SO ²	\$30.00	\$4.00	\$29.50
YTD SO ²	30.00	7.77	62.20
fn2 NO _x annual	400.00	167.50	367.50
NO _x seasonal	50.00	13.50	32.50
fn3 YTD NO _x annual	400.00	275.85	519.92
YTD NO _x seasonal	50.00	13.50	32.50

fn4 Other includes variable generation O&M, rail car cost, and Title V permit fees

Muscatine Power and Water

Water Utility

Operating Statements and Balance Sheets

May 2011

**Muscatine Power and Water
Water Utility**

Table of Contents

	Page
Classification of Water Distribution.....	1
Statements of Revenues, Expenses, and Changes in Net Assets.....	2 - 3
Balance Sheets.....	4 - 5
Statements of Cash Flows.....	6 - 7
Summary of Expenses.....	8 - 11
Statistical Data.....	12

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

	<u>Budget</u>	<u>%Increase</u>		<u>%Increase</u>	
	<u>Estimate</u>	<u>From Budget</u>	<u>This</u>	<u>(Decrease)</u>	<u>Last</u>
			<u>Year</u>	<u>Fr. Last Yr.</u>	<u>Year</u>
<u>Water Distribution - 1,000 Gallons</u>					
Contract Customers	630,882	2.3	645,465	2.7	628,407
Power Plants	49,202	(27.2)	35,838	(26.2)	48,532
Residential	39,623	(6.8)	36,928	(1.5)	37,484
Commercial	32,013	(5.0)	30,412	(6.3)	32,471
Total Metered Customers	751,720	(0.4)	748,643	0.2	746,894
Rated Customers - Estimate	---	---	7	(36.4)	11
City Use, Line Loss, Cycle Billing	45,103	(0.4)	44,919	0.2	44,814
Total Water Pumped	796,823	(0.4)	793,569	0.2	791,719

Calendar Year-to-Date

	<u>Budget</u>	<u>%Increase</u>		<u>%Increase</u>	
	<u>Estimate</u>	<u>From Budget</u>	<u>This</u>	<u>(Decrease)</u>	<u>Last</u>
			<u>Year</u>	<u>Fr. Last Yr.</u>	<u>Year</u>
<u>Water Distribution - 1,000 Gallons</u>					
Contract Customers	2,877,477	2.2	2,941,020	0.3	2,933,356
Power Plants	434,213	(25.1)	325,069	(8.3)	354,623
Residential	195,931	(7.8)	180,566	(2.8)	185,830
Commercial	147,692	(3.5)	142,481	(0.5)	143,134
Total Metered Customers	3,655,313	(1.8)	3,589,136	(0.8)	3,616,943
Rated Customers - Estimate	---	---	34	(62.2)	90
City Use, Line Loss, Cycle Billing	219,319	(1.8)	215,348	(0.8)	217,017
Total Water Pumped	3,874,632	(1.8)	3,804,518	(0.8)	3,834,050

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Current Month - May 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	\$188,594	0.3	\$189,131	6.5	\$177,559
Power Plants	25,435	(17.3)	21,036	(9.2)	23,157
Residential	119,709	(2.0)	117,311	3.7	113,170
Commercial	37,821	(2.3)	36,947	0.2	36,861
Water Sales	<u>371,559</u>	(1.9)	<u>364,425</u>	3.9	<u>350,747</u>
<u>Other Revenue</u>					
Penalty Revenue	580	4.7	607	26.5	480
Merchandise & Job Sales-Net	1,000	(61.3)	387	---	47
Miscellaneous Revenue	928	(24.9)	697	(1.6)	708
Total Other Revenue	<u>2,508</u>	(32.6)	<u>1,691</u>	36.9	<u>1,235</u>
Operating Revenue	<u>374,067</u>	(2.1)	<u>366,116</u>	4.0	<u>351,982</u>
<u>Operating Expense</u>					
Operation	287,533	(9.7)	259,680	9.1	238,073
Maintenance	58,232	(45.6)	31,696	(39.9)	52,776
Depreciation	45,788	(0.4)	45,621	5.1	43,404
Total Operating Expense	<u>391,553</u>	(13.9)	<u>336,997</u>	0.8	<u>334,253</u>
Operating Income (Loss)	(17,486)	---	29,119	64.2	17,729
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	112	(78.6)	24	(68.8)	77
Interest Expense	(1,009)	(25.8)	(749)	(89.7)	(7,247)
Net Nonoperating Revenues (Expenses)	<u>(897)</u>	(19.2)	<u>(725)</u>	(89.9)	<u>(7,170)</u>
Net Income before Capital Contributions	(18,383)	---	28,394	---	10,559
Capital Contributions	<u>---</u>	---	<u>---</u>	---	<u>45,158</u>
Change in Net Assets	(18,383)	---	28,394	(49.0)	55,717
Beginning Net Assets	<u>13,370,224</u>		<u>13,458,465</u>		<u>13,199,742</u>
Ending Net Assets	<u>\$13,351,841</u>		<u>\$13,486,859</u>		<u>\$13,255,459</u>
Net Income (Loss) to Total Income	(4.9)		7.8		3.0
Debt Service Coverage	7.51		21.89		---

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

	Budget Estimate	%Increase (Decrease) From Budget	This Year	%Increase (Decrease) Fr. Last Yr.	Last Year
<u>Sales of Water</u>					
Contract Customers	\$878,518	0.8	\$885,752	5.2	\$841,891
Power Plants	155,433	(19.3)	125,511	(4.8)	131,837
Residential	584,836	(3.1)	566,878	2.5	553,161
Commercial	175,129	(0.8)	173,689	3.5	167,854
Water Sales	1,793,916	(2.3)	1,751,830	3.4	1,694,743
<u>Other Revenue</u>					
Penalty Revenue	2,324	3.1	2,396	8.6	2,207
Merchandise & Job Sales-Net	4,200	11.8	4,696	52.5	3,079
Miscellaneous Revenue	3,604	46.6	5,282	53.4	3,444
Total Other Revenue	10,128	22.2	12,374	41.7	8,730
Operating Revenue	1,804,044	(2.2)	1,764,204	3.6	1,703,473
<u>Operating Expense</u>					
Operation	1,409,204	(10.5)	1,261,691	2.7	1,228,852
Maintenance	200,844	(12.8)	175,183	0.1	175,057
Depreciation	228,941	(0.4)	228,105	5.1	217,019
Total Operating Expense	1,838,989	(9.5)	1,664,979	2.7	1,620,928
Operating Income (Loss)	(34,945)	---	99,225	20.2	82,545
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	627	(77.0)	144	(71.1)	499
Interest Expense	(5,049)	(26.4)	(3,718)	(59.2)	(9,109)
Net Nonoperating Revenues (Expenses)	(4,422)	(19.2)	(3,574)	(58.5)	(8,610)
Net Income (Loss) before Capital Contributions	(39,367)	---	95,651	29.4	73,935
Capital Contributions	---	---	---	---	92,081
Change in Net Assets	(39,367)	---	95,651	(42.4)	166,016
Beginning Net Assets	13,391,208		13,391,208		13,089,443
Ending Net Assets	\$13,351,841		\$13,486,859		\$13,255,459
Net Income (Loss) to Total Income	(2.2)		5.4		4.3
Debt Service Coverage	16.59		19.36		---

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

ASSETS

	<u>2011</u>	<u>2010</u>
Current Assets:		
Cash - interest bearing	\$577,210	\$487,669
Investments	---	142,963
Receivables:		
Consumer Accounts	484,118	471,962
Interest	17	43
Inventories	293,168	286,685
Prepaid Expenses	40,792	43,833
	<hr/>	<hr/>
Total Current Assets	1,395,305	1,433,155
	<hr/>	<hr/>
Property and Equipment:		
At Cost	23,805,103	23,258,468
Less Accumulated Depreciation	8,846,575	8,483,501
	<hr/>	<hr/>
Net Property and Equipment	14,958,528	14,774,967
	<hr/>	<hr/>
 TOTAL ASSETS	 <u><u>\$16,353,833</u></u>	 <u><u>\$16,208,122</u></u>

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

LIABILITIES AND NET ASSETS

	<u>2011</u>	<u>2010</u>
Current Liabilities:		
<u>Restricted</u>		
State Revolving Loan	\$33,000	---
Total Current Restricted Liabilities	<u>33,000</u>	<u>---</u>
<u>Unrestricted</u>		
Accounts Payable	207,499	282,117
Pension Provision	42,015	37,655
Health & Dental Insurance Provision	23,244	23,460
Intercompanies Payable	10,258	9,977
Retained Percentage on Contracts	4,520	85,492
Consumer Advances for Construction	78,111	28,129
Accrued Payroll	67,302	60,612
Accrued Vacation	76,590	79,266
Miscellaneous Accrued Expenses	50,053	36,078
Miscellaneous Deferred Credits	5,200	7,600
Total Current Unrestricted Liabilities	<u>564,792</u>	<u>650,386</u>
Non-Current Liabilities:		
State Revolving Loan	204,846	149,942
Health & Dental Insurance Provision	143,463	164,731
Post-Employment Health Benefit Provision	12,981	---
Consumer Advances for Construction	<u>1,907,892</u>	<u>1,987,604</u>
Total Non-Current Liabilities	<u>2,269,182</u>	<u>2,302,277</u>
Net Assets:		
Invested in capital assets, net of related debt	12,734,679	12,609,292
Restricted	33,000	---
Unrestricted	<u>719,180</u>	<u>646,167</u>
Total Net Assets	<u>13,486,859</u>	<u>13,255,459</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$16,353,833</u></u>	 <u><u>\$16,208,122</u></u>

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

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$360,119	\$1,747,179
Miscellaneous sources	3,683	9,667
Cash paid to/for:		
Suppliers	(97,236)	(611,775)
Employees payroll, taxes and benefits	(139,103)	(719,594)
	<u>127,463</u>	<u>425,477</u>
Net cash flows from operating activities		
	<u>127,463</u>	<u>425,477</u>
Cash flows from capital and related financing activities:		
State revolving loan fund proceeds	---	4,750
State revolving loan fund principal payments	(32,000)	(32,000)
State revolving loan interest payments	(4,911)	(4,911)
Capital expenditures, net	(141,978)	(238,466)
	<u>(178,889)</u>	<u>(270,627)</u>
Net cash flows from capital and related financing activities		
	<u>(178,889)</u>	<u>(270,627)</u>
Cash flows from investing activities:		
Interest received on investments	24	131
	<u>24</u>	<u>131</u>
Net cash flows from investing activities		
	<u>24</u>	<u>131</u>
Net increase (decrease) in cash and investments	<u>(51,402)</u>	<u>154,981</u>
Cash and investments at beginning of period	<u>628,612</u>	<u>422,229</u>
Cash and investments at end of period	<u><u>\$577,210</u></u>	<u><u>\$577,210</u></u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
May 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	\$29,119	\$99,225
Noncash item in operating income:		
Depreciation of utility plant	45,621	228,105
Changes in assets and liabilities:		
Consumer accounts receivable	(968)	(1,337)
Inventories	21,790	(3,682)
Prepaid and deferred expenses	374	(17,441)
Accounts payable	7,979	50,479
Pension provision	8,403	42,015
Health & dental insurance provision	(3,401)	(11,883)
Other post-employment benefit provision	245	1,225
Intercompany payable	(34)	3,561
Retained percentage	427	(19,308)
Accrued payroll	15,566	39,648
Accrued vacation	(1,465)	6,927
Miscellaneous accrued expenses	3,807	7,943
	<hr/>	<hr/>
Net cash flows from operating activities	<u>\$127,463</u>	<u>\$425,477</u>

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$2,302		\$2,186		\$2,331	
Operation Labor and Expenses	859		1,439		1,162	
Miscellaneous Expense	1,536		394		1,360	
Maintenance of Wells	20,000		---		400	
Maintenance of Supply Mains	1,420		476		1,820	
Depreciation	5,614		5,141		5,207	
Total Source of Supply Expense	31,731	8.5	9,636	2.6	12,280	3.5
<u>Pumping</u>						
Operation Supervision	2,775		2,555		2,720	
Fuel or Power Purchased	61,089		56,365		62,866	
Pumping Labor and Expenses	4,576		2,550		3,626	
Miscellaneous Expense	233		304		279	
Maintenance of Structures	97		---		---	
Maintenance of Pumping Equipment	6,261		4,210		13,760	
Depreciation	5,000		5,677		4,356	
Total Pumping Expense	80,031	21.4	71,661	19.6	87,607	24.9
<u>Water Treatment</u>						
Operation Supervision	2,708		2,675		2,751	
Chemicals	21,333		14,664		18,946	
Operation Labor and Expenses	13,835		10,944		9,749	
Miscellaneous Expense	1,491		644		1,281	
Maintenance of Structures	543		245		112	
Maintenance of Purification Equip.	519		5,451		2,140	
Depreciation	2,347		2,338		2,340	
Total Water Treatment Expense	42,776	11.4	36,961	10.1	37,319	10.6
<u>Distribution</u>						
Operation Supervision	2,700		2,680		2,551	
Storage Facilities Expense	2,199		1,768		2,900	
Trans. & Distr. Lines Expense	6,639		2,529		1,296	
Meter Expense	12,375		10,693		11,446	
Consumer Installation Expense	5,106		4,295		6,019	
Miscellaneous Expense	2,500		4,558		3,745	
Vehicle Expense	3,425		4,354		2,214	
Maintenance:						
Supervision	4,226		4,250		4,060	
Structures	28		137		12	
Reservoirs and Standpipes	1,500		883		4,539	
Mains	8,016		6,995		14,509	
Valves	5,712		2,192		2,306	
Meters	2,228		2,726		5,036	
Hydrants	4,138		986		1,458	
Miscellaneous Plant	1,890		1,925		1,326	
Vacation, Holiday, Sick Leave	12,045		10,820		10,801	
Depreciation	30,213		29,963		29,223	
Total Distribution Expense	\$104,940	28.1	\$91,754	25.1	\$103,441	29.4

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$11,430		\$11,521		\$11,770	
Operation Labor and Expenses	4,126		6,377		6,264	
Miscellaneous Expense	2,821		436		2,160	
Maintenance of Wells	20,000		---		405	
Maintenance of Supply Mains	6,664		1,095		3,817	
Depreciation	28,070		25,705		26,035	
Total Source of Supply Expense	73,111	4.1	45,134	2.6	50,451	3.0
<u>Pumping</u>						
Operation Supervision	13,519		13,534		13,753	
Fuel or Power Purchased	304,761		271,728		311,470	
Pumping Labor and Expenses	22,201		16,182		19,023	
Miscellaneous Expense	1,167		1,551		1,629	
Maintenance of Structures	3,617		---		---	
Maintenance of Pumping Equipment	30,571		29,409		31,328	
Depreciation	25,001		28,385		21,780	
Total Pumping Expense	400,837	22.2	360,789	20.5	398,983	23.4
<u>Water Treatment</u>						
Operation Supervision	13,475		13,865		13,876	
Chemicals	106,667		77,688		94,389	
Operation Labor and Expenses	56,526		60,018		55,575	
Miscellaneous Expense	7,353		7,448		5,354	
Maintenance of Structures	2,002		1,443		3,195	
Maintenance of Purification Equip.	9,836		17,908		16,875	
Depreciation	11,737		11,690		11,700	
Total Water Treatment Expense	207,596	11.5	190,060	10.8	200,964	11.8
<u>Distribution</u>						
Operation Supervision	13,489		13,553		12,883	
Storage Facilities Expense	7,321		7,984		9,585	
Trans. & Distr. Lines Expense	48,106		33,101		28,084	
Meter Expense	54,105		45,283		51,768	
Consumer Installation Expense	24,599		22,688		26,234	
Miscellaneous Expense	20,192		21,241		20,184	
Vehicle Expense	17,423		21,158		18,079	
Maintenance:						
Supervision	21,216		21,726		20,546	
Structures	1,638		8,197		1,792	
Reservoirs and Standpipes	1,500		3,799		7,283	
Mains	44,561		30,151		36,557	
Valves	15,010		18,476		9,036	
Meters	11,157		13,339		11,736	
Hydrants	13,526		8,372		15,669	
Miscellaneous Plant	9,448		10,409		8,790	
Vacation, Holiday, Sick Leave	49,611		47,818		52,372	
Depreciation	151,065		149,815		146,115	
Total Distribution Expense	\$503,967	27.9	\$477,110	27.0	\$476,713	28.0

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$2,052</u>	0.5	<u>\$480</u>	0.1	<u>\$1,160</u>	0.3
<u>Consumer Accounts</u>						
Supervision	930		1,066		1,015	
Meter Reading Expense	3,481		3,709		3,504	
Consumer Records and Collection	12,720		10,537		10,392	
Uncollectible Accounts Expense	341		342		267	
Vacation, Holiday, Sick Leave	<u>1,609</u>		<u>1,655</u>		<u>1,712</u>	
Total Consumer Accounts Expense	<u>19,081</u>	5.1	<u>17,309</u>	4.7	<u>16,890</u>	4.8
<u>Administrative and General</u>						
Administrative and General Salaries	14,881		14,274		13,953	
Office Supplies and Expenses	1,461		1,210		1,498	
Outside Services Employed	31,142		33,165		415	
Property Insurance	815		808		854	
Casualty Ins, Injuries & Damages	3,025		7,403		3,078	
Employee Pensions and Benefits	42,540		41,496		41,496	
Fringe Benefits Charged to Constr.	(1,548)		(6,488)		(1,624)	
Miscellaneous General Expense	6,498		5,934		3,722	
Rents	5,243		5,243		6,298	
Maintenance of General Plant	1,654		1,220		1,298	
Vacation, Holiday, Sick Leave	2,617		2,429		2,290	
Depreciation	<u>2,614</u>		<u>2,502</u>		<u>2,278</u>	
Total Administrative and General	<u>110,942</u>	29.7	<u>109,196</u>	29.8	<u>75,556</u>	21.5
Total Operating Expense	<u><u>\$391,553</u></u>		<u><u>\$336,997</u></u>		<u><u>\$334,253</u></u>	
Percent to Operating Revenue		104.7		92.0		95.0

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$12,152</u>	0.7	<u>\$9,735</u>	0.6	<u>\$3,486</u>	0.2
<u>Consumer Accounts</u>						
Supervision	4,652		4,821		4,789	
Meter Reading Expense	17,265		19,061		19,170	
Customer Records and Collection	64,109		55,972		61,129	
Uncollectible Accounts Expense	1,708		1,708		1,335	
Vacation, Holiday, Sick Leave	<u>6,736</u>		<u>7,681</u>		<u>8,024</u>	
Total Consumer Accounts Expense	<u>94,470</u>	5.2	<u>89,243</u>	5.1	<u>94,447</u>	5.5
<u>Administrative and General</u>						
Administrative and General Salaries	74,417		71,498		72,097	
Office Supplies and Expenses	7,852		6,943		6,753	
Outside Services Employed	128,021		98,634		3,989	
Property Insurance	4,193		4,180		4,272	
Casualty Ins, Injuries & Damages	15,127		20,283		16,140	
Employee Pensions and Benefits	214,549		211,797		210,382	
Fringe Benefits Charged to Constr.	(6,743)		(11,438)		(7,613)	
Miscellaneous General Expense	48,921		31,423		27,786	
Rents	26,215		26,215		31,490	
Maintenance of General Plant	10,098		10,859		8,028	
Vacation, Holiday, Sick Leave	11,138		10,004		11,171	
Depreciation	<u>13,068</u>		<u>12,510</u>		<u>11,389</u>	
Total Administrative and General	<u>546,856</u>	30.3	<u>492,908</u>	27.9	<u>395,884</u>	23.2
Total Operating Expense	<u>\$1,838,989</u>		<u>\$1,664,979</u>		<u>\$1,620,928</u>	
Percent to Operating Revenue		101.9		94.4		95.2

Muscatine Power and Water - Water Utility
Statistical Data
Current Month - May 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	0.459	0.487	0.443	0.470
Cost Per 1,000 Gallons	<u>0.425</u>	<u>0.450</u>	<u>0.422</u>	<u>0.448</u>
Margin	<u>0.035</u>	<u>0.037</u>	<u>0.021</u>	<u>0.022</u>

	<u>2011</u>	<u>2010</u>
Maximum Daily Water Pumped (1,000 gallons)	31,865	30,415
Date of Maximum	05/19	05/28

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	0.460	0.488	0.442	0.469
Cost Per 1,000 Gallons	<u>0.438</u>	<u>0.464</u>	<u>0.423</u>	<u>0.448</u>
Margin	<u>0.023</u>	<u>0.024</u>	<u>0.019</u>	<u>0.020</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	8,534	8,505
Commercial	<u>1,087</u>	<u>1,085</u>
Total	<u>9,625</u>	<u>9,594</u>

Muscatine Power and Water

Communications Utility

Operating Statements and Balance Sheets

May 2011

**Muscatine Power and Water
Communications Utility**

Table of Contents

	Page
Statements of Revenues, Expenses, and Changes in Net Deficit.....	1 - 2
Balance Sheets.....	3 - 4
Statements of Cash Flows.....	5 - 6
Summary of Expenses.....	7 - 10
Statistical Data.....	11

Muscatine Power and Water - Communications Utility
Statements of Revenues, Expenses, and Changes in Net Deficit
Current Month - May 2011

	<u>Current Month</u>				
	<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>Operating Revenue</u>					
CATV	\$664,212	(2.5)	\$647,490	5.6	\$612,880
Data/Internet	284,193	2.3	290,800	3.4	281,345
MAN/MME	30,002	(1.3)	29,616	8.0	27,430
Miscellaneous	9,428	(7.6)	8,712	15.1	7,566
Total Operating Revenues	987,835	(1.1)	976,618	5.1	929,221
<u>Operating Expense</u>					
Operation	636,571	(4.3)	609,250	(1.3)	617,166
Maintenance	81,316	(23.7)	62,039	2.5	60,542
Depreciation	200,409	(1.0)	198,323	3.9	190,872
Amortization	64,428	---	64,428	---	64,428
Total Operating Expenses	982,724	(5.0)	934,040	0.1	933,008
Operating Income (Loss)	5,111	---	42,578	---	(3,787)
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	12,892	(2.2)	12,603	---	181
Interest Expense	(122,720)	0.4	(123,176)	14.2	(107,854)
Net Nonoperating Expense	(109,828)	0.7	(110,573)	2.7	(107,673)
Net Loss before Capital Contributions	(104,717)	(35.1)	(67,995)	(39.0)	(111,460)
Capital Contributions	---	---	---	---	---
Change in Net Deficit	(\$104,717)		(\$67,995)		(\$111,460)
Beginning Net Deficit	(21,670,132)		(21,528,877)		(20,122,417)
Ending Net Deficit	(\$21,774,849)		(\$21,596,872)		(\$20,233,877)
Net Loss to Total Income	(10.5)		(6.9)		(12.0)
Debt Service Coverage on Bank Debt	3.06		3.44		72.50
Debt Service Coverage on Bank and Electric Utility Debt	1.44		1.62		2.35

Muscatine Power and Water - Communications Utility
Statements of Revenues, Expenses, and Changes in Net Deficit
Calendar Year-to-Date - May 2011

	<u>Calendar Year-to-Date</u>				
	<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>Operating Revenue</u>					
CATV	\$3,259,397	(3.2)	\$3,156,456	6.0	\$2,976,669
Data/Internet	1,396,167	2.1	1,425,772	2.7	1,388,733
MAN/MME	150,010	(2.0)	147,055	6.3	138,288
Miscellaneous	47,142	(11.5)	41,739	12.2	37,214
Total Operating Revenues	<u>4,852,716</u>	(1.7)	<u>4,771,022</u>	5.1	<u>4,540,904</u>
<u>Operating Expense</u>					
Operation	3,202,288	(4.8)	3,049,851	(1.2)	3,087,498
Maintenance	400,731	(22.3)	311,386	(7.6)	337,015
Depreciation	1,002,042	(1.0)	991,615	3.9	954,360
Amortization	322,140	---	322,140	---	322,140
Total Operating Expenses	<u>4,927,201</u>	(5.1)	<u>4,674,992</u>	(0.6)	<u>4,701,013</u>
Operating Income (Loss)	<u>(74,485)</u>	---	<u>96,030</u>	---	<u>(160,109)</u>
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	64,978	(5.9)	61,138	---	1,142
Interest Expense	<u>(613,600)</u>	0.4	<u>(615,882)</u>	14.2	<u>(539,272)</u>
Net Nonoperating Expense	<u>(548,622)</u>	1.1	<u>(554,744)</u>	3.1	<u>(538,130)</u>
Net Loss before Capital Contributions	(623,107)	(26.4)	(458,714)	(34.3)	(698,239)
Capital Contributions	<u>---</u>	---	<u>13,584</u>	---	<u>---</u>
Change in Net Deficit	(623,107)		(445,130)		(698,239)
Beginning Net Deficit	<u>(21,151,742)</u>		<u>(21,151,742)</u>		<u>(19,535,638)</u>
Ending Net Deficit	<u>(\$21,774,849)</u>		<u>(\$21,596,872)</u>		<u>(\$20,233,877)</u>
Net Loss to Total Income	(12.7)		(9.5)		(15.4)
Debt Service Coverage on Bank Debt	2.84		3.18		64.34
Debt Service Coverage on Bank and Electric Utility Debt	1.34		1.50		2.08

Muscatine Power and Water - Communications Utility
Statements of Net Assets
May 2011

ASSETS

	<u>2011</u>	<u>2010</u>
Current Assets:		
<u>Restricted</u>		
Cash - interest bearing	\$1	\$1
Total Restricted Current Assets	1	1
<u>Unrestricted</u>		
Cash - interest bearing	2,584,946	565,818
Investments	3,912,000	1,295,814
Receivables:		
Consumer Accounts	1,128,548	1,068,320
Interest	66,812	2,038
Inventories	276,249	296,535
Prepaid Expenses	110,497	101,230
Total Unrestricted Current Assets	8,079,052	3,329,755
Total Current Assets	8,079,053	3,329,756
Property and Equipment:		
At Cost	29,492,168	29,248,761
Less Accumulated Depreciation	18,127,701	17,007,063
Net Property and Equipment	11,364,467	12,241,698
Other Assets:		
Unamortized Cost of Issuing Debt	19,625	25,101
Total Other Assets	19,625	25,101
Intangible Assets:		
Intangible Assets - Less Accumulated Amortization of \$6,506,780 in 2011 and \$6,157,917 in 2010	1,224,133	1,997,270
TOTAL ASSETS	<u>\$20,687,278</u>	<u>\$17,593,825</u>

Muscatine Power and Water - Communications Utility
Statements of Net Assets
May 2011

LIABILITIES AND NET DEFICIT

	<u>2011</u>	<u>2010</u>
Current Liabilities:		
<u>Restricted</u>		
Notes Payable - Banks	\$885,000	---
Deferred Revenue - Dark Fiber Lease	16,991	---
Accrued Interest	94,000	17,390
	<hr/>	<hr/>
Total Restricted Current Liabilities	995,991	17,390
	<hr/>	<hr/>
<u>Unrestricted</u>		
Accrued Interest	519,600	519,600
Accounts Payable	463,824	360,309
Pension Provision	114,740	96,645
Health & Dental Insurance Provision	41,124	35,880
Intercompanies	9,913	11,279
Accrued Payroll	100,217	94,553
Accrued Vacation	114,760	125,859
Accrued Property Taxes	23,117	22,917
Miscellaneous Accrued Expenses	121,988	101,989
	<hr/>	<hr/>
Total Unrestricted Current Liabilities	1,509,283	1,369,031
	<hr/>	<hr/>
Total Current Liabilities	2,505,274	1,386,421
	<hr/>	<hr/>
Non-Current Liabilities:		
Health & Dental Insurance Provision	186,215	226,281
Post-Employment Health Benefit Provision	22,964	---
Deferred Revenue - Dark Fiber Lease	327,697	---
Notes Payable:		
Banks	3,915,000	888,000
Electric Utility	35,327,000	35,327,000
	<hr/>	<hr/>
Total Non-Current Liabilities	39,778,876	36,441,281
	<hr/>	<hr/>
Net Deficit:		
Invested in capital assets, net of related debt	8,698,702	13,364,156
Restricted	995,991	17,390
Unrestricted	(31,291,565)	(33,615,423)
	<hr/>	<hr/>
Total Net Deficit	(21,596,872)	(20,233,877)
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET DEFICIT	<u><u>\$20,687,278</u></u>	<u><u>\$17,593,825</u></u>

Muscatine Power and Water - Communications Utility
Statements of Cash Flows
May 2011

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Communications sales	\$964,556	\$4,639,454
Advertising sales	22,033	97,904
Sale of digital converters	---	20,802
Miscellaneous sources	10,232	460,039
Cash paid to/for:		
Suppliers	(349,461)	(2,150,320)
Employees payroll, taxes and benefits	(224,260)	(1,107,704)
Net cash flows from operating activities	<u>423,100</u>	<u>1,960,175</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(79,197)	(547,583)
Loan funds received from banks	---	---
Loan interest payments	---	(651,540)
Net cash flows from capital and related financing activities	<u>(79,197)</u>	<u>(1,199,123)</u>
Cash flows from investing activities:		
Interest received on investments	137	1,011
Accrued interest purchased	---	---
Amortization/accretion of investments	---	---
Mark to market	---	---
Net cash flows from investing activities	<u>137</u>	<u>1,011</u>
Net increase in cash and investments	<u>344,040</u>	<u>762,063</u>
Cash and investments at beginning of period	<u>6,152,907</u>	<u>5,734,884</u>
Cash and investments at end of period	<u><u>\$6,496,947</u></u>	<u><u>\$6,496,947</u></u>

Muscatine Power and Water - Communications Utility
Statements of Cash Flows
May 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	\$42,578	\$96,030
Noncash items in operating income:		
Converter/modem write-off	---	1,749
Depreciation of utility plant	198,323	991,615
Amortization of intangible assets	64,428	322,140
Changes in assets and liabilities:		
Consumer accounts receivable	9,878	(26,201)
Inventories	(377)	8,745
Prepaid and deferred expenses	(17,558)	6,560
Accounts payable	57,243	74,520
Pension provision	22,948	114,740
Health & dental insurance provision	(5,763)	(19,772)
Other post-employment benefit provision	433	2,165
Deferred Revenue	(1,458)	344,688
Intercompany payable	(2,683)	(5,591)
Retained percentage on contracts	---	---
Accrued payroll	18,876	59,950
Accrued vacation	990	9,712
Accrued property taxes	2,125	(1,879)
Miscellaneous accrued expenses	33,117	(18,996)
	<hr/>	<hr/>
Net cash flows from operating activities	<u>\$423,100</u>	<u>\$1,960,175</u>

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>CATV</u>			
Program Acquisition Expense	\$325,958	\$319,697	\$287,596
Promotional Expense	2,610	5,005	21,744
Electricity Expense	1,318	2,287	2,114
Pole Attachment Expense	2,167	2,167	2,167
Changes of Service	985	1,289	1,384
Underground Line Expense	2,587	2,448	3,350
Ad Insertion - Marketing/Production	7,431	5,543	5,124
Miscellaneous CATV Expense	13,383	13,087	16,076
Vehicle Expense	4,969	4,705	3,776
Maintenance:			
Fiber	1,033	160	479
Coax	2,737	1,576	1,190
Drops	4,111	2,815	3,902
Conduit System	317	372	394
Headend	27,131	20,389	22,148
Line Equipment	3,273	4,297	1,922
Converters	7,336	9,192	6,418
Ad Insertion	4,038	3,798	3,785
Vacation, Holiday , Sick Leave	5,996	5,706	4,606
Property Taxes	1,400	1,400	1,373
Depreciation	153,818	152,268	149,041
Amortization	48,321	48,321	48,321
Total CATV	620,919	606,522	586,910
<u>Data/Internet</u>			
Data/Internet Access Charges	23,855	10,707	26,957
Promotional Expense	5,231	5,156	14,957
Electricity Expense	45	78	72
Pole Attachment Expense	75	75	75
Changes of Service	422	552	593
Customer Wireless Equipment Expense	945	446	(290)
Underground Line Expense	88	83	114
Miscellaneous Data/Internet Expense	9,037	8,728	8,889
Vehicle Expense	542	571	455
Maintenance:			
Fiber	36	6	17
Coax	93	54	39
Drops	140	96	133
Conduit System	11	13	14
Headend	18,995	11,783	16,221
Line Equipment	112	147	66
Modems	4,872	3,862	2,730
Vacation, Holiday, Sick Leave	4,395	4,016	3,797
Property Taxes	49	49	48
Depreciation	21,353	21,599	20,157
Amortization	16,107	16,107	16,107
Total Data/Internet	\$106,403	\$84,128	\$111,151

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>CATV</u>			
Program Acquisition Expense	\$1,629,512	\$1,573,287	\$1,434,387
Promotional Expense	25,780	12,910	88,206
Electricity Expense	6,592	10,798	10,429
Pole Attachment Expense	10,833	10,833	10,833
Changes of Service	4,892	7,764	11,943
Underground Line Expense	12,821	8,142	9,933
Ad Insertion - Marketing/Production	32,447	28,730	21,642
Miscellaneous CATV Expense	67,637	63,073	74,981
Vehicle Expense	24,776	27,317	20,883
Maintenance:			
Fiber	5,205	1,191	2,075
Coax	13,649	5,678	4,333
Drops	20,376	10,169	10,990
Conduit System	1,490	1,927	1,501
Headend	133,029	101,990	104,206
Line Equipment	16,433	17,334	7,635
Converters	36,698	36,521	51,070
Ad Insertion	20,235	19,588	20,834
Vacation, Holiday, Sick Leave	24,439	20,444	22,062
Property Taxes	7,002	7,002	6,865
Depreciation	769,088	761,340	745,205
Amortization	241,605	241,605	241,605
Total CATV	3,104,539	2,967,643	2,901,618
<u>Data/Internet</u>			
Data/Internet Access Charges	119,276	99,714	129,684
Promotional Expense	31,355	17,885	40,971
Electricity Expense	225	369	356
Pole Attachment Expense	375	375	375
Changes of Service	2,097	3,327	5,118
Customer Wireless Equipment Expense	4,612	3,011	943
Underground Line Expense	438	278	339
Miscellaneous Data/Internet Expense	45,210	45,704	42,107
Vehicle Expense	2,710	3,317	2,519
Maintenance:			
Fiber	182	42	72
Coax	466	197	148
Drops	695	347	375
Conduit System	52	67	52
Headend	92,117	58,921	89,268
Line Equipment	561	572	260
Modems	24,212	19,616	14,427
Vacation, Holiday, Sick Leave	17,161	14,366	17,863
Property Taxes	245	245	240
Depreciation	106,763	107,995	100,785
Amortization	80,535	80,535	80,535
Total Data/Internet	\$529,287	\$456,883	\$526,437

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

	<u>Budget Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>MAN/MME</u>			
Pole Attachment Expense	\$1,042	\$1,042	\$1,042
Tools Expense	417	45	443
Maintenance:			
Fiber	499	77	228
Conduit System	153	179	190
MAN/MME Equipment	2,616	---	250
Vacation, Holiday, Sick Leave	162	165	140
Property Taxes	676	676	662
Depreciation	16,993	16,892	13,140
Total MAN/MME	22,558	19,076	16,095
<u>Customer Service Expense</u>			
Customer Information Expense	8,060	1,097	7,209
<u>Consumer Accounts</u>			
Supervision	2,326	2,700	2,571
Consumer Records and Collections	38,614	31,294	38,956
Uncollectible Accounts Expense	1,383	1,383	714
Vacation, Holiday, Sick Leave	4,630	4,211	4,106
Total Consumer Accounts	46,953	39,588	46,347
<u>Administrative and General</u>			
Administrative and General Salaries	52,249	48,896	51,681
Office Supplies and Expense	4,814	4,090	5,227
Outside Services Employed	6,117	6,268	5,925
Property Insurance	815	808	854
Casualty Ins, Injuries & Damages	5,346	12,836	4,776
Employee Pensions and Benefits	76,674	74,455	70,978
Fringe Benefits Charges to Construction	(5,971)	(3,943)	(4,751)
Rents	7,952	7,952	9,553
Miscellaneous General Expense	8,512	12,811	4,334
Maintenance of General Plant	3,813	3,223	416
Vacation, Holiday, Sick Leave	9,265	8,669	7,769
Depreciation	8,245	7,564	8,534
Total Administrative and General	177,831	183,629	165,296
Total Operating Expenses	<u>\$982,724</u>	<u>\$934,040</u>	<u>\$933,008</u>

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

	<u>Budget Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>MAN/MME</u>			
Pole Attachment Expense	\$5,208	\$5,208	\$5,208
Tools Expense	2,083	206	852
Maintenance:			
Fiber	2,512	574	998
Conduit System	719	930	724
MAN/MME Equipment	12,437	10,224	10,659
Vacation, Holiday, Sick Leave	637	557	672
Property Taxes	3,379	3,379	3,312
Depreciation	84,967	84,460	65,700
Total MAN/MME	<u>111,942</u>	<u>105,538</u>	<u>88,125</u>
<u>Customer Service Expense</u>			
Customer Information Expense	<u>41,206</u>	<u>25,142</u>	<u>51,111</u>
<u>Consumer Accounts</u>			
Supervision	11,629	12,213	12,424
Consumer Records and Collections	193,328	173,685	214,041
Uncollectible Accounts Expense	6,917	6,917	3,572
Vacation, Holiday, Sick Leave	<u>4,630</u>	<u>4,212</u>	<u>21,243</u>
Total Consumer Accounts	<u>216,504</u>	<u>197,027</u>	<u>251,280</u>
<u>Administrative and General</u>			
Administrative and General Salaries	261,444	253,711	273,695
Office Supplies and Expense	28,344	26,651	22,048
Outside Services Employed	34,825	32,563	28,658
Property Insurance	4,193	4,180	4,272
Casualty Ins, Injuries & Damages	26,730	35,480	23,040
Employee Pensions and Benefits	386,835	378,551	362,593
Fringe Benefits Charges to Construction	(29,796)	(20,369)	(23,709)
Rents	39,760	39,760	47,765
Miscellaneous General Expense	58,854	58,844	35,883
Maintenance of General Plant	19,663	25,498	17,388
Vacation, Holiday, Sick Leave	51,647	50,070	48,139
Depreciation	<u>41,224</u>	<u>37,820</u>	<u>42,670</u>
Total Administrative and General	<u>923,723</u>	<u>922,759</u>	<u>882,442</u>
Total Operating Expenses	<u><u>\$4,927,201</u></u>	<u><u>\$4,674,992</u></u>	<u><u>\$4,701,013</u></u>

Muscatine Power and Water - Communications Utility
Statistical Data
May 2011

<u>Services</u>	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u> ^{fn1}	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u> ^{fn1}
<u>CATV</u>					
Residential	7,584	(3.0)	7,356	(1.5)	7,468
Commercial/Hospitality	<u>168</u>	1.2	<u>170</u>	(6.1)	<u>181</u>
Total CATV	<u>7,752</u>	(2.9)	<u>7,526</u>	(1.6)	<u>7,649</u>
Bulk Equivalent Services	<u>485</u>	---	<u>485</u>	(0.4)	<u>487</u>
Bulk Master Services	<u>25</u>	12.0	<u>28</u>	---	<u>28</u>
<u>Internet</u>					
Residential	6,395	(0.1)	6,388	3.9	6,150
Commercial	<u>429</u>	11.9	<u>480</u>	---	<u>480</u>
Total Internet	<u>6,824</u>	0.6	<u>6,868</u>	3.6	<u>6,630</u>
<u>MAN/MME</u>	<u>19</u>	(10.5)	<u>17</u>	---	<u>16</u>

fn1 Number of actual residential and commercial services are per the end of month subscriber report