

Muscatine Power and Water

Water Utility

Operating Statements and Balance Sheets

October 2010

**Muscatine Power and Water
Water Utility**

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

	Budget Estimate	%Increase (Decrease) From Budget	This Year	%Increase (Decrease) Fr. Last Yr.	Last Year
<u>Water Distribution - 1,000 Gallons</u>					
Contract Customers	588,129	6.5	626,250	5.4	594,225
Power Plants	82,413	(8.7)	75,203	22.2	61,539
Residential	40,457	(0.9)	40,096	3.1	38,881
Commercial	37,514	(0.5)	37,308	24.4	29,998
 Total Metered Customers	 748,513	 4.1	 778,857	 7.5	 724,643
Rated Customers - Estimate	---	---	15	(21.1)	19
City Use, Line Loss, Cycle Billing	44,911	4.1	46,731	7.5	43,479
 Total Water Pumped	 <u>793,424</u>	 4.1	 <u>825,603</u>	 7.5	 <u>768,141</u>

Calendar Year-to-Date

	Budget Estimate	%Increase (Decrease) From Budget	This Year	%Increase (Decrease) Fr. Last Yr.	Last Year
<u>Water Distribution - 1,000 Gallons</u>					
Contract Customers	5,835,408	3.4	6,035,492	3.3	5,841,229
Power Plants	889,324	(13.0)	773,307	(6.5)	826,672
Residential	417,116	(5.9)	392,462	(1.8)	399,511
Commercial	348,114	(5.5)	329,028	4.9	313,594
 Total Metered Customers	 7,489,962	 0.5	 7,530,289	 2.0	 7,381,006
Rated Customers - Estimate	---	---	187	(7.4)	202
City Use, Line Loss, Cycle Billing	449,398	0.5	451,817	2.0	442,860
 Total Water Pumped	 <u>7,939,360</u>	 0.5	 <u>7,982,293</u>	 2.0	 <u>7,824,068</u>

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Current Month - October 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	\$170,231	6.0	\$180,415	7.6	\$167,607
Power Plants	27,410	(4.7)	26,125	1.3	25,797
Residential	118,300	(1.8)	116,174	4.4	111,327
Commercial	40,954	(2.1)	40,113	17.8	34,045
Water Sales	<u>356,895</u>	1.7	<u>362,827</u>	7.1	<u>338,776</u>
<u>Other Revenue</u>					
Penalty Revenue	545	27.7	696	(9.6)	770
Merchandise & Job Sales-Net	786	(90.5)	75	(58.6)	181
Miscellaneous Revenue	930	71.9	1,599	24.9	1,280
Total Other Revenue	<u>2,261</u>	4.8	<u>2,370</u>	6.2	<u>2,231</u>
Operating Revenue	<u>359,156</u>	1.7	<u>365,197</u>	7.1	<u>341,007</u>
<u>Operating Expense</u>					
Operation	244,469	2.3	250,047	(3.2)	258,299
Maintenance	38,149	19.9	45,732	64.0	27,892
Depreciation	42,975	1.0	43,404	10.0	39,457
Total Operating Expense	<u>325,593</u>	4.2	<u>339,183</u>	4.2	<u>325,648</u>
Operating Income	33,563	(22.5)	26,014	69.4	15,359
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	773	(93.1)	53	(69.9)	176
Interest Expense	(1,204)	(51.6)	(583)	---	---
Net Nonoperating Revenues (Expenses)	<u>(431)</u>	23.0	<u>(530)</u>	---	<u>176</u>
Net Income before Capital Contributions	33,132	(23.1)	25,484	64.0	15,535
Capital Contributions	---	---	---	---	<u>5,438</u>
Change in Net Assets	33,132	(23.1)	25,484	21.5	20,973
Beginning Net Assets	<u>13,220,241</u>		<u>13,330,692</u>		<u>13,085,906</u>
Ending Net Assets	<u>\$13,253,373</u>		<u>\$13,356,176</u>		<u>\$13,106,879</u>
Net Income to Total Income	9.2		7.0		4.6
Debt Service Coverage	21.48		21.36		---

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

	<u>Budget</u>	<u>%Increase (Decrease)</u>	<u>This Year</u>	<u>%Increase (Decrease)</u>	<u>Last Year</u>
	<u>Estimate</u>	<u>From Budget</u>		<u>Fr. Last Yr.</u>	
<u>Sales of Water</u>					
Contract Customers	\$1,692,214	2.9	\$1,741,094	2.6	\$1,696,200
Power Plants	290,851	(6.3)	272,387	(6.8)	292,230
Residential	1,178,399	(3.2)	1,141,231	2.3	1,115,110
Commercial	<u>384,877</u>	(4.2)	<u>368,773</u>	7.8	<u>342,047</u>
Water Sales	<u>3,546,341</u>	(0.6)	<u>3,523,485</u>	2.3	<u>3,445,587</u>
<u>Other Revenue</u>					
Penalty Revenue	4,905	15.3	5,656	1.7	5,560
Merchandise & Job Sales-Net	7,836	2.5	8,032	---	3,087
Miscellaneous Revenue	<u>9,245</u>	(10.1)	<u>8,307</u>	2.8	<u>8,082</u>
Total Other Revenue	<u>21,986</u>	---	<u>21,995</u>	31.5	<u>16,729</u>
Operating Revenue	<u>3,568,327</u>	(0.6)	<u>3,545,480</u>	2.4	<u>3,462,316</u>
<u>Operating Expense</u>					
Operation	2,471,980	(0.4)	2,461,853	(2.1)	2,515,467
Maintenance	497,463	(6.8)	463,844	(11.0)	521,314
Depreciation	<u>429,750</u>	1.0	<u>434,038</u>	10.0	<u>394,570</u>
Total Operating Expense	<u>3,399,193</u>	(1.2)	<u>3,359,735</u>	(2.1)	<u>3,431,351</u>
Operating Income	<u>169,134</u>	9.8	<u>185,745</u>	---	<u>30,965</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	5,622	(85.3)	825	(95.6)	18,783
Interest Expense	<u>(10,826)</u>	10.1	<u>(11,918)</u>	---	<u>---</u>
Net Nonoperating Revenues (Expenses)	<u>(5,204)</u>	---	<u>(11,093)</u>	---	<u>18,783</u>
Net Income (Loss) before Capital Contributions	163,930	6.5	174,652	---	49,748
Capital Contributions	---	---	<u>92,081</u>	(20.1)	<u>115,222</u>
Change in Net Assets	163,930	62.7	266,733	61.7	164,970
Beginning Net Assets	<u>13,089,443</u>		<u>13,089,443</u>		<u>12,941,909</u>
Ending Net Assets	<u><u>\$13,253,373</u></u>		<u><u>\$13,356,176</u></u>		<u><u>\$13,106,879</u></u>
Net Income (Loss) to Total Income	4.6		4.9		1.4
Debt Service Coverage	19.85		23.62		---

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

ASSETS

	<u>2010</u>	<u>2009</u>
Current Assets:		
Cash - interest bearing	\$447,231	\$460,233
Investments	146,981	251,000
Receivables:		
Consumer Accounts	503,016	448,674
Interest	1	833
Inventories	297,925	310,091
Prepaid Pension	14,274	---
Prepaid Expenses	<u>23,432</u>	<u>28,898</u>
 Total Current Assets	 <u>1,432,860</u>	 <u>1,499,729</u>
 Property and Equipment:		
At Cost	23,479,820	23,452,120
Less Accumulated Depreciation	<u>8,688,239</u>	<u>8,969,991</u>
 Net Property and Equipment	 <u>14,791,581</u>	 <u>14,482,129</u>
 TOTAL ASSETS	 <u><u>\$16,224,441</u></u>	 <u><u>\$15,981,858</u></u>

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

LIABILITIES AND NET ASSETS

	<u>2010</u>	<u>2009</u>
Current Liabilities:		
<u>Restricted</u>		
Accrued Interest	<u>\$2,809</u>	---
<u>Unrestricted</u>		
Accounts Payable	185,895	358,921
Pension Provision	---	56,794
Health & Dental Insurance Provision	23,460	19,760
Intercompanies Payable	14,064	7,961
Retained Percentage on Contracts	91,109	65,189
Consumer Advances for Construction	77,311	33,729
Accrued Payroll	51,572	53,735
Accrued Vacation	71,678	72,788
Miscellaneous Accrued Expenses	35,420	30,112
Miscellaneous Deferred Credits	<u>7,600</u>	<u>10,000</u>
Total Current Unrestricted Liabilities	<u>558,109</u>	<u>708,989</u>
Non-Current Liabilities:		
State Revolving Loan	202,192	---
Health & Dental Insurance Provision	162,037	167,843
Post-Employment Health Benefit Provision	11,266	---
Consumer Advances for Construction	<u>1,931,852</u>	<u>1,998,147</u>
Total Non-Current Liabilities	<u>2,307,347</u>	<u>2,165,990</u>
Net Assets:		
Invested in capital assets, net of related debt	12,577,417	12,450,253
Unrestricted	<u>778,759</u>	<u>656,626</u>
Total Net Assets	<u>13,356,176</u>	<u>13,106,879</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$16,224,441</u>	<u>\$15,981,858</u>

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

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$347,733	\$3,458,127
Miscellaneous sources	2,431	30,703
Cash paid to/for:		
Suppliers	(81,826)	(1,165,390)
Employees payroll, taxes and benefits	<u>(163,840)</u>	<u>(1,642,399)</u>
Net cash flows from operating activities	<u>104,498</u>	<u>681,041</u>
Cash flows from capital and related financing activities:		
State revolving loan fund proceeds	---	239,943
State revolving loan interest payment	---	(1,955)
Capital expenditures, net	<u>(34,454)</u>	<u>(782,952)</u>
Net cash flows from capital and related financing activities	<u>(34,454)</u>	<u>(544,964)</u>
Cash flows from investing activities:		
Interest received on investments	67	1,988
Amortization/accretion of investments	(20)	(43)
Mark to market	<u>17</u>	<u>67</u>
Net cash flows from investing activities	<u>64</u>	<u>2,012</u>
Net increase in cash and investments	<u>70,108</u>	<u>138,089</u>
Cash and investments at beginning of period	<u>524,104</u>	<u>456,123</u>
Cash and investments at end of period	<u><u>\$594,212</u></u>	<u><u>\$594,212</u></u>

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

	<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	\$26,014	\$185,745
Noncash item in operating income:		
Depreciation of utility plant	43,404	434,038
Changes in assets and liabilities:		
Consumer accounts receivable	(13,726)	(64,353)
Inventories	(24,833)	(10,812)
Prepaid and deferred expenses	3,200	2,521
Accounts payable	36,483	87,218
Pension provision	7,137	(14,274)
Health & dental insurance provision	(11,212)	(12,839)
Other post-employment benefit provision	245	11,266
Intercompany payable	33,256	2,280
Retained percentage	---	25,920
Accrued payroll	4,441	29,941
Accrued vacation	1,975	(1,162)
Miscellaneous accrued expenses	(1,886)	5,552
Miscellaneous deferred credits	---	---
 Net cash flows from operating activities	 <u><u>\$104,498</u></u>	 <u><u>\$681,041</u></u>

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

	<u>Budget Est.</u>	<u>This Year</u>	<u>Last Year</u>
<u>Source of Supply</u>			
Operation Supervision	\$2,269	\$2,354	\$2,436
Operation Labor and Expenses	857	798	1,324
Miscellaneous Expense	1,073	584	478
Maintenance of Wells	---	19,836	---
Maintenance of Supply Mains	1,361	134	1,190
Depreciation	<u>5,646</u>	<u>5,207</u>	<u>5,208</u>
 Total Source of Supply Expense	 <u>11,206</u>	 3.1	 <u>10,636</u> 3.1
<u>Pumping</u>			
Operation Supervision	2,604	2,735	2,851
Fuel or Power Purchased	63,279	58,610	62,371
Pumping Labor and Expenses	3,433	4,244	4,615
Miscellaneous Expense	254	279	351
Maintenance of Structures	171	37	37
Maintenance of Pumping Equipment	6,154	3,769	4,692
Depreciation	<u>4,810</u>	<u>4,356</u>	<u>4,126</u>
 Total Pumping Expense	 <u>80,705</u>	 22.5	 <u>79,043</u> 23.2
<u>Water Treatment</u>			
Operation Supervision	2,663	2,767	2,987
Chemicals	16,333	19,620	19,026
Operation Labor and Expenses	7,736	12,357	10,453
Miscellaneous Expense	611	88	1,961
Maintenance of Structures	617	204	61
Maintenance of Purification Equip.	1,000	1,908	476
Depreciation	<u>2,350</u>	<u>2,340</u>	<u>2,340</u>
 Total Water Treatment Expense	 <u>31,310</u>	 8.7	 <u>37,304</u> 10.9
<u>Distribution</u>			
Operation Supervision	2,799	2,743	2,767
Storage Facilities Expense	1,872	1,704	2,145
Trans. & Distr. Lines Expense	7,310	20,361	15,994
Meter Expense	11,118	8,777	11,696
Consumer Installation Expense	5,128	4,544	4,604
Miscellaneous Expense	5,609	6,352	8,796
Vehicle Expense	3,796	2,810	3,515
Maintenance:			
Supervision	4,296	4,370	4,376
Structures	401	26	55
Reservoirs and Standpipes	46	2,754	26
Mains	9,745	3,622	3,906
Valves	6,668	1,594	2,548
Meters	1,447	2,439	3,663
Hydrants	2,619	1,315	1,621
Miscellaneous Plant	2,255	1,506	1,745
Vacation, Holiday, Sick Leave	8,339	7,846	7,706
Depreciation	<u>29,287</u>	<u>29,223</u>	<u>27,783</u>
 Total Distribution Expense	 <u>\$102,735</u>	 28.6	 <u>\$101,986</u> 27.9 <u>\$102,946</u> 30.2

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>
<u>Source of Supply</u>					
Operation Supervision	\$22,798		\$23,660		\$23,110
Operation Labor and Expenses	8,397		11,719		11,447
Miscellaneous Expense	12,862		8,770		15,414
Maintenance of Wells	88,000		77,043		82,770
Maintenance of Supply Mains	13,818		8,515		12,507
Depreciation	56,454		52,070		52,080
 Total Source of Supply Expense	 202,329	 5.7	 181,777	 5.1	 197,328
<u>Pumping</u>					
Operation Supervision	26,730		27,547		26,568
Fuel or Power Purchased	600,013		619,384		622,769
Pumping Labor and Expenses	35,066		39,000		38,341
Miscellaneous Expense	2,540		3,210		2,734
Maintenance of Structures	1,707		37		881
Maintenance of Pumping Equipment	62,506		99,738		53,044
Depreciation	48,098		43,560		41,260
 Total Pumping Expense	 776,660	 21.8	 832,476	 23.5	 785,597
<u>Water Treatment</u>					
Operation Supervision	26,782		27,773		27,490
Chemicals	163,333		193,997		207,065
Operation Labor and Expenses	86,349		110,943		111,133
Miscellaneous Expense	6,106		7,341		9,425
Maintenance of Structures	6,130		4,374		3,938
Maintenance of Purification Equip.	20,563		28,903		9,289
Depreciation	23,503		23,400		23,400
 Total Water Treatment Expense	 332,766	 9.3	 396,731	 11.2	 391,740
<u>Distribution</u>					
Operation Supervision	28,339		26,701		22,654
Storage Facilities Expense	22,293		21,362		24,671
Trans. & Distr. Lines Expense	63,804		61,576		65,717
Meter Expense	104,808		97,871		106,302
Consumer Installation Expense	51,854		52,542		49,261
Miscellaneous Expense	59,587		46,241		79,180
Vehicle Expense	37,292		34,279		33,233
Maintenance:					
Supervision	43,389		42,153		33,044
Structures	4,223		3,860		5,659
Reservoirs and Standpipes	10,457		16,749		149
Mains	97,540		75,884		204,137
Valves	69,672		22,901		37,024
Meters	15,184		24,360		27,443
Hydrants	26,193		25,454		15,565
Miscellaneous Plant	22,507		18,535		14,825
Vacation, Holiday, Sick Leave	102,437		96,438		99,486
Depreciation	292,870		292,230		277,830
 Total Distribution Expense	 \$1,052,449	 29.5	 \$959,136	 27.1	 \$1,096,180
					31.7

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

	<u>Budget Est.</u>	<u>This Year</u>	<u>Last Year</u>	
<u>Customer Service Expense</u>				
Customer Information Expense	<u>\$1,762</u>	0.5	<u>\$1,692</u>	0.5
				<u>\$463</u> 0.1
<u>Consumer Accounts</u>				
Supervision	888	1,040	1,042	
Meter Reading Expense	3,086	3,288	2,875	
Consumer Records and Collection	11,927	11,490	12,283	
Uncollectible Accounts Expense	267	267	217	
Vacation, Holiday, Sick Leave	<u>1,291</u>	<u>1,051</u>	<u>1,393</u>	
Total Consumer Accounts Expense	<u>17,459</u>	4.9	<u>17,136</u>	4.7
				<u>17,810</u> 5.2
<u>Administrative and General</u>				
Administrative and General Salaries	14,938	13,908	15,463	
Office Supplies and Expenses	1,551	1,419	1,513	
Outside Services Employed	2,189	818	1,466	
Property Insurance	905	854	854	
Casualty Ins, Injuries & Damages	3,283	1,908	2,348	
Employee Pensions and Benefits	42,308	40,351	41,803	
Fringe Benefits Charged to Constr.	(1,658)	(2,814)	(662)	
Miscellaneous General Expense	6,490	7,340	3,533	
Rents	6,298	6,298	5,702	
Maintenance of General Plant	1,369	2,218	3,496	
Vacation, Holiday, Sick Leave	1,861	1,564	1,930	
Depreciation	<u>882</u>	<u>2,278</u>	<u>---</u>	
Total Administrative and General	<u>80,416</u>	22.4	<u>76,142</u>	20.8
				<u>77,446</u> 22.7
Total Operating Expense	<u>\$325,593</u>	<u>\$339,183</u>	<u>\$325,648</u>	
Percent to Operating Revenue		90.7	92.9	95.5

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

	<u>Budget Est.</u>	<u>This Year</u>	<u>Last Year</u>			
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$27,184</u>	0.8	<u>\$9,505</u>	0.3	<u>\$11,367</u>	0.3
<u>Consumer Accounts</u>						
Supervision	9,177	9,939	8,964			
Meter Reading Expense	31,479	37,344	30,686			
Customer Records and Collection	123,823	119,026	117,541			
Uncollectible Accounts Expense	2,671	2,671	2,167			
Vacation, Holiday, Sick Leave	<u>16,137</u>	<u>14,967</u>	<u>15,711</u>			
Total Consumer Accounts Expense	<u>183,287</u>	5.1	<u>183,947</u>	5.2	<u>175,069</u>	5.1
<u>Administrative and General</u>						
Administrative and General Salaries	149,021	143,088	145,897			
Office Supplies and Expenses	16,706	14,168	15,331			
Outside Services Employed	23,354	8,723	19,228			
Property Insurance	8,898	8,544	8,070			
Casualty Ins, Injuries & Damages	32,784	33,168	30,077			
Employee Pensions and Benefits	431,549	428,046	416,398			
Fringe Benefits Charged to Constr.	(17,762)	(23,432)	(35,951)			
Miscellaneous General Expense	70,058	62,452	75,470			
Rents	62,980	62,980	57,020			
Maintenance of General Plant	15,574	15,338	21,039			
Vacation, Holiday, Sick Leave	22,531	20,310	21,491			
Depreciation	<u>8,825</u>	<u>22,778</u>	<u>---</u>			
Total Administrative and General	<u>824,518</u>	23.1	<u>796,163</u>	22.5	<u>774,070</u>	22.4
Total Operating Expense	<u><u>\$3,399,193</u></u>		<u><u>\$3,359,735</u></u>		<u><u>\$3,431,351</u></u>	
Percent to Operating Revenue		95.3		94.8		99.1

Muscatine Power and Water - Water Utility
Statistical Data
Current Month - October 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	0.439	0.466	0.441	0.468
Cost Per 1,000 Gallons	<u>0.411</u>	<u>0.435</u>	<u>0.424</u>	<u>0.449</u>
Margin	<u>0.029</u>	<u>0.030</u>	<u>0.017</u>	<u>0.018</u>

	<u>2010</u>		<u>2009</u>	
Maximum Daily Water Pumped (1,000 gallons)	29,545		30,740	
Date of Maximum	10/05		10/13	

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	0.441	0.468	0.440	0.467
Cost Per 1,000 Gallons	<u>0.421</u>	<u>0.446</u>	<u>0.439</u>	<u>0.465</u>
Margin	<u>0.021</u>	<u>0.022</u>	<u>0.002</u>	<u>0.002</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	

Services

Contract Customers	2	2
Power Plants	2	2
Residential	8,520	8,500
Commercial	<u>1,090</u>	<u>1,087</u>
Total	<u><u>9,614</u></u>	<u><u>9,591</u></u>