

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

	<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>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	793,424	4.1	825,603	7.5	768,141

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>
<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	7,939,360	0.5	7,982,293	2.0	7,824,068

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

	Budget Estimate	%Increase (Decrease) From Budget	This Year	%Increase (Decrease) Fr. Last Yr.	Last Year
<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	356,895	1.7	362,827	7.1	338,776
<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	2,261	4.8	2,370	6.2	2,231
Operating Revenue	359,156	1.7	365,197	7.1	341,007
<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	325,593	4.2	339,183	4.2	325,648
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)	(431)	23.0	(530)	---	176
Net Income before Capital Contributions	33,132	(23.1)	25,484	64.0	15,535
Capital Contributions	---	---	---	---	5,438
Change in Net Assets	33,132	(23.1)	25,484	21.5	20,973
Beginning Net Assets	13,220,241		13,330,692		13,085,906
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

	Budget Estimate	%Increase (Decrease) From Budget	This Year	%Increase (Decrease) Fr. Last Yr.	Last Year
<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>---</u>	---	<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>\$13,253,373</u>		<u>\$13,356,176</u>		<u>\$13,106,879</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	\$2,809	---
<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	7,600	10,000
Total Current Unrestricted Liabilities	558,109	708,989
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	1,931,852	1,998,147
Total Non-Current Liabilities	2,307,347	2,165,990
Net Assets:		
Invested in capital assets, net of related debt	12,577,417	12,450,253
Unrestricted	778,759	656,626
Total Net Assets	13,356,176	13,106,879
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$16,224,441</u></u>	 <u><u>\$15,981,858</u></u>

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

	<u>Current Month</u>	<u>Year- 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	---	---
	<hr/>	<hr/>
Net cash flows from operating activities	<u>\$104,498</u>	<u>\$681,041</u>

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</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	5,646		5,207		5,208	
Total Source of Supply Expense	11,206	3.1	28,913	7.9	10,636	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	4,810		4,356		4,126	
Total Pumping Expense	80,705	22.5	74,030	20.3	79,043	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	2,350		2,340		2,340	
Total Water Treatment Expense	31,310	8.7	39,284	10.8	37,304	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	29,287		29,223		27,783	
Total Distribution Expense	\$102,735	28.6	\$101,986	27.9	\$102,946	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	5.7
<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	22.7
<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	11.3
<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>\$3,399,193</u>		<u>\$3,359,735</u>		<u>\$3,431,351</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>9,614</u>	<u>9,591</u>