

Muscatine Power and Water

Water Utility

Operating Statements and Balance Sheets

April 2011

**Muscatine Power and Water
Water Utility**

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

	Budget Estimate	%Increase (Decrease) From Budget	This Year	%Increase (Decrease) Fr. Last Yr.	Last Year
<u>Water Distribution - 1,000 Gallons</u>					
Contract Customers	594,989	(6.4)	556,822	(10.4)	621,472
Power Plants	74,222	3.5	76,804	(0.2)	76,927
Residential	39,461	(8.7)	36,030	(5.6)	38,175
Commercial	<u>29,019</u>	(5.4)	<u>27,464</u>	(8.3)	<u>29,960</u>
Total Metered Customers	737,691	(5.5)	697,120	(9.1)	766,534
Rated Customers - Estimate	---	---	4	(78.9)	19
City Use, Line Loss, Cycle Billing	<u>44,261</u>	(5.5)	<u>41,827</u>	(9.1)	<u>45,992</u>
Total Water Pumped	<u>781,952</u>	(5.5)	<u>738,951</u>	(9.1)	<u>812,545</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	2,246,595	2.2	2,295,555	(0.4)	2,304,949
Power Plants	385,011	(24.9)	289,231	(5.5)	306,091
Residential	156,308	(8.1)	143,638	(3.2)	148,346
Commercial	<u>115,679</u>	(3.1)	<u>112,069</u>	1.3	<u>110,664</u>
Total Metered Customers	2,903,593	(2.2)	2,840,493	(1.0)	2,870,050
Rated Customers - Estimate	---	---	26	(67.1)	79
City Use, Line Loss, Cycle Billing	<u>174,216</u>	(2.2)	<u>170,430</u>	(1.0)	<u>172,203</u>
Total Water Pumped	<u>3,077,809</u>	(2.2)	<u>3,010,949</u>	(1.0)	<u>3,042,332</u>

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

	<u>Budget</u> <u>Estimate</u>	<u>%Increase (Decrease)</u> <u>From Budget</u>	<u>This Year</u>	<u>%Increase (Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last Year</u>
<u>Sales of Water</u>					
Contract Customers	\$182,877	(3.4)	\$176,583	0.1	\$176,492
Power Plants	29,773	(5.4)	28,169	1.0	27,888
Residential	119,220	(2.7)	116,005	1.8	113,902
Commercial	<u>35,259</u>	(1.2)	<u>34,841</u>	(0.5)	<u>35,002</u>
Water Sales	<u>367,129</u>	(3.1)	<u>355,598</u>	0.7	<u>353,284</u>
<u>Other Revenue</u>					
Penalty Revenue	581	(1.9)	570	(7.2)	614
Merchandise & Job Sales-Net	918	--	2,676	---	456
Miscellaneous Revenue	<u>828</u>	--	<u>2,067</u>	---	<u>604</u>
Total Other Revenue	<u>2,327</u>	--	<u>5,313</u>	217.4	<u>1,674</u>
Operating Revenue	<u>369,456</u>	(2.3)	<u>360,911</u>	1.7	<u>354,958</u>
<u>Operating Expense</u>					
Operation	297,320	(8.9)	270,959	1.8	266,085
Maintenance	27,068	(16.4)	22,636	0.3	22,559
Depreciation	<u>45,789</u>	(0.4)	<u>45,621</u>	5.1	<u>43,404</u>
Total Operating Expense	<u>370,177</u>	(8.4)	<u>339,216</u>	2.2	<u>332,048</u>
Operating Income (Loss)	(721)	--	21,695	(5.3)	22,910
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	119	(79.0)	25	(77.9)	113
Interest Expense	<u>(1,010)</u>	(25.9)	<u>(748)</u>	1.2	<u>(739)</u>
Net Nonoperating Revenues (Expenses)	<u>(891)</u>	(18.9)	<u>(723)</u>	15.5	<u>(626)</u>
Net Income before Capital Contributions	(1,612)	--	20,972	(5.9)	22,284
Capital Contributions	--	--	--	--	--
Change in Net Assets	(1,612)	--	20,972	(5.9)	22,284
Beginning Net Assets	<u>13,371,836</u>		<u>13,437,493</u>		<u>13,177,458</u>
Ending Net Assets	<u>\$13,370,224</u>		<u>\$13,458,465</u>		<u>\$13,199,742</u>
Net Income to Total Income	(0.4)		5.8		6.3
Debt Service Coverage	11.94		19.73		--

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Calendar Year-to-Date - April 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	\$689,923	1.0	\$696,621	4.9	\$664,332
Power Plants	129,999	(19.6)	104,475	(3.9)	108,680
Residential	465,127	(3.3)	449,567	2.2	439,991
Commercial	<u>137,307</u>	(0.4)	<u>136,742</u>	4.4	<u>130,993</u>
Water Sales	<u>1,422,356</u>	(2.5)	<u>1,387,405</u>	3.2	<u>1,343,996</u>
<u>Other Revenue</u>					
Penalty Revenue	1,743	2.6	1,789	3.6	1,727
Merchandise & Job Sales-Net	3,200	34.7	4,310	42.2	3,032
Miscellaneous Revenue	<u>2,676</u>	71.3	<u>4,585</u>	67.5	<u>2,737</u>
Total Other Revenue	<u>7,619</u>	40.2	<u>10,684</u>	42.5	<u>7,496</u>
Operating Revenue	<u>1,429,975</u>	(2.2)	<u>1,398,089</u>	3.4	<u>1,351,492</u>
<u>Operating Expense</u>					
Operation	1,121,669	(10.7)	1,002,015	1.1	990,778
Maintenance	142,614	0.6	143,484	17.3	122,282
Depreciation	<u>183,153</u>	(0.4)	<u>182,484</u>	5.1	<u>173,615</u>
Total Operating Expense	<u>1,447,436</u>	(8.3)	<u>1,327,983</u>	3.2	<u>1,286,675</u>
Operating Income (Loss)	<u>(17,461)</u>	---	<u>70,106</u>	8.2	<u>64,817</u>
<u>Nonoperating Revenues (Expenses)</u>					
Interest Income	515	(76.7)	120	(71.5)	421
Interest Expense	<u>(4,040)</u>	(26.5)	<u>(2,969)</u>	59.5	<u>(1,862)</u>
Net Nonoperating Revenues (Expenses)	<u>(3,525)</u>	(19.2)	<u>(2,849)</u>	97.7	<u>(1,441)</u>
<u>Net Income (Loss) before Capital Contributions</u>					
Capital Contributions	---	---	---	---	<u>46,923</u>
Change in Net Assets	<u>(20,986)</u>	---	<u>67,257</u>	(39.0)	<u>110,299</u>
Beginning Net Assets	<u>13,391,208</u>		<u>13,391,208</u>		<u>13,089,443</u>
Ending Net Assets	<u>\$13,370,222</u>		<u>\$13,458,465</u>		<u>\$13,199,742</u>
Net Income (Loss) to Total Income	(1.5)		4.8		4.7
Debt Service Coverage	17.44		19.12		---

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

ASSETS

	<u>2011</u>	<u>2010</u>
Current Assets:		
Cash - interest bearing	\$628,612	\$285,637
Investments	---	307,431
Receivables:		
Consumer Accounts	483,150	464,648
Interest	18	41
Inventories	314,958	283,285
Prepaid Expenses	<u>41,166</u>	<u>44,138</u>
Total Current Assets	<u>1,467,904</u>	<u>1,385,180</u>
Property and Equipment:		
At Cost	23,698,424	23,203,835
Less Accumulated Depreciation	<u>8,800,954</u>	<u>8,440,097</u>
Net Property and Equipment	<u>14,897,470</u>	<u>14,763,738</u>
Other Assets:		
Unamortized Cost of Issuing Debt	---	6,956
TOTAL ASSETS	<u><u>\$16,365,374</u></u>	<u><u>\$16,155,874</u></u>

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

LIAABILITIES AND NET ASSETS

	<u>2011</u>	<u>2010</u>
Current Liabilities:		
<u>Restricted</u>		
State Revolving Loan	\$32,000	---
Accrued Interest	4,162	1,663
	<hr/>	<hr/>
Total Current Restricted Liabilities	36,162	1,663
<u>Unrestricted</u>		
Accounts Payable	234,820	261,474
Pension Provision	33,612	30,124
Health & Dental Insurance Provision	23,244	23,460
Intercompanies Payable	10,292	3,965
Retained Percentage on Contracts	4,093	83,792
Consumer Advances for Construction	78,111	28,129
Accrued Payroll	51,736	54,951
Accrued Vacation	78,055	79,126
Miscellaneous Accrued Expenses	46,246	36,387
Miscellaneous Deferred Credits	5,200	7,600
	<hr/>	<hr/>
Total Current Unrestricted Liabilities	565,409	609,008
Non-Current Liabilities:		
State Revolving Loan	237,846	195,100
Health & Dental Insurance Provision	146,864	161,832
Post-Employment Health Benefit Provision	12,736	---
Consumer Advances for Construction	1,907,892	1,988,529
	<hr/>	<hr/>
Total Non-Current Liabilities	2,305,338	2,345,461
Net Assets:		
Invested in capital assets, net of related debt	12,637,459	12,557,273
Restricted	36,162	---
Unrestricted	784,844	642,469
	<hr/>	<hr/>
Total Net Assets	13,458,465	13,199,742
TOTAL LIABILITIES AND NET ASSETS	<u>\$16,365,374</u>	<u>\$16,155,874</u>

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

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$341,469	\$1,387,060
Miscellaneous sources	761	5,984
Cash paid to/for:		
Suppliers	(127,990)	(514,538)
Employees payroll, taxes and benefits	<u>(143,349)</u>	<u>(580,492)</u>
Net cash flows from operating activities	<u>70,891</u>	<u>298,014</u>
Cash flows from capital and related financing activities:		
State revolving loan fund proceeds	4,750	4,750
State revolving loan interest payment	---	---
Capital expenditures, net	<u>(33,388)</u>	<u>(96,488)</u>
Net cash flows from capital and related financing activities	<u>(28,638)</u>	<u>(91,738)</u>
Cash flows from investing activities:		
Interest received on investments	18	107
Amortization/accretion of investments	---	---
Mark to market	---	---
Net cash flows from investing activities	<u>18</u>	<u>107</u>
Net increase in cash and investments	<u>42,271</u>	<u>206,383</u>
Cash and investments at beginning of period	<u>586,341</u>	<u>422,229</u>
Cash and investments at end of period	<u>\$628,612</u>	<u>\$628,612</u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
April 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	\$21,695	\$70,106
Noncash item in operating income:		
Depreciation of utility plant	45,621	182,484
Changes in assets and liabilities:		
Consumer accounts receivable	(17,423)	(369)
Inventories	(28,608)	(25,472)
Prepaid and deferred expenses	2,198	(17,815)
Accounts payable	41,492	42,500
Pension provision	8,403	33,612
Health & dental insurance provision	(7,709)	(8,482)
Other post-employment benefit provision	245	980
Intercompany payable	888	3,595
Retained percentage	(560)	(19,735)
Accrued payroll	1,397	24,082
Accrued vacation	1,400	8,392
Miscellaneous accrued expenses	1,852	4,136
Miscellaneous deferred credits	---	---
Net cash flows from operating activities	<u><u>\$70,891</u></u>	<u><u>\$298,014</u></u>

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>
<u>Source of Supply</u>					
Operation Supervision	\$2,231		\$2,189		\$2,296
Operation Labor and Expenses	817		1,539		1,165
Miscellaneous Expense	794		---		800
Maintenance of Wells	---		---		---
Maintenance of Supply Mains	881		---		208
Depreciation	<u>5,614</u>		<u>5,141</u>		<u>5,207</u>
Total Source of Supply Expense	<u>10,337</u>	2.8	<u>8,869</u>	2.5	<u>9,676</u>
					2.7
<u>Pumping</u>					
Operation Supervision	2,626		2,566		2,689
Fuel or Power Purchased	63,257		50,937		64,662
Pumping Labor and Expenses	4,034		2,982		3,397
Miscellaneous Expense	233		304		279
Maintenance of Structures	3,227		---		---
Maintenance of Pumping Equipment	5,868		3,609		4,673
Depreciation	<u>5,000</u>		<u>5,677</u>		<u>4,356</u>
Total Pumping Expense	<u>84,245</u>	22.8	<u>66,075</u>	18.3	<u>80,056</u>
					22.6
<u>Water Treatment</u>					
Operation Supervision	2,676		2,670		2,708
Chemicals	21,333		15,998		19,449
Operation Labor and Expenses	8,025		10,391		10,095
Miscellaneous Expense	1,388		1,031		1,055
Maintenance of Structures	317		10		442
Maintenance of Purification Equip.	407		2,014		2,274
Depreciation	<u>2,348</u>		<u>2,338</u>		<u>2,340</u>
Total Water Treatment Expense	<u>36,494</u>	9.9	<u>34,452</u>	9.5	<u>38,363</u>
					10.8
<u>Distribution</u>					
Operation Supervision	2,670		2,654		2,553
Storage Facilities Expense	1,568		1,607		2,389
Trans. & Distr. Lines Expense	21,550		14,872		17,012
Meter Expense	10,604		6,770		8,425
Consumer Installation Expense	4,802		6,321		5,839
Miscellaneous Expense	2,751		3,569		4,837
Vehicle Expense	3,559		4,024		3,057
Maintenance:					
Supervision	4,237		4,163		4,110
Structures	28		198		106
Reservoirs and Standpipes	---		1,963		2,424
Mains	5,858		2,984		1,627
Valves	83		684		663
Meters	2,159		2,278		1,088
Hydrants	458		936		1,654
Miscellaneous Plant	1,890		1,759		1,242
Vacation, Holiday, Sick Leave	10,296		11,167		12,634
Depreciation	<u>30,213</u>		<u>29,963</u>		<u>29,223</u>
Total Distribution Expense	<u>\$102,726</u>	27.8	<u>\$95,912</u>	26.6	<u>\$98,883</u>
					27.9

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

<u>Source of Supply</u>	<u>Budget Est.</u>	<u>This Year</u>	<u>Last Year</u>
Operation Supervision	\$9,128	\$9,335	\$9,439
Operation Labor and Expenses	3,267	4,938	5,102
Miscellaneous Expense	1,285	42	800
Maintenance of Wells	---	---	5
Maintenance of Supply Mains	5,244	619	1,997
Depreciation	<u>22,456</u>	<u>20,564</u>	<u>20,828</u>
 Total Source of Supply Expense	<u>41,380</u>	<u>35,498</u>	<u>38,171</u>
	2.9	2.5	2.8
 <u>Pumping</u>			
Operation Supervision	10,744	10,979	11,033
Fuel or Power Purchased	243,672	215,363	248,604
Pumping Labor and Expenses	17,626	13,631	15,397
Miscellaneous Expense	933	1,247	1,350
Maintenance of Structures	3,520	---	---
Maintenance of Pumping Equipment	24,312	25,199	17,568
Depreciation	<u>20,001</u>	<u>22,708</u>	<u>17,424</u>
 Total Pumping Expense	<u>320,808</u>	<u>289,127</u>	<u>311,376</u>
	22.4	20.7	23.0
 <u>Water Treatment</u>			
Operation Supervision	10,768	11,189	11,125
Chemicals	85,333	63,024	75,443
Operation Labor and Expenses	42,691	49,074	45,826
Miscellaneous Expense	5,862	6,804	4,072
Maintenance of Structures	1,459	1,198	3,083
Maintenance of Purification Equip.	9,317	12,456	14,735
Depreciation	<u>9,390</u>	<u>9,352</u>	<u>9,360</u>
 Total Water Treatment Expense	<u>164,820</u>	<u>153,097</u>	<u>163,644</u>
	11.5	11.0	12.1
 <u>Distribution</u>			
Operation Supervision	10,788	10,872	10,332
Storage Facilities Expense	5,122	6,216	6,686
Trans. & Distr. Lines Expense	41,467	30,572	26,788
Meter Expense	41,730	34,591	40,322
Consumer Installation Expense	19,493	18,392	20,215
Miscellaneous Expense	17,692	16,684	16,439
Vehicle Expense	13,998	16,805	15,865
Maintenance:			
Supervision	16,990	17,476	16,487
Structures	1,611	8,060	1,780
Reservoirs and Standpipes	---	2,915	2,744
Mains	36,545	23,156	22,048
Valves	9,298	16,284	6,730
Meters	8,929	10,613	6,700
Hydrants	9,387	7,386	14,211
Miscellaneous Plant	7,559	8,483	7,464
Vacation, Holiday, Sick Leave	37,566	36,998	41,571
Depreciation	<u>120,852</u>	<u>119,852</u>	<u>116,892</u>
 Total Distribution Expense	<u>\$399,027</u>	<u>27.9</u>	<u>\$373,274</u>
			27.6

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

	<u>Budget Est.</u>	<u>This Year</u>	<u>Last Year</u>	
<u>Customer Service Expense</u>				
Customer Information Expense	<u>\$4,075</u>	1.1	<u>\$1,733</u>	0.5
				<u>\$1,223</u>
				0.3
<u>Consumer Accounts</u>				
Supervision	930	964	1,066	
Meter Reading Expense	3,713	3,563	3,510	
Consumer Records and Collection	12,827	10,961	13,149	
Uncollectible Accounts Expense	342	342	267	
Vacation, Holiday, Sick Leave	<u>1,626</u>	<u>1,773</u>	<u>1,853</u>	
Total Consumer Accounts Expense	<u>19,438</u>	5.3	<u>17,603</u>	4.9
				<u>19,845</u>
				5.6
<u>Administrative and General</u>				
Administrative and General Salaries	14,832	13,957	14,882	
Office Supplies and Expenses	1,385	2,131	1,291	
Outside Services Employed	31,382	34,210	553	
Property Insurance	815	809	854	
Casualty Ins, Injuries & Damages	3,025	4,855	3,481	
Employee Pensions and Benefits	44,234	42,007	44,188	
Fringe Benefits Charged to Constr.	(1,267)	(1,127)	(1,424)	
Miscellaneous General Expense	6,326	5,521	7,162	
Rents	5,243	5,243	6,298	
Maintenance of General Plant	1,655	2,038	2,048	
Vacation, Holiday, Sick Leave	2,618	2,426	2,391	
Depreciation	<u>2,614</u>	<u>2,502</u>	<u>2,278</u>	
Total Administrative and General	<u>112,862</u>	30.5	<u>114,572</u>	31.7
				<u>84,002</u>
				23.7
Total Operating Expense	<u>\$370,177</u>		<u>\$339,216</u>	
				<u>\$332,048</u>
Percent to Operating Revenue		100.2	94.0	93.5

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>
<u>Customer Service Expense</u>					
Customer Information Expense	<u>\$10,100</u>	0.7	<u>\$9,255</u>	0.7	<u>\$2,326</u> 0.2
<u>Consumer Accounts</u>					
Supervision	3,721		3,755		3,774
Meter Reading Expense	13,785		15,353		15,666
Customer Records and Collection	51,389		45,436		50,737
Uncollectible Accounts Expense	1,367		1,367		1,068
Vacation, Holiday, Sick Leave	5,127		6,027		6,312
Total Consumer Accounts Expense	<u>75,389</u>	5.3	<u>71,938</u>	5.1	<u>77,557</u> 5.7
<u>Administrative and General</u>					
Administrative and General Salaries	59,536		57,224		58,144
Office Supplies and Expenses	6,391		5,733		5,255
Outside Services Employed	96,879		65,469		3,574
Property Insurance	3,378		3,372		3,417
Casualty Ins, Injuries & Damages	12,101		12,880		13,061
Employee Pensions and Benefits	172,009		170,301		168,886
Fringe Benefits Charged to Constr.	(5,195)		(4,949)		(5,989)
Miscellaneous General Expense	42,423		25,489		24,065
Rents	20,972		20,972		25,192
Maintenance of General Plant	8,443		9,639		6,730
Vacation, Holiday, Sick Leave	8,521		7,575		8,881
Depreciation	10,454		10,008		9,111
Total Administrative and General	<u>435,912</u>	30.5	<u>383,713</u>	27.4	<u>320,327</u> 23.7
Total Operating Expense	<u>\$1,447,436</u>		<u>\$1,327,983</u>		<u>\$1,286,675</u>
Percent to Operating Revenue		101.2		95.0	
					95.2

Muscatine Power and Water - Water Utility
Statistical Data
Current Month - April 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	0.480	0.509	0.435	0.461
Cost Per 1,000 Gallons	<u>0.459</u>	<u>0.487</u>	<u>0.409</u>	<u>0.433</u>
Margin	<u>0.021</u>	<u>0.022</u>	<u>0.026</u>	<u>0.028</u>

	<u>2011</u>	<u>2010</u>
Maximum Daily Water Pumped (1,000 gallons)	30,175	31,786
Date of Maximum	04/01	04/20

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	0.468
Cost Per 1,000 Gallons	<u>0.441</u>	<u>0.468</u>	<u>0.423</u>	<u>0.448</u>
Margin	<u>0.019</u>	<u>0.021</u>	<u>0.019</u>	<u>0.020</u>

	<u>2011</u>	<u>2010</u>
Maximum Daily Water Pumped (1,000 gallons)	30,175	31,786
Date of Maximum	04/01	04/20

Services

Contract Customers	2	2
Power Plants	2	2
Residential	8,525	8,469
Commercial	<u>1,086</u>	<u>1,084</u>
 Total	 <u>9,615</u>	 <u>9,557</u>