

Muscatine Power and Water

Electric Utility

Statement of Revenues, Expenses and Changes in Net Position

April 2017

**Muscatine Power and Water
Electric Utility**

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Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Current Month - April 2017

	Budget Estimate	% Increase (Decrease) From Budget	This Year	% Increase (Decrease) Fr. Last Yr.	Last Year
<u>KWH Generated and Sold</u>					
Gross Generation	61,716,384	54.1	95,095,554	33.0	71,492,688
Less: Plant Use	7,266,240	42.7	10,371,645	11.8	9,277,008
Net Generation/Wholesale Sales	54,450,144	55.6	84,723,909	36.2	62,215,680
Wholesale Sales - Wind	5,154,042	(1.4)	5,082,471	---	---
Total Wholesales Sales	59,604,186	50.7	89,806,380	44.3	62,215,680
<u>Net Capacity Factors</u>					
Unit 9	40.00	47.1	58.84	25.9	46.75
Unit 8/8A	83.00	(41.2)	48.81	78.2	27.39
Unit 7	---	---	16.28	---	---
Total Plant	38.85	36.0	52.83	37.0	38.56
<u>KWH Distribution</u>					
Residential	6,955,543	(3.0)	6,745,833	3.1	6,540,604
Commercial I	2,702,770	4.9	2,835,020	10.3	2,570,841
Commercial II	6,975,395	3.2	7,195,780	2.7	7,007,380
Industrial I	9,969,674	0.5	10,016,420	7.5	9,316,000
Industrial II	38,600,000	(0.6)	38,377,025	(0.0)	38,396,147
City Enterprise Funds	437,966	0.1	438,570	10.5	396,757
Water & Communications Utilities	1,474,136	(0.8)	1,461,744	2.0	1,432,577
Native System Sales	67,115,484	(0.1)	67,070,392	2.1	65,660,306
City Lighting	115,475	28.2	148,073	(10.5)	165,354
City Buildings	464,857	20.1	558,426	15.2	484,683
Offline Power Plant Usage	57,600	24.8	71,901	(21.2)	91,243
Losses & Cycle Billing	1,447,028	(65.5)	499,117	(70.5)	1,694,094
Total Native System KWH					
Distributed	69,200,444	(1.2)	68,347,909	0.4	68,095,680
Wind KWH Purchases	5,154,042	(1.4)	5,082,471	---	---
Total Purchased Power KWH	74,354,486	(1.2)	73,430,380	7.8	68,095,680
<u>STEAM SALES - 1,000 lbs</u>					
	236,046	8.0	254,905	12.7	226,108

Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - April 2017

	<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	299,611,123	(11.0)	266,593,361	(4.6)	279,310,608
Less: Plant Use	<u>34,355,232</u>	(11.2)	<u>30,494,737</u>	(13.6)	<u>35,303,806</u>
Net Generation/Wholesale Sales	265,255,891	(11.0)	236,098,624	(3.2)	244,006,802
Wholesale Sales - Wind	<u>17,614,291</u>	14.7	<u>20,203,741</u>	---	<u>---</u>
Total Wholesales Sales	<u><u>282,870,182</u></u>	(9.4)	<u><u>256,302,365</u></u>	5.0	<u><u>244,006,802</u></u>
<u>Net Capacity Factors</u>					
Unit 9	49.83	(23.3)	38.23	(13.3)	44.08
Unit 8/8A	88.77	(51.9)	42.67	41.2	30.23
Unit 7	---	---	13.71	3.9X	2.82
Total Plant	47.32	(22.3)	36.78	(1.9)	37.48
<u>KWH Distribution</u>					
Residential	33,245,133	(8.2)	30,506,146	(3.5)	31,617,249
Commercial I	11,966,937	(0.9)	11,863,204	3.1	11,505,878
Commercial II	29,839,047	(3.1)	28,916,960	(6.7)	31,002,860
Industrial I	39,339,886	3.2	40,603,380	14.4	35,500,500
Industrial II	154,450,000	(1.2)	152,647,467	0.9	151,263,506
City Enterprise Funds	1,870,401	(4.3)	1,789,091	1.8	1,756,969
Water & Communications Utilities	<u>5,663,565</u>	2.7	<u>5,817,538</u>	4.4	<u>5,572,166</u>
Native System Sales	276,374,969	(1.5)	272,143,786	1.5	268,219,128
City Lighting	450,192	49.1	671,058	8.2	620,446
City Buildings	2,258,742	4.2	2,352,483	5.4	2,232,455
Offline Power Plant Usage	230,400	9.1X	2,322,088	92.1	1,208,829
Losses & Cycle Billing	<u>6,363,032</u>	(17.2)	<u>5,269,715</u>	(18.3)	<u>6,451,197</u>
Total Native System KWH					
Distributed	285,677,335	(1.0)	282,759,130	1.4	278,732,055
Wind KWH Purchases	<u>17,614,291</u>	14.7	<u>20,203,741</u>	---	<u>---</u>
Total Purchased Power KWH	<u><u>303,291,626</u></u>	(0.1)	<u><u>302,962,871</u></u>	8.7	<u><u>278,732,055</u></u>
<u>STEAM SALES - 1,000 lbs</u>					
	<u><u>997,619</u></u>	5.0	<u><u>1,047,098</u></u>	6.0	<u><u>987,999</u></u>

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - April 2017

	Budget Estimate	Avg. Price	% Increase (Decrease) from Budget	This Year	Avg. Price	% Increase (Decrease) from Last Year	Last Year	Avg. Price
<u>Sales of Electricity</u>								
Residential	\$772,077	\$ 0.11100	2.5	\$791,170	\$ 0.11728	8.0	\$732,437	\$ 0.11198
Commercial I	277,012	0.10249	7.6	298,106	0.10515	15.9	257,181	0.10004
Commercial II	584,664	0.08382	0.4	586,918	0.08156	4.1	563,810	0.08046
Industrial I	581,552	0.05833	15.5	671,747	0.06706	15.2	583,018	0.06258
Industrial II	1,983,338	0.05138	6.2	2,105,778	0.05487	9.6	1,920,679	0.05002
City Enterprise Funds	33,446	0.07637	(0.5)	33,282	0.07589	11.9	29,736	0.07495
Water & Communication Utilities	93,891	0.06369	2.7	96,470	0.06600	7.7	89,540	0.06250
Native System Sales	4,325,980	0.06446	6.0	4,583,471	0.06834	9.7	4,176,401	0.06361
Wholesale Sales	1,794,227	0.03010	74.3	3,126,956	0.03482	1.2X	1,409,151	0.02265
Energy Sales	6,120,207		26.0	7,710,427		38.0	5,585,552	
<u>Steam Sales</u>	972,216	4.12	(0.1)	971,712	3.81	7.0	908,310	4.02
<u>Other Revenue</u>								
By-Product Revenue	16,229		12.7	18,294		32.0	13,861	
Miscellaneous Revenue	54,445		(11.4)	48,246		1.2	47,661	
Total Other Revenue	70,674		(5.8)	66,540		8.2	61,522	
Operating Revenue	7,163,097		22.1	8,748,679		33.5	6,555,384	
<u>Operating Expense</u>								
Purchased Power	1,768,130	0.02378	29.5	2,289,582	0.03118	86.3	1,228,652	0.01804
Production Fuel	1,548,892		45.0	2,245,726		31.0	1,714,144	
Emissions Allowance	70,534		(98.6)	1,000		(77.4)	4,425	
Operation	2,345,838		(14.4)	2,008,194		(8.6)	2,196,501	
Maintenance	999,215		(40.7)	592,425		(30.7)	855,180	
Depreciation	957,140		(6.0)	900,004		7.5	837,341	
Total Operating Expense	7,689,749		4.5	8,036,931		17.6	6,836,243	
Operating Income (Loss)	(526,652)		-2.4X	711,748		-3.5X	(280,859)	
<u>Nonoperating Revenue (Expense)</u>								
Interest Income	8,718		1.7X	23,363		61.3	14,482	
Interest Expense	(400)		3.5	(414)		42.8	(290)	
Total Nonoperating Revenue (Expense)	8,318		1.8X	22,949		61.7	14,192	
Net Income (Loss) Before Revenue Adjustment	(518,334)		-2.4X	734,697		-3.8X	(266,667)	
Capital Contributions	---		---	---		---	---	
Change in Net Position	(518,334)		-2.4X	734,697		-3.8X	(266,667)	
Beginning Net Position	125,994,942			125,947,356			122,839,872	
Ending Net Position	\$125,476,608			\$126,682,053			\$122,573,205	
Net Loss Before Rev Adj to Op Revenue	(7.2)			8.4			(4.1)	
Change in Net Position to Operating Revenue	(7.2)			8.4			(4.1)	

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - April 2017

	Budget Estimate	Avg. Price	% Increase (Decrease) from Budget	This Year	Avg. Price	% Increase (Decrease) from Last Year	Last Year	Avg. Price
<u>Sales of Electricity</u>								
Residential	\$3,561,655	\$ 0.10713	(3.8)	\$3,425,074	\$ 0.11227	1.4	\$3,379,062	\$ 0.10687
Commercial I	1,214,707	0.10151	0.4	1,219,674	0.10281	8.0	1,129,038	0.09813
Commercial II	2,449,155	0.08208	(4.9)	2,328,505	0.08052	(2.7)	2,393,626	0.07721
Industrial I	2,465,475	0.06267	6.5	2,625,586	0.06466	19.1	2,203,866	0.06208
Industrial II	7,946,366	0.05145	2.0	8,103,999	0.05309	7.9	7,509,869	0.04965
City Enterprise Funds	139,476	0.07457	(4.8)	132,752	0.07420	5.1	126,324	0.07190
Water & Communications Utilities	360,595	0.06367	3.5	373,383	0.06418	8.9	342,828	0.06153
Native System Sales	18,137,429	0.06563	0.4	18,208,973	0.06691	6.6	17,084,613	0.06370
Wholesale Sales	8,847,000	0.03128	5.3	9,313,957	0.03634	62.2	5,743,970	0.02354
Energy Sales	26,984,429		2.0	27,522,930		20.6	22,828,583	
<u>Steam Sales</u>	4,095,826	4.11	(2.2)	4,005,118	3.82	2.0	3,926,997	3.97
<u>Other Revenue</u>								
By-Product Revenue	57,014		(31.3)	39,155		(20.5)	49,267	
Miscellaneous Revenue	207,017		(2.8)	201,256		7.1	187,840	
Total Other Revenue	264,031		(8.9)	240,411		1.4	237,107	
Operating Revenue	31,344,286		1.4	31,768,459		17.7	26,992,687	
<u>Operating Expense</u>								
Purchased Power	7,898,688	0.02604	17.0	9,242,478	0.03051	61.9	5,707,113	0.02048
Production Fuel	7,120,585		(2.0)	6,979,330		(2.1)	7,128,923	
Emissions Allowance	298,102		(98.2)	5,323		(85.9)	37,774	
Operation	9,027,877		(10.6)	8,066,776		(3.5)	8,361,931	
Maintenance	5,614,574		(8.1)	5,161,636		65.7	3,115,584	
Depreciation	3,828,558		(6.0)	3,600,017		7.5	3,349,364	
Total Operating Expense	33,788,384		(2.2)	33,055,560		19.3	27,700,689	
Operating Loss	(2,444,098)		(47.3)	(1,287,101)		81.8	(708,002)	
<u>Nonoperating Revenue (Expense)</u>								
Interest Income	34,342		1.3X	80,144		62.5	49,322	
Interest Expense	(1,600)		13.6	(1,817)		65.2	(1,100)	
Total Nonoperating Revenue (Expense)	32,742		1.4X	78,327		62.4	48,222	
Net Loss Before Revenue Adjustment and Capital Contributions	(2,411,356)		(49.9)	(1,208,774)		83.2	(659,780)	
Capital Contributions	---		---	2,863		(97.9)	133,577	
Change in Net Position	(2,411,356)		(50.0)	(1,205,911)		1.3X	(526,203)	
Beginning Net Position	127,887,964			127,887,964			123,099,408	
Ending Net Position	\$125,476,608			\$126,682,053			\$122,573,205	
Net Income (Loss) Before Rev Adj to Op Revenue	(7.7)			(3.8)			(2.4)	
Change in Net Position to Operating Revenue	(7.7)			(3.8)			(2.0)	

Muscatine Power and Water - Electric Utility
Statements of Net Position
April 2017

ASSETS

	<u>2017</u>	<u>2016</u>
Current Assets:		
Cash - interest bearing	\$34,147,803	\$15,750,324
Investments	9,750,000	16,251,547
Receivables:		
Consumer Accounts	5,559,024	5,395,248
Refined Coal	3,790,434	2,906,373
Wholesale	648,425	108,092
Steam Sales	972,052	908,626
Interest	64,117	41,392
Inventories	5,594,950	5,678,692
Fuel	7,182,640	14,911,129
Prepaid Expenses	<u>1,251,864</u>	<u>1,255,241</u>
Total Current Assets	<u>68,961,309</u>	<u>63,206,664</u>
Property and Equipment:		
At Cost	426,927,841	421,469,891
Less Accumulated Depreciation	<u>353,316,857</u>	<u>344,219,957</u>
Net Property and Equipment	<u>73,610,984</u>	<u>77,249,934</u>
Other Assets:		
Note Receivable - Communications Utility	9,044,287	9,523,335
Note Receivable - Water Utility	5,500,000	2,900,000
Joint Venture Rights	<u>81,898</u>	<u>93,451</u>
Total Other Assets	<u>14,626,185</u>	<u>12,516,786</u>
Deferred Outflows of Resources - Pension		
Changes of Assumptions	2,764,049	2,764,049
Difference between projected and actual earnings on pension plan	3,171,557	575,136
Contributions subsequent to measurement date	<u>2,241,817</u>	<u>2,181,815</u>
Total Deferred Outflows of Resources - Pension	<u>8,177,423</u>	<u>5,521,000</u>
TOTAL ASSETS	<u><u>\$165,375,901</u></u>	<u><u>\$158,494,384</u></u>

Muscatine Power and Water - Electric Utility
Statements of Net Position
April 2017

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	<u>2017</u>	<u>2016</u>
Current Liabilities:		
<u>Unrestricted</u>		
Accounts Payable	\$6,109,655	\$6,622,952
Health & Dental Insurance Provision	271,040	295,620
Accrued Payroll	311,551	306,509
Accrued Vacation	1,276,224	1,299,272
Accrued Emission Allowance Expense	175,954	37,774
Consumers' Deposits	756,555	748,654
Retained Percentage on Contracts	49,492	60,424
Accrued Property Taxes	81,500	86,843
Miscellaneous Accrued Expenses	783,169	850,080
Unearned Revenue	25,923	262,766
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Total Unrestricted Current Liabilities	9,841,063	10,570,894
	<hr/>	<hr/>
Non-Current Liabilities:		
Health & Dental Insurance Provision	984,616	964,945
Post-Employment Health Benefit Provision	418,862	391,190
Net Pension Liability	13,783,282	10,302,364
	<hr/>	<hr/>
Total Non-Current Liabilities	15,186,760	11,658,499
	<hr/>	<hr/>
Deferred Inflows of Resources		
Extraordinary O&M	13,032,866	13,032,866
Pension		
Differences between expected and actual experience	633,159	658,920
	<hr/>	<hr/>
Total Deferred Inflows of Resources	13,666,025	13,691,786
	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets	73,610,984	77,249,934
Unrestricted	53,071,069	45,323,271
	<hr/>	<hr/>
Total Net Position	126,682,053	122,573,205
	<hr/>	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$165,375,901</u>	<u>\$158,494,384</u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
April 2017

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$4,545,774	\$18,365,705
MISO sales	2,731,845	9,789,454
Steam sales	1,009,774	6,386,590
Coal sales	2,754,160	11,946,250
Railcar/facilities leasing	5,624	22,497
By-product sales	---	141,825
Miscellaneous sources	14,878	150,855
Cash paid to/for:		
Suppliers	(1,976,438)	(4,416,131)
MISO purchases/administration fees	(2,241,213)	(8,998,560)
South Fork Wind purchases	(145,255)	(474,477)
Coal purchases	(2,774,370)	(13,089,052)
Employees payroll, taxes and benefits	(1,786,005)	(7,613,710)
Net cash flows from operating activities	<u>2,138,774</u>	<u>12,211,246</u>
Cash flows from noncapital financing activities:		
Loan to Water Utility	<u>---</u>	<u>(2,600,000)</u>
Net cash flows from noncapital financing activities	<u>---</u>	<u>(2,600,000)</u>
Cash flows from capital financing activities:		
Capital expenditures, net	<u>(394,504)</u>	<u>(1,861,708)</u>
Net cash flows from capital and related financing activities	<u>(394,504)</u>	<u>(4,461,708)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	---	(21,975)
Interest received on investments	9,858	87,865
Amortization/accretion of investments	---	(210)
Mark to Market	<u>---</u>	<u>(37)</u>
Net cash flows from investing activities	<u>9,858</u>	<u>65,643</u>
Net increase in cash and investments	<u>1,754,128</u>	<u>7,815,181</u>
Cash and investments at beginning of period	<u>42,143,675</u>	<u>36,082,622</u>
Cash and investments at end of period	<u><u>\$43,897,803</u></u>	<u><u>\$43,897,803</u></u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
April 2017

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$711,748	(\$1,287,101)
Noncash items in operating income:		
Depreciation of electric utility plant	900,004	3,600,017
Amortization of joint venture rights	7,287	35,501
Changes in assets and liabilities:		
Consumer accounts receivable	(50,593)	1,558,551
Refined coal	(1,030,650)	241,035
Wholesale receivable	(272,526)	384,398
Steam sales receivable	38,655	1,304,317
Inventories	80,649	72,344
Fuel	2,192,040	6,714,825
Prepaid expenses	(558,310)	(404,892)
Accounts payable	158,345	(245,262)
Net pension liability	195,653	782,613
Health & dental insurance provision	(58,130)	(26,661)
Other post-employment benefit provision	2,286	9,144
Accrued payroll	12,415	(369,548)
Accrued vacation	2,631	90,020
Accrued emission allowance expense	(52,767)	(48,444)
Consumers' deposits	(1,686)	(5,045)
Retained Percentage	(26,448)	(1,794)
Accrued property taxes	2,156	(20,534)
Unearned revenue	(21,283)	(82,869)
Miscellaneous accrued expenses	(92,702)	(89,369)
Net cash flows from operating activities	<u>\$2,138,774</u>	<u>\$12,211,246</u>

**Muscatine Power and Water - Electric Utility
Funds Appropriated for Specific Purposes
April 2017**

	<u>This Year</u>	<u>Last Year</u>
Extraordinary Operation & Maintenance Account	<u>\$13,143,183</u>	<u>\$13,082,587</u>
Total Cash and Investments Appropriated for Specific Purposes	<u><u>\$13,143,183</u></u>	<u><u>\$13,082,587</u></u>

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - April 2017

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$1,768,130</u>	24.7	<u>\$2,289,582</u>	26.2	<u>\$1,228,652</u>	18.7
Average price per kWh	\$0.0256		\$0.0335		\$0.0180	
<u>Generation</u>						
Operation Supervision (500)	88,071		70,189		77,748	
Fuel: (501)						
Coal	1,468,874		2,140,871		1,648,643	
Fuel Oil	13,000		20		131	
Gas	---		41,879		19,398	
Coal Handling Expense (501-003)	53,866		50,589		39,963	
Landfill Operation Expense (501-925)	13,152		12,367		6,009	
Emissions Allowance Expense (509)	70,534		1,000		4,425	
Steam Expense:						
Boiler (502-004)	100,195		89,245		146,432	
Pollution Control (502-005)	112,198		30,537		71,530	
Electric Expense (505)	99,927		97,271		110,927	
Miscellaneous Steam Power Expense (506)	232,529		209,437		250,705	
Maintenance:						
Supervision (510)	65,402		66,558		64,664	
Structures (511)	231,059		28,277		58,655	
Boiler Plant:						
Boiler (512-006)	164,198		116,081		319,753	
Pollution Control (512-007)	49,248		57,918		26,892	
Electric Plant (513-008)	131,032		26,544		45,961	
System Control (513-009)	20,082		13,451		24,804	
Miscellaneous Steam Plant (514)	71,102		38,274		55,425	
Coal Handling Equipment (516)	56,488		43,083		66,751	
System Control and Load Dispatch (556)	29,195		26,319		20,218	
Vacation, Holiday, Sick Leave (557)	110,340		90,287		71,945	
Depreciation (558)	<u>643,473</u>		<u>648,814</u>		<u>637,587</u>	
Total Generation Expense	<u>\$3,823,965</u>	53.4	<u>\$3,899,011</u>	44.6	<u>\$3,768,566</u>	57.5

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - April 2017

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$7,898,688</u>	25.2	<u>\$9,242,478</u>	29.1	<u>\$5,707,113</u>	21.1
Average price per kWh	\$0.0276		\$0.0327		\$0.0205	
<u>Generation</u>						
Operation Supervision (500)	349,490		314,942		334,278	
Fuel: (501)						
Coal	6,828,814		6,614,537		6,824,027	
Fuel Oil	37,135		25,683		30,417	
Gas	2,000		89,509		50,157	
Coal Handling Expense (501-003)	223,927		204,414		200,045	
Landfill Operation Expense (501-925)	28,709		45,187		24,277	
Emissions Allowance Expense (509)	298,102		5,323		37,774	
Steam Expense:						
Boiler (502-004)	411,075		357,761		439,372	
Pollution Control (502-005)	346,380		134,090		224,577	
Electric Expense (505)	397,931		376,048		410,021	
Miscellaneous Steam Power Expense (506)	819,609		735,444		876,726	
Maintenance:						
Supervision (510)	266,926		328,145		286,233	
Structures (511)	387,143		124,905		170,627	
Boiler Plant:						
Boiler (512-006)	1,157,864		848,079		707,609	
Pollution Control (512-007)	251,263		312,313		289,470	
Electric Plant (513-008)	2,044,950		2,098,201		187,037	
System Control (513-009)	84,860		72,079		93,564	
Miscellaneous Steam Plant (514)	316,004		211,424		236,154	
Coal Handling Equipment (516)	212,729		213,347		274,991	
System Control and Load Dispatch (556)	116,721		97,495		97,770	
Vacation, Holiday, Sick Leave (557)	373,822		358,126		390,652	
Depreciation (558)	<u>2,573,892</u>		<u>2,595,257</u>		<u>2,550,349</u>	
Total Generation Expense	<u>\$17,529,346</u>	55.9	<u>\$16,162,309</u>	50.9	<u>\$14,736,127</u>	54.6

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - April 2017

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision (560)	\$7,475		\$5,777		\$5,633	
Load Dispatching (561)	65,946		62,958		60,855	
Station Expense (562)	11,829		9,684		9,204	
Overhead Line Expense (563)	221		389		173	
Transmission of Electricity by Others (565)	113,017		60,784		73,123	
Miscellaneous Transmission Expense (566)	14,303		9,763		11,048	
Maintenance:						
Supervision (568)	2,837		2,313		3,401	
Structures (569)	157		---		---	
Station Equipment (570)	6,927		26,850		21,943	
Overhead Lines (571)	21,643		2,899		4,603	
Vacation, Holiday, Sick Leave (575)	11,826		9,503		6,543	
Depreciation (576)	40,936		31,072		31,072	
Tax on Rural Property (577)	5,677		5,690		5,686	
Total Transmission Expense	302,794	4.2	227,682	2.6	233,284	3.6
<u>Distribution</u>						
Operation Supervision (580)	14,933		11,997		16,768	
Load Dispatching (581)	28,253		29,427		33,744	
Station Expense (582)	9,702		7,440		6,516	
Overhead Line Expense (583)	2,155		241		1,378	
Vehicle Expense (589)	16,623		12,653		11,257	
Underground Line Expense (584)	9,902		3,026		3,262	
Street Lighting (585-418)	2,597		259		741	
Signal Expense (585-419)	727		112		85	
Meter Expense (586)	8,841		8,191		9,423	
Consumer Installation Expense (587)	526		1,429		945	
Miscellaneous Distribution Expense (588)	52,761		71,505		55,127	
Maintenance:						
Supervision (590)	10,886		9,041		14,665	
Structures (591)	892		---		---	
Station Equipment (592)	11,412		6,893		8,538	
Overhead Lines (593)	49,553		62,896		44,156	
Underground Lines (594)	14,423		17,118		14,530	
Line Transformers (595)	4,795		1,024		6,007	
Street Lighting (596-418)	10,201		14,044		7,207	
Signal System (596-419)	3,825		1,398		3,002	
Meters (597)	2,129		2,825		1,985	
Miscellaneous Distribution Plant (598)	2,708		2,559		1,631	
Vacation, Holiday, Sick Leave (599)	37,158		41,377		26,402	
Depreciation (578)	172,687		172,352		168,481	
Tax on Rural Property (579)	1,696		1,700		1,698	
Total Distribution Expense	\$469,385	6.6	\$479,507	5.5	\$437,548	6.7

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - April 2017

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision (560)	\$29,902		\$28,225		\$23,274	
Load Dispatching (561)	267,491		258,715		236,468	
Station Expense (562)	40,496		32,754		42,218	
Overhead Line Expense (563)	363		921		4,766	
Transmission of Electricity by Others (565)	452,068		290,391		306,755	
Miscellaneous Transmission Expense (566)	178,750		52,257		64,659	
Maintenance:						
Supervision (568)	11,416		10,719		13,611	
Structures (569)	439		---		---	
Station Equipment (570)	29,982		75,686		50,289	
Overhead Lines (571)	86,908		21,666		115,019	
Vacation, Holiday, Sick Leave (575)	40,167		37,170		32,602	
Depreciation (576)	163,743		124,287		124,288	
Tax on Rural Property (577)	22,709		22,851		22,827	
Total Transmission Expense	<u>1,324,434</u>	4.2	<u>955,642</u>	3.0	<u>1,036,776</u>	3.8
<u>Distribution</u>						
Operation Supervision (580)	59,433		58,642		66,744	
Load Dispatching (581)	111,475		129,857		131,655	
Station Expense (582)	37,758		30,275		24,928	
Overhead Line Expense (583)	17,386		6,406		10,591	
Vehicle Expense (589)	66,451		59,646		49,990	
Underground Line Expense (584)	22,865		12,853		8,771	
Street Lighting (585-418)	10,389		1,834		5,424	
Signal Expense (585-419)	3,297		442		611	
Meter Expense (586)	38,313		42,047		40,958	
Consumer Installation Expense (587)	2,205		3,013		3,259	
Miscellaneous Distribution Expense (588)	228,885		277,926		214,940	
Maintenance:						
Supervision (590)	45,748		42,765		58,207	
Structures (591)	2,312		---		17	
Station Equipment (592)	44,272		78,089		38,533	
Overhead Lines (593)	221,068		327,915		216,039	
Underground Lines (594)	66,131		47,338		43,321	
Line Transformers (595)	15,557		16,804		9,849	
Street Lighting (596-418)	41,960		51,482		45,811	
Signal System (596-419)	15,051		7,204		13,433	
Meters (597)	10,318		10,315		10,216	
Miscellaneous Distribution Plant (598)	10,833		12,996		9,326	
Vacation, Holiday, Sick Leave (599)	125,817		153,419		136,213	
Depreciation (578)	690,746		689,408		673,924	
Tax on Rural Property (579)	6,783		6,826		6,819	
Total Distribution Expense	<u>\$1,895,053</u>	6.0	<u>\$2,067,502</u>	6.5	<u>\$1,819,579</u>	6.7

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - April 2017

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$4,331		\$16,667		\$4,734	
Energy Efficiency Rebates (910)	17,859		21,085		1,580	
Electric Ranges/Dryers Maintenance (911)	451		225		415	
Electric Water Heaters Maintenance (912)	161		---		94	
Total Customer Service Expense	<u>22,802</u>	0.3	<u>37,977</u>	0.4	<u>6,823</u>	0.1
<u>Consumer Accounts</u>						
Supervision (901)	3,207		2,938		2,220	
Meter Reading Expense (902)	9,590		8,064		8,887	
Consumer Records and Collection (903)	40,215		35,873		43,330	
Uncollectible Accounts Expense (904)	5,623		5,623		4,769	
Vacation, Holiday, Sick Leave (906)	5,989		4,974		5,433	
Total Consumer Accounts Expense	<u>64,624</u>	0.9	<u>57,472</u>	0.7	<u>64,639</u>	1.0
<u>Administrative and General</u>						
Administrative and General Salaries (920)	186,756		157,194		178,294	
Office Supplies and Expenses (921)	13,859		11,102		11,535	
Outside Services Employed (923)	86,421		27,247		14,170	
Property Insurance (924)	57,271		55,721		53,778	
Casualty Ins, Injuries & Damages (925)	52,770		34,888		200,900	
Employee Pensions and Benefits (926)	577,314		593,652		524,916	
Fringe Benefits Charged to Constr. (927)	(29,737)		(20,883)		(25,364)	
Regulatory Commission (928)	6,231		8,111		6,928	
Miscellaneous General Expense (930)	83,920		44,657		48,024	
Maintenance of General Plant (932)	33,742		26,847		29,838	
Maintenance of A/O Center (934)	34,474		25,532		30,769	
Vacation, Holiday, Sick Leave (936)	34,984		33,866		22,742	
Depreciation (933)	100,044		47,766		201	
Total Administrative and General	<u>1,238,049</u>	17.3	<u>1,045,700</u>	12.0	<u>1,096,731</u>	16.7
Total Operating Expense	<u>\$7,689,749</u>		<u>\$8,036,931</u>		<u>\$6,836,243</u>	
Percent to Operating Revenue		107.4		91.9		104.3

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - April 2017

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$32,693		\$21,528		\$21,680	
Energy Efficiency Rebates (910)	71,432		62,224		17,615	
Electric Ranges/Dryers Maintenance (911)	1,905		411		744	
Electric Water Heaters Maintenance (912)	745		194		235	
Total Customer Service Expense	<u>\$106,775</u>	0.3	<u>\$84,357</u>	0.3	<u>\$40,274</u>	0.1
<u>Consumer Accounts</u>						
Supervision (901)	12,828		12,566		12,945	
Meter Reading Expense (902)	35,744		36,874		36,720	
Consumer Records and Collection (903)	159,295		148,409		146,813	
Uncollectible Accounts Expense (904)	22,492		22,492		19,076	
Vacation, Holiday, Sick Leave (906)	20,010		21,028		21,837	
Total Consumer Accounts Expense	<u>250,369</u>	0.8	<u>241,369</u>	0.8	<u>237,391</u>	0.9
<u>Administrative and General</u>						
Administrative and General Salaries (920)	747,965		696,086		708,323	
Office Supplies and Expenses (921)	71,018		51,959		49,022	
Outside Services Employed (923)	249,430		166,318		113,250	
Property Insurance (924)	218,605		217,055		230,124	
Casualty Ins, Injuries & Damages (925)	207,079		212,717		402,767	
Employee Pensions and Benefits (926)	2,267,324		2,292,426		2,150,006	
Fringe Benefits Charged to Constr. (927)	(99,761)		(89,223)		(91,470)	
Regulatory Commission (928)	24,925		27,763		28,249	
Miscellaneous General Expense (930)	288,132		166,600		155,147	
Maintenance of General Plant (932)	163,244		129,706		111,383	
Maintenance of A/O Center (934)	127,596		120,458		134,845	
Vacation, Holiday, Sick Leave (936)	117,985		118,973		130,980	
Depreciation (933)	400,177		191,065		803	
Total Administrative and General	<u>4,783,719</u>	15.3	<u>4,301,903</u>	13.5	<u>4,123,429</u>	15.3
Total Operating Expense	<u>\$33,788,384</u>		<u>\$33,055,560</u>		<u>\$27,700,689</u>	
Percent to Operating Revenue		107.8		104.1		102.6

Muscatine Power and Water - Electric Utility
Statistical Data
April 2017

Total Fuel Cost

(To & Including Ash Handling, Gas & Oil)

	<u>Current Month</u>	
	<u>2017</u>	<u>2016</u>
Per Million Btu.	\$1.800	\$1.813
Per Net MW Generated	\$25.75	\$19.23
Net Peak Monthly Demand-KW	108,950	109,280
Date of Peak	4/5	4/25
Hour of Peak	1500	1300

	<u>Calendar Year-To-Date</u>	
	<u>2017</u>	<u>2016</u>
Per Million Btu.	\$1.816	\$1.854
Per Net MW Generated	\$20.27	\$20.23
Net Peak Monthly Demand-KW	116,240	116,710
Date of Peak	3/15	1/12
Hour of Peak	800	1900
Average Temperature	53.2°	49.9°

<u>Services</u>	<u>2017</u>	<u>2016</u>
Residential	9,868	9,835
Commercial I	1,381	1,375
Commercial II	110	118
Industrial I	11	10
Industrial II	2	2
City Enterprise Funds	23	22
Water & Communications Utility	34	34
Total	<u>11,429</u>	<u>11,396</u>

Muscatine Power and Water - Electric Utility
Wholesale Sales Analysis - Excluding Wind
Current Month - April 2017

	Modified Budget	\$/kWh	This Year	\$/kWh	Last Year	\$/kWh
Wholesale kWh Sales*	<u>54,450,144</u>		<u>84,723,909</u>		<u>62,215,680</u>	
Wholesale Sales*	<u>\$1,707,794</u>	<u>\$0.03136</u>	<u>\$3,059,194</u>	<u>\$0.03611</u>	<u>\$1,409,151</u>	<u>\$0.02265</u>
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	985,113	0.01809	2,101,893	0.02481	1,134,384	0.01823
Emissions:						
SO ² Allowances-ARP ^{fn1}	209	0.00000	35	0.00000	19	0.00000
SO ² Allowances-CSAPR ^{fn2}	209	0.00000	94	0.00000	48	0.00000
NO _x Allowances ^{fn3}	70,116	0.00129	469	0.00001	23,770	0.00038
Other ^{fn4}	<u>159,224</u>	<u>0.00292</u>	<u>167,186</u>	<u>0.00197</u>	<u>192,431</u>	<u>0.00309</u>
Total Variable Costs	<u>1,214,871</u>	<u>0.02231</u>	<u>2,269,677</u>	<u>0.02679</u>	<u>1,350,652</u>	<u>0.02171</u>
Gross Margin	<u>\$492,923</u>	<u>\$0.00905</u>	<u>\$789,517</u>	<u>\$0.00932</u>	<u>\$58,499</u>	<u>\$0.00094</u>
Percent Gross Margin	28.9%		25.8%		4.2%	

*Wholesale analysis excludes wind. (see next page)

Calendar Year To Date

	Modified Budget	\$/kWh	This Year	\$/kWh	Last Year	\$/kWh
Wholesale kWh Sales*	<u>265,255,891</u>		<u>236,098,624</u>		<u>244,006,802</u>	
Wholesale Sales*	<u>\$8,482,253</u>	<u>\$0.03198</u>	<u>\$9,064,643</u>	<u>\$0.03839</u>	<u>\$5,743,970</u>	<u>\$0.02354</u>
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	4,786,629	0.01805	4,489,662	0.01902	4,649,660	0.01906
Emissions:						
SO ² Allowances-ARP ^{fn1}	882	0.00000	127	0.00000	84	---
SO ² Allowances-CSAPR ^{fn2}	882	0.00000	323	0.00000	209	---
NO _x Allowances ^{fn3}	296,337	0.00112	2,000	0.00001	56,742	0.00023
Other ^{fn4}	<u>636,895</u>	<u>0.00240</u>	<u>668,744</u>	<u>0.00283</u>	<u>769,724</u>	<u>0.00315</u>
Total Variable Costs	<u>5,721,625</u>	<u>0.02157</u>	<u>5,160,856</u>	<u>0.02186</u>	<u>5,476,419</u>	<u>0.02244</u>
Gross Margin	<u>\$2,760,628</u>	<u>\$0.01041</u>	<u>\$3,903,787</u>	<u>\$0.01653</u>	<u>\$267,551</u>	<u>\$0.00110</u>
Percent Gross Margin	32.5%		43.1%		4.7%	

*Wholesale analysis excludes wind. (see next page)

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

	Budget	2017	2016
fn1 SO ² ARP	\$2.00	\$0.75	\$0.80
YTD SO ² ARP	2.00	0.79	0.80
fn2 SO ² CSAPR	0.00	2.00	2.00
YTD SO ² CSAPR	0.00	2.00	2.00
fn3 NO _x annual	500.00	4.25	35.00
YTD NO _x annual	500.00	5.98	70.62

fn4 Other includes variable generation O&M, rail car cost, and Title V permit fees. Costs included have been amortized evenly over the year.

Muscatine Power and Water - Electric Utility
Wind Sales Analysis
Current Month - April 2017

	<u>Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<u>Revenue</u>						
<u>Wholesale kWh Sales</u>	<u>5,154,042</u>		<u>5,082,471</u>		<u>0</u>	
<u>Wholesale Sales</u>	<u>\$86,433</u>	<u>\$0.01677</u>	<u>\$67,762</u>	<u>\$0.01333</u>	<u>\$0</u>	<u>---</u>
<u>Expense</u>						
<u>Purchased Power kWh</u>	<u>5,154,042</u>		<u>5,082,471</u>		<u>0</u>	
<u>Purchased Power</u>	<u>\$134,005</u>	<u>0.02600</u>	<u>\$132,158</u>	<u>0.02600</u>	<u>\$0</u>	<u>---</u>
<u>Gross Margin/(Loss)</u>	<u>(\$47,572)</u>	<u>(\$0.00923)</u>	<u>(\$64,396)</u>	<u>(\$0.01267)</u>	<u>\$0</u>	<u>---</u>
Percent Gross Margin	-55.0%		-95.0%		---	
RECs Sold	---		2,500		---	
REC Net Proceeds	\$0	---	\$1,875	0.75	\$0	---
Misc Wind Revenues/Charges	\$0		\$0		\$0	
<u>Wind Net Margin/(Loss)</u>	<u>(\$47,572)</u>		<u>(\$62,521)</u>		<u>\$0</u>	

Calendar Year To Date

	<u>Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<u>Revenue</u>						
<u>Wholesale kWh Sales</u>	<u>17,614,291</u>		<u>20,203,741</u>		<u>0</u>	
<u>Wholesale Sales</u>	<u>\$364,747</u>	<u>\$0.02071</u>	<u>\$249,314</u>	<u>\$0.01234</u>	<u>\$0</u>	<u>---</u>
<u>Expense</u>						
<u>Purchased Power kWh</u>	<u>17,614,291</u>		<u>20,203,741</u>		<u>0</u>	
<u>Purchased Power</u>	<u>\$457,971</u>	<u>0.02600</u>	<u>\$525,331</u>	<u>0.02600</u>	<u>\$0</u>	<u>---</u>
<u>Gross Margin/(Loss)</u>	<u>(\$93,224)</u>	<u>(\$0.00529)</u>	<u>(\$276,017)</u>	<u>(\$0.01366)</u>	<u>\$0</u>	<u>---</u>
Percent Gross Margin	-25.6%		-110.7%		---	
RECs Sold	---		2,500		---	
REC Net Proceeds	\$0	---	\$1,875	0.75	\$0	---
Misc Wind Revenues/Charges	\$0		\$0		\$0	
<u>Wind Net Margin/(Loss)</u>	<u>(\$93,224)</u>		<u>(\$274,142)</u>		<u>\$0</u>	

	<u>Budget</u>	<u>This Year</u>	<u>Last Year</u>
RECs at end of Prior Period	0	3,438	0
RECs Added This Period		3,533	
RECs Sold This Period	0	2,500	0
Number of RECs on hand	0	4,471	0
Market Value per REC	\$0.00	\$0.75	\$0.00
Value of RECs on Hand	\$0.00	\$3,353.49	\$0.00

Muscatine Power and Water - Electric Utility
SUPPLEMENTAL STATISTICAL DATA - FOR INTERNAL PURPOSES ONLY
April 2017

Delivered to Wholesale Customers

	<u>Current Month 2017 Budget</u>	<u>Current Month 2017 Actual</u>	<u>Current Month 2016 Actual</u>	<u>Year-To-Date 2017 Budget</u>	<u>Year-To-Date 2017 Actual</u>	<u>Year-To-Date 2016 Actual</u>
Wholesale Sales KWHs	59,604,186	89,806,380	62,215,680	282,870,182	256,302,365	244,006,802
Wholesale Sales	\$1,794,227	\$3,126,956	\$1,409,151	\$8,847,000	\$9,313,957	\$5,743,970
Less:						
Production Fuel	1,056,933	2,170,115	1,188,529	5,054,444	4,756,474	4,897,431
Generation-Other	2,173,844	1,621,333	2,019,238	10,024,827	9,053,820	7,444,236
Transmission	302,794	227,682	233,284	1,324,434	955,642	1,036,776
Subtotal	3,533,571	4,019,130	3,441,051	16,403,705	14,765,936	13,378,443
Wholesale Margin	<u>(\$1,739,344)</u>	<u>(\$892,174)</u>	<u>(\$2,031,900)</u>	<u>(\$7,556,705)</u>	<u>(\$5,451,979)</u>	<u>(\$7,634,473)</u>

Delivered to Steam Customer

	<u>Current Month 2017 Budget</u>	<u>Current Month 2017 Actual</u>	<u>Current Month 2016 Actual</u>	<u>Year-To-Date 2017 Budget</u>	<u>Year-To-Date 2017 Actual</u>	<u>Year-To-Date 2016 Actual</u>
Steam Sales - 1,000 lbs.	236,046	254,905	226,108	997,619	1,047,098	987,999
Steam Sales	\$972,216	\$971,712	\$908,310	\$4,095,826	\$4,005,118	\$3,926,997
Less:						
Production Fuel	491,959	75,611	525,615	2,066,141	2,222,856	2,231,492
Generation-Other	101,230	31,953	35,185	383,934	129,159	162,968
Steam Sales Margin	<u>\$379,028</u>	<u>\$864,149</u>	<u>\$347,511</u>	<u>\$1,645,751</u>	<u>\$1,653,103</u>	<u>\$1,532,537</u>

Delivered to Paying Native System Customers

	<u>Current Month 2017 Budget</u>	<u>Current Month 2017 Actual</u>	<u>Current Month 2016 Actual</u>	<u>Year-To-Date 2017 Budget</u>	<u>Year-To-Date 2017 Actual</u>	<u>Year-To-Date 2016 Actual</u>
Native System Sales KWHs	67,115,484	67,070,392	65,660,306	276,374,969	272,143,786	268,219,128
Native System Sales	\$4,325,980	\$4,583,471	\$4,176,401	\$18,137,429	\$18,208,973	\$17,084,613
Less:						
Purchased Power	1,768,130	2,289,582	1,228,652	7,898,688	9,242,478	5,707,113
Distribution	469,385	479,507	437,548	1,895,053	2,067,502	1,819,579
Customer Service	22,802	37,977	6,823	106,775	84,357	40,274
Consumers Accounts	64,624	57,472	64,639	250,369	241,369	237,391
Administrative & General	1,238,049	1,045,700	1,096,731	4,783,719	4,301,903	4,123,429
Subtotal	3,562,990	3,910,238	2,834,393	14,934,604	15,937,609	11,927,786
Native System Margin	762,990	673,233	1,342,008	3,202,825	2,271,364	5,156,827
Steam Sales Margin	379,028	864,149	347,511	1,645,751	1,653,103	1,532,537
Wholesale Margin	<u>(1,739,344)</u>	<u>(892,174)</u>	<u>(2,031,900)</u>	<u>(7,556,705)</u>	<u>(5,451,979)</u>	<u>(7,634,473)</u>
Net Electric Margin	(597,326)	645,208	(342,381)	(2,708,129)	(1,527,512)	(945,109)
Other Revenue	70,674	66,540	61,522	264,031	240,411	237,107
Nonoperating Revenue (Expense)	8,318	22,949	14,192	32,742	78,327	48,222
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	<u>(\$518,334)</u>	<u>\$734,697</u>	<u>(\$266,667)</u>	<u>(\$2,411,356)</u>	<u>(\$1,208,774)</u>	<u>(\$659,780)</u>

Electric Utility
Review of Operating Results
April 2017

MUSCATINE POWER AND WATER - ELECTRIC UTILITY
VARIANCES FROM BUDGETED NET POSITION - APRIL 30, 2017

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	(Unfavorable)/ Favorable Compared to Budget	
Sales of Electricity		
Native System Sales	\$ 71,544	2.0% higher average sales price (\$.06691/kWh versus \$.06563/kWh budgeted), offset by 1.5% lower kWhs sold
Wholesale Sales	466,957	An 18.5% higher average sale price (\$.03707/kWh versus \$.03128/kWh), offset by 9.4% lower kWhs sold
	<u>538,501</u>	
Steam Sales	<u>(90,708)</u>	A 7.1% lower average sales price, offset by 5.0% higher pounds of steam sold
Other Revenue		
By-Product Revenue	(9,026)	Fly ash sales
	(8,833)	Gypsum sales not realized
Miscellaneous Revenue	(11,932)	Lower job sales, net of expenses
	9,824	Higher transmission revenue
	(3,310)	Penalty revenue
	(343)	Other miscellaneous variances - net
	<u>(23,620)</u>	
Operating Expense		
Purchased Power - Native System	(1,276,430)	Average purchase price is 18.3% higher (\$.03083/kwh vs \$.02605/kwh), offset by 1.0% lower kWhs purchased
Purchased Power - Wind	(67,360)	14.7% higher kWhs purchased
	<u>(1,343,790)</u>	
Production Fuel	214,277	2.6% or 6,254 fewer number of coal tons burned, offset by a 2.0% higher price/ton
	11,452	Fewer Unit 9 start-ups, resulted in lower fuel oil cost
	(80,079)	Unit 8's natural gas usage was not budgeted
	(7,430)	Unit 7's natural gas usage was higher than budgeted
	13,799	Lower gasoline/diesel fuel usage for dozers
	8,772	Lower fly ash handling expense
	(18,205)	CCR compliance costs were not budgeted
	(15,229)	Higher labor cost
	13,898	Other miscellaneous variances - net
	<u>141,255</u>	
Emissions Allowance	<u>292,779</u>	Market price lower than assumed
Operation	(37,826)	Higher bottom ash handling expense due to timing
	33,533	Lower gas usage for auxiliary boiler
	109,288	PAC (powdered activated carbon) injection system costs were lower
	10,500	Lower scrubber waste handling expenses
	43,266	Lower cost for wastewater chemicals
	(28,028)	Higher water bill for Units 7 & 8
	(11,953)	Higher hydrogen cost and other electric material expenses
	(55,866)	Higher cost for IDNR Title V permit fee
	8,000	PM2.5 modeling not performed
	(5,220)	Higher cost for the 316(b) Impingement/entrainment study
	31,433	Lower cost for stack emission testing
	5,000	Coal and byproduct analysis not completed
	(22,959)	Higher cost for continuous emissions monitoring system consulting
	(14,788)	Higher cost for plant safety materials
	23,075	Lower cost for rail car storage, switching costs, and administration fees
	3,000	North American Energy Markets membership, not expended
	4,000	161kV breakers painting, not completed
	161,677	Lower cost for MISO's multi-value transmission projects

**MUSCATINE POWER AND WATER - ELECTRIC UTILITY
VARIANCES FROM BUDGETED NET POSITION - APRIL 30, 2017**

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(Unfavorable)/
Favorable Compared
to Budget

110,000	Transmission coordination study, not begun
16,667	Relay technician consultant, not utilized
9,900	Electric line workers' tools not needed
3,540	Lower cost for street lighting material costs
3,892	Fewer promotional materials expended
(5,756)	Higher cost for commercial lighting rebates
(7,804)	Higher number of air conditioning rebates
6,000	City building rebates not expended
17,750	Motor rebates not expended
18,407	Organizational development consulting not expended
13,426	Board legal service not expended
16,700	Environmental/regulatory legal service not expended
(3,002)	Higher cost for transmission/reliability standards attorney
30,700	CIP compliance consulting, not expended
4,201	Lower cost for financial audit services due to timing
4,188	Lower cost for cost of service study
(19,513)	IS department professional services and review, not budgeted
13,500	Employee search services, not utilized
(4,867)	Engineering services, not budgeted
(13,806)	Higher cost for workers compensation claims
8,167	Lower general liability insurance costs
33,650	Lower healthcare costs
10,095	Lower FICA expense
(9,506)	Higher cost of deferred comp's utility match due to timing
(60,033)	Higher unemployment expenses
(10,537)	Less fringe charged to construction
5,361	Lower employment expenses
10,226	Lower cost for employee team expenses
12,020	Lower cost for continuous improvement
16,447	Fewer subscriptions/memberships
9,895	Lower cost for gasoline/diesel fuel
68,821	Less training/travel
(18,638)	Higher cost for temporary labor services
212,807	Lower labor cost
43,727	Lower vacation accrual
158,344	Other miscellaneous variances - net
961,101	

Maintenance

3,751	Lower cost for elevator maintenance
5,027	Lower cost for contracted insulation replacement/repair
4,000	Overhead door maintenance not needed
9,200	Contracted utility work not utilized
150,000	Unit 9 boiler roof, not completed
6,000	Waste oil material dumpster not expended
15,000	FGD reheater hoist repair, not performed
8,765	Lower cost for fire protection equipment repairs
(4,871)	Unit 9 wastewater treatment sump pump cleaning, budgeted later this year
(8,281)	Higher cost for partial replacement of Unit 9 BA pantleg refractory
(7,575)	Unit 8 BA settling tank pump seal, not budgeted
10,260	Lower fly ash system materials expense
7,252	Lower cost to replace fly ash silo bin vent and secondary collector bags
11,000	Unit 8 fly ash filter replacements not completed
(46,110)	Repair auxiliary boiler steam line under RR crossing, not budgeted
(3,484)	Inspection Unit 7 stack fall protection system not budgeted
(5,070)	Replacement of Unit 7 air preheater impulse traps, not budgeted
(4,789)	Unit 7 boiler tube leak, not budget
(4,646)	Unit 7 steam drum gauge glass leak, not budgeted

**MUSCATINE POWER AND WATER - ELECTRIC UTILITY
VARIANCES FROM BUDGETED NET POSITION - APRIL 30, 2017**

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(Unfavorable)/
Favorable Compared
to Budget

(13,975)	Higher cost for Unit 7 safety valve repairs
(8,415)	Unit 8 isolation balloon for flue gas exhaust stack not budgeted
(11,210)	Unit 8 distributive control repair not budgeted
50,000	Unit 8 boiler layup costs not completed
5,000	Unit 8 FA blower inlet piping not replaced
(21,990)	Unit 9 drum level gauge glass assembly not budgeted
(4,031)	Unit 9 air ejector pressure controller repair, not budgeted
(4,950)	Unit 9 coal feeder piping repair budgeted later in the year
(29,923)	Replacement of 9B pulverizer ceramic tile on the journal inner cone not budgeted
80,000	Pulverizer journal rebuild, not completed
15,209	Lower cost for routine pulverizer maintenance
7,456	Unit 9 sootblower rebuild, not completed
7,500	Unit 9 boiler vent, drain, and blowdown valve repairs not expended
(11,677)	Inspection of Unit 9 boiler windboxes and SOFA ductwork not budgeted
7,637	Lower cost for Unit 9 superheater temperature inspection
(5,109)	Higher cost for hydroset boiler safeties & repair
10,396	Lower cost to explosive clean Unit 9 boiler
(28,038)	Deslag Unit 9 boiler, not budgeted
7,000	Economizer contract cleaning not completed
38,000	Unit 9 coal nozzle tip repair or replacement not completed
20,000	Replace Unit 9 coal nozzles not completed
(4,919)	Higher cost for Unit 9 boiler & ductwork vacuum services
108,000	Contracted labor not utilized
(4,964)	Higher cost for ID FD Fan OEM inspection
10,011	Lower cost for Unit 9 boiler tube shield repairs
55,000	Replace Unit 9 hot & cold reheat drip leg switches not completed
15,000	9C Mill tungsten tiles on bowl deflectors not completed
40,500	Replace one 9D and two 9A mill upper riffle distributor housings not completed
9,923	Wastewater equipment maintenance not needed
(12,264)	Inspection and cleaning Tower 902 not budgeted
5,000	FGD hydroclone repairs/replacements not completed
(19,915)	FGD batteries replacement not budgeted
(14,304)	Higher cost for absorber spray pump inspection and repair
(14,419)	Leak repair in 9B scrubber reheat condensate return pump, not budgeted
9,800	WDHFP discharge valves to Clarkson not expended
8,000	Process piping repairs not expended
(9,905)	Unit 9 precipitator weld repairs, not budgeted
(3,268)	Replace transformer for 9 precipitator transformer rectifier not budgeted
6,201	Miscellaneous FGD equipment repairs not expended
20,079	Lower cost for Unit 9 turbine & control valves inspection/overhaul
16,776	Lower cost to replace oil in Unit 9 transformer
30,000	Bearing laser align and load testing not completed
25,737	Lower cost for circulating water tunnel inspection
5,000	Unit 9 CV-2 relay not needed
(91,012)	Replace Unit 9 batteries not budgeted
(4,222)	Repair Unit 9 air ejector supply safety valve leak, not budgeted
50,000	Unit 8 turbine layup costs not completed
25,000	Unit 7 stop valve overhaul not completed
(10,985)	Higher cost for rail car maintenance
(13,591)	Higher cost for dozer maintenance
7,028	Lower coal conveyor maintenance costs
(15,394)	DC-3 blower fan rebuild, not budgeted
(4,292)	Unit 7 lump breaker switch replacement, not budgeted
43,010	Lower cost for transmission line maintenance
(40,492)	Oregon Street substation barrier board replacement, not budgeted
(56,645)	Higher cost for distribution line maintenance due to storm restoration work
(11,563)	Line transformer repair, not budgeted

MUSCATINE POWER AND WATER - ELECTRIC UTILITY
VARIANCES FROM BUDGETED NET POSITION - APRIL 30, 2017

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	(Unfavorable)/ Favorable Compared to Budget	
	11,486	Lower cost for computer hardware/software maintenance
	6,782	Radio equipment maintenance not needed
	5,306	Lower cost for telephone maintenance
	(167,819)	Higher labor cost
	193,741	Other miscellaneous variances - net
	<u>452,938</u>	
Depreciation	<u>228,541</u>	Net value of the A&G assets were overestimated for the budget
Nonoperating Revenue (Expense)		
Interest Income	45,802	Higher average cash balances
Interest Expense	<u>(217)</u>	
	<u>45,585</u>	
Capital Contributions	<u>2,863</u>	CenturyLink transformer
Change in Net Position	<u>\$ 1,205,445</u>	Total Variance from Budgeted Net Position

Statements of Revenues, Expenses and Changes in Net Position**Sales of Electricity****Native System Sales**

A 2.0% higher average sales price per kWh (\$.06691/kWh versus \$.06563/kWh budgeted), offset by 1.5% lower kWh's sold, resulted in \$71,544 higher revenue.

Wholesale Sales

An 18.5% higher average sales price (\$.03707/kWh versus \$.03128/kWh budgeted), offset by 9.4% lower kWhs sold, resulted in \$466,957 higher revenue than projected.

Steam Sales

A 7.1% lower average sales price, offset by 5.0% higher pounds of steam sold, resulted in \$90,708 lower revenue than projected.

Other Revenue**By-Product Revenue**

Fly ash sales are \$9,026 lower than budgeted; gypsum sales, budgeted at \$8,833, were not realized.

Miscellaneous Revenue

Transmission revenue is \$9,824 higher than budgeted. Job sales revenue is \$11,932 lower than budgeted; penalty revenue is also lower than budgeted by \$3,310.

Nonoperating Revenue (Expense)**Interest Income**

Interest income is \$45,802 higher than budgeted due to higher average cash balances.

Statement of Net Position**Liabilities****Health and Dental Insurance Provision**

Health care claims have been less than premiums accrued. The current portion is based on the third-party administrator's estimate of incurred but unpaid health claims at year end. This estimate is adjusted in December each year.

Summary of Expenses

Purchased Power – (555)

An 18.3% higher average purchase price (\$.03083/kWh versus \$.02605/kWh budgeted), offset by 1.0% lower kWhs purchased for native system sales, resulted in \$1,276,430 higher cost. Wind energy kWh purchases were 14.7% or \$67,360 higher than budgeted.

Generation

Fuel – Coal – (501-001)

2.6% or 6,254 fewer tons of coal burned due to the maintenance outage taking place in February and March versus later in the budget year, offset by a 2.0% higher price/ton, resulted in \$214,277 lower coal expense.

Fuel – Fuel Oil – (501-921)

Fewer Unit 9 start-ups, resulted in \$11,452 lower fuel oil expense.

Fuel – Gas – (501-002)

The budget assumed there would be no Unit 8 natural gas usage; actual expense is \$80,079. Unit 7's gas usage is also higher than budgeted, resulting in \$7,430 higher expense.

Coal Handling Expense - (501-003)

Gasoline/diesel fuel expense for the dozers and fly ash handling expenses are \$13,799 and \$8,772 lower than budgeted, respectively.

Landfill Operation Expense - (501-925)

CCR compliance expenses totaling \$18,205 were not budgeted.

Emissions Allowance Expense - (509)

Expense is based on current market price, which is \$292,779 lower than budgeted.

Annual SO2 - CSAPR allowance information follows:						
1/1/17 Beg balance						
4102.5						
Annual EPA		GPC	Allowances	MPW	GPC	Allowances
<u>Allocation</u>	+ <u>Purchases</u>	+ <u>Provides</u>	= <u>Available</u>	<u>Electricity</u>	+ <u>Steam</u>	= <u>Consumed</u>
1956.0	0.0	447.0	6505.5	163.1	447.0	610.1
Valued @				\$547	\$894	
Ending Balance 4/30/17						5895.4
Annual NOx allowance information follows:						
1/1/17 Beg balance						
1301.7						
Annual EPA		GPC	Allowances	MPW	GPC	Allowances
<u>Allocation</u>	+ <u>Purchases</u>	+ <u>Provides</u>	= <u>Available</u>	<u>Electricity</u>	+ <u>Steam</u>	= <u>Consumed</u>
1746.0	0.0	453.0	3500.7	338.9	453.0	791.9
Valued @				\$0	\$3,530	
Ending Balance 4/30/17						2708.8

Generation (cont'd)Steam Expense – Boiler – (502-004)

Bottom ash handling expense is \$37,826, which was not budgeted. Gas usage for the auxiliary boiler and labor expenses are \$33,533 and \$62,269 lower than budgeted, respectively.

Steam Expense – Pollution Control – (502-005)

Labor, PAC (powdered activated carbon) injection system costs, scrubber waste handling, and wastewater chemicals are \$50,538, \$109,288, \$10,500, and \$43,266 lower than budgeted, respectively.

Electric Expense – (505)

Labor expense is \$61,864 lower than budget; water expense for Units 7 & 8 is \$28,028 higher than budgeted. Hydrogen and other material expenses are \$11,953 higher than budgeted.

<u>Miscellaneous Steam Power Expense - (506)</u>	<u>2017</u>	<u>2017</u>
	<u>Budget</u>	<u>Actual</u>
Labor	\$329,706	\$302,393
IDNR Title V permit fee	33,226	89,092
PM2.5 modeling	8,000	-
316(b) cooling water impingement/entrainment study	60,000	65,220
Stack emission testing	70,500	39,067
Coal and byproduct analysis	5,000	-
Continuous emissions monitoring system consulting	11,927	34,886
ESC software engineering time/maintenance	8,400	8,230
Unit 9 4-SYTE system strategy program	2,668	4,400
Plant safety material expenses	54,226	69,014
Rail car storage/switching costs/admin fees	60,345	37,270
Travel/training	56,100	39,434
Temporary labor services	10,400	29,918
Ground maintenance	7,550	8,497
Membership/subscriptions	7,900	3,674
Gasoline/diesel fuel	4,667	2,917
Other expenses	88,994	1,432
	<u>\$819,609</u>	<u>\$735,444</u>

Maintenance of Supervision – (510)

Labor expense is \$61,219 higher than budget due to Unit 9 maintenance outage being moved to February and March.

Generation (cont'd)

<u>Maintenance of Structures - (511)</u>	2017 <u>Budget</u>	2017 <u>Actual</u>
Labor	\$98,116	\$65,944
Elevator maintenance	15,136	11,385
State elevator inspection and permits	2,000	-
Contracted insulation replacement/repair	8,024	2,997
Overhead door maintenance	4,000	-
Central Stores building maintenance	3,000	867
Contracted utility work	9,200	-
Units 9, 8 & 8A annual backflow preventer testing	1,620	3,488
Unit 9 boiler roof	150,000	-
Waste oil material dumpster	6,000	-
Replacement of cathodic protection anodes	1,000	-
Repair FGD reheater hoist	15,000	-
Unit 8 fire protection pump/valve repair/panel inspection	8,100	3,100
Unit 9 fire protection panel repair	9,000	5,235
Unit 9 wastewater treatment sump pump cleaning	-	4,871
Other expenses	<u>56,947</u>	<u>37,124</u>
	<u>\$387,143</u>	<u>\$124,905</u>

Generation (cont'd)

<u>Maintenance of Boiler Plant - Boiler - (512-006)</u>	2017 <u>Budget</u>	2017 <u>Actual</u>
Labor	\$260,732	\$243,714
Bottom ash system materials	32,412	29,811
Partial replacement of Unit 9 BA pantleg refractory	75,000	83,281
Unit 8 BA settling tank pump seal	-	7,575
Fly ash system materials	30,418	20,158
Replace fly ash silo bin vent and secondary collector bags	13,000	5,748
Unit 8 fly ash filter replacements	11,000	-
Reverse osmosis system	3,225	591
Repair auxiliary boiler steam line under RR crossing	-	46,110
Inspect Unit 7 stack fall protection system	-	3,484
Replace Unit 7 air preheater impulse traps	-	5,070
Unit 7 feeder paddles & drum replacement	-	2,312
Unit 7 boiler tube leak	-	4,789
Unit 7 steam drum gauge glass leak	-	4,646
Unit 7 safety valve repairs	-	13,975
Unit 8 isolation balloon for flue gas exhaust stack	-	8,415
Unit 8 distributive control repair	-	11,210
Unit 8 boiler layup	50,000	-
Replace Unit 8 FA blower inlet piping	5,000	-
Unit 9 drum level gauge glass assembly	-	21,990
Unit 9 air ejector pressure controller repair	-	4,031
Unit 9 sootblower repairs	10,500	7,590
Unit 9 coal feeder piping repair	-	4,950
Replace 9B pulverizer ceramic tile on the journal inner cone	-	29,923
Pulverizer journal rebuild	80,000	-
Unit 9 routine pulverizer maintenance	33,360	18,151
Rebuild Unit 9 sootblowers	10,500	3,044
Unit 9 miscellaneous valve repairs	14,000	14,480
Unit 9 boiler vent, drain, and blowdown valve repairs	7,500	-
Inspect Unit 9 boiler windboxes and SOFA ductwork	-	11,677
Unit 9 superheater temperature inspection	15,000	7,363
9A ID fan motor inspection	14,000	14,162
Update Unit 9 BFP recirculating valve controls	8,000	7,714
Hydroset boiler safeties & repair	10,000	15,109
Explosive clean Unit 9 boiler	15,000	4,604
Deslag Unit 9 boiler	-	28,038
Economizer contract cleaning	7,000	-
Unit 9 coal nozzle tip repair or replacement	38,000	-
Replace Unit 9 coal nozzles	20,000	-
Unit 9 boiler & ductwork vacuum services	32,000	36,919

Generation (cont'd)

<u>Maintenance of Boiler Plant - Boiler - (512-006) cont'd</u>	2017	2017
	<u>Budget</u>	<u>Actual</u>
Contracted labor	108,000	-
Unit 9 high pressure air heater boiler washing	36,000	32,683
Grit blast U9 ID fans	3,240	-
Scaffold Unit 9 boiler pantlegs for refractory and screen repair	10,000	8,113
ID FD Fan OEM inspection services	8,000	12,964
Unit 9 boiler tube shield repairs	15,000	4,989
Replace Unit 9 hot & cold reheat drip leg switches	55,000	-
9C Mill tungston tiles on bowl deflectors	15,000	-
Replace one 9D and two 9A mill upper riffle distributor housings	40,500	-
Install grease lines to ID fan damper bearings	-	3,283
Software/plant controls maintenance agreements	17,370	19,906
Other expenses	54,107	45,507
	<u>\$1,157,864</u>	<u>\$848,079</u>

<u>Maintenance of Boiler Plant – Pollution Control - (512-007)</u>	2017	2017
	<u>Budget</u>	<u>Actual</u>
Labor	\$94,466	\$125,677
Continuous emission monitoring expenses	41,248	42,179
PAC (powdered activated carbon) injection system costs	3,332	2,306
Grit blast and vacuum clean Unit 9 precipitator	35,000	37,657
Miscellaneous limestone handling equipment repairs	3,796	168
Wastewater equipment maintenance	11,133	1,210
Scrubber waste equipment repairs	3,600	811
Inspect/clean Tower 902	-	12,264
FGD hydroclone repairs/replacements	5,000	-
FGD batteries replacement	-	19,915
Absorber spray pump inspection/repair	6,000	20,304
Repair leak in 9B scrubber reheat condensate return pump	-	14,419
WDHFP discharge valves to Clarkson	9,800	-
Process piping repairs	8,000	-
Booster fan OEM inspection	9,600	12,185
Unit 9 precipitator weld repairs	-	9,905
Replace transformer for 9 precipitator transformer rectifier	-	3,268
Miscellaneous FGD equipment repairs	13,332	7,131
Other expenses	<u>6,957</u>	<u>2,914</u>
	<u>\$251,264</u>	<u>\$312,313</u>

Generation (cont'd)

<u>Maintenance of Electric Plant - (513-008)</u>	2017 <u>Budget</u>	2017 <u>Actual</u>	
Labor	\$88,967	\$256,830	
Unit 9 turbine & control valves inspection/overhaul	1,600,000	1,623,921	*
Unit 9 transformer oil samples	2,500	-	
Replace oil in Unit 9 transformer	65,000	48,224	
Unit 9 auxiliary transformer repair/hot oil process	26,000	-	
Replace Unit 9 turbine thermocouples	-	2,839	
Repair Unit 9 turbine bearings		3,041	
Replace #2 bearing seals	29,000	-	*
Unit 9 Dovetail pin inspection	15,000	-	*
Bearing laser align and load testing	30,000	-	
Circulating water tunnel inspection	50,000	24,263	
Inspect/recondition 4160 volt breakers	13,000	14,276	
Unit 9 CV-2 relay	5,000	-	
Replace Unit 9 batteries	-	91,012	
Repair Unit 9 air ejector supply safety valve leak	-	4,222	
Unit 8 turbine layup	50,000	-	
Unit 8 miscellaneous plant maintenance	5,583	2,162	
Unit 7 stop valve overhaul	25,000	-	
Unit 7 miscellaneous plant maintenance	7,234	1,775	
GE, EX-2000, and Mark V service agreement	7,488	7,635	
Other expenses	<u>25,179</u>	<u>18,001</u>	
	<u>\$2,044,951</u>	<u>\$2,098,201</u>	

*Costs included in turbine overhaul project

Maintenance of System Control – (513-009)

Labor expense is \$5,377 lower than budgeted. The budget includes \$2,000 for CIP-related expenses that were not expended, plus software maintenance costs are \$3,073 lower than budgeted.

Maintenance of Miscellaneous Steam Plant – (514)

Labor expense is \$35,857 lower than budgeted. The budget includes \$19,275 for hoist and chain fall inspections and repairs, \$6,000 to replace Unit 9 CCHX heads, and \$22,319 for tool crib expenses that have not been needed. Other miscellaneous material expenses are lower than budget by \$21,129.

Generation (cont'd)

<u>Maintenance of Coal Handling Equipment - (516)</u>	2017	2017
	<u>Budget</u>	<u>Actual</u>
Labor	\$94,365	\$79,417
Rail car maintenance	14,000	24,985
Dozer maintenance	45,700	59,291
Coal conveyor maintenance	22,757	15,729
Rebuild DC-3 blower fan	-	15,394
Unit 7 lump breaker switch replacement	-	4,292
Other expenses	35,907	14,239
	<u>\$212,729</u>	<u>\$213,347</u>

<u>System Control and Load Dispatch - (556)</u>	2017	2017
	<u>Budget</u>	<u>Actual</u>
Labor	\$57,056	\$42,888
SCADA Dark Fiber service & BUCC MME services	6,488	6,312
MISO operating & administrative fees	49,196	47,193
North American Energy Markets membership	3,000	-
Other expenses	981	1,102
	<u>\$116,721</u>	<u>\$97,495</u>

TransmissionLoad Dispatching – (561)

The budget includes \$2,500 for control area certification, which have not been expended; labor and NERC-related expenses are \$4,176 and \$1,604 lower than budgeted, respectively.

Station Expense – (562)

Labor expense is \$5,870 lower than budgeted. The budget includes \$4,000 to paint 161 breakers that has not been completed; actual expenses include \$831 for protective relay device support that was not budgeted.

Transmission of Electricity by Others – (565)

The cost of MISO's multi-value projects is \$161,677 lower than budgeted.

Miscellaneous Transmission Expense – (566)

The budget includes \$110,000 for a consultant for the system protection coordination study that has not been expended; \$16,667 for a relay technician consultant. Project engineering's labor expense is \$9,295 higher than budget primarily due to more time spent on the transmission study than budgeted.

Maintenance of Station Equipment – (570)

Labor expense is \$40,133 higher than budgeted; battery load testing, costing \$2,915, was not budgeted.

Transmission (cont'd)Maintenance of Overhead Lines – (571)

Line maintenance performed by MEC for the joint section of Line 104 was budgeted at \$6,250/month; it is now estimated at \$1,000/month. Other material expenses are \$22,010 lower than budgeted. Electric line workers' labor expense is \$22,757 lower than the budget.

DistributionLoad Dispatching – (581)

System control labor expense is \$19,313 higher than budgeted.

Station Expense – (582)

Substation electricians' labor expense is \$7,456 lower than budgeted.

Overhead Line Expense – (583)

The budget includes \$7,400 for electric line workers' tools and tool repairs that have not been needed, plus another \$2,500 for Lean initiative expenses.

Vehicle Expense – (589)

Gasoline/diesel fuel expense is \$6,663 lower than budgeted.

Underground Line Expense – (584)

Outside servicemen's labor and material expenses are \$7,318 and \$2,123 lower than budgeted, respectively.

Street Lighting – (585-STL)

Less time has been spent on street light repairs, resulting in \$5,015 lower labor expense and \$3,540 lower material cost.

Signal Expense – (585-419)

Labor expense is \$2,222 lower than budgeted.

Meter Expense – (586)

The metering department's labor expense is \$3,716 higher than budgeted.

Miscellaneous Distribution Expense – (588)

Labor expense is \$42,936 higher than budgeted; the electric line workers' labor makes up \$21,614 of this total.

Maintenance of Station Equipment – (592)

Expenses include \$40,492 to replace the barrier board at Oregon Street substation that was not budgeted. Labor expense is \$8,852 lower than budgeted.

Maintenance of Overhead Lines – (593)

Restoration cost due to a March storm was \$104,562.

Maintenance of Underground Lines – (594)

Electric line workers' labor expense is \$22,279 lower than budgeted.

Distribution (cont'd)Maintenance of Line Transformers – (595)

A transformer repair, costing \$11,563, was not budgeted. Labor for transformer change-outs and other maintenance is \$10,808 lower than budgeted.

Maintenance of Street Lighting – (596-STL)

Labor and materials are higher than budgeted by \$4,899 and \$4,623, respectively.

Maintenance of Signal Expense – (596-419)

Substation electricians' labor and material expenses are \$4,868 and \$2,102 lower than budgeted, respectively.

Maintenance of Miscellaneous Distribution Plant – (598)

Vehicle maintenance is \$1,478 higher than budgeted.

Vacation, Holiday, Sick Leave – (599)

The electric line workers' sick leave and personal time usage was higher than anticipated.

Customer Service Expense

<u>Customer Information Expense - (909)</u>	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
<u>Marketing</u>			
Media advertising	\$5,830	\$3,288	\$4,378
Customer newsletter/bill inserts	1,392	774	1,642
Postage	733	-	-
Promotional materials	4,234	342	339
Photo library	<u>1,017</u>	<u>648</u>	<u>649</u>
Subtotal - Marketing	<u>13,206</u>	<u>5,052</u>	<u>7,008</u>
<u>Energy Services</u>			
Trees Forever	13,000	13,000	12,500
IAMU energy efficiency report	-	-	150
City-owned buildings energy efficiencies	-	1,916	0
Customized energy efficiencies	1,200	-	-
Compact fluorescent exchange program	2,400	1,107	1,493
Customer awareness programs	332	-	-
Presentation materials	2,455	-	-
Science fair/poster contest	<u>100</u>	<u>453</u>	<u>400</u>
Subtotal - Energy Services	<u>19,487</u>	<u>16,476</u>	<u>14,543</u>
Miscellaneous	-	0	129
	<u>\$32,693</u>	<u>\$21,528</u>	<u>\$21,680</u>

Customer Service Expense (cont'd)

<u>Energy Efficiency Rebates - (912)</u>	2017	2017	2016
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Compact fluorescent lighting	\$1,000	\$975	\$902
Commercial lighting	25,000	30,756	3,403
Air conditioning	6,700	14,504	2,675
Refrigerator	3,332	1,245	1,360
City building improvement	6,000	-	-
Washing machine	2,000	950	1,400
Customized energy efficiency	-	1,625	4,000
Water heater	1,800	2,200	3,100
Geo-thermal	4,000	6,970	-
Motor	20,000	2,250	-
Dishwasher	1,600	750	775
	<u>\$71,432</u>	<u>\$62,225</u>	<u>\$17,615</u>

Consumer Accounts

<u>Consumer Records and Collection - (903)</u>	2017	2017	2016
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Labor	\$121,864	\$108,258	\$110,636
Temporary labor services	347	7,694	2,376
Postage	9,533	8,972	9,764
Payment processing fees	18,387	18,198	17,366
Collection fees	3,960	2,979	4,097
Integrated voice response service	660	552	654
Travel/training	980	44	-
Gasoline/diesel fuel	1,000	560	530
Other	2,564	1,152	1,390
	<u>\$159,295</u>	<u>\$148,409</u>	<u>\$146,813</u>

Administrative and GeneralAdministrative and General Salaries – (920)

Labor is lower than budget by \$51,879 due to the Manager, Information Systems position not being filled.

<u>Office Supplies - (921)</u>	<u>2017</u>	<u>2017</u>	<u>2016</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Phone expense	\$12,907	\$11,644	\$11,123
Memberships/subscriptions	11,749	9,654	7,594
Internet/MME	5,540	5,195	5,742
Office furniture	6,065	3,059	2,242
Computer hardware/software	10,492	5,139	5,113
Postage	-	2,434	2,336
Vehicle allowance	4,154	4,154	4,144
Vehicle maintenance	3,134	1,267	1,115
Gasoline/diesel fuel	1,333	676	437
General office supplies	4,594	3,158	3,693
Other	<u>11,050</u>	<u>5,579</u>	<u>5,483</u>
	<u>\$71,018</u>	<u>\$51,959</u>	<u>\$49,022</u>

Administrative and General (cont'd)

<u>Outside Services Employed - (923)</u>	<u>Resp</u>	<u>2017</u>	<u>2017</u>	<u>2016</u>
	<u>Code</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Organizational development consulting	120-Sal	\$24,300	\$5,893	-
Legal services	140-Brandy	38,490	25,064	3,318
Environmental/regulatory legal services	140-Brandy	16,700	-	2,105
Transmission/reliability standards attorney	140-Brandy	5,000	8,002	-
NERC audit preparation consultant	140-Brandy	-	-	2,850
Coal & transportation attorney	140-Brandy	1,664	-	-
Bond counsel	140-Brandy	1,250	-	-
Labor attorney	140-Brandy	1,680	1,497	-
CIP compliance consulting	145-Seth	32,500	1,800	7,000
Web design service	224-Rick	3,090	1,409	1,277
Insurance advisor	310-Jerry	13,608	13,608	13,608
Financial audit services	320-Cassie	34,020	29,819	37,263
Cost of service study	320-Cassie	25,000	20,812	-
Coal & transportation consulting	331-Brad	20,000	20,000	26,375
Fuel procurement committee consulting	331-Brad	3,000	-	-
IS department professional services	350-Jerry	-	4,375	-
IS department review	350-Jerry	-	15,138	-
509A Actuary	410-Erika	891	790	811
Benefits consulting	410-Erika	12,069	12,069	6,035
Employee search services	410-Erika	13,500	-	-
Outplacement	410-Erika	-	-	32
Engineering compensation review	410-Erika	-	1,175	-
Labor legal services	410-Erika	-	-	1,486
Pension study	410-Erika	-	-	11,090
MISO consultant	610-Gage	1,668	-	-
Coal pile survey	612-Scott	1,000	-	-
Engineering services	760-Mark	-	4,867	-
		<u>\$249,430</u>	<u>\$166,318</u>	<u>\$113,250</u>

Injuries and Damages – (925)

Workers compensation claims are \$13,806 higher than anticipated; insurance costs are \$8,167 lower than budget.

Administrative and General (cont'd)

<u>Employee Pensions and Benefits (926)</u>	2017	2017	2016
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Pension	\$782,613	\$782,613	\$719,738
Healthcare costs	823,766	790,116	771,157
FICA	437,746	427,651	423,529
Deferred comp utility match	108,000	117,506	110,259
Dental	33,440	31,559	33,791
Educational reimbursements	9,720	6,791	10,312
LTD insurance	20,858	19,345	20,045
Life insurance	15,002	15,188	14,183
Post-employment health benefit	9,144	9,144	9,264
Recognition dinner	12,150	14,975	15,792
Unemployment expenses	2,025	62,058	10,618
Other expenses	<u>12,861</u>	<u>15,481</u>	<u>11,317</u>
	<u>\$2,267,324</u>	<u>\$2,292,426</u>	<u>\$2,150,006</u>

Fringe Benefits Charged to Construction – (927)

Less time has been charged to capital projects than projected.

<u>Miscellaneous General Expense - (930)</u>	2017	2017	2016
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Employment expenses	\$17,982	\$12,621	\$2,827
APPA dues	7,392	8,131	7,392
IUB Iowa Energy Center	16,667	17,533	16,728
IAMU membership	11,332	12,441	11,566
Economic development pledge	9,450	11,340	11,340
Legal publications	1,755	1,146	1,287
Continuous Improvement	13,122	1,102	-
CIP low impact site compliance	30,000	-	-
Subscriptions/memberships	14,710	15,830	17,531
Employee team expenses	22,919	12,693	15,121
Training/travel	63,717	12,074	18,869
Safety-related expenses	6,415	1,839	5,801
Labor	17,499	10,399	15,218
Temporary labor services	27,294	23,812	19,812
Board trustee fees	2,430	2,430	2,430
Other expenses	<u>25,447</u>	<u>23,209</u>	<u>9,225</u>
	<u>\$288,131</u>	<u>\$166,600</u>	<u>\$155,147</u>

Maintenance of General Plant – (932)

Radio equipment, telephone, vehicle, and computer hardware/software maintenance costs are \$6,782, \$5,306, \$9,828 and \$11,486 lower than budgeted, respectively.

Administrative and General (cont'd)

Maintenance of A/O Center – (934)

Labor expense is \$4,306 lower than the budget.

Depreciation – (933)

The budget overestimated the net value of A&G assets at 2016 year end.

**Electric Utility
Statement of Net Position Review
April 2017**

	<u>2017</u>	<u>2016</u>
<u>Current Assets</u>		
<u>Consumer Accounts</u>		
Customer Electric Accounts	\$5,006,083	\$4,588,389
Unbilled Revenue	479,274	482,645
Merchandise Accounts	102,484	381,799
Allowance for Doubtful Accounts	(28,817)	(57,585)
	<u>\$5,559,024</u>	<u>\$5,395,248</u>
<u>Inventories</u>		
Inventory	\$5,028,787	\$5,377,882
Emission Allowance - NOx	173,595	32,105
Emission Allowance - SO2	119,697	121,306
Stores Expense	11,361	(83,809)
Gas and Diesel Fuel	118,541	93,340
Limestone	142,969	137,868
	<u>\$5,594,950</u>	<u>\$5,678,692</u>
<u>Prepaid Expenses</u>		
Prepaid Insurance	\$865,422	\$850,400
Prepaid Maintenance Contracts	262,211	247,168
Economic Development Pledge	22,680	22,680
GP Strategies operator training program	11,531	11,475
IA Dept Comm Global Warming	21,916	20,910
IAMU-annual dues	32,583	29,621
APPA dues	---	6,098
IUB - commerce commission assessment	7,024	6,823
NERC-quarterly assessment	7,401	8,598
Other Prepaid Expenses	21,096	51,468
	<u>\$1,251,864</u>	<u>\$1,255,241</u>
<u>Current Liabilities</u>		
<u>Accounts Payable (amounts over \$10,000 itemized)</u>		
Water bills	\$33,940	\$30,777
Communications bills	13,812	13,593
Airgas - hydrogen	---	13,295
Alliant Energy - gas	49,425	44,864
Alstom -circuit breaker service	---	254,299
Arvos - air basket heating element	---	340,291
Bank of America - supplies	12,934	16,304
Black & Veatch - engineering services	27,719	13,281
Buckskin Mining Company - coal	---	416,967
Burlington Northern - coal transport/railcar rpr	---	624,584
Canadian Pacific Railway - coal transport	---	161,556
City of Muscatine - wastewater/sanitation	24,693	27,351
Cogsdale - business system implementation	57,250	52,875
Cottingham & Butler -workers comp claims	9,426	23,759

Dell Marketing - computer workstations	14,935	---
Delta Star - auto transformers	---	569,240
Eastern Iowa Tire - recap tires	17,770	---
ESC - on-site training	---	14,530
Ethos - #9 turbine packing	129,311	---
FE Moran - sprinkler inspection	---	12,680
GE Energy Services - #9 turbine overhaul/#7 turbine inspection	---	12,573
HDR Engineering - BTA evaluation	31,800	52,148
Hupp Electric Motors - pumps	---	10,124
IDNR - Title V Fee	414,656	223,536
Iowa Chicago & Eastern RR - coal transportation	38,930	38,930
Iowa-Il Taylor insulation - #9 turbine blankets	40,311	---
Jefferies Refined Coal - refined coal	3,728,038	2,857,451
Keystone Electrical Mfg Co - relay panels	171,906	---
MidAmerican Energy - joint trans line maint	6,000	55,000
MISO - purch power/trans svc/admin fee	112,261	99,127
Mitchell Humphrey -financial software maintenance	---	32,704
Nalco Co - chemicals	---	49,183
Omicron Electronics Corp - power factor test	95,302	---
Osmose - pole inspections	21,619	---
PC Connection - server	---	22,043
Pomeroy - network switches	---	30,349
Power Plant Services - #9 turbine overhaul	516,832	---
Power System Engineering - engineering services	10,119	25,754
Ragan - #9 FWH tube repair	---	19,557
Resco - transformer repair	---	90,301
Roth Pump Co - pump	14,419	---
Scientech - PMAX/PEPSE software	17,750	---
Sievers Direct - server for phone sys upgrade	10,436	---
Siemens - capacity bank relocation	21,307	---
South Fork Wind - energy	132,158	---
TEI Construction - install PAC system	---	20,214
Tekran - CEM maintenance	---	26,182
Tenaska - monthly fee	---	15,000
Terracon Consultants - geotech report	16,500	---
Thielsch Engineering - boiler monitoring software	---	44,000
Trees Forever - Branching Out	13,000	---
Visa - travel	19,938	20,570
WESCO - poles/pedestals	9,959	14,371
Wiznucleus Inc - compliance software	37,192	---
Other	238,007	233,589
	<u>\$6,109,655</u>	<u>\$6,622,952</u>

Miscellaneous Accrued Expenses

Interest on Customer Deposits	\$85,740	\$88,615
Sales/Use Tax Collections Payable	71,254	60,614
Payroll Tax Collections Payable	162,539	162,204
Workers' Comp Self Insurance Reserves	343,047	436,280
Employee payroll vision deductions	1,687	---
Comp Time Payable	57,140	42,513
Employee team bank	61,762	59,854
	<u>\$783,169</u>	<u>\$850,080</u>

Muscatine Power and Water

Water Utility

Statement of Revenues, Expenses and Changes in Net Position

April 2017

**Muscatine Power and Water
Water Utility**

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Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - April 2017

	<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	675,020	0.1	675,618	7.2	629,957
Power Plants	50,000	36.3	68,163	1.9	66,891
Residential	34,634	1.6	35,205	3.5	34,007
Commercial	27,049	4.5	28,259	10.3	25,619
Total Metered Customers	786,703	2.6	807,245	6.7	756,474
Rated Customers - Estimate	---	---	11	(26.7)	15
City Use, Line Loss, Cycle Billing	47,202	2.6	48,435	6.7	45,388
Total Water Pumped	833,905	2.6	855,691	6.7	801,877

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	2,507,398	7.3	2,689,582	10.1	2,442,120
Power Plants	204,245	37.4	280,650	3.3	271,707
Residential	139,453	(4.0)	133,834	(2.3)	136,930
Commercial	107,799	(2.1)	105,491	3.3	102,101
Total Metered Customers	2,958,895	8.5	3,209,557	8.7	2,952,858
Rated Customers - Estimate	---	---	56	36.6	41
City Use, Line Loss, Cycle Billing	177,534	8.5	192,573	8.7	177,171
Total Water Pumped	3,136,429	8.5	3,402,186	8.7	3,130,070

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - April 2017

	Budget		% Increase			% Increase		
	Estimate	Avg. Price	(Decrease)	This Year	Avg. Price	from Last	Last Year	Avg. Price
<u>Sales of Water</u>								
Contract Customers	\$273,823	\$ 0.40565	4.2	\$285,361	\$ 0.42237	12.1	\$254,538	\$ 0.40406
Power Plants	26,614	0.53228	27.1	33,815	0.49609	10.3	30,658	0.45833
Residential	159,861	4.61572	1.1	161,664	4.59212	5.5	153,240	4.50613
Commercial	46,869	1.73274	10.4	51,730	1.83054	11.1	46,574	1.81795
Water Sales	507,167	0.64467	5.0	532,570	0.65974	9.8	485,010	0.64115
<u>Other Revenue</u>								
Penalty Revenue	845		1.9	861		8.7	792	
Merchandise & Job Sales-Net	917		1.0X	1,837		10.7	1,660	
Miscellaneous Revenue	2,822		14.1	3,221		3.2X	763	
Total Other Revenue	4,584		29.1	5,919		84.1	3,215	
Operating Revenue	511,751		5.2	538,489		10.3	488,225	
<u>Operating Expense</u>								
Operation	349,488		(8.2)	320,781		(3.2)	331,506	
Maintenance	103,330		(33.3)	68,944		2.0X	22,878	
Depreciation	65,293		(1.3)	64,466		5.2	61,305	
Total Operating Expense	518,111		(12.3)	454,191		9.3	415,689	
Operating Income (Loss)	(6,360)		-14.3X	84,298		16.2	72,536	
<u>Nonoperating Revenues (Expenses)</u>								
Interest Income	78		10.3	86		19.4	72	
Interest Expense	(1,092)		27.7	(1,395)		75.7	(794)	
Net Nonoperating Revenues (Expenses)	(1,014)		29.1	(1,309)		81.3	(722)	
<u>Net Income (Loss) before Capital Contributions</u>	(7,374)		-12.3X	82,989		15.6	71,814	
Capital Contributions	---		---	---		---	---	
<u>Change in Net Position</u>	(7,374)		-12.3X	82,989		15.6	71,814	
<u>Beginning Net Position</u>	16,532,242			16,558,837			15,712,328	
<u>Ending Net Position</u>	\$16,524,868			\$16,641,826			\$15,784,142	
Net Income (Loss) to Operating Revenue	(1.4)			15.4			14.7	
Debt Service Coverage	16.06			37.42			48.96	

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - April 2017

	Budget		% Increase			% Increase		
	Estimate	Avg. Price	(Decrease)	This Year	Avg. Price	from Last	Last Year	Avg. Price
<u>Sales of Water</u>								
Contract Customers	\$1,015,626	\$ 0.40505	7.0	\$1,086,828	\$ 0.40409	13.4	\$958,160	\$ 0.39235
Power Plants	104,389	0.51110	26.8	132,416	0.47182	10.9	119,408	0.43947
Residential	622,682	4.46517	(0.9)	616,975	4.60999	4.0	593,500	4.33433
Commercial	180,076	1.67048	6.6	192,006	1.82011	7.4	178,756	1.75078
Water Sales	1,922,773	0.64983	5.5	2,028,225	0.63193	9.6	1,849,824	0.62645
<u>Other Revenue</u>								
Penalty Revenue	2,535		(5.7)	2,390		12.5	2,125	
Merchandise & Job Sales-Net	3,668		(21.4)	2,882		(25.0)	3,844	
Miscellaneous Revenue	5,858		49.7	8,767		42.1	6,171	
Total Other Revenue	12,061		16.4	14,039		15.6	12,140	
Operating Revenue	1,934,834		5.6	2,042,264		9.7	1,861,964	
<u>Operating Expense</u>								
Operation	1,365,120		(4.4)	1,305,199		4.0	1,254,731	
Maintenance	247,645		21.3	300,396		22.8	244,692	
Depreciation	261,177		(1.3)	257,783		5.1	245,221	
Total Operating Expense	1,873,942		(0.6)	1,863,378		6.8	1,744,644	
Operating Income	60,892		1.9X	178,886		52.5	117,320	
<u>Nonoperating Revenues (Expenses)</u>								
Interest Income	252		49.2	376		27.5	295	
Interest Expense	(4,369)		26.6	(5,529)		73.5	(3,186)	
Net Nonoperating Revenues (Expenses)	(4,117)		25.2	(5,153)		78.2	(2,891)	
Net Income (Loss) before Capital Contributions	56,775		2.1X	173,733		51.8	114,429	
Capital Contributions	---		---	---		---	---	
Change in Net Position	56,775		2.1X	173,733		51.8	114,429	
Beginning Net Position	16,468,093			16,468,093			15,669,713	
Ending Net Position	\$16,524,868			\$16,641,826			\$15,784,142	
Net Income (Loss) to Operating Revenue	2.9			8.5			6.1	
Debt Service Coverage	21.92			27.55			33.17	

Muscatine Power and Water - Water Utility
Statements of Net Position
April 2017

ASSETS

	<u>2017</u>	<u>2016</u>
Current Assets:		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$526,514	\$788,331
Receivables:		
Consumer Accounts	707,923	639,821
Interest	20	2
Inventories	362,786	315,199
Prepaid Expenses	<u>57,968</u>	<u>58,098</u>
Total Unrestricted Current Assets	<u>1,655,211</u>	<u>1,801,451</u>
<u>Restricted Assets</u>		
Cash - interest bearing	<u>35,300</u>	<u>35,265</u>
	<u>35,300</u>	<u>35,265</u>
Total Current Assets	<u>1,690,511</u>	<u>1,836,716</u>
Property and Equipment:		
At Cost	33,201,767	29,559,767
Less Accumulated Depreciation	<u>10,880,516</u>	<u>10,719,156</u>
Net Property and Equipment	<u>22,321,251</u>	<u>18,840,611</u>
Deferred Outflows of Resources - Pension		
Changes of Assumptions	120,280	120,280
Difference between projected and actual earnings on pension plan	294,580	54,648
Contributions subsequent to measurement date	<u>309,461</u>	<u>282,595</u>
Total Deferred Outflows of Resources - Pension	<u>724,321</u>	<u>457,523</u>
TOTAL ASSETS	<u><u>\$24,736,083</u></u>	<u><u>\$21,134,850</u></u>

Muscatine Power and Water - Water Utility
Statements of Net Position
April 2017

LIABILITIES AND NET POSITION

	<u>2017</u>	<u>2016</u>
Current Liabilities:		
<u>Payable from Unrestricted Assets</u>		
Accounts Payable	\$241,463	\$246,555
Health & Dental Insurance Provision	31,680	30,320
Retained Percentage on Contracts	1,492	9,939
Consumer Advances for Construction	91,105	87,439
Accrued Payroll	35,021	35,634
Accrued Vacation	143,360	124,708
Accrued Property Taxes	1,132	908
Miscellaneous Accrued Expenses	61,347	69,869
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	606,600	605,372
	<hr/>	<hr/>
<u>Payable from Restricted Assets</u>		
State Revolving Loan	31,000	30,000
Accrued Interest	6,047	3,824
	<hr/>	<hr/>
Total Payable from Restricted Assets	37,047	33,824
	<hr/>	<hr/>
Total Current Liabilities	643,647	639,196
	<hr/>	<hr/>
Non-Current Liabilities:		
State Revolving Loan	100,000	131,000
Notes Payable to Electric Utility	5,500,000	2,900,000
Health & Dental Insurance Provision	34,825	43,814
Post-Employment Health Benefit Provision	41,025	37,656
Net Pension Liability	1,313,692	1,060,426
Consumer Advances for Construction	198,772	290,532
	<hr/>	<hr/>
Total Non-Current Liabilities	7,188,314	4,463,428
	<hr/>	<hr/>
Deferred Inflows of Resources - Pension	262,296	248,084
	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets	21,900,374	18,301,640
Restricted	29,253	31,441
Unrestricted	(5,287,801)	(2,548,939)
	<hr/>	<hr/>
Total Net Position	16,641,826	15,784,142
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET POSITION	<u>\$24,736,083</u>	<u>\$21,134,850</u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
April 2017

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$491,866	\$2,020,560
Miscellaneous sources	---	9,214
Cash paid to/for:		
Suppliers	(184,075)	(755,609)
Employees payroll, taxes and benefits	(203,395)	(859,635)
Net cash flows from operating activities	<u>104,396</u>	<u>414,530</u>
Cash flows from capital and related financing activities:		
Loan from electric utility	---	2,600,000
Capital expenditures, net	(210,314)	(3,336,428)
Net cash flows from capital and related financing activities	<u>(210,314)</u>	<u>(736,428)</u>
Cash flows from investing activities:		
Interest received on investments	81	366
Net cash flows from investing activities	<u>81</u>	<u>366</u>
Net decrease in cash and investments	<u>(105,837)</u>	<u>(321,532)</u>
Cash and investments at beginning of period	<u>667,651</u>	<u>883,346</u>
Cash and investments at end of period	<u><u>\$561,814</u></u>	<u><u>\$561,814</u></u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
April 2017

	<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	\$84,298	\$178,886
Noncash item in operating income:		
Depreciation of utility plant	64,466	257,783
Changes in assets and liabilities:		
Consumer accounts receivable	(48,247)	(6,575)
Inventories	15,815	(5,819)
Prepaid and deferred expenses	(11,390)	(4,225)
Accounts payable	(8,110)	(29,415)
Net pension liability	13,800	55,197
Health & dental insurance provision	(5,672)	3,583
Other post-employment benefit provision	301	1,203
Retained percentage	---	709
Accrued payroll	(459)	(42,023)
Accrued vacation	1,899	13,846
Accrued property taxes	113	(227)
Unearned revenue	---	(2,300)
Miscellaneous accrued expenses	(2,418)	(6,093)
	<u>\$104,396</u>	<u>\$414,530</u>
Net cash flows from operating activities	<u>\$104,396</u>	<u>\$414,530</u>

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - April 2017

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision (600)	\$3,315		\$3,037		\$2,811	
Operation Labor and Expenses (601)	1,037		665		894	
Miscellaneous Expense (603)	530		1,042		315	
Maintenance of Wells (614)	40,000		---		---	
Maintenance of Supply Mains (616)	760		---		---	
Depreciation (618)	9,493		9,525		9,015	
Total Source of Supply Expense	55,135	10.8	14,269	2.6	13,035	2.7
<u>Pumping</u>						
Operation Supervision (620)	3,698		3,453		3,248	
Fuel or Power Purchased (623)	86,465		87,436		81,083	
Pumping Labor and Expenses (624)	4,576		3,572		4,274	
Miscellaneous Expense (626)	262		295		295	
Maintenance of Structures (631)	449		40		37	
Maintenance of Pumping Equipment (632/633)	24,921		12,824		1,149	
Depreciation (634)	6,382		6,294		6,024	
Total Pumping Expense	126,753	24.8	113,914	21.2	96,110	19.7
<u>Water Treatment</u>						
Operation Supervision (640)	3,449		3,305		3,269	
Chemicals (641)	18,917		17,236		16,980	
Operation Labor and Expenses (642)	12,635		13,962		15,418	
Miscellaneous Expense (643)	2,207		401		136	
Maintenance of Structures (651)	1,116		93		1,743	
Maintenance of Purification Equip. (652)	2,085		2,443		2,233	
Depreciation (654)	3,517		3,262		3,229	
Total Water Treatment Expense	43,926	8.6	40,702	7.6	43,008	8.8
<u>Distribution</u>						
Operation Supervision (660)	3,585		3,338		3,369	
Storage Facilities Expense (661)	4,140		5,312		4,672	
Trans. & Distr. Lines Expense (662)	12,253		11,202		13,294	
Meter Expense (663)	9,026		7,586		9,681	
Consumer Installation Expense (664)	11,487		3,704		3,377	
Miscellaneous Expense (665)	15,187		14,805		13,126	
Vehicle Expense (667)	4,776		2,939		3,655	
Maintenance:						
Supervision (670)	5,118		4,661		4,691	
Structures (671)	157		---		15	
Reservoirs and Standpipes (672)	64		8		---	
Mains (673)	14,889		40,531		2,224	
Valves (674)	3,836		1,298		4,219	
Meters (676)	2,189		1,031		1,014	
Hydrants (677)	1,006		186		269	
Miscellaneous Plant (678)	2,970		2,941		2,657	
Vacation, Holiday, Sick Leave (679)	16,763		14,798		8,147	
Depreciation (680)	38,252		36,184		35,403	
Total Distribution Expense	\$145,698	28.5	\$150,524	28.0	\$109,813	22.5

Muscatine Power and Water - Water Utility
Summary of Expenses
Calendar Year-to-Date - April 2017

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision (600)	\$13,436		\$13,661		\$11,156	
Operation Labor and Expenses (601)	4,147		2,666		4,083	
Miscellaneous Expense (603)	1,205		1,093		1,266	
Maintenance of Wells (614)	40,000		42,374		37,000	
Maintenance of Supply Mains (616)	3,040		---		2,303	
Depreciation (618)	37,974		38,101		36,059	
Total Source of Supply Expense	99,802	5.2	97,895	4.8	91,867	4.9
<u>Pumping</u>						
Operation Supervision (620)	15,075		15,499		12,886	
Fuel or Power Purchased (623)	325,658		335,444		305,298	
Pumping Labor and Expenses (624)	18,014		18,530		18,366	
Miscellaneous Expense (626)	1,048		1,202		1,179	
Maintenance of Structures (631)	1,794		272		91	
Maintenance of Pumping Equipment (632/633)	39,724		83,308		74,106	
Depreciation (634)	25,529		25,176		24,096	
Total Pumping Expense	426,842	22.1	479,431	23.5	436,022	23.4
<u>Water Treatment</u>						
Operation Supervision (640)	13,873		14,377		12,973	
Chemicals (641)	75,668		69,013		68,180	
Operation Labor and Expenses (642)	67,452		61,332		62,599	
Miscellaneous Expense (643)	13,179		11,530		4,406	
Maintenance of Structures (651)	3,924		7,416		3,736	
Maintenance of Purification Equip. (652)	5,815		14,280		11,394	
Depreciation (654)	14,071		13,047		12,917	
Total Water Treatment Expense	193,982	10.0	190,995	9.4	176,205	9.5
<u>Distribution</u>						
Operation Supervision (660)	14,305		14,743		13,306	
Storage Facilities Expense (661)	16,007		19,721		18,487	
Trans. & Distr. Lines Expense (662)	21,570		19,671		19,630	
Meter Expense (663)	39,728		37,205		34,441	
Consumer Installation Expense (664)	28,856		14,662		15,299	
Miscellaneous Expense (665)	68,105		70,280		54,590	
Vehicle Expense (667)	18,820		18,963		15,331	
Maintenance:						
Supervision (670)	20,462		20,505		19,003	
Structures (671)	629		95		637	
Reservoirs and Standpipes (672)	254		1,877		315	
Mains (673)	70,422		76,933		33,662	
Valves (674)	18,160		13,514		27,108	
Meters (676)	8,135		3,062		6,265	
Hydrants (677)	4,350		4,777		1,928	
Miscellaneous Plant (678)	11,878		17,732		15,047	
Vacation, Holiday, Sick Leave (679)	56,386		58,597		48,846	
Depreciation (680)	153,006		144,656		141,612	
Total Distribution Expense	\$551,073	28.5	\$536,993	26.3	\$465,507	25.0

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - April 2017

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	<u>\$1,047</u>	0.2	<u>\$506</u>	0.1	<u>\$1,299</u>	0.3
<u>Consumer Accounts</u>						
Supervision (901)	1,385		1,269		958	
Meter Reading Expense (902)	3,989		3,407		3,716	
Consumer Records and Collection (903)	16,277		14,537		17,503	
Uncollectible Accounts Expense (904)	1,104		1,104		1,049	
Vacation, Holiday, Sick Leave (906)	<u>2,445</u>		<u>2,095</u>		<u>2,231</u>	
Total Consumer Accounts Expense	<u>25,200</u>	4.9	<u>22,412</u>	4.2	<u>25,457</u>	5.2
<u>Administrative and General</u>						
Administrative and General Salaries (920)	22,282		18,619		21,724	
Office Supplies and Expenses (921)	1,548		1,680		1,265	
Outside Services Employed (923)	2,467		1,436		461	
Property Insurance (924)	1,809		1,760		1,698	
Casualty Ins, Injuries & Damages (925)	4,958		3,039		22,109	
Employee Pensions and Benefits (926)	65,670		61,366		58,833	
Fringe Benefits Charged to Constr. (927)	(11,438)		(7,688)		(8,777)	
Miscellaneous General Expense (930)	10,727		9,064		10,918	
Rents (931)	6,279		6,279		6,096	
Maintenance of General Plant (932)	3,770		2,888		2,627	
Vacation, Holiday, Sick Leave (936)	4,631		4,220		2,379	
Depreciation (933)	<u>7,649</u>		<u>9,201</u>		<u>7,634</u>	
Total Administrative and General	<u>120,352</u>	23.5	<u>111,864</u>	20.8	<u>126,967</u>	26.0
Total Operating Expense	<u>\$518,111</u>		<u>\$454,191</u>		<u>\$415,689</u>	
Percent to Operating Revenue		101.2		84.3		85.1

Muscatine Power and Water - Water Utility
Summary of Expenses
Calendar Year-to-Date - April 2017

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	<u>\$6,836</u>	0.4	<u>\$1,845</u>	0.1	<u>\$2,346</u>	0.1
<u>Consumer Accounts</u>						
Supervision (901)	5,540		5,426		5,585	
Meter Reading Expense (902)	14,644		15,908		15,384	
Consumer Records and Collection (903)	64,484		60,137		59,716	
Uncollectible Accounts Expense (904)	4,415		4,416		4,196	
Vacation, Holiday, Sick Leave (906)	<u>8,175</u>		<u>8,745</u>		<u>8,564</u>	
Total Consumer Accounts Expense	<u>97,258</u>	5.0	<u>94,632</u>	4.6	<u>93,445</u>	5.0
<u>Administrative and General</u>						
Administrative and General Salaries (920)	89,211		82,805		86,233	
Office Supplies and Expenses (921)	8,171		7,240		5,660	
Outside Services Employed (923)	11,200		7,344		6,951	
Property Insurance (924)	6,903		6,854		6,880	
Casualty Ins, Injuries & Damages (925)	19,431		18,785		43,374	
Employee Pensions and Benefits (926)	251,781		248,576		231,313	
Fringe Benefits Charged to Constr. (927)	(26,015)		(33,338)		(21,767)	
Miscellaneous General Expense (930)	47,042		31,656		39,783	
Rents (931)	25,117		25,117		24,385	
Maintenance of General Plant (932)	19,058		14,251		12,097	
Vacation, Holiday, Sick Leave (936)	15,653		15,494		13,806	
Depreciation (933)	<u>30,597</u>		<u>36,803</u>		<u>30,537</u>	
Total Administrative and General	<u>498,149</u>	25.7	<u>461,587</u>	22.6	<u>479,252</u>	25.7
Total Operating Expense	<u>\$1,873,942</u>		<u>\$1,863,378</u>		<u>\$1,744,644</u>	
Percent to Operating Revenue		96.9		91.2		93.7

Muscatine Power and Water - Water Utility
Statistical Data
Current Month - April 2017

	<u>2017</u>		<u>2016</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.622	0.660	0.605	0.641
Cost Per 1,000 Gallons	<u>0.531</u>	<u>0.563</u>	<u>0.518</u>	<u>0.550</u>
Margin	<u>0.092</u>	<u>0.097</u>	<u>0.086</u>	<u>0.092</u>

	<u>2017</u>	<u>2016</u>
Maximum Daily Water Pumped (1,000 gallons)	30,247	29,892
Date of Maximum	04/18	04/20

Calendar Year-to-Date

	<u>2017</u>		<u>2016</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.596	0.632	0.591	0.626
Cost Per 1,000 Gallons	<u>0.548</u>	<u>0.581</u>	<u>0.557</u>	<u>0.591</u>
Margin	<u>0.048</u>	<u>0.051</u>	<u>0.034</u>	<u>0.036</u>

	<u>2017</u>	<u>2016</u>
Maximum Daily Water Pumped (1,000 gallons)	30,872	29,892
Date of Maximum	01/11	04/20

Services

Contract Customers	2	2
Power Plants	2	2
Residential	8,768	8,640
Commercial	<u>1,074</u>	<u>1,065</u>
Total	<u>9,846</u>	<u>9,709</u>

Water Utility
Review of Operating Results
April 2017

MUSCATINE POWER AND WATER - WATER UTILITY
VARIANCES FROM BUDGETED NET POSITION - April 30, 2017

	(Unfavorable)/ Favorable Compared to Budget	
Sales of Water		
Contract Customers	\$ 66,810	GPC consumption is 7.5% higher than budgeted, partially offset by lower billing rate
	28,027	Power plants' consumption is 37.4% higher than budgeted, partially offset by lower billing rate
	11,930	Commercial consumption is 2.1% lower than budgeted offset by higher billing rate
	(5,707)	Residential consumption is 4.0% lower than budgeted, partially offset by higher billing rate
All Other Classes	4,392	Other miscellaneous variances
	<u>105,452</u>	
Other Revenue		
Merchandise & Job Sales-Net	(786)	Lower job sales revenue
Miscellaneous Revenue	2,764	Other miscellaneous variances
	<u>1,978</u>	
Operating Expense		
Operation	(9,786)	Higher fuel/power purchased due to 1.5% lower cost per kWh, offset by 8.5% more gallons pumped
	6,655	Lower chemicals than budgeted due to cheaper price
	10,650	Bacteria sampling supplies not incurred
	(4,454)	East Hill and West Hill electricity higher than budgeted
	5,533	RPZ replacement costs budgeted in February and not incurred through April
	3,531	Promotional/education materials
	2,369	Lower legal costs than budgeted
	2,100	Organizational development not incurred through April
	(1,686)	IS review not budgeted
	4,429	Lower health care cost
	6,069	Miscellaneous general travel expense under budget
	36,401	Lower labor, sick, personal and vacation expense
	(1,890)	Other miscellaneous variances - net
	<u>59,921</u>	
Maintenance	29,810	Maintenance labor under budget
	(2,891)	Replace underground service at Progress Park treatment plant
	(5,723)	Vacuum regulator, yoke assembly and chlorine injector
	2,605	Maintenance agreements less than budget
	(18,585)	Street and concrete repairs more than budgeted in maintenance of mains
	3,759	Budgeted more valve replacement in anticipation of higher number of broken valves
	(3,263)	Backhoe repairs not budgeted
	(9,335)	Well #34 motor repairs not budgeted
	(60,031)	Maintenance and cleaning of wells 23 and 25 budgeted in 2016
	10,903	Other miscellaneous variances - net
	<u>(52,751)</u>	
Depreciation	<u>3,394</u>	
Nonoperating Revenue (Expense)		
Interest Income	124	
Interest Expense	(1,160)	
	<u>(1,036)</u>	
Change in Net Loss before Capital Contributions	<u>116,958</u>	
Capital Contributions	-	
Change in Net Position	<u>\$ 116,958</u>	Total Variance in Budgeted Net Position

Statements of Revenues, Expenses and Changes in Net Position

Sales of Water

Contract customers' water usage is 7.3% higher than budgeted, resulting in \$71,202 more revenue. GPC's usage was 7.5% higher than budget partially offset by a 0.2% lower billing rate, resulting in \$66,810 more revenue. Heinz's usage was 4.8% higher than budget partially offset by a 0.2% lower billing rate, resulting in \$4,392 more revenue. Power plants' revenue was \$28,027 or 26.8% higher than budget due to 37.4% higher usage offset by a 7.7% lower billing rate. Residential customers' water usage is 4.0% lower than budgeted, offset by a 3.2% higher billing rate, resulting in \$5,707 lower revenue. Commercial customers' water usage is 2.1% lower than budgeted, offset by a 9.0% higher billing rate, resulting in \$11,930 more revenue.

Year-To-Date Summary of Expenses

Source of Supply

Maintenance of Supply Wells – (614)

Well cleaning leftover from 2016 was completed in January and February. 2017 well cleaning was budgeted beginning in April and has not begun.

Maintenance of Supply Mains – (616)

Labor and materials are under budget \$1,907 and \$1,133, respectively in production.

Pumping

Fuel or Purchased Power – (623)

The cost per kWh was 1.5% lower than budget, offset by 8.5% more gallons pumped than budget, resulting in \$9,786 higher expense.

	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
Fuel or Power Purchased	\$325,658	\$335,444	\$305,298
1,000 Gallons Pumped	<u>3,136,429</u>	<u>3,402,186</u>	<u>3,130,070</u>
Cost per 1,000 Gal. Pumped	\$0.1038	\$0.0986	\$0.0975
kWhs Consumed	5,142,889	5,380,660	5,121,060
kWh per 1,000 Gal. Pumped	1.64	1.58	1.64

Maintenance of Pumping Equipment – (632/633)

Pump #23 and pump #25 are over budget \$56,994 and \$3,037, respectively. This relining, cleaning and pump replacement was budgeted in 2016 and not finished until 2017. Also pump repairs were budgeted in April and are below budget \$10,704 because well cleaning has not begun. Pumping equipment labor is under budget \$9,361 in distribution, planning and electrician departments. RTU labor is under budget \$6,965, mostly in technical services. Production Well #34 incurred motor repairs of \$9,335.

Water Treatment

Chemicals Expense – (641)

Chemical purchases, are \$6,655 less than budgeted due to cheaper prices through April.

Water Treatment (cont'd)

	<u>2017 Budget</u>			<u>2017 Actual</u>			<u>2016 Actual</u>		
1,000 Gal. Pumped	3,136,429			3,402,186			3,130,070		
	Units	\$	Per Unit	Units	\$	Per Unit	Units	\$	Per Unit
Chlorine (lbs)	51,896	\$16,088	\$0.310	50,340	\$15,231	\$0.303	46,800	\$14,171	\$0.303
Hydrofluoro-silic Acid (lbs)	62,333	\$22,440	\$0.360	66,044	\$21,447	\$0.325	61,829	\$20,539	\$0.332
Phosphate (lbs)	37,140	\$37,140	\$1.000	34,100	\$32,335	\$0.948	35,150	\$33,471	\$0.952

Operations Labor and Expense – (642)

Materials are under budget \$10,650 mostly due to production bacteria sampling budgeted in January and not yet incurred through April. Labor is over budget \$4,530 mostly in production.

Maintenance of Structures – (651)

Labor is over budget \$601. Materials are over budget \$2,891 due to replacing faulty underground service to park treatment facility.

Maintenance of Purification Equipment – (652)

Labor is over budget \$2,743, mostly in distribution and planning and scheduling. Materials are over budget \$5,723, due to a vacuum regulator purchase, yoke assembly and chlorine injector.

DistributionStorage Facilities Expense – (661)

Materials are over budget \$4,531 mostly due to East Hill Reservoir and West Hill Reservoir power bills higher than budgeted by \$2,684 and \$1,770, respectively. Labor is \$818 lower than budget.

Consumer Installation Expense – (664)

Labor is under budget \$8,660, mostly in outside services and distribution. Materials are under budget \$5,533 due to RPZ replacement costs budgeted in February but not incurred through April.

Maintenance of Mains – (673)

Labor is under budget \$12,074 mostly in distribution. Materials are over budget \$18,585 due to street and concrete repairs higher than budgeted.

Maintenance of Valves – (674)

Labor is under budget \$886. Materials are under budget \$3,759 due to anticipation of more maintenance and replacement needed when turning old valves.

Maintenance of Meters – (676)

Labor is under budget \$2,776 in quality. Materials are under budget \$2,298.

Distribution (cont'd)Miscellaneous Plant – (678)

Labor is over budget \$2,591, mostly in vehicle maintenance. Materials are over budget \$3,263 due to backhoe repairs not budgeted.

Depreciation – (680)

Transmission and distribution depreciation is under budget due mainly to reservoir, mains and other projects not completed in 2016.

Customer Information Expense – (909)

	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
Promotional Material/Education	\$3,656	\$125	\$123
Media Advertising	1,841	1,305	1,894
Newsletter	602	334	217
Billtrust	120	23	---
Presentation Materials	213	---	---
Postage	316	---	---
Photo Library	88	58	112
	<u>\$6,836</u>	<u>\$1,845</u>	<u>\$2,346</u>

Consumer Records and Collections – (903)

	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
Labor	\$48,207	\$42,820	\$44,353
Credit Card Processing	4,076	4,041	3,777
Bill Trust Expense	1,900	1,731	1,801
Postage	4,117	3,874	4,216
Temp Services	150	3,323	767
Fuel	600	240	233
Invoice Cloud	747	737	684
Collection Expense	1,583	1,265	1,748
IVR	285	234	282
Other Expenses	<u>2,819</u>	<u>1,872</u>	<u>1,855</u>
	<u>\$64,484</u>	<u>\$60,137</u>	<u>\$59,716</u>

Administrative and GeneralAdministrative and General Salaries – (920)

Labor is under budget \$6,406, mostly in information services and supply chain.

Outside Services Employed – (923)

	<u>Resp Code</u>	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
Organizational Development	120-Sal	\$2,100	\$---	\$---
Consulting Services	120-Sal	---	509	---
Legal Fees	140-Brandy	2,030	61	287
Labor Attorney	140-Brandy	400	---	---
Web Graphics	224-Rick	267	122	110
Insurance Advisor	310-Jerry	1,176	1,176	1,176
Audit Services	320-Cassie	2,940	2,577	3,220
IS Review	350-Jerry	---	1,686	---
Pension Study	410-Erika	---	---	958
Benefits Consulting	410-Erika	1,042	1,043	1,126
Employee Search Services	410-Erika	1,168	---	---
Other Expenses		<u>77</u>	<u>170</u>	<u>74</u>
		<u>\$11,200</u>	<u>\$7,344</u>	<u>\$6,951</u>

Employee Pensions and Benefits – (926)

	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
Health Care Cost	\$108,390	\$103,961	\$90,135
Pension	55,197	55,197	53,750
FICA	48,592	47,108	45,492
IPERS	16,201	16,865	16,497
Deferred comp utility match	10,800	11,751	12,561
Life, LTD & ADD	3,713	3,569	3,542
Dental	4,400	4,153	3,950
OPEB	1,203	1,203	1,083
Unemployment	175	1,023	---
Other Expenses	<u>3,110</u>	<u>3,746</u>	<u>4,303</u>
	<u>\$251,781</u>	<u>\$248,576</u>	<u>\$231,313</u>

Fringe Benefits Charged to Construction – (927)

More time was charged to capital projects through April than projected.

Miscellaneous General Expense – (930)

Labor expenses are lower than budget by \$5,478, mostly in water production, distribution, and environmental departments. Materials are under budget \$9,910, mostly due to a training grant match, and travel and training lower than budget by \$6,069.

Maintenance of General Plant – (932)

Maintenance agreements are under budget \$3,827 and memberships and subscriptions are under budget by \$793.

Administrative and General (cont'd)

Depreciation – (933)

Depreciation is over budget \$6,206, mostly due to tools and equipment not budgeted.

Water Utility
Statement of Net Position Review
April 2017

	<u>2017</u>	<u>2016</u>
<u>Current Assets</u>		
<u>Receivables - Consumer Accounts</u>		
Customer Water Accounts	\$630,520	\$574,726
Customer Loan	2,833	---
Unbilled Revenue	68,790	65,128
Merchandise Accounts	11,442	5,832
Allowance for Doubtful Accounts	(5,662)	(5,865)
	<u>\$707,923</u>	<u>\$639,821</u>
<u>Inventories</u>		
Inventory	362,156	\$319,545
Stores Expense (a/c 163)	630	(4,346)
	<u>\$362,786</u>	<u>\$315,199</u>
<u>Prepaid Expenses</u>		
Prepaid Insurance	\$42,229	\$43,184
Prepaid Maintenance Contracts	16,693	13,550
Other Prepaid Expenses	(954)	1,364
	<u>\$57,968</u>	<u>\$58,098</u>
<u>Current Liabilities</u>		
<u>Accounts Payable (amounts over \$2,500 itemized)</u>		
Electric bills	\$94,629	\$87,862
Alexander Chemical Corp - chlorine	6,030	6,030
Brown Supply - valve/couplings	---	3,425
Cahoy Pump Service - Well 46	---	54,849
Carus Corp -chemical	7,680	---
Cogsdale - business system implementation	4,948	4,569
Cottingham & Butler -workers comp	---	2,707
HD Supply - flanges/bushings	---	6,049
Heuer - main repairs	33,890	---
Hometown Plumbing	10,102	---
HR Green - professional services	25,150	---
IPERS - pension	4,913	4,676
Martin Equipment - excavator rental	---	4,589
Metering & Tech Solutions - encoders/meters	5,096	3,609
Mitchell Humphrey -financial software maintenance	---	2,826
Municipal Supply - main/pipe/saddles/valve	---	31,085
Pomeroy - switches/cabling	---	2,516
Sievers Direct - server for phone sys upgrade	4,251	---
Utility Equipment - valves/fittings	4,661	10,373
VESSCO - injector	2,732	---
Other	37,381	21,390
	<u>\$241,463</u>	<u>\$246,555</u>
<u>Customer Advances for Construction</u>		
Lutheran Homes	\$59,640	\$6,000
Aspen Villas	---	43,873
Curry Trucking	30,815	---
Oakview Plaza	---	36,991
Others	650	575
	<u>\$91,105</u>	<u>\$87,439</u>
<u>Miscellaneous Accrued Expenses</u>		
Sales/Use Tax Collections Payable	\$7,892	\$7,458
Payroll Tax Collections Payable	13,975	12,664
Employee Payroll Deductions	2,613	2,497
Workers' Comp Self Insurance Reserves	32,563	42,044
Comp Time Payable	4,304	5,206
	<u>\$61,347</u>	<u>\$69,869</u>

Muscatine Power and Water

Communications Utility

Statement of Revenues, Expenses and Changes in Net Position

April 2017

**Muscatine Power and Water
Communications Utility**

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Muscatine Power and Water - Communications Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - April 2017

	<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	\$609,775	(3.6)	\$587,647	(0.5)	\$590,757
Data/Internet	472,490	4.0	491,242	7.5	456,865
MAN	48,800	31.5	64,156	21.0	53,043
Miscellaneous	11,658	(43.2)	6,617	(28.1)	9,206
Total Operating Revenues	<u>1,142,723</u>	0.6	<u>1,149,662</u>	3.6	<u>1,109,871</u>
<u>Operating Expense</u>					
Operation	785,656	(10.0)	706,927	(2.3)	723,741
Maintenance	76,955	(6.1)	72,293	6.0	68,177
Depreciation	145,199	(7.1)	134,926	(3.2)	139,329
Total Operating Expenses	<u>1,007,810</u>	(9.3)	<u>914,146</u>	(1.8)	<u>931,247</u>
Operating Income	<u>134,913</u>	74.6	<u>235,516</u>	31.9	<u>178,624</u>
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	751	3.0X	3,034	25.0	2,428
Interest Expense	<u>(3,768)</u>	---	<u>(3,768)</u>	(5.0)	<u>(3,968)</u>
Net Nonoperating Expense	<u>(3,017)</u>	(75.7)	<u>(734)</u>	(52.3)	<u>(1,540)</u>
Net Income before Capital Contributions	131,896	78.0	234,782	32.6	177,084
Capital Contributions	<u>1,722</u>	-3.8X	<u>(4,864)</u>	-3.8X	<u>1,722</u>
Change in Net Position	133,618		229,918		178,806
Beginning Net Position	<u>5,945,225</u>		<u>6,145,639</u>		<u>3,958,947</u>
Ending Net Position	<u>\$6,078,843</u>		<u>\$6,375,557</u>		<u>\$4,137,753</u>
Net Income to Operating Revenue	11.5		20.4		16.0
Debt Service Coverage on Electric Utility Debt	6.40		8.51		7.30

Muscatine Power and Water - Communications Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - April 2017

	Budget Estimate	% Increase (Decrease) From Budget	This Year	% Increase (Decrease) Fr. Last Yr.	Last Year
<u>Operating Revenue</u>					
CATV	\$2,382,534	(5.0)	\$2,264,352	(3.3)	\$2,341,164
Data/Internet	1,870,299	2.7	1,921,485	7.0	1,795,188
MAN	195,200	26.4	246,681	15.9	212,778
Miscellaneous	46,633	(17.5)	38,469	(10.7)	43,073
Total Operating Revenues	4,494,666	(0.5)	4,470,987	1.8	4,392,203
<u>Operating Expense</u>					
Operation	3,131,255	(6.7)	2,921,699	1.9	2,866,077
Maintenance	360,519	(18.2)	294,945	(5.2)	311,112
Depreciation	580,800	(7.1)	539,704	(3.2)	557,316
Total Operating Expenses	4,072,574	(7.8)	3,756,348	0.6	3,734,505
Operating Income	422,092	69.3	714,639	8.7	657,698
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	3,400	1.7X	9,299	1.2X	4,243
Interest Expense	(15,072)	---	(15,074)	(5.0)	(15,872)
Net Nonoperating Expense	(11,672)	(50.5)	(5,775)	(50.3)	(11,629)
Net Income before Capital Contributions	410,420	72.7	708,864	9.7	646,069
Capital Contributions	6,888	(25.1)	5,158	(25.1)	6,889
Change in Net Position	417,308		714,022		652,958
Beginning Net Position	5,661,535		5,661,535		3,484,795
Ending Net Position	\$6,078,843		\$6,375,557		\$4,137,753
Net Income (Loss) to Operating Revenue	9.1		15.9		14.7
Debt Service Coverage on Electric Utility Debt	5.73		7.20		6.95

Muscatine Power and Water - Communications Utility
Statements of Net Position
April 2017

ASSETS

	<u>2017</u>	<u>2016</u>
Current Assets:		
Cash - interest bearing	\$8,703,406	\$2,597,287
Investments	---	4,000,000
Receivables:		
Consumer Accounts	1,347,423	1,321,424
Interest	2,899	3,367
Inventories	142,546	178,252
Prepaid Expenses	<u>308,942</u>	<u>236,126</u>
Total Current Assets	<u>10,505,216</u>	<u>8,336,456</u>
Property and Equipment:		
At Cost	34,840,429	34,182,965
Less Accumulated Depreciation	<u>27,528,570</u>	<u>26,399,892</u>
Net Property and Equipment	<u>7,311,859</u>	<u>7,783,073</u>
Deferred Outflows of Resources - Pension		
Changes of Assumptions	425,212	425,212
Difference between projected and actual earnings on pension plan	493,996	88,477
Contributions subsequent to measurement date	<u>350,181</u>	<u>335,643</u>
Total Deferred Outflows of Resources - Pension	<u>1,269,389</u>	<u>849,332</u>
TOTAL ASSETS	<u><u>\$19,086,464</u></u>	<u><u>\$16,968,861</u></u>

Muscatine Power and Water - Communications Utility
Statements of Net Position
April 2017

LIABILITIES AND NET POSITION

	<u>2017</u>	<u>2016</u>
Current Liabilities:		
<u>Payable from Unrestricted Assets</u>		
Accrued Interest	\$15,074	\$15,872
Accounts Payable	622,871	764,695
Health & Dental Insurance Provision	49,280	53,060
Retained Percentage on Contracts	2,558	301
Accrued Payroll	54,049	51,485
Accrued Vacation	182,081	169,689
Accrued Property Taxes	5,408	7,893
Unearned Revenue - Dark Fiber Lease	17,500	17,500
Miscellaneous Accrued Expenses	103,775	118,088
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	1,052,596	1,198,583
	<hr/>	<hr/>
<u>Payable from Restricted Assets</u>		
Notes Payable:		
Electric Utility	481,443	479,048
	<hr/>	<hr/>
Total Payable from Restricted Assets	481,443	479,048
	<hr/>	<hr/>
Total Current Liabilities	1,534,039	1,677,631
	<hr/>	<hr/>
Non-Current Liabilities:		
Health & Dental Insurance Provision	86,569	113,716
Post-Employment Health Benefit Provision	71,444	66,391
Unearned Revenue - Dark Fiber Lease	223,646	241,146
Net Pension Liability	2,135,022	1,586,571
Notes Payable:		
Electric Utility	8,562,844	9,044,287
	<hr/>	<hr/>
Total Non-Current Liabilities	11,079,525	11,052,111
	<hr/>	<hr/>
Deferred Inflows of Resources - Pension	97,343	101,366
	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets	6,830,416	7,304,025
Unrestricted	(454,859)	(3,166,272)
	<hr/>	<hr/>
Total Net Position	6,375,557	4,137,753
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$19,086,464</u></u>	<u><u>\$16,968,861</u></u>

Muscatine Power and Water - Communications Utility
Statements of Cash Flows
April 2017

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Communications sales	\$1,025,509	\$4,267,909
Advertising sales	25,270	98,158
Miscellaneous sources	1,182	25,673
Cash paid to/for:		
Suppliers	(519,282)	(2,067,473)
Employees payroll, taxes and benefits	(292,623)	(1,233,188)
Net cash flows from operating activities	<u>240,056</u>	<u>1,091,079</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	<u>(144,980)</u>	<u>(652,886)</u>
Net cash flows from capital and related financing activities	<u>(144,980)</u>	<u>(652,886)</u>
Cash flows from investing activities:		
Interest received on investments	<u>2,407</u>	<u>7,746</u>
Net cash flows from investing activities	<u>2,407</u>	<u>7,746</u>
Net increase in cash and investments	<u>97,483</u>	<u>445,939</u>
Cash and investments at beginning of period	<u>8,605,923</u>	<u>8,257,467</u>
Cash and investments at end of period	<u><u>\$8,703,406</u></u>	<u><u>\$8,703,406</u></u>

Muscatine Power and Water - Communications Utility
Statements of Cash Flows
April 2017

	<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	\$235,516	\$714,639
Noncash items in operating income:		
Converter/modem write-off	---	6,990
Depreciation of utility plant	134,926	539,704
Changes in assets and liabilities:		
Consumer accounts receivable	(82,325)	4,995
Inventories	618	966
Prepaid and deferred expenses	(11,938)	(202,192)
Accounts payable	(15,846)	18,378
Net pension liability	30,474	121,897
Health & dental insurance provision	(12,960)	(13,491)
Other post-employment benefit provision	421	1,685
Unearned revenue	(1,458)	(13,441)
Retained percentage on contracts	---	1,217
Accrued payroll	1,850	(51,292)
Accrued vacation	(3,657)	7,117
Accrued property taxes	540	(1,082)
Miscellaneous accrued expenses	(36,105)	(45,011)
	<hr/>	<hr/>
Net cash flows from operating activities	<u>\$240,056</u>	<u>\$1,091,079</u>

Muscatine Power and Water - Communications Utility
Summary of Expenses
Current Month - April 2017

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>CATV</u>			
Program Acquisition Expense (751-758)	\$387,688	\$356,502	\$354,103
Promotional Expense (960)	6,063	1,277	739
Electricity Expense (736)	2,235	2,618	2,503
Pole Attachment Expense (715)	1,967	1,967	1,967
Changes of Service (742)	1,099	1,183	1,294
Underground Line Expense (743)	9,054	1,796	2,358
Ad Insertion - Marketing/Production (964, 965)	6,587	6,841	5,454
Miscellaneous CATV Expense (710, 738, 739)	13,549	16,151	15,389
Vehicle Expense (760)	4,947	3,770	3,258
Maintenance:			
Fiber (711)	673	248	1,148
Coax (712)	1,235	658	1,279
Drops (713)	3,371	7,282	4,290
Conduit System (714)	1,645	717	1,058
Headend (721-725)	21,363	14,974	18,884
Line Equipment (731-735)	2,680	6,002	3,849
Converters (741)	3,911	2,947	2,281
Ad Insertion (966)	3,524	4,198	2,378
Vacation, Holiday, Sick Leave (799)	6,294	5,381	4,240
Property Taxes (794)	731	314	596
Depreciation (793)	84,951	76,631	82,721
Total CATV	<u>563,567</u>	<u>511,457</u>	<u>509,789</u>
<u>Data/Internet</u>			
Data/Internet Access Charges (851-853)	25,769	12,208	25,726
Promotional Expense (961)	6,063	1,052	775
Electricity Expense (836)	394	337	442
Pole Attachment Expense (837)	346	346	346
Changes of Service (842)	194	394	228
Underground Line Expense (843)	390	599	416
Miscellaneous Data/Internet Expense (839, 844, 848)	5,241	5,553	3,813
Vehicle Expense (860)	803	453	391
Maintenance:			
Fiber (811)	116	104	202
Coax (813)	218	219	226
Drops (814)	2,310	2,427	757
Conduit System (816)	220	299	186
Headend (820, 821)	21,758	19,313	19,566
Line Equipment (831-835)	437	1,865	679
Modems (841)	4,432	4,250	3,355
Vacation, Holiday, Sick Leave (879)	3,193	2,467	1,860
Property Taxes (894)	129	55	105
Depreciation (893)	27,909	26,898	25,111
Total Data/Internet	<u>99,922</u>	<u>78,839</u>	<u>84,184</u>

Muscatine Power and Water - Communications Utility
Summary of Expenses
Calendar Year-to-Date - April 2017

	Budget Estimate	This Year	Last Year
<u>CATV</u>			
Program Acquisition Expense (751-758)	\$1,553,055	\$1,440,532	\$1,437,741
Promotional Expense (960)	28,995	4,380	2,495
Electricity Expense (736)	8,940	9,395	9,651
Pole Attachment Expense (715)	7,869	7,869	7,868
Changes of Service (742)	4,391	5,009	6,520
Underground Line Expense (743)	17,541	6,532	6,903
Ad Insertion - Marketing/Production (964, 965)	28,055	26,395	26,780
Miscellaneous CATV Expense (710, 738, 739)	56,887	67,498	60,079
Vehicle Expense (760)	19,870	15,139	15,518
Maintenance:			
Fiber (711)	2,976	2,148	4,586
Coax (712)	4,843	2,029	1,847
Drops (713)	13,383	10,211	6,772
Conduit System (714)	5,125	1,673	2,380
Headend (721-725)	84,452	66,027	69,085
Line Equipment (731-735)	10,258	13,303	17,221
Converters (741)	14,828	12,247	9,338
Ad Insertion (966)	13,796	19,993	10,701
Vacation, Holiday, Sick Leave (799)	21,203	32,922	20,118
Property Taxes (794)	2,923	1,255	2,383
Depreciation (793)	339,804	306,524	330,884
Total CATV	2,239,194	2,051,081	2,048,870
<u>Data/Internet</u>			
Data/Internet Access Charges (851-853)	105,327	104,997	105,226
Promotional Expense (961)	28,995	4,283	2,699
Electricity Expense (836)	1,576	1,291	1,568
Pole Attachment Expense (837)	1,384	1,384	1,384
Changes of Service (842)	775	1,670	1,150
Underground Line Expense (843)	922	2,177	1,218
Miscellaneous Data/Internet Expense (839, 844, 848)	20,738	29,684	18,628
Vehicle Expense (860)	3,210	1,817	1,866
Maintenance:			
Fiber (811)	514	895	807
Coax (813)	855	676	326
Drops (814)	9,223	3,404	1,195
Conduit System (816)	743	697	418
Headend (820, 821)	141,259	114,794	125,042
Line Equipment (831-835)	1,668	3,711	3,039
Modems (841)	16,728	12,461	25,077
Vacation, Holiday, Sick Leave (879)	10,711	11,553	11,435
Property Taxes (894)	514	221	422
Depreciation (893)	111,638	107,592	100,444
Total Data/Internet	456,780	403,307	\$401,944

Muscatine Power and Water - Communications Utility
Summary of Expenses
Current Month - April 2017

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>MAN</u>			
Pole Attachment Expense (838)	\$1,079	\$1,079	\$1,279
Tools Expense (845)	208	113	---
Maintenance:			
Fiber (812)	371	165	629
Conduit System (817)	875	478	580
MAN Equipment (818, 819)	3,292	2,242	3,403
Vacation, Holiday, Sick Leave (899)	479	229	182
Property Taxes (896)	400	172	327
Depreciation (840)	22,135	22,038	21,854
Total MAN	28,839	26,516	28,254
<u>Customer Service Expense</u>			
Customer Information Expense (909)	4,500	1,229	3,565
<u>Consumer Accounts</u>			
Supervision (901)	2,697	2,471	1,867
Consumer Records and Collections (903)	46,553	53,078	49,010
Uncollectible Accounts Expense (904)	1,574	1,574	1,519
Vacation, Holiday, Sick Leave (906)	6,154	5,842	4,919
Total Consumer Accounts	56,978	62,965	57,315
<u>Administrative and General</u>			
Administrative and General Salaries (920)	78,247	68,063	77,727
Office Supplies and Expense (921)	4,400	3,273	3,654
Outside Services Employed (923)	13,379	7,138	11,786
Property Insurance (924)	1,206	1,173	1,132
Casualty Ins, Injuries & Damages (925)	7,872	5,015	30,308
Employee Pensions and Benefits (926)	97,316	89,912	88,765
Fringe Benefits Charges to Construction (927)	(5,776)	(6,116)	(5,069)
Rents (931)	9,656	9,656	9,375
Miscellaneous General Expense (930)	18,050	27,220	9,905
Maintenance of General Plant (932)	4,524	3,905	3,427
Vacation, Holiday, Sick Leave (936)	14,926	14,542	7,487
Depreciation (933)	10,204	9,359	9,643
Total Administrative and General	254,004	233,140	248,140
Total Operating Expenses	\$1,007,810	\$914,146	\$931,247

Muscatine Power and Water - Communications Utility
Summary of Expenses
Calendar Year-to-Date - April 2017

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>MAN</u>			
Pole Attachment Expense (838)	\$4,315	\$4,715	\$4,516
Tools Expense (845)	833	1,007	227
Maintenance:			
Fiber (812)	1,641	1,432	2,515
Conduit System (817)	2,756	1,115	1,305
MAN Equipment (818, 819)	13,380	10,405	15,480
Vacation, Holiday, Sick Leave (899)	1,594	1,076	1,130
Property Taxes (896)	1,602	688	1,308
Depreciation (840)	88,539	88,152	87,416
Total MAN	114,660	108,590	113,897
<u>Customer Service Expense</u>			
Customer Information Expense (909)	21,076	3,821	5,602
<u>Consumer Accounts</u>			
Supervision (901)	10,787	10,567	10,864
Consumer Records and Collections (903)	187,989	194,784	177,701
Uncollectible Accounts Expense (904)	6,296	6,296	6,076
Vacation, Holiday, Sick Leave (906)	20,549	22,686	20,709
Total Consumer Accounts	225,621	234,333	215,350
<u>Administrative and General</u>			
Administrative and General Salaries (920)	312,919	306,851	307,595
Office Supplies and Expense (921)	19,090	15,505	14,971
Outside Services Employed (923)	56,302	33,137	35,903
Property Insurance (924)	4,602	4,570	4,648
Casualty Ins, Injuries & Damages (925)	30,888	27,974	60,307
Employee Pensions and Benefits (926)	381,025	373,944	357,679
Fringe Benefits Charges to Construction (927)	(22,530)	(25,556)	(16,076)
Rents (931)	38,625	38,625	37,500
Miscellaneous General Expense (930)	81,205	73,762	48,839
Maintenance of General Plant (932)	22,091	17,724	13,978
Vacation, Holiday, Sick Leave (936)	50,207	51,244	44,926
Depreciation (933)	40,819	37,436	38,572
Total Administrative and General	1,015,243	955,216	948,842
Total Operating Expenses	\$4,072,574	\$3,756,348	\$3,734,505

Muscatine Power and Water - Communications Utility
Statistical Data
April 2017

	Budget Estimate	% Increase (Decrease) From Budget	This Year ^{fn1}	% Increase (Decrease) Fr. Last Yr.	Last Year ^{fn1}
<u>Services</u>					
<u>CATV</u>					
Residential	5,454	(3.2)	5,279	(6.7)	5,660
Commercial/Hospitality	<u>145</u>	11.7	<u>162</u>	2.5	<u>158</u>
Total CATV	<u>5,599</u>	(2.8)	<u>5,441</u>	(6.5)	<u>5,818</u>
Bulk Equivalent Services	<u>368</u>	(13.0)	<u>320</u>	(10.1)	<u>356</u>
Bulk Master Services	<u>24</u>	---	<u>24</u>	9.1	<u>22</u>
<u>Internet</u>					
Residential	7,820	1.1	7,903	4.4	7,571
Commercial	<u>494</u>	6.9	<u>528</u>	8.2	<u>488</u>
Total Internet	<u>8,314</u>	1.4	<u>8,431</u>	4.6	<u>8,059</u>
<u>MAN</u>	<u>80</u>	8.8	<u>87</u>	6.1	<u>82</u>

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

Communications Utility
Review of Operating Results
April 2017

MUSCATINE POWER AND WATER - COMMUNICATIONS UTILITY
VARIANCES FROM BUDGETED NET POSITION - APRIL 30, 2017

(Unfavorable)/
Favorable
Compared to
Budget

Operating Revenue

CATV Revenue	\$ (146,719)	Lower CATV revenues due to less subscribers 5,599 vs. 5,441, incorrect prices in budget, broadcast fee has been pulled out of packages and different rate increase than budget
	(47,897)	Bulk lower because budgeted upgrades are recorded in basic and select, broadcast fee has been pulled out and different rate increase than budget
	60,636	New broadcast fee pulled out of packages
	41,341	Lower marketing promotional discounts (\$131,211 vs. \$89,870) due to end of price pledge
	(8,870)	Lower VOD/PPV sales due to fewer subscribers and less buys
	(9,349)	Lower ad sales
	(8,123)	Lower converter rentals due to less subscribers
	799	Other miscellaneous variances - net
	<u>(118,182)</u>	
Data/Internet Revenue	45,753	Higher cable modem revenues due to higher subscribers (8,314 vs. 8,431) and more subscribers taking a higher level of service
	(10,080)	Higher promotional discounts due to higher subscribers (\$31,776 vs. \$41,856)
	1,402	Higher modem rentals due to more subscribers
	11,352	Higher Wi-fi @ Home due to more subscribers
	2,759	Other miscellaneous variances - net
	<u>51,186</u>	
MAN	<u>51,481</u>	More subscribers than budgeted and new contracts
Miscellaneous Revenue	<u>(8,164)</u>	CATV signal transmission timing of revenue

Operating Expense

Operation	112,523	Lower programming due to less subscribers and lower negotiated contracts
	9,487	Lower labor than budgeted
	14,490	Lower promotional/education than budgeted
	2,753	Memberships and subscriptions lower than budgeted
	2,101	Temp services lower than budgeted
	3,472	Lower fuel expense
	3,600	Organizational development budgeted and not incurred through April
	11,275	Lower legal costs
	11,000	FTTH graphic design expense not incurred
	51,094	FTTH promotional expense not incurred, vehicle wraps etc.
	4,733	Lower FICA than budgeted
	6,198	Health care expenses lower than budgeted
	(20,359)	Travel and training over budget, FTTH training budgeted in 2016
	(2,811)	Other miscellaneous variances - net
	<u>209,556</u>	
Maintenance	23,371	Lower maintenance agreements, mostly bandwidth monitoring equipment , CMTS and IS
	20,117	Lower labor
	14,632	Temp services for drops not incurred through April
	1,360	Memberships and subscription under budget
	6,094	Other miscellaneous variances - net
	<u>65,574</u>	
Depreciation		Lower depreciation due to fewer fixed assets purchases in 2016 than anticipated
	<u>41,096</u>	
Nonoperating Revenue (Expense)		
Interest Income/expense	<u>5,897</u>	Higher interest income
Change in Net Position before Capital Contributions	<u>298,444</u>	
Capital Contributions	<u>(1,730)</u>	
Change in Net Position	<u>\$ 296,714</u>	Total Variance from Budgeted Net Position

Statement of Revenues, Expenses and Changes in Net Position

Operating Revenues

CATV

Customer levels totaled 5,441 actual vs. 5,599 budgeted.

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Basic revenue	\$73,042	\$65,298	\$64,418
Select revenue	1,447,836	1,319,688	1,362,823
Preferred revenue	232,651	237,044	246,139
Premiums revenue	103,045	87,825	106,096
Bulk revenue	136,114	88,217	87,817
Broadcast fee	---	60,036	---
PPV	10,548	7,583	9,755
VOD	45,075	39,170	47,717
Subtotal	\$2,048,311	\$1,904,861	\$1,924,765
Converter rentals	333,085	324,962	338,907
Ad insertion revenue	116,000	106,651	156,946
Other CATV revenues	16,349	17,748	21,763
Gross CATV Revenues	\$2,513,745	\$2,354,222	\$2,442,381
Discounts	(131,211)	(89,870)	(101,217)
Net CATV Revenue	<u>\$2,382,534</u>	<u>\$2,264,352</u>	<u>\$2,341,164</u>

Basic, Select and Bulk revenues are under budget because the broadcast fee has been reallocated to a separate billing item and the overall rate increase is lower than budget. Also, Select revenue was budgeted at an incorrect price and Bulk revenue upgrades were budgeted in bulk instead of select or preferred. Broadcast fee is over budget because it was added in lieu of the full budgeted rate increase. PPV and VOD have less subscribers and fewer buys. Ad insertion revenues are lower due to less ads sold. Discounts are less than budgeted due to subscribers ending price pledge and less overall subscribers.

Data/Internet Revenue

Subscriber levels are 8,431 actual vs. 8,314 budgeted.

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Cable modem	\$1,685,767	\$1,731,520	\$1,614,153
Wi-fi @ Home	73,880	85,232	69,211
Wimax	32,892	33,502	31,980
Modem Rentals	96,935	98,337	93,811
Other Data/Internet revenues	12,601	14,750	14,353
Gross Data/Internet Revenues	\$1,902,075	\$1,963,341	\$1,823,508
Discounts	(31,776)	(41,856)	(28,320)
Net Data/Internet Revenues	<u>\$1,870,299</u>	<u>\$1,921,485</u>	<u>\$1,795,188</u>

Cable modem revenues are higher due to more subscribers and a better mix. Wi-fi @ home is higher due to more subscribers and more subscribers taking a higher level of service.

MAN

Revenue is \$51,481 higher than budget mostly due more subscribers and new contracts.

Statement of Net PositionLiabilitiesHealth and Dental Insurance Provision

Health and dental care claims have been less than premiums accrued. The current portion is based on the third-party administrator's estimate of incurred but unpaid health claims at year end. The estimate is adjusted annually.

Year-To-Date Summary of ExpensesCATVProgram Acquisition Expense – (751 to 758)

Programming is lower due to lower subscribers than budgeted.

	<u>2017</u>	<u>2017</u>	<u>2016</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Basic	\$288,519	\$249,797	\$250,469
Select	537,258	508,919	497,446
Preferred	495,931	469,772	459,181
Premium	74,912	66,004	82,785
Digital	118,579	113,021	110,113
Pay-per-view	7,136	6,060	6,531
Video on demand	<u>30,720</u>	<u>26,959</u>	<u>31,196</u>
Total	<u>\$1,553,055</u>	<u>\$1,440,532</u>	<u>\$1,437,741</u>

Basic, select and preferred programming is lower than budget due to negotiated contracts coming in lower than budgeted and less subscribers.

Promotional Expense – (960)

Labor is over budget \$884, mostly in the customer service area. Materials are under budget \$25,498 mostly due to vehicle rewrap (\$9,250) and temp services (\$3,005), and other FTTH expenses (\$8,250) budgeted but not incurred through April.

Underground Line Expense - (743)

Labor is under budget \$9,156 in outside services due to more hours budgeted for FTTH. Materials are under budget \$1,853.

Miscellaneous CATV Expense – (740)

Labor is over budget \$4,897 mostly in data technicians. Materials are over budget \$5,714 due to temp services.

Vehicle Expense – (760)

Vehicle expense is under budget \$4,731, mostly due to fuel expense.

Maintenance of Drops - (713)

Labor is over budget \$3,670. Materials are under budget \$6,841 mostly due to budgeted temp labor for FTTH not yet needed.

CATV (cont'd)Maintenance of Conduit – (714)

Labor is under budget \$3,308 in technician and T & D. Materials are under budget \$144.

Maintenance of Headend – (721-725)

Total labor is under budget by \$19,884 in the manager and technician departments. Total materials are over budget by \$1,459, due to transcoder purchases and dish alignment.

Maintenance of Ad Insertion- (966)

Labor is over budget \$4,277 mostly in marketing. Maintenance agreements are over budget \$1,920.

Vacation, Holiday, Sick Leave – (799)

Sick, personal, and vacation is over budget \$11,720, mostly in the technician department.

Depreciation – (793)

Depreciation is lower than budget due to lower than expected expenditures for digital boxes, headend equipment, and customer drops prior to year-end 2016. Minimal equipment is being purchased until the FTTH project is completed. This type of equipment has five- and ten-year lives.

Data/InternetPromotional Expense – (961)

Labor is over budget \$884. Materials are under budget \$25,596 due to vehicle rewrap (\$8,250), temp services (\$3,005) and other FTTH expenses (\$8,250) budgeted but not incurred though April.

Miscellaneous Data/Internet Expense – (847)

Labor is over budget \$6,478 mostly in manager and data departments. Materials are over budget \$2,368 due to equipment retirements.

Maintenance of Drops – (814)

Labor is over budget \$1,971. Materials are under budget \$7,791 mostly due to budgeted temp labor for FTTH not yet needed.

Maintenance of Headend – (820, 821)

Manager labor is over budget \$25,545 partially offset by data labor under budget by \$12,841. Materials are under budget by \$39,078, mostly due to bandwidth monitoring equipment, CMTS and IS maintenance agreements totaling \$28,361 not incurred through April. \$7,449 is due to a demo equipment return.

Maintenance of Modems- (841)

Labor is under budget \$4,266 mostly in the manager and technician departments.

Depreciation – (893)

Depreciation is lower than budget due to lower than expected expenditures for modems, equipment and customer drops prior to year-end 2016. Minimal equipment is being purchased until the FTTH project is completed. This type of equipment has five- and ten-year lives.

MANMaintenance of MAN Equipment – (822)

Labor is under budget \$9,296 mostly in manager, partially offset by maintenance agreements over budget by \$6,190 and other materials over \$131.

Customer Service ExpenseCustomer Information Expense – (909-Marketing)

	2017	2017	2016
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Promotion/Education Expense	\$ 14,982	\$ 492	\$1,278
Media Advertising	3,583	2,543	3,697
Billtrust	208	39	---
Postage	616	---	---
Newsletter	1,171	651	422
Presentation Materials	364	---	---
Other	<u>152</u>	<u>96</u>	<u>205</u>
Total	<u>\$21,076</u>	<u>\$3,821</u>	<u>\$5,602</u>

Consumer AccountsConsumer Records and Collections – (903-Customer Service)

	2017	2017	2016
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Labor	\$152,157	\$142,156	\$143,265
Temp Services	292	6,469	1,494
Credit Card Processing	7,938	7,869	7,355
Bill Processing	3,700	3,371	3,507
Postage	8,017	7,545	8,211
IVR	555	464	550
Training	2,814	17,751	1,728
Credit Bureau Fees	3,083	2,464	3,405
ACH Processing	2,343	2,578	2,335
Other	<u>7,090</u>	<u>4,117</u>	<u>5,851</u>
Total	<u>\$187,989</u>	<u>\$194,784</u>	<u>\$177,701</u>

Temp services are higher because of extra help for BSA. Training is over budget due to FTTH training budgeted in 2016.

Administrative & GeneralAdministrative and General Salaries – (920)

Labor is under budget \$6,068 in the marketing and information systems departments.

Administrative & General (cont'd)Office Supplies and Expense – (921)

Materials are lower than budgeted by \$3,585 mostly due to less supplies purchased in information systems.

Outside Services – (923)

	Resp Code	2017 Budget	2017 Actual	2016 Actual
Organizational Development	120-Sal	\$ 3,600	\$ ---	\$ ---
Consulting Services	120-Sal	---	873	---
Legal Fees	140-Brandy	3,480	105	492
Employment Legal Fees	140-Brandy	400	---	---
Communications Legal Fees	140-Brandy	7,500	---	---
MCC Public Access	224-Rick	18,888	18,724	18,742
Web/Graphics Services	224-Rick	458	209	189
FTTH Design	224-Rick	11,000	---	---
Insurance Advisor	310-Jerry	2,016	2,016	2,016
Audit Fees	320-Cassie	5,040	4,418	5,520
IS Department Review	350-Jerry	---	2,243	---
Pension Study	410-Erika	---	---	1,643
Benefits Consulting	410-Erika	1,788	1,788	894
Employee Search Services	410-Erika	2,000	---	---
Security Assessment	920-Beecher	---	---	5,300
Transport Network Study	920-Beecher	---	---	982
Organizational Development	920-Beecher	---	1,822	---
Other		<u>132</u>	<u>939</u>	<u>125</u>
		<u>\$56,302</u>	<u>\$33,137</u>	<u>\$35,903</u>

Employee Pensions & Benefits – (926)

	2017 Budget	2017 Actual	2016 Actual
Health care cost	\$151,746	\$145,548	\$140,210
Pension	121,897	121,897	112,412
FICA	72,341	67,608	67,631
Deferred compensation	16,200	17,626	16,748
Dental	6,160	5,814	6,144
Life, LTD & ADD	5,569	5,354	5,513
OPEB	1,684	1,684	1,684
Unemployment	300	1,992	---
Recognition	1,800	2,218	2,304
Other expenses	<u>3,328</u>	<u>4,203</u>	<u>5,033</u>
	<u>\$381,025</u>	<u>\$373,944</u>	<u>\$357,679</u>

Miscellaneous General Expense – (930)

Labor is under budget \$7,919 mostly in manager and safety & training departments. Materials are over budget \$476 due to travel and training.

Administrative & General (cont'd)

Maintenance of General Plant – (932)

Materials are under budget \$4,367 mostly due to maintenance agreements in information systems and subscriptions.

Vacation, Holiday, Sick Leave – (936)

Sick, personal, and vacation is over budget \$3,174, mostly in the data and help desk departments.

Depreciation – (933)

Depreciation is lower than budget due to lower than expected expenditures for equipment prior to year-end 2016. This type of equipment has five-year lives.

Communications Utility
Statement of Net Position Review
April 2017

<u>Current Assets</u>	<u>2017</u>	<u>2016</u>
<u>Receivables - Consumer Accounts</u>		
Customer Communications Accounts	\$1,211,356	\$1,169,591
Unbilled Revenue	85,167	86,239
Merchandise Accounts	66,020	84,289
Allowance for Doubtful Accounts	(15,120)	(18,695)
	<u>\$1,347,423</u>	<u>\$1,321,424</u>
<u>Inventories</u>		
Inventory	\$142,154	\$181,367
Stores Expense (a/c 163)	392	(3,115)
	<u>\$142,546</u>	<u>\$178,252</u>
<u>Prepaid Expenses</u>		
Prepaid Insurance	\$50,453	\$51,092
Prepaid Maintenance Contracts	198,353	177,030
Muscatine Schools - E-rate customer	61,265	---
Other Prepaid Expenses	(1,129)	8,004
	<u>\$308,942</u>	<u>\$236,126</u>
<u>Current Liabilities</u>		
<u>Accounts Payable (amounts over \$2,500 itemized)</u>		
Pole Rental	\$13,568	\$13,568
Atlantic Engineering Group - FTTH	15,417	---
American Van Equipment - van storage system	---	3,235
Argonaut - CMTS modifications	---	5,300
Big 10 - programming fee	9,713	10,038
BillTrust - bill processing	---	2,876
BTS - fiber optic training	19,400	---
CDW-G - software/servers	7,138	4,319
Centurylink - tel/access fees	5,579	5,585
Channel Commercial Corp - GS drop enclosure	17,115	---
Cogsdale - business system implementation	8,481	7,833
Comcast Sportsnet Chicago - programming fee	22,982	22,244
Confluent Group - modems	2,698	---
Cottingham & Butler -workers comp	1,408	3,609
Dell - workstations	2,213	3,016
Fox Sports Net Midwest - programming fee	23,325	23,602
Gray Television - programming fee	14,678	---
Insight - routers	9,038	---
KGCW - programming fee	116,594	61,207
LIN Television - programming fee	---	13,990
MCC - public access	---	18,742
Mitchell Humphrey -financial software maintenance	---	4,845
Muscatine Community College - public access	4,676	---
Natl Cable TV Coop - programming fee	218,126	318,479
NewComTech GIS - FTTH consulting	---	129,198
Nexstar - programming fee	30,554	29,251
PC Connection - computer/server	1,260	3,266
Pivot Group LLC - customer svc training	10,148	---
Pomeroy - network switches	---	4,482
Rovi Guides - programming fee	8,769	9,077
Showtime Networks - programming fee	2,254	2,755
Sievers Direct - server for phone sys upgrade	8,776	---
Tech Data Corporation - yrly maint agreement	---	6,233
Tower Distribution - programming fee	15,354	14,976
Univision - programming fee	6,915	6,968
Vubiquity - programming fee	6,781	8,053
Other	19,911	27,948
	<u>\$622,871</u>	<u>\$764,695</u>
<u>Miscellaneous Accrued Expenses</u>		
Sales/Use Tax Collections Payable	\$22,379	\$22,892
Franchise Fees Payable	15,240	16,178
Payroll Tax Collections Payable	18,064	16,920
Workers' Comp Self Insurance Reserves	48,092	62,098
	<u>\$103,775</u>	<u>\$118,088</u>

Muscatine Power and Water

Electric Utility

Statement of Revenues, Expenses and Changes in Net Position

May 2017

**Muscatine Power and Water
Electric Utility**

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Muscataine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Current Month - May 2017

	<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	75,602,304	1.7	76,875,426	34.2	57,298,858
Less: Plant Use	6,947,472	8.5	7,537,243	7.9	6,984,323
Net Generation/Wholesale Sales	68,654,832	1.0	69,338,183	37.8	50,314,535
Wholesale Sales - Wind	5,112,990	(8.5)	4,680,907	---	---
Total Wholesales Sales	<u>73,767,822</u>	0.3	<u>74,019,090</u>	47.1	<u>50,314,535</u>
<u>Net Capacity Factors</u>					
Unit 9	58.00	0.3	58.19	58.6	36.70
Unit 8/8A	---	---	---	---	21.03
Unit 7	---	---	6.76	---	---
Total Plant	47.41	(11.7)	41.84	38.6	30.18
<u>KWH Distribution</u>					
Residential	6,670,942	(7.0)	6,206,674	(0.2)	6,220,964
Commercial I	2,643,653	1.1	2,671,743	4.3	2,562,181
Commercial II	7,739,429	(6.4)	7,243,000	(10.0)	8,045,920
Industrial I	10,736,760	(1.4)	10,583,000	6.7	9,922,400
Industrial II	38,300,000	1.7	38,964,529	2.6	37,971,156
City Enterprise Funds	466,398	(9.5)	422,187	3.7	407,125
Water & Communications Utilities	1,516,287	(8.6)	1,385,151	(5.4)	1,463,776
Native System Sales	68,073,469	(0.9)	67,476,284	1.3	66,593,522
City Lighting	120,453	25.0	150,512	(10.2)	167,657
City Buildings	447,145	19.0	531,918	12.8	471,607
Offline Power Plant Usage	444,240	(1.8)	436,285	(29.0)	614,362
Losses & Cycle Billing	3,153,497	(11.7)	2,783,184	1.0	2,756,387
Total Native System KWH					
Distributed	72,238,804	(1.2)	71,378,183	1.1	70,603,535
Wind KWH Purchases	5,112,990	(8.5)	4,680,907	---	---
Total Purchased Power KWH	<u>77,351,794</u>	(1.7)	<u>76,059,090</u>	7.7	<u>70,603,535</u>
<u>STEAM SALES - 1,000 lbs</u>					
	<u>---</u>	---	<u>---</u>	---	<u>137,824</u>

Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - May 2017

	<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	375,213,427	(8.5)	343,468,788	2.0	336,609,658
Less: Plant Use	41,302,704	(7.9)	38,031,980	(10.1)	42,288,321
Net Generation/Wholesale Sales	333,910,723	(8.5)	305,436,808	3.8	294,321,337
Wholesale Sales - Wind	22,727,281	9.5	24,884,648	---	---
Total Wholesale Sales	356,638,004	(7.4)	330,321,456	12.2	294,321,337
<u>Net Capacity Factors</u>					
Unit 9	51.51	(17.8)	42.33	(0.6)	42.57
Unit 8/8A	70.54	(51.9)	33.91	19.6	28.35
Unit 7	---	---	12.29	4.5X	2.25
Total Plant	47.34	(20.1)	37.82	5.1	35.99
<u>KWH Distribution</u>					
Residential	39,916,075	(8.0)	36,712,820	(3.0)	37,838,213
Commercial I	14,610,590	(0.5)	14,534,947	3.3	14,068,059
Commercial II	37,578,476	(3.8)	36,159,960	(7.4)	39,048,780
Industrial I	50,076,646	2.2	51,186,380	12.7	45,422,900
Industrial II	192,750,000	(0.6)	191,611,996	1.3	189,234,662
City Enterprise Funds	2,336,799	(5.4)	2,211,278	2.2	2,164,094
Water & Communications Utilities	7,179,852	0.3	7,202,689	2.4	7,035,942
Native System Sales	344,448,438	(1.4)	339,620,070	1.4	334,812,650
City Lighting	570,645	44.0	821,570	4.2	788,103
City Buildings	2,705,887	6.6	2,884,401	6.7	2,704,062
Offline Power Plant Usage	674,640	3.1X	2,758,374	51.6	1,820,100
Losses & Cycle Billing	9,516,529	(15.4)	8,052,898	(12.6)	9,215,676
Total Native System KWH					
Distributed	357,916,139	(1.1)	354,137,313	1.4	349,340,591
Wind KWH Purchases	22,727,281	9.5	24,884,648	---	---
Total Purchased Power KWH	380,643,420	(0.4)	379,021,961	8.5	349,340,591
<u>STEAM SALES - 1,000 lbs</u>					
	997,619	5.0	1,047,098	(7.0)	1,125,823

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - May 2017

	Budget Estimate	Avg. Price	% Increase (Decrease) from Budget	This Year	Avg. Price	% Increase (Decrease) from Last Year	Last Year	Avg. Price
<u>Sales of Electricity</u>								
Residential	\$748,868	\$ 0.11226	(1.3)	\$739,485	\$ 0.11914	4.9	\$704,634	\$ 0.11327
Commercial I	271,634	0.10275	3.6	281,324	0.10530	9.7	256,348	0.10005
Commercial II	626,306	0.08092	(5.1)	594,608	0.08209	(3.4)	615,530	0.07650
Industrial I	682,676	0.06358	2.4	699,107	0.06606	12.9	618,976	0.06238
Industrial II	1,983,729	0.05179	5.9	2,100,568	0.05391	10.2	1,905,802	0.05019
City Enterprise Funds	35,209	0.07549	(3.1)	34,118	0.08081	14.9	29,701	0.07295
Water & Communication Utilities	97,138	0.06406	(5.8)	91,490	0.06605	0.5	90,996	0.06217
Native System Sales	4,445,560	0.06531	2.1	4,540,700	0.06729	7.5	4,221,987	0.06340
Wholesale Sales	2,300,735	0.03119	16.4	2,677,421	0.03617	1.1X	1,251,061	0.02486
Energy Sales	6,746,295		7.0	7,218,121		31.9	5,473,048	
<u>Steam Sales</u>	---	---	---	---	---	---	557,698	4.05
<u>Other Revenue</u>								
By-Product Revenue	28,711		6.4	30,554		(2.6)	31,385	
Miscellaneous Revenue	53,081		1.5X	135,298		1.4X	56,063	
Total Other Revenue	81,792		1.0X	165,852		89.7	87,448	
Operating Revenue	6,828,087		8.1	7,383,973		20.7	6,118,194	
<u>Operating Expense</u>								
Purchased Power	1,977,516	0.02557	20.2	2,376,743	0.03125	46.5	1,622,590	0.02298
Production Fuel	1,397,242		2.4	1,430,639		8.7	1,316,473	
Emissions Allowance	---		---	13		(99.9)	21,384	
Operation	2,306,129		(9.8)	2,079,854		(4.7)	2,182,833	
Maintenance	1,206,579		(9.6)	1,090,607		54.6	705,532	
Depreciation	957,139		(6.0)	900,004		7.5	837,341	
Total Operating Expense	7,844,605		0.4	7,877,860		17.8	6,686,153	
Operating Loss	(1,016,518)		(51.4)	(493,887)		(13.0)	(567,959)	
<u>Nonoperating Revenue (Expense)</u>								
Interest Income	8,787		2.1X	26,999		1.0X	13,450	
Interest Expense	(400)		55.5	(622)		1.3X	(267)	
Total Nonoperating Revenue (Expense)	8,387		2.1X	26,377		1.0X	13,183	
Net Loss Before Revenue Adjustment	(1,008,131)		(53.6)	(467,510)		(15.7)	(554,776)	
Capital Contributions	---		---	60,621		---	---	
Change in Net Position	(1,008,131)		(59.6)	(406,889)		(26.7)	(554,776)	
Beginning Net Position	125,476,608			126,682,053			122,573,205	
Ending Net Position	\$124,468,477			\$126,275,164			\$122,018,429	
Net Loss Before Rev Adj to Op Revenue	(14.8)			(6.3)			(9.1)	
Change in Net Position to Operating Revenue	(14.8)			(5.5)			(9.1)	

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - May 2017

	Budget		% Increase (Decrease)			% Increase (Decrease)		
	Estimate	Avg. Price	from Budget	This Year	Avg. Price	from Last Year	Last Year	Avg. Price
<u>Sales of Electricity</u>								
Residential	\$4,310,523	\$ 0.10799	(3.4)	\$4,164,559	\$ 0.11344	2.0	\$4,083,696	\$ 0.10793
Commercial I	1,486,341	0.10173	1.0	1,500,998	0.10327	8.3	1,385,386	0.09848
Commercial II	3,075,461	0.08184	(5.0)	2,923,113	0.08084	(2.9)	3,009,155	0.07706
Industrial I	3,148,151	0.06287	5.6	3,324,694	0.06495	17.8	2,822,843	0.06215
Industrial II	9,930,094	0.05152	2.8	10,204,567	0.05326	8.4	9,415,671	0.04976
City Enterprise Funds	174,685	0.07475	(4.5)	166,869	0.07546	6.9	156,026	0.07210
Water & Communications Utilities	457,734	0.06375	1.6	464,873	0.06454	7.2	433,823	0.06166
Native System Sales	22,582,989	0.06556	0.7	22,749,673	0.06699	6.8	21,306,600	0.06364
Wholesale Sales	11,147,735	0.03126	7.6	11,991,378	0.03630	71.4	6,995,031	0.02377
Energy Sales	33,730,724		3.0	34,741,051		22.8	28,301,631	
<u>Steam Sales</u>	4,095,826	4.11	(2.2)	4,005,118	3.82	(10.7)	4,484,695	3.98
<u>Other Revenue</u>								
By-Product Revenue	85,725		(18.7)	69,708		(13.6)	80,652	
Miscellaneous Revenue	260,098		29.4	336,555		38.0	243,901	
Total Other Revenue	345,823		17.5	406,263		25.2	324,553	
Operating Revenue	38,172,373		2.6	39,152,432		18.2	33,110,879	
<u>Operating Expense</u>								
Purchased Power	9,876,203	0.02595	17.6	11,619,220	0.03066	58.5	7,329,703	0.02098
Production Fuel	8,517,826		(1.3)	8,409,967		(0.4)	8,445,396	
Emissions Allowance	298,102		(98.2)	5,336		(91.0)	59,158	
Operation	11,334,006		(10.5)	10,146,634		(3.8)	10,544,766	
Maintenance	6,821,154		(8.3)	6,252,242		63.6	3,821,113	
Depreciation	4,785,698		(6.0)	4,500,021		7.5	4,186,706	
Total Operating Expense	41,632,989		(1.7)	40,933,420		19.0	34,386,842	
Operating Loss	(3,460,616)		(48.5)	(1,780,988)		39.6	(1,275,963)	
<u>Nonoperating Revenue (Expense)</u>								
Interest Income	43,129		1.5X	107,143		70.7	62,773	
Interest Expense	(2,000)		21.9	(2,438)		78.5	(1,366)	
Total Nonoperating Revenue (Expense)	41,129		1.5X	104,705		70.5	61,407	
Net Loss Before Revenue Adjustment and Capital Contributions	(3,419,487)		(51.0)	(1,676,283)		38.0	(1,214,556)	
Capital Contributions	---		---	63,483		(52.5)	133,577	
Change in Net Position	(3,419,487)		(52.8)	(1,612,800)		49.2	(1,080,979)	
Beginning Net Position	127,887,964			127,887,964			123,099,408	
Ending Net Position	\$124,468,477			\$126,275,164			\$122,018,429	
Net Income (Loss) Before Rev Adj to Op Revenue	(9.0)			(4.3)			(3.7)	
Change in Net Position to Operating Revenue	(9.0)			(4.1)			(3.3)	

Muscatine Power and Water - Electric Utility
Statements of Net Position
May 2017

ASSETS

	<u>2017</u>	<u>2016</u>
Current Assets:		
Cash - interest bearing	\$34,477,069	\$13,376,829
Investments	11,750,000	16,251,140
Receivables:		
Consumer Accounts	5,568,650	6,286,004
Refined Coal	2,416,534	2,232,033
Wholesale	314,831	4,906
Steam Sales	---	557,886
Interest	79,183	52,539
Inventories	5,349,130	5,638,480
Fuel	7,561,608	15,268,522
Prepaid Expenses	1,168,517	1,158,633
	<u>68,685,522</u>	<u>60,826,972</u>
Total Current Assets		
	<u>68,685,522</u>	<u>60,826,972</u>
Property and Equipment:		
At Cost	427,612,898	422,178,772
Less Accumulated Depreciation	354,214,501	345,023,625
	<u>73,398,397</u>	<u>77,155,147</u>
Net Property and Equipment		
	<u>73,398,397</u>	<u>77,155,147</u>
Other Assets:		
Note Receivable - Communications Utility	9,044,287	9,523,335
Note Receivable - Water Utility	5,500,000	2,900,000
Joint Venture Rights	95,290	109,999
	<u>14,639,577</u>	<u>12,533,334</u>
Total Other Assets		
	<u>14,639,577</u>	<u>12,533,334</u>
Deferred Outflows of Resources - Pension		
Changes of Assumptions	2,764,049	2,764,049
Difference between projected and actual earnings on pension plan	3,171,557	575,136
Contributions subsequent to measurement date	2,241,817	2,462,042
	<u>8,177,423</u>	<u>5,801,227</u>
Total Deferred Outflows of Resources - Pension		
	<u>8,177,423</u>	<u>5,801,227</u>
TOTAL ASSETS	<u><u>\$164,900,919</u></u>	<u><u>\$156,316,680</u></u>

Muscatine Power and Water - Electric Utility
Statements of Net Position
May 2017

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	<u>2017</u>	<u>2016</u>
Current Liabilities:		
<u>Unrestricted</u>		
Accounts Payable	\$5,827,482	\$4,681,251
Health & Dental Insurance Provision	271,040	295,620
Accrued Payroll	483,555	446,690
Accrued Vacation	1,275,354	1,284,710
Accrued Emission Allowance Expense	5,336	59,158
Consumers' Deposits	767,842	753,127
Retained Percentage on Contracts	51,026	2,030
Accrued Property Taxes	89,485	95,124
Miscellaneous Accrued Expenses	815,947	891,261
Unearned Revenue	4,640	277,557
	<hr/>	<hr/>
Total Unrestricted Current Liabilities	9,591,707	8,786,528
	<hr/>	<hr/>
Non-Current Liabilities:		
Health & Dental Insurance Provision	967,940	944,132
Post-Employment Health Benefit Provision	421,148	393,506
Net Pension Liability	13,978,935	10,482,299
	<hr/>	<hr/>
Total Non-Current Liabilities	15,368,023	11,819,937
	<hr/>	<hr/>
Deferred Inflows of Resources		
Extraordinary O&M	13,032,866	13,032,866
Pension		
Differences between expected and actual experience	633,159	658,920
	<hr/>	<hr/>
Total Deferred Inflows of Resources	13,666,025	13,691,786
	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets	73,398,397	77,155,147
Unrestricted	52,876,767	44,863,282
	<hr/>	<hr/>
Total Net Position	126,275,164	122,018,429
	<hr/>	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$164,900,919</u>	<u>\$156,316,680</u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
May 2017

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$4,643,971	\$23,009,676
MISO sales	3,275,861	13,065,314
Steam sales	971,215	7,357,805
Coal sales	3,784,810	15,731,060
Railcar/facilities leasing	5,624	28,122
By-product sales	407	142,233
Miscellaneous sources	96,156	247,011
Cash paid to/for:		
Suppliers	(1,284,230)	(5,700,363)
MISO purchases/administration fees	(2,528,799)	(11,527,359)
South Fork Wind purchases	(132,158)	(606,635)
Coal purchases	(4,181,486)	(17,270,537)
Employees payroll, taxes and benefits	(1,613,093)	(9,226,802)
Net cash flows from operating activities	<u>3,038,278</u>	<u>15,249,525</u>
Cash flows from noncapital financing activities:		
Loan to Water Utility	<u>---</u>	<u>(2,600,000)</u>
Net cash flows from noncapital financing activities	<u>---</u>	<u>(2,600,000)</u>
Cash flows from capital financing activities:		
Capital expenditures, net	<u>(698,971)</u>	<u>(2,560,679)</u>
Net cash flows from capital and related financing activities	<u>(698,971)</u>	<u>(5,160,679)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	(21,975)	(43,950)
Interest received on investments	11,933	99,798
Amortization/accretion of investments	---	(210)
Mark to Market	<u>---</u>	<u>(37)</u>
Net cash flows from investing activities	<u>(10,042)</u>	<u>55,601</u>
Net increase in cash and investments	<u>2,329,265</u>	<u>10,144,447</u>
Cash and investments at beginning of period	<u>43,897,804</u>	<u>36,082,622</u>
Cash and investments at end of period	<u><u>\$46,227,069</u></u>	<u><u>\$46,227,069</u></u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
May 2017

	<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	(\$493,887)	(\$1,780,988)
Noncash items in operating income:		
Depreciation of electric utility plant	900,004	4,500,021
Amortization of joint venture rights	8,583	44,083
Changes in assets and liabilities:		
Consumer accounts receivable	(9,626)	1,548,925
Refined coal	1,373,900	1,614,935
Wholesale receivable	333,594	717,992
Steam sales receivable	972,052	2,276,369
Inventories	245,820	318,164
Fuel	(378,968)	6,335,857
Prepaid expenses	82,725	(322,166)
Accounts payable	(209,998)	(455,260)
Net pension liability	195,653	978,266
Health & dental insurance provision	(16,676)	(43,337)
Other post-employment benefit provision	2,286	11,430
Accrued payroll	172,004	(197,544)
Accrued vacation	(870)	89,150
Accrued emission allowance expense	(170,618)	(219,062)
Consumers' deposits	11,287	6,242
Retained Percentage	1,534	(260)
Accrued property taxes	7,985	(12,549)
Unearned revenue	(21,283)	(104,152)
Miscellaneous accrued expenses	32,777	(56,591)
	<u>\$3,038,278</u>	<u>\$15,249,525</u>
Net cash flows from operating activities	<u>\$3,038,278</u>	<u>\$15,249,525</u>

**Muscatine Power and Water - Electric Utility
Funds Appropriated for Specific Purposes
May 2017**

	<u>This Year</u>	<u>Last Year</u>
Extraordinary Operation & Maintenance Account	<u>\$13,143,183</u>	<u>\$13,082,587</u>
Total Cash and Investments Appropriated for Specific Purposes	<u><u>\$13,143,183</u></u>	<u><u>\$13,082,587</u></u>

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - May 2017

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$1,977,516</u>	29.0	<u>\$2,376,743</u>	32.2	<u>\$1,622,590</u>	26.5
Average price per kWh	\$0.0274		\$0.0333		\$0.0230	
<u>Generation</u>						
Operation Supervision (500)	108,692		74,985		81,150	
Fuel: (501)						
Coal	1,324,212		1,350,362		1,255,064	
Fuel Oil	12,000		2,737		3,895	
Gas	2,000		22,221		8,254	
Coal Handling Expense (501-003)	49,191		28,966		32,795	
Landfill Operation Expense (501-925)	9,839		26,353		16,465	
Emissions Allowance Expense (509)	---		13		21,384	
Steam Expense:						
Boiler (502-004)	111,929		74,583		92,186	
Pollution Control (502-005)	54,041		32,489		106,991	
Electric Expense (505)	96,041		75,186		96,626	
Miscellaneous Steam Power Expense (506)	304,345		247,220		232,887	
Maintenance:						
Supervision (510)	67,876		74,003		70,326	
Structures (511)	201,880		60,908		30,738	
Boiler Plant:						
Boiler (512-006)	210,473		244,225		171,532	
Pollution Control (512-007)	69,472		70,837		32,804	
Electric Plant (513-008)	129,559		223,027		27,132	
System Control (513-009)	20,328		16,510		24,624	
Miscellaneous Steam Plant (514)	79,182		50,766		49,812	
Coal Handling Equipment (516)	191,513		89,175		125,197	
System Control and Load Dispatch (556)	27,842		25,324		21,702	
Vacation, Holiday, Sick Leave (557)	110,477		87,931		96,255	
Depreciation (558)	<u>643,473</u>		<u>648,814</u>		<u>637,587</u>	
Total Generation Expense	<u>\$3,824,365</u>	56.0	<u>\$3,526,635</u>	47.8	<u>\$3,235,406</u>	52.9

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - May 2017

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$9,876,203</u>	25.9	<u>\$11,619,220</u>	29.7	<u>\$7,329,703</u>	22.1
Average price per kWh	\$0.0276		\$0.0328		\$0.0210	
<u>Generation</u>						
Operation Supervision (500)	458,182		389,928		415,427	
Fuel: (501)						
Coal	8,153,025		7,964,898		8,079,091	
Fuel Oil	49,135		28,421		34,312	
Gas	4,000		111,730		58,411	
Coal Handling Expense (501-003)	273,118		233,379		232,840	
Landfill Operation Expense (501-925)	38,548		71,539		40,742	
Emissions Allowance Expense (509)	298,102		5,336		59,158	
Steam Expense:						
Boiler (502-004)	523,005		432,344		531,558	
Pollution Control (502-005)	400,421		166,579		331,568	
Electric Expense (505)	493,972		451,235		506,647	
Miscellaneous Steam Power Expense (506)	1,123,954		982,664		1,109,613	
Maintenance:						
Supervision (510)	334,802		402,148		356,559	
Structures (511)	589,023		185,813		201,365	
Boiler Plant:						
Boiler (512-006)	1,368,337		1,092,305		879,141	
Pollution Control (512-007)	320,735		383,150		322,274	
Electric Plant (513-008)	2,174,509		2,321,228		214,169	
System Control (513-009)	105,188		88,589		118,188	
Miscellaneous Steam Plant (514)	395,186		262,190		285,966	
Coal Handling Equipment (516)	404,241		302,522		400,188	
System Control and Load Dispatch (556)	144,564		122,819		119,472	
Vacation, Holiday, Sick Leave (557)	484,300		446,057		486,907	
Depreciation (558)	<u>3,217,365</u>		<u>3,244,071</u>		<u>3,187,937</u>	
Total Generation Expense	<u>\$21,353,712</u>	55.9	<u>\$19,688,945</u>	50.3	<u>\$17,971,533</u>	54.3

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - May 2017

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision (560)	\$7,476		\$8,055		\$5,889	
Load Dispatching (561)	64,464		66,065		59,002	
Station Expense (562)	15,945		10,103		11,446	
Overhead Line Expense (563)	---		186		---	
Transmission of Electricity by Others (565)	113,017		84,820		77,235	
Miscellaneous Transmission Expense (566)	13,060		8,992		21,111	
Maintenance:						
Supervision (568)	2,837		2,950		3,338	
Structures (569)	188		---		---	
Station Equipment (570)	7,679		9,160		6,954	
Overhead Lines (571)	21,789		2,659		10,493	
Vacation, Holiday, Sick Leave (575)	11,826		10,062		7,927	
Depreciation (576)	40,936		31,072		31,072	
Tax on Rural Property (577)	5,677		5,690		5,686	
Total Transmission Expense	<u>304,894</u>	4.5	<u>239,814</u>	3.2	<u>240,153</u>	3.9
<u>Distribution</u>						
Operation Supervision (580)	15,063		16,567		16,682	
Load Dispatching (581)	27,871		32,992		34,200	
Station Expense (582)	12,219		14,422		7,755	
Overhead Line Expense (583)	3,903		1,577		1,321	
Vehicle Expense (589)	16,644		14,084		9,542	
Underground Line Expense (584)	10,465		5,632		6,933	
Street Lighting (585-418)	2,597		504		580	
Signal Expense (585-419)	577		293		130	
Meter Expense (586)	8,928		8,772		10,231	
Consumer Installation Expense (587)	526		542		407	
Miscellaneous Distribution Expense (588)	55,600		73,648		53,435	
Maintenance:						
Supervision (590)	11,534		11,903		14,496	
Structures (591)	955		---		---	
Station Equipment (592)	10,855		5,971		10,757	
Overhead Lines (593)	47,726		84,228		29,380	
Underground Lines (594)	15,140		39,539		21,553	
Line Transformers (595)	17,461		7,175		2,007	
Street Lighting (596-418)	10,201		10,997		5,107	
Signal System (596-419)	2,553		5,113		3,337	
Meters (597)	2,629		2,117		1,847	
Miscellaneous Distribution Plant (598)	2,708		2,366		2,561	
Vacation, Holiday, Sick Leave (599)	37,158		33,701		32,583	
Depreciation (578)	172,686		172,352		168,481	
Tax on Rural Property (579)	1,696		1,700		1,698	
Total Distribution Expense	<u>\$487,695</u>	7.1	<u>\$546,195</u>	7.4	<u>\$435,023</u>	7.1

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - May 2017

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision (560)	\$37,378		\$36,280		\$29,164	
Load Dispatching (561)	331,956		324,779		295,469	
Station Expense (562)	56,441		42,857		53,664	
Overhead Line Expense (563)	363		1,108		4,766	
Transmission of Electricity by Others (565)	565,085		375,211		383,990	
Miscellaneous Transmission Expense (566)	191,810		61,249		85,771	
Maintenance:						
Supervision (568)	14,253		13,669		16,949	
Structures (569)	626		---		---	
Station Equipment (570)	37,661		84,846		57,243	
Overhead Lines (571)	108,697		24,325		125,512	
Vacation, Holiday, Sick Leave (575)	51,993		47,232		40,528	
Depreciation (576)	204,679		155,359		155,360	
Tax on Rural Property (577)	28,386		28,541		28,513	
Total Transmission Expense	<u>1,629,328</u>	4.3	<u>1,195,456</u>	3.1	<u>1,276,929</u>	3.9
<u>Distribution</u>						
Operation Supervision (580)	74,495		75,209		83,426	
Load Dispatching (581)	139,347		162,848		165,855	
Station Expense (582)	49,977		44,697		32,683	
Overhead Line Expense (583)	21,288		7,983		11,911	
Vehicle Expense (589)	83,094		73,730		59,533	
Underground Line Expense (584)	33,330		18,485		15,704	
Street Lighting (585-418)	12,986		2,339		6,004	
Signal Expense (585-419)	3,874		736		742	
Meter Expense (586)	47,241		50,819		51,189	
Consumer Installation Expense (587)	2,731		3,555		3,666	
Miscellaneous Distribution Expense (588)	284,485		351,575		268,376	
Maintenance:						
Supervision (590)	57,283		54,668		72,703	
Structures (591)	3,267		---		17	
Station Equipment (592)	55,127		84,059		49,290	
Overhead Lines (593)	268,794		412,143		245,418	
Underground Lines (594)	81,272		86,877		64,874	
Line Transformers (595)	33,018		23,979		11,856	
Street Lighting (596-418)	52,161		62,479		50,918	
Signal System (596-419)	17,604		12,317		16,770	
Meters (597)	12,947		12,432		12,062	
Miscellaneous Distribution Plant (598)	13,542		15,362		11,887	
Vacation, Holiday, Sick Leave (599)	162,974		187,120		168,796	
Depreciation (578)	863,432		861,760		842,405	
Tax on Rural Property (579)	8,479		8,525		8,517	
Total Distribution Expense	<u>\$2,382,748</u>	6.2	<u>\$2,613,697</u>	6.7	<u>\$2,254,602</u>	6.8

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - May 2017

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$8,585		\$8,850		\$9,569	
Energy Efficiency Rebates (910)	17,857		41,842		8,249	
Electric Ranges/Dryers Maintenance (911)	451		199		219	
Electric Water Heaters Maintenance (912)	161		32		63	
Total Customer Service Expense	<u>27,054</u>	0.4	<u>50,923</u>	0.7	<u>18,100</u>	0.3
<u>Consumer Accounts</u>						
Supervision (901)	3,207		3,750		2,519	
Meter Reading Expense (902)	9,397		12,006		8,578	
Consumer Records and Collection (903)	41,316		42,314		36,610	
Uncollectible Accounts Expense (904)	5,623		5,623		4,769	
Vacation, Holiday, Sick Leave (906)	5,989		4,888		5,484	
Total Consumer Accounts Expense	<u>65,532</u>	1.0	<u>68,581</u>	0.9	<u>57,960</u>	0.9
<u>Administrative and General</u>						
Administrative and General Salaries (920)	186,756		185,746		175,985	
Office Supplies and Expenses (921)	13,761		13,154		14,771	
Outside Services Employed (923)	31,365		23,229		38,464	
Property Insurance (924)	57,271		55,722		53,778	
Casualty Ins, Injuries & Damages (925)	51,170		56,717		156,203	
Employee Pensions and Benefits (926)	579,934		550,144		529,975	
Fringe Benefits Charged to Constr. (927)	(31,177)		(26,504)		(30,913)	
Regulatory Commission (928)	6,231		8,744		7,310	
Miscellaneous General Expense (930)	45,153		42,988		40,268	
Maintenance of General Plant (932)	43,844		36,811		26,507	
Maintenance of A/O Center (934)	38,197		40,167		35,030	
Vacation, Holiday, Sick Leave (936)	35,000		34,285		29,342	
Depreciation (933)	100,044		47,766		201	
Total Administrative and General	<u>1,157,549</u>	17.0	<u>1,068,969</u>	14.5	<u>1,076,921</u>	17.6
Total Operating Expense	<u>\$7,844,605</u>		<u>\$7,877,860</u>		<u>\$6,686,153</u>	
Percent to Operating Revenue		114.9		106.7		109.3

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - May 2017

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$41,277		\$30,378		\$31,249	
Energy Efficiency Rebates (910)	89,289		104,066		25,864	
Electric Ranges/Dryers Maintenance (911)	2,357		610		963	
Electric Water Heaters Maintenance (912)	906		226		298	
Total Customer Service Expense	<u>\$133,829</u>	0.4	<u>\$135,280</u>	0.3	<u>\$58,374</u>	0.2
<u>Consumer Accounts</u>						
Supervision (901)	16,035		16,315		15,464	
Meter Reading Expense (902)	45,141		48,881		45,298	
Consumer Records and Collection (903)	200,611		190,723		183,423	
Uncollectible Accounts Expense (904)	28,115		28,115		23,845	
Vacation, Holiday, Sick Leave (906)	25,999		25,916		27,321	
Total Consumer Accounts Expense	<u>315,901</u>	0.8	<u>309,950</u>	0.8	<u>295,351</u>	0.9
<u>Administrative and General</u>						
Administrative and General Salaries (920)	934,720		881,833		884,308	
Office Supplies and Expenses (921)	84,779		65,114		63,793	
Outside Services Employed (923)	280,795		189,547		151,714	
Property Insurance (924)	275,876		272,777		283,902	
Casualty Ins, Injuries & Damages (925)	258,248		269,434		558,970	
Employee Pensions and Benefits (926)	2,847,258		2,842,570		2,679,982	
Fringe Benefits Charged to Constr. (927)	(130,938)		(115,727)		(122,383)	
Regulatory Commission (928)	31,157		36,506		35,558	
Miscellaneous General Expense (930)	333,284		209,588		195,415	
Maintenance of General Plant (932)	207,088		166,517		137,890	
Maintenance of A/O Center (934)	165,793		160,624		169,874	
Vacation, Holiday, Sick Leave (936)	152,986		153,258		160,323	
Depreciation (933)	500,222		238,831		1,004	
Total Administrative and General	<u>5,941,268</u>	15.6	<u>5,370,872</u>	13.7	<u>5,200,350</u>	15.7
Total Operating Expense	<u>\$41,632,989</u>		<u>\$40,933,420</u>		<u>\$34,386,842</u>	
Percent to Operating Revenue		109.1		104.5		103.9

Muscatine Power and Water - Electric Utility
Statistical Data
May 2017

Total Fuel Cost
 (To & Including Ash Handling, Gas & Oil)

	<u>Current Month</u>	
	<u>2017</u>	<u>2016</u>
Per Million Btu.	\$1.824	\$1.827
Per Net MW Generated	\$20.76	\$20.88
Net Peak Monthly Demand-KW	119,590	117,730
Date of Peak	5/16	5/25
Hour of Peak	1700	1600

	<u>Calendar Year-To-Date</u>	
	<u>2017</u>	<u>2016</u>
Per Million Btu.	\$1.817	\$1.850
Per Net MW Generated	\$20.38	\$20.34
Net Peak Monthly Demand-KW	119,590	117,730
Date of Peak	5/16	5/25
Hour of Peak	1700	1600

Average Temperature	59.8°	61.5°
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<u>Services</u>	<u>2017</u>	<u>2016</u>
Residential	9,862	9,835
Commercial I	1,379	1,377
Commercial II	110	118
Industrial I	11	10
Industrial II	2	2
City Enterprise Funds	23	22
Water & Communications Utility	34	34
	<hr/>	<hr/>
Total	<u>11,421</u>	<u>11,398</u>

Muscatine Power and Water - Electric Utility
Wholesale Sales Analysis - Excluding Wind
Current Month - May 2017

	<u>Modified Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
Wholesale kWh Sales*	<u>68,654,832</u>		<u>69,338,183</u>		<u>50,314,535</u>	
Wholesale Sales*	<u>\$2,197,964</u>	<u>\$0.03201</u>	<u>\$2,612,759</u>	<u>\$0.03768</u>	<u>\$1,251,061</u>	<u>\$0.02486</u>
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	1,334,514	0.01944	1,370,945	0.01977	991,176	0.01970
Emissions:						
SO ² Allowances-ARP ^{fn1}	---	---	3	---	15	0.00000
SO ² Allowances-CSAPR ^{fn2}	---	---	8	---	37	0.00000
NO _x Allowances ^{fn3}	---	---	40,161	---	19,456	0.00039
Other ^{fn4}	<u>159,224</u>	<u>0.00232</u>	<u>167,186</u>	<u>0.00241</u>	<u>192,431</u>	<u>0.00382</u>
Total Variable Costs	<u>1,493,738</u>	<u>0.02176</u>	<u>1,578,303</u>	<u>0.02276</u>	<u>1,203,115</u>	<u>0.02391</u>
Gross Margin	<u>\$704,226</u>	<u>\$0.01026</u>	<u>\$1,034,456</u>	<u>\$0.01492</u>	<u>\$47,946</u>	<u>\$0.00095</u>
Percent Gross Margin	32.0%		39.6%		3.8%	

*Wholesale analysis excludes wind. (see next page)

Calendar Year To Date

	<u>Modified Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
Wholesale kWh Sales*	<u>333,910,723</u>		<u>305,436,808</u>		<u>294,321,337</u>	
Wholesale Sales*	<u>\$10,680,217</u>	<u>\$0.03199</u>	<u>\$11,677,402</u>	<u>\$0.03823</u>	<u>\$6,995,031</u>	<u>\$0.02377</u>
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	6,121,143	0.01833	5,860,607	0.01919	5,640,836	0.01917
Emissions:						
SO ² Allowances-ARP ^{fn1}	882	0.00000	130	0.00000	99	---
SO ² Allowances-CSAPR ^{fn2}	882	0.00000	331	0.00000	246	---
NO _x Allowances ^{fn3}	296,337	0.00089	42,161	0.00014	76,198	0.00026
Other ^{fn4}	<u>796,119</u>	<u>0.00238</u>	<u>835,930</u>	<u>0.00274</u>	<u>962,155</u>	<u>0.00327</u>
Total Variable Costs	<u>7,215,363</u>	<u>0.02161</u>	<u>6,739,159</u>	<u>0.02206</u>	<u>6,679,534</u>	<u>0.02269</u>
Gross Margin	<u>\$3,464,854</u>	<u>\$0.01038</u>	<u>\$4,938,243</u>	<u>\$0.01617</u>	<u>\$315,497</u>	<u>\$0.00107</u>
Percent Gross Margin	32.4%		42.3%		4.5%	

*Wholesale analysis excludes wind. (see next page)

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

	<u>Budget</u>	<u>2017</u>	<u>2016</u>
fn1 SO ² ARP	\$2.00	\$0.80	\$0.80
YTD SO ² ARP	2.00	0.79	0.80
fn2 SO ² CSAPR	0.00	2.00	2.00
YTD SO ² CSAPR	0.00	2.00	2.00
fn3 NO _x annual	500.00	3.25	35.00
NO _x seasonal	1,300.00	735.00	267.50
YTD NO _x annual	500.00	5.60	64.37
YTD NO _x seasonal	1,300.00	735.00	267.50

fn4 Other includes variable generation O&M, rail car cost, and Title V permit fees. Costs included have been amortized evenly over the year.

Muscatine Power and Water - Electric Utility
Wind Sales Analysis
Current Month - May 2017

	<u>Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<u>Revenue</u>						
<u>Wholesale kWh Sales</u>	<u>5,112,990</u>		<u>4,680,907</u>		<u>0</u>	
<u>Wholesale Sales</u>	<u>\$102,771</u>	<u>\$0.02010</u>	<u>\$64,662</u>	<u>\$0.01381</u>	<u>\$0</u>	<u>---</u>
<u>Expense</u>						
<u>Purchased Power kWh</u>	<u>5,112,990</u>		<u>4,680,907</u>		<u>0</u>	
<u>Purchased Power</u>	<u>\$132,938</u>	<u>0.02600</u>	<u>\$121,704</u>	<u>0.02600</u>	<u>\$0</u>	<u>---</u>
<u>Gross Margin/(Loss)</u>	<u>(\$30,167)</u>	<u>(\$0.00590)</u>	<u>(\$57,042)</u>	<u>(\$0.01219)</u>	<u>\$0</u>	<u>---</u>
Percent Gross Margin	-29.4%		-88.2%		---	
RECs Sold	---		---		---	
REC Net Proceeds	\$0	---	\$0	---	\$0	---
Misc Wind Revenues/Charges	\$0		\$0		\$0	
<u>Wind Net Margin/(Loss)</u>	<u>(\$30,167)</u>		<u>(\$57,042)</u>		<u>\$0</u>	

Calendar Year To Date

	<u>Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<u>Revenue</u>						
<u>Wholesale kWh Sales</u>	<u>22,727,281</u>		<u>24,884,648</u>		<u>0</u>	
<u>Wholesale Sales</u>	<u>\$467,518</u>	<u>\$0.02057</u>	<u>\$313,976</u>	<u>\$0.01262</u>	<u>\$0</u>	<u>---</u>
<u>Expense</u>						
<u>Purchased Power kWh</u>	<u>22,727,281</u>		<u>24,884,648</u>		<u>0</u>	
<u>Purchased Power</u>	<u>\$590,909</u>	<u>0.02600</u>	<u>\$647,035</u>	<u>0.02600</u>	<u>\$0</u>	<u>---</u>
<u>Gross Margin/(Loss)</u>	<u>(\$123,391)</u>	<u>(\$0.00543)</u>	<u>(\$333,059)</u>	<u>(\$0.01338)</u>	<u>\$0</u>	<u>---</u>
Percent Gross Margin	-26.4%		-106.1%		---	
RECs Sold	---		2,500		---	
REC Net Proceeds	\$0	---	\$1,875	0.75	\$0	---
Misc Wind Revenues/Charges	\$0		\$0		\$0	
<u>Wind Net Margin/(Loss)</u>	<u>(\$123,391)</u>		<u>(\$331,184)</u>		<u>\$0</u>	

	<u>Budget</u>	<u>This Year</u>	<u>Last Year</u>
RECs at end of Prior Period	0	3,438	0
RECs Added This Period		9,525	
RECs Sold This Period	0	2,500	0
Number of RECs on hand	0	10,463	0
Market Value per REC	\$0.00	\$0.75	\$0.00
Value of RECs on Hand	\$0.00	\$7,847.49	\$0.00

Muscatine Power and Water - Electric Utility
SUPPLEMENTAL STATISTICAL DATA - FOR INTERNAL PURPOSES ONLY
May 2017

Delivered to Wholesale Customers

	<u>Current Month 2017 Budget</u>	<u>Current Month 2017 Actual</u>	<u>Current Month 2016 Actual</u>	<u>Year-To-Date 2017 Budget</u>	<u>Year-To-Date 2017 Actual</u>	<u>Year-To-Date 2016 Actual</u>
Wholesale Sales KWHs	73,767,822	74,019,090	50,314,535	356,638,004	330,321,456	294,321,337
Wholesale Sales	\$2,300,735	\$2,677,421	\$1,251,061	\$11,147,735	\$11,991,378	\$6,995,031
Less:						
Production Fuel	1,397,242	1,430,639	1,045,644	6,451,685	6,187,111	5,943,075
Generation-Other	2,395,641	2,054,471	1,858,368	12,430,112	11,108,294	9,303,047
Transmission	304,894	239,814	240,153	1,629,328	1,195,456	1,276,929
Subtotal	4,097,777	3,724,924	3,144,165	20,511,125	18,490,861	16,523,051
Wholesale Margin	<u>(\$1,797,042)</u>	<u>(\$1,047,503)</u>	<u>(\$1,893,104)</u>	<u>(\$9,363,390)</u>	<u>(\$6,499,483)</u>	<u>(\$9,528,020)</u>

Delivered to Steam Customer

	<u>Current Month 2017 Budget</u>	<u>Current Month 2017 Actual</u>	<u>Current Month 2016 Actual</u>	<u>Year-To-Date 2017 Budget</u>	<u>Year-To-Date 2017 Actual</u>	<u>Year-To-Date 2016 Actual</u>
Steam Sales - 1,000 lbs.	---	---	137,824	997,619	1,047,098	1,125,823
Steam Sales	---	---	\$557,698	\$4,095,826	\$4,005,118	\$4,484,695
Less:						
Production Fuel	---	---	270,829	2,066,141	2,222,856	2,502,321
Generation-Other	31,483	41,526	60,566	405,774	170,684	223,090
Steam Sales Margin	<u>(\$31,483)</u>	<u>(\$41,526)</u>	<u>\$226,304</u>	<u>\$1,623,911</u>	<u>\$1,611,578</u>	<u>\$1,759,284</u>

Delivered to Paying Native System Customers

	<u>Current Month 2017 Budget</u>	<u>Current Month 2017 Actual</u>	<u>Current Month 2016 Actual</u>	<u>Year-To-Date 2017 Budget</u>	<u>Year-To-Date 2017 Actual</u>	<u>Year-To-Date 2016 Actual</u>
Native System Sales KWHs	68,073,469	67,476,284	66,593,522	344,448,438	339,620,070	334,812,650
Native System Sales	\$4,445,560	\$4,540,700	\$4,221,987	\$22,582,989	\$22,749,673	\$21,306,600
Less:						
Purchased Power	1,977,516	2,376,743	1,622,590	9,876,203	11,619,220	7,329,703
Distribution	487,695	546,195	435,023	2,382,748	2,613,697	2,254,602
Customer Service	27,054	50,923	18,100	133,829	135,280	58,374
Consumers Accounts	65,532	68,581	57,960	315,901	309,950	295,351
Administrative & General	1,157,549	1,068,969	1,076,921	5,941,268	5,370,872	5,200,350
Subtotal	3,715,346	4,111,411	3,210,594	18,649,949	20,049,019	15,138,380
Native System Margin	730,214	429,289	1,011,393	3,933,040	2,700,654	6,168,220
Steam Sales Margin	(31,483)	(41,526)	226,304	1,623,911	1,611,578	1,759,284
Wholesale Margin	<u>(1,797,042)</u>	<u>(1,047,503)</u>	<u>(1,893,104)</u>	<u>(9,363,390)</u>	<u>(6,499,483)</u>	<u>(9,528,020)</u>
Net Electric Margin	(1,098,310)	(659,739)	(655,407)	(3,806,439)	(2,187,251)	(1,600,516)
Other Revenue	81,792	165,852	87,448	345,823	406,263	324,553
Nonoperating Revenue (Expense)	8,387	26,377	13,183	41,129	104,705	61,407
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	<u>(\$1,008,131)</u>	<u>(\$467,510)</u>	<u>(\$554,776)</u>	<u>(\$3,419,487)</u>	<u>(\$1,676,283)</u>	<u>(\$1,214,556)</u>

Electric Utility
Review of Operating Results
May 2017

MUSCATINE POWER AND WATER - ELECTRIC UTILITY
VARIANCES FROM BUDGETED NET POSITION - MAY 31, 2017

Page 1

	(Unfavorable)/ Favorable Compared to Budget	
Sales of Electricity		
Native System Sales	\$ 166,684	2.2% higher average sales price (\$.06699/kWh versus \$.06556/kWh budgeted), offset by 1.4% lower kWhs sold
Wholesale Sales	843,643	16.1% higher average sale price (\$.03630/kWh versus \$.03126/kWh), offset by 7.4% lower kWhs sold
	<u>1,010,327</u>	
Steam Sales	<u>(90,708)</u>	A 7.1% lower average sales price, offset by 5.0% higher pounds of steam sold
Other Revenue		
By-Product Revenue	(8,005)	Fly ash sales
	(8,012)	Gypsum sales
Miscellaneous Revenue	(4,552)	Lower job sales, net of expenses
	9,695	Higher transmission revenue
	(4,270)	Penalty revenue
	75,990	IAMWind payment
	(406)	Other miscellaneous variances - net
	<u>60,440</u>	
Operating Expense		
Purchased Power - Native System	(1,686,891)	Average purchase price is 19.4% higher (\$.03098/kwh vs \$.02594/kwh), offset by 1.1% lower kWhs purchased
Purchased Power - Wind	(56,126)	9.5% higher kWhs purchased
	<u>(1,743,017)</u>	
Production Fuel	188,127	1.7% or 4,952 fewer number of coal tons burned, offset by a 2.0% higher price/ton
	20,714	Fewer Unit 9 start-ups, resulted in lower fuel oil cost
	(100,335)	Unit 8's natural gas usage was not budgeted
	(7,395)	Unit 7's natural gas usage was higher than budgeted
	18,347	Lower gasoline/diesel fuel usage for dozers
	5,669	Lower bottom ash handling expense
	10,853	Lower fly ash handling expense
	(36,237)	CCR compliance costs were not budgeted
	(4,696)	Higher labor cost
	12,812	Other miscellaneous variances - net
	<u>107,859</u>	
Emissions Allowance	<u>292,766</u>	Market price lower than assumed
Operation	(10,826)	Higher bottom ash handling expense due to timing
	33,241	Lower gas usage for auxiliary boiler
	125,013	PAC (powdered activated carbon) injection system costs were lower
	13,125	Lower scrubber waste handling expenses
	44,844	Lower cost for wastewater chemicals
	(26,056)	Higher water bill for Units 7 & 8
	(12,642)	Higher hydrogen cost and other electric material expenses
	(55,422)	Higher cost for IDNR Title V permit fee
	10,000	PM2.5 modeling not performed
	(15,040)	Higher cost for the 316(b) Impingement/entrainment study
	57,746	Lower cost for stack emission testing
	5,000	Coal and byproduct analysis not completed
	(30,689)	Higher cost for continuous emissions monitoring system consulting
	25,000	Unit 9 levee pipe inspection, not performed
	27,880	Lower cost for rail car storage, switching costs, and administration fees
	3,000	North American Energy Markets membership, not expended

**MUSCATINE POWER AND WATER - ELECTRIC UTILITY
VARIANCES FROM BUDGETED NET POSITION - MAY 31, 2017**

Page 2

(Unfavorable)/
Favorable Compared
to Budget

8,000	161kV breakers painting, not completed
189,874	Lower cost for MISO's multi-value transmission projects
110,000	Transmission coordination study, not begun
20,833	Relay technician consultant, not utilized
(8,141)	Protective relay device support, not budgeted
7,738	Electric line workers' tools not needed
4,221	Lower cost for street lighting material costs
4,043	Fewer promotional materials expended
4,350	Energy efficiency newsletter service, not expended
(4,371)	Higher cost for customer awareness programs
(7,548)	Higher number of air conditioning rebates
7,500	City building rebates not expended
(17,250)	Higher cost for motor rebates
15,947	Organizational development consulting not expended
18,710	Board legal service not expended
20,860	Environmental/regulatory legal service not expended
(3,002)	Higher cost for transmission/reliability standards attorney
30,700	CIP compliance consulting, not expended
4,201	Lower cost for financial audit services due to timing
4,188	Lower cost for cost of service study
(23,394)	IS department professional services and review, not budgeted
16,875	Employee search services, not utilized
(4,867)	Engineering services, not budgeted
(21,395)	Higher cost for workers compensation claims
10,209	Lower general liability insurance costs
42,894	Lower healthcare costs
26,095	Lower FICA expense
(8,396)	Higher cost of deferred comp's utility match due to timing
10,816	Lower cost for educational reimbursements
(65,022)	Higher unemployment expenses
(15,211)	Less fringe charged to construction
6,167	Lower employment expenses
9,715	Lower cost for employee team expenses
15,301	Lower cost for continuous improvement
30,000	CIP low impact site compliance, not expended
16,141	Fewer subscriptions/memberships
12,281	Lower cost for gasoline/diesel fuel
83,402	Less training/travel
(26,042)	Higher cost for temporary labor services
273,976	Lower labor cost
61,301	Lower vacation accrual
131,499	Other miscellaneous variances - net
<u>1,187,372</u>	

Maintenance

(5,321)	Higher cost for elevator maintenance
7,033	Lower cost for contracted insulation replacement/repair
5,000	Overhead door maintenance not needed
11,500	Contracted utility work not utilized
300,000	Unit 9 boiler roof, not completed
6,000	Waste oil material dumpster not expended
15,000	FGD reheater hoist repair, not performed
(4,676)	Higher cost for fire protection equipment repairs
(4,871)	Unit 9 wastewater treatment sump pump cleaning, budgeted later this year
11,298	Lower bottom ash system materials expense
(8,281)	Higher cost for partial replacement of Unit 9 BA pantleg refractory
(7,575)	Unit 8 BA settling tank pump seal, not budgeted
12,097	Lower fly ash system materials expense

**MUSCATINE POWER AND WATER - ELECTRIC UTILITY
VARIANCES FROM BUDGETED NET POSITION - MAY 31, 2017**

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(Unfavorable)/
Favorable Compared
to Budget

7,252	Lower cost to replace fly ash silo bin vent and secondary collector bags
11,000	Unit 8 fly ash filter replacements not completed
(46,110)	Repair auxiliary boiler steam line under RR crossing, not budgeted
(6,962)	Inspection Unit 7 stack fall protection system not budgeted
(5,070)	Replacement of Unit 7 air preheater impulse traps, not budgeted
(4,789)	Unit 7 boiler tube leak, not budget
(4,646)	Unit 7 steam drum gauge glass leak, not budgeted
(13,975)	Higher cost for Unit 7 safety valve repairs
(8,415)	Unit 8 isolation balloon for flue gas exhaust stack not budgeted
(11,210)	Unit 8 distributive control repair not budgeted
(27,798)	Unit 8 grit blasting & boiler tube inspection, not budgeted
(18,862)	Unit 8 grit blast precipitator, not budgeted
(13,368)	Unit 8 boiler explosive deslagging, not budgeted
(8,788)	Unit 8 boiler cyclone inspection, not budgeted
100,000	Unit 8 boiler layup costs not completed
5,000	Unit 8 FA blower inlet piping not replaced
6,000	Replace one hydrojet seal air fan bearing cartridge at Unit 9, not completed
(21,990)	Unit 9 drum level gauge glass assembly not budgeted
(4,031)	Unit 9 air ejector pressure controller repair, not budgeted
(4,950)	Unit 9 coal feeder piping repair budgeted later in the year
(29,923)	Replacement of 9B pulverizer ceramic tile on the journal inner cone not budgeted
80,000	Pulverizer journal rebuild, not completed
18,455	Lower cost for routine pulverizer maintenance
8,177	Unit 9 sootblower rebuild, not completed
9,375	Unit 9 boiler vent, drain, and blowdown valve repairs not expended
(11,677)	Inspection of Unit 9 boiler windboxes and SOFA ductwork not budgeted
(21,363)	Higher cost for Unit 9 superheater temperator inspection
(5,109)	Higher cost for hydroset boiler safeties & repair
10,396	Lower cost to explosive clean Unit 9 boiler
(28,038)	Deslag Unit 9 boiler, not budgeted
7,000	Economizer contract cleaning not completed
38,000	Unit 9 coal nozzle tip repair or replacement not completed
20,000	Replace Unit 9 coal nozzles not completed
(4,919)	Higher cost for Unit 9 boiler & ductwork vacuum services
108,000	Contracted labor not utilized
(4,964)	Higher cost for ID FD Fan OEM inspection
(17,514)	Higher cost for Unit 9 boiler tube shield repairs
55,000	Replace Unit 9 hot & cold reheat drip leg switches not completed
15,000	9C Mill tungston tiles on bowl deflectors not completed
40,500	Replace one 9D and two 9A mill upper riffle distributor housings not completed
(7,128)	Cleaning of coal bunkers, not budgeted
(10,465)	Higher cost for PAC (powdered activated carbon) injection system costs
10,985	Wastewater equipment maintenance not needed
(12,264)	Inspection and cleaning Tower 902 not budgeted
6,250	FGD hydroclone repairs/replacements not completed
(19,915)	FGD batteries replacement not budgeted
(19,589)	Higher cost for absorber spray pump inspection and repair
(14,419)	Leak repair in 9B scrubber reheat condensate return pump, not budgeted
9,800	WDHFP discharge valves to Clarkson not expended
8,000	Process piping repairs not expended
(10,736)	Higher cost for booster fan OEM inspection
(9,905)	Unit 9 precipitator weld repairs, not budgeted
(143,500)	Higher cost for Unit 9 turbine & control valves inspection/overhaul
16,776	Lower cost to replace oil in Unit 9 transformer
26,000	Unit 9 auxiliary transformer repair/hot oil process not performed
30,000	Bearing laser align and load testing not completed

MUSCATINE POWER AND WATER - ELECTRIC UTILITY
VARIANCES FROM BUDGETED NET POSITION - MAY 31, 2017

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	(Unfavorable)/ Favorable Compared to Budget	
	25,737	Lower cost for circulating water tunnel inspection
	5,000	Unit 9 CV-2 relay not needed
	(91,012)	Replace Unit 9 batteries not budgeted
	(4,222)	Repair Unit 9 air ejector supply safety valve leak, not budgeted
	(7,697)	Unit 9 flux probe and PDA generator analysis not budgeted
	83,180	Unit 8 turbine layup costs not completed
	25,000	Unit 7 stop valve overhaul not completed
	19,275	Hoist and chain fall inspections and reports not performed
	6,000	Unit 9 CCHX heads, not replaced
	24,649	Plant tool crib expenses, not needed
	60,315	Lower cost for rail car maintenance
	(12,385)	Higher cost for dozer maintenance
	60,000	Recap tires on coal dozer V101, not performed
	(22,315)	Inspect Unit 8 coal crushers and feeders not budgeted
	(14,551)	Replace rail unloader stacker conveyor belt not budgeted
	(15,394)	DC-3 blower fan rebuild, not budgeted
	(4,292)	Unit 7 lump breaker switch replacement, not budgeted
	56,643	Lower cost for transmission line maintenance
	(40,492)	Oregon Street substation barrier board replacement, not budgeted
	(41,349)	Higher cost for distribution line maintenance due to storm restoration work
	(28,081)	Distribution pole inspections, budgeted later in the year
	12,447	Lower cost for computer hardware/software maintenance
	8,782	Radio equipment maintenance not needed
	4,577	Lower cost for telephone maintenance
	(74,727)	Higher labor cost
	123,758	Other miscellaneous variances - net
	<u>568,912</u>	
Depreciation	<u>285,677</u>	Net value of the A&G assets were overestimated for the budget
Nonoperating Revenue (Expense)		
Interest Income	64,014	Higher average cash balances
Interest Expense	(438)	
	<u>63,576</u>	
Capital Contributions	<u>63,483</u>	HNI, and CenturyLink transformers
Change in Net Position	<u>\$ 1,806,687</u>	Total Variance from Budgeted Net Position

Statements of Revenues, Expenses and Changes in Net Position

Sales of Electricity

Native System Sales

A 2.2% higher average sales price per kWh (\$.06699/kWh versus \$.06556/kWh budgeted), offset by 1.4% lower kWh's sold, resulted in \$166,684 higher revenue.

Wholesale Sales

A 16.1% higher average sales price (\$.03630/kWh versus \$.03126/kWh budgeted), offset by 7.4% lower kWhs sold, resulted in \$843,643 higher revenue than projected.

Steam Sales

A 7.1% lower average sales price, offset by 5.0% higher pounds of steam sold, resulted in \$90,708 lower revenue than projected.

Other Revenue

By-Product Revenue

Fly ash sales are \$8,005 lower than budgeted; gypsum sales are also lower than budgeted by \$8,012.

Miscellaneous Revenue

The budget did not include the IAMWind payment of \$75,990. Transmission revenue is \$9,695 higher than budgeted. Job sales revenue and penalty revenue are lower than budgeted by \$4,552 and \$4,270, respectively.

Nonoperating Revenue (Expense)

Interest Income

Interest income is \$64,014 higher than budgeted due to higher average cash balances.

Statement of Net Position

Liabilities

Health and Dental Insurance Provision

Health care claims have been less than premiums accrued. The current portion is based on the third-party administrator's estimate of incurred but unpaid health claims at year end. This estimate is adjusted in December each year.

Summary of Expenses

Purchased Power – (555)

A 19.4% higher average purchase price (\$.03098/kWh versus \$.02594/kWh budgeted), offset by 1.1% lower kWhs purchased for native system sales, resulted in \$1,686,891 higher cost. Wind energy kWh purchases were 9.5% or \$56,126 higher than budgeted.

Generation

Fuel – Coal – (501-001)

1.7% or 4,952 fewer tons of coal burned due to the maintenance outage taking place in February and March versus later in the budget year, offset by a 2.0% higher price/ton, resulted in \$188,127 lower coal expense.

Fuel – Fuel Oil – (501-921)

Fewer Unit 9 start-ups, resulted in \$20,714 lower fuel oil expense.

Fuel – Gas – (501-002)

The budget assumed there would be no Unit 8 natural gas usage; actual expense is \$100,335. Unit 7's gas usage is also higher than budgeted, resulting in \$7,395 higher expense.

Coal Handling Expense - (501-003)

Gasoline/diesel fuel expense for the dozers, bottom ash handling, and fly ash handling expenses are \$18,347, \$5,669, and \$10,853 lower than budgeted, respectively.

Landfill Operation Expense - (501-925)

CCR compliance expenses totaling \$36,237 were not budgeted.

Emissions Allowance Expense - (509)

Expense is based on current market price, which is \$292,766 lower than budgeted.

Annual SO2 - CSAPR allowance information follows:						
1/1/17 Beg balance						
4102.5						
Annual EPA		GPC	Allowances	MPW	GPC	Allowances
<u>Allocation</u>	<u>+ Purchases</u>	<u>+ Provides</u>	= <u>Available</u>	<u>Electricity</u>	<u>+ Steam</u>	= <u>Consumed</u>
1956.0	0.0	447.0	6505.5	166.9	447.0	613.9
			Valued @	\$560	\$894	
				Ending Balance 5/31/17		5891.6
Annual NOx allowance information follows:						
1/1/17 Beg balance						
1301.7						
Annual EPA		GPC	Allowances	MPW	GPC	Allowances
<u>Allocation</u>	<u>+ Purchases</u>	<u>+ Provides</u>	= <u>Available</u>	<u>Electricity</u>	<u>+ Steam</u>	= <u>Consumed</u>
1746.0	0.0	453.0	3500.7	393.8	453.0	846.8
			Valued @	\$0	\$3,530	
				Ending Balance 5/31/17		2653.9

Generation (cont'd)Steam Expense – Boiler – (502-004)

Gas usage for the auxiliary boiler and labor expenses are \$33,241 and \$75,388 lower than budgeted, respectively. Bottom ash handling expense is \$10,826 higher than budgeted.

Steam Expense – Pollution Control – (502-005)

Labor, PAC (powdered activated carbon) injection system costs, scrubber waste handling, and wastewater chemicals are \$54,557, \$125,013, \$13,125, and \$44,844 lower than budgeted, respectively.

Electric Expense – (505)

Labor expense is \$81,435 lower than budget; water expense for Units 7 & 8 is \$26,056 higher than budgeted. Hydrogen and other material expenses are \$12,642 higher than budgeted.

<u>Miscellaneous Steam Power Expense - (506)</u>	<u>2017</u>	<u>2017</u>
	<u>Budget</u>	<u>Actual</u>
Labor	\$411,824	\$393,958
IDNR Title V permit fee	41,533	96,955
PM2.5 modeling	10,000	-
316(b) cooling water impingement/entrainment study	75,000	90,040
Stack emission testing	165,500	107,754
Coal and byproduct analysis	5,000	-
Continuous emissions monitoring system consulting	12,427	43,116
ESC software engineering time/maintenance	10,500	10,287
Unit 9 4-SYTE system strategy program	3,335	7,400
Unit 9 levee pipe inspection	25,000	-
Plant safety material expenses	54,419	47,406
Rail car storage/switching costs/admin fees	75,207	47,327
Travel/training	72,000	49,656
Temporary labor services	14,260	35,081
Ground maintenance	13,050	16,051
Membership/subscriptions	8,125	3,674
Gasoline/diesel fuel	5,833	3,665
Other expenses	<u>120,941</u>	<u>30,294</u>
	<u>\$1,123,954</u>	<u>\$982,664</u>

Maintenance of Supervision – (510)

Labor expense is \$67,346 higher than budget due to Unit 9 maintenance outage being moved to February and March.

Generation (cont'd)

<u>Maintenance of Structures - (511)</u>	2017	2017
	<u>Budget</u>	<u>Actual</u>
Labor	\$125,602	\$92,986
Elevator maintenance	18,948	24,269
State elevator inspection and permits	2,000	-
Contracted insulation replacement/repair	10,030	2,997
Overhead door maintenance	5,000	-
Central Stores building maintenance	3,750	867
Contracted utility work	11,500	-
Units 9, 8 & 8A annual backflow preventer testing	3,470	3,488
Unit 9 boiler roof	300,000	-
Waste oil material dumpster	6,000	-
Replacement of cathodic protection anodes	1,000	-
Repair FGD reheater hoist	15,000	-
Unit 8 fire protection pump/valve repair/panel inspection	8,100	9,820
Unit 9 fire protection panel repair/inspection	9,000	11,956
Unit 9 wastewater treatment sump pump cleaning	-	4,871
Other expenses	<u>69,623</u>	<u>51,386</u>
	<u>\$589,023</u>	<u>\$185,813</u>

Generation (cont'd)

<u>Maintenance of Boiler Plant - Boiler - (512-006)</u>	2017 <u>Budget</u>	2017 <u>Actual</u>
Labor	\$363,469	\$312,141
Bottom ash system materials	40,198	28,900
Partial replacement of Unit 9 BA pantleg refractory	75,000	83,281
Unit 8 BA settling tank pump seal	-	7,575
Fly ash system materials	35,085	22,988
Replace fly ash silo bin vent and secondary collector bags	13,000	5,748
Unit 8 fly ash filter replacements	11,000	-
Reverse osmosis system	4,300	823
Repair auxiliary boiler steam line under RR crossing	-	46,110
Inspect Unit 7 stack fall protection system	-	6,962
Replace Unit 7 air preheater impulse traps	-	5,070
Unit 7 feeder paddles & drum replacement	-	2,312
Unit 7 boiler tube leak	-	4,789
Unit 7 steam drum gauge glass leak	-	4,646
Unit 7 safety valve repairs	-	13,975
Unit 8 isolation balloon for flue gas exhaust stack	-	8,415
Unit 8 distributive control repair	-	11,210
Unit 8 boiler cyclone weld repairs	-	3,520
Unit 8 grit blasting & boiler tube inspection	-	27,798
Unit 8 grit blast precipitator	-	18,862
Unit 8 boiler explosive deslagging	-	13,368
Unit 8 boiler cyclone inspection	-	8,788
Unit 8 sootblower repairs	-	4,577
Unit 8 boiler layup	100,000	-
Replace Unit 8 FA blower inlet piping	5,000	-
Replace one hydrojet seal air fan bearing cartridge at Unit 9	6,000	-
Unit 9 drum level gauge glass assembly	-	21,990
Unit 9 air ejector pressure controller repair	-	4,031
Unit 9 sootblower repairs	13,125	7,590
Unit 9 coal feeder piping repair	-	4,950
Replace 9B pulverizer ceramic tile on the journal inner cone	-	29,923
Pulverizer journal rebuild	80,000	-
Unit 9 routine pulverizer maintenance	41,690	23,235
Rebuild Unit 9 sootblowers	13,125	4,948
Unit 9 miscellaneous valve repairs	17,500	14,480
Unit 9 boiler vent, drain, and blowdown valve repairs	9,375	-
Inspect Unit 9 boiler windboxes and SOFA ductwork	-	11,677
Unit 9 superheater temperator inspection	15,000	36,363
9A ID fan motor inspection	14,000	14,162
Update Unit 9 BFP recirculating valve controls	8,000	7,714

Generation (cont'd)

<u>Maintenance of Boiler Plant - Boiler - (512-006) cont'd</u>	2017	2017
	<u>Budget</u>	<u>Actual</u>
Hydroset boiler safeties & repair	10,000	15,109
Explosive clean Unit 9 boiler	15,000	4,604
Deslag Unit 9 boiler	-	28,038
Economizer contract cleaning	7,000	-
Unit 9 coal nozzle tip repair or replacement	38,000	-
Replace Unit 9 coal nozzles	20,000	-
Unit 9 boiler & ductwork vacuum services	32,000	36,919
Contracted labor	108,000	-
Unit 9 high pressure air heater boiler washing	36,000	32,683
Grit blast U9 ID fans	3,240	-
Scaffold Unit 9 boiler pantlegs for refractory and screen repair	10,000	8,113
ID FD Fan OEM inspection services	8,000	12,964
Unit 9 boiler tube shield repairs	15,000	32,514
Replace Unit 9 hot & cold reheat drip leg switches	55,000	-
9C Mill tungston tiles on bowl deflectors	15,000	-
Replace one 9D and two 9A mill upper riffle distributor housings	40,500	-
Install grease lines to ID fan damper bearings	-	3,283
Clean coal bunkers	-	7,128
Software/plant controls maintenance agreements	21,711	24,285
Other expenses	<u>69,019</u>	<u>74,834</u>
	<u>\$1,368,337</u>	<u>\$1,103,395</u>

Generation (cont'd)

<u>Maintenance of Boiler Plant – Pollution Control - (512-007)</u>	2017	2017
	<u>Budget</u>	<u>Actual</u>
Labor	\$138,493	\$143,798
Continuous emission monitoring expenses	51,531	50,750
PAC (powdered activated carbon) injection system costs	4,165	14,630
Grit blast and vacuum clean Unit 9 precipitator	35,000	37,657
Miscellaneous limestone handling equipment repairs	4,745	168
Wastewater equipment maintenance	12,292	1,307
Scrubber waste equipment repairs	4,500	811
Inspect/clean Tower 902	-	12,264
FGD hydroclone repairs/replacements	6,250	-
FGD batteries replacement	-	19,915
Absorber spray pump inspection/repair	6,000	25,589
Repair leak in 9B scrubber reheat condensate return pump	-	14,419
WDHFP discharge valves to Clarkson	9,800	-
Process piping repairs	8,000	-
Booster fan OEM inspection	9,600	20,336
Unit 9 precipitator weld repairs	-	9,905
Quencher sump pump motor repair	5,000	7,551
Replace transformer for 9 precipitator transformer rectifier	-	3,268
Miscellaneous FGD equipment repairs	16,665	16,593
Other expenses	<u>8,694</u>	<u>4,189</u>
	<u>\$320,735</u>	<u>\$383,150</u>

Generation (cont'd)

<u>Maintenance of Electric Plant - (513-008)</u>	2017	2017	
	<u>Budget</u>	<u>Actual</u>	
Labor	\$144,217	\$269,362	
Unit 9 turbine & control valves inspection/overhaul	1,600,000	1,787,500	*
Unit 9 transformer oil samples	2,500	-	
Replace oil in Unit 9 transformer	65,000	48,224	
Unit 9 auxiliary transformer repair/hot oil process	26,000	-	
Replace Unit 9 turbine thermocouples	-	2,839	
Repair Unit 9 turbine bearings		3,041	
Replace #2 bearing seals	29,000	-	*
Unit 9 Dovetail pin inspection	15,000	-	*
Bearing laser align and load testing	30,000	-	
Circulating water tunnel inspection	50,000	24,263	
Inspect/recondition 4160 volt breakers	13,000	14,276	
Unit 9 CV-2 relay	5,000	-	
Replace Unit 9 batteries	-	91,012	
Repair Unit 9 air ejector supply safety valve leak	-	4,222	
Unit 9 flux probe and PDA generator analysis	-	7,697	
Unit 8 flux probe and PDA generator analysis	8,500	6,090	
Unit 8 station batteries 5 year load test	-	2,070	
Unit 8 turbine layup	100,000	16,820	
Unit 8 miscellaneous plant maintenance	6,941	3,325	
Unit 7 stop valve overhaul	25,000	-	
Unit 7 miscellaneous plant maintenance	9,043	7,838	
GE, EX-2000, and Mark V service agreement	9,360	9,544	
Other expenses	35,948	23,105	
	<u>\$2,174,509</u>	<u>\$2,321,228</u>	
*Costs included in turbine overhaul project			

Maintenance of System Control – (513-009)

Labor expense is \$7,775 lower than budgeted. The budget includes \$3,125 for CIP-related expenses that were not expended, plus software maintenance costs are \$4,103 lower than budgeted.

Maintenance of Miscellaneous Steam Plant – (514)

Labor expense is \$56,104 lower than budgeted. The budget includes \$19,275 for hoist and chain fall inspections and repairs, \$6,000 to replace Unit 9 CCHX heads, and \$24,649 for tool crib expenses that have not been needed. Other miscellaneous material expenses are lower than budget by \$26,968.

Generation (cont'd)

<u>Maintenance of Coal Handling Equipment - (516)</u>	2017	2017
	<u>Budget</u>	<u>Actual</u>
Labor	\$118,962	\$106,394
Rail car maintenance	85,300	24,985
Dozer maintenance	57,125	69,510
Recap 4 tires on coal dozer V101	60,000	-
Coal conveyor maintenance	26,623	22,902
Coal chute ceramic repair	9,000	-
Inspect Unit 8 coal crushers and feeders	-	22,315
Replace rail unloader stacker conveyor belt	-	14,551
Rebuild DC-3 blower fan	-	15,394
Unit 7 lump breaker switch replacement	-	4,292
Other expenses	56,231	22,179
	<u>\$404,241</u>	<u>\$302,522</u>

<u>System Control and Load Dispatch - (556)</u>	2017	2017
	<u>Budget</u>	<u>Actual</u>
Labor	\$71,014	\$53,152
SCADA Dark Fiber service & BUCC MME services	8,110	7,890
MISO operating & administrative fees	61,245	60,607
North American Energy Markets membership	3,000	-
Other expenses	1,194	3,406
	<u>\$144,563</u>	<u>\$125,055</u>

TransmissionLoad Dispatching – (561)

The budget includes \$2,500 for control area certification, which has not been expended; labor and NERC-related expenses are \$2,242 and \$2,082 lower than budgeted, respectively.

Station Expense – (562)

Labor expense is \$7,242 lower than budgeted. The budget includes \$8,000 to paint 161 breakers and \$2,000 for oil testing that have not been completed; actual expenses include \$4,486 for protective relay device support that was not budgeted.

Transmission of Electricity by Others – (565)

The cost of MISO's multi-value projects is \$189,874 lower than budgeted.

Miscellaneous Transmission Expense – (566)

The budget includes \$110,000 for a consultant for the system protection coordination study; \$20,833 for a relay technician consultant; and \$5,400 for software maintenance that have not been expended. Labor expense is \$8,206 higher than budget due to project engineering spending more time on the transmission study than budgeted.

Transmission (cont'd)Maintenance of Station Equipment – (570)

Labor expense is \$41,721 higher than budgeted; battery load testing, costing \$2,915, was not budgeted.

Maintenance of Overhead Lines – (571)

Line maintenance performed by MEC for the joint section of Line 104 was budgeted at \$6,250/month; it is now estimated at \$1,000/month. Other material expenses are \$30,393 lower than budgeted. Electric line workers' labor expense is \$29,563 lower than the budget.

DistributionLoad Dispatching – (581)

System control labor expense is \$24,666 higher than budgeted.

Station Expense – (582)

Substation electricians' labor expense is \$8,573 lower than budgeted. Actual expenses included \$3,655 for protective relay device support that was not budgeted.

Overhead Line Expense – (583)

The budget includes \$7,738 for electric line workers' tools and tool repairs, plus \$1,750 for hoist testing and \$2,500 for Lean initiative expenses that have not been needed.

Vehicle Expense – (589)

Gasoline/diesel fuel expense is \$8,279 lower than budgeted.

Underground Line Expense – (584)

Outside servicemen's labor and material expenses are \$12,396 and \$1,588 lower than budgeted, respectively.

Street Lighting – (585-STL)

Less time has been spent on street light repairs, resulting in \$6,426 lower labor expense and \$4,221 lower material cost.

Signal Expense – (585-419)

Labor expense is \$2,643 lower than budgeted.

Miscellaneous Distribution Expense – (588)

Labor expense is \$57,602 higher than budgeted; the electric line workers' labor makes up \$29,373 of this total.

Maintenance of Station Equipment – (592)

Expenses include \$40,492 to replace the barrier board at Oregon Street substation that was not budgeted. Labor expense is \$13,269 lower than budgeted.

Maintenance of Overhead Lines – (593)

Restoration cost due to a March storm was \$105,056. Pole inspections, costing \$28,081, are budgeted later in the year.

Distribution (cont'd)Maintenance of Line Transformers – (595)

Labor for transformer change-outs and other maintenance is \$7,983 lower than budgeted.

Maintenance of Street Lighting – (596-STL)

Labor and materials are higher than budgeted by \$8,083 and \$2,235, respectively.

Maintenance of Signal Expense – (596-419)

Substation electricians' labor expense is \$4,904 lower than budgeted.

Vacation, Holiday, Sick Leave – (599)

The electric line workers' sick leave and personal time usage was higher than anticipated.

Customer Service Expense

<u>Customer Information Expense - (909)</u>	2017 <u>Budget</u>	2017 <u>Actual</u>	2016 <u>Actual</u>
<u>Marketing</u>			
Media advertising	\$7,185	\$4,851	\$5,261
Customer newsletter/bill inserts	1,392	1,550	1,003
Postage	915	-	-
Promotional materials	4,385	342	1,865
Photo library	<u>1,270</u>	<u>810</u>	<u>810</u>
Subtotal - Marketing	<u>15,147</u>	<u>7,553</u>	<u>8,939</u>
<u>Energy Services</u>			
Trees Forever	13,000	13,000	12,500
Questline-EE newsletter service	4,350	-	4,786
IAMU energy efficiency report	-	-	150
City-owned buildings energy efficiencies	-	1,916	-
Customized energy efficiencies	1,500	-	-
Compact fluorescent exchange program	3,000	1,263	1,799
Customer awareness programs	415	4,786	-
Presentation materials	2,765	-	-
Science fair/poster contest	<u>1,100</u>	<u>1,860</u>	<u>2,946</u>
Subtotal - Energy Services	<u>26,130</u>	<u>22,825</u>	<u>22,181</u>
Miscellaneous	=	=	<u>129</u>
	<u>\$41,277</u>	<u>\$30,378</u>	<u>\$31,249</u>

Customer Service Expense (cont'd)

<u>Energy Efficiency Rebates - (912)</u>	2017	2017	2016
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Compact fluorescent lighting	\$1,250	\$1,022	\$1,042
Commercial lighting	31,250	30,756	7,437
Air conditioning	8,375	15,923	4,500
Refrigerator	4,164	1,345	1,760
City building improvement	7,500	-	-
Washing machine	2,500	1,150	1,700
Customized energy efficiency	-	1,625	4,725
Water heater	2,250	2,200	3,700
Geo-thermal	5,000	6,970	-
Motor	25,000	42,250	-
Dishwasher	2,000	825	1,000
	<u>\$89,289</u>	<u>\$104,066</u>	<u>\$25,864</u>

Consumer Accounts

<u>Consumer Records and Collection - (903)</u>	2017	2017	2016
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Labor	\$152,512	\$137,751	\$138,028
Temporary labor services	434	10,283	3,716
Postage	11,917	11,273	11,769
Payment processing fees	22,983	22,881	22,562
Collection fees	4,950	5,169	4,370
Integrated voice response service	825	799	778
Travel/training	2,545	44	-
Gasoline/diesel fuel	1,250	762	682
Other	3,195	1,761	1,518
	<u>\$200,611</u>	<u>\$190,723</u>	<u>\$183,423</u>

Administrative and GeneralAdministrative and General Salaries – (920)

Labor is lower than budget by \$52,888 due to the Manager, Information Systems position not being filled until May.

<u>Office Supplies - (921)</u>	2017	2017	2016
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Phone expense	\$16,133	\$14,642	\$14,243
Memberships/subscriptions	12,538	10,141	8,283
Internet/MME	6,925	6,494	7,178
Office furniture	6,965	4,483	4,359
Computer hardware/software	12,872	8,189	6,217
Postage	-	2,430	4,720
Vehicle allowance	5,193	5,193	5,183
Vehicle maintenance	3,917	1,574	1,507
Gasoline/diesel fuel	1,667	799	627
General office supplies	5,743	3,842	4,443
Other	12,826	7,327	7,033
	<u>\$84,779</u>	<u>\$65,114</u>	<u>\$63,793</u>

Administrative and General (cont'd)

<u>Outside Services Employed - (923)</u>	<u>Resp</u>	<u>2017</u>	<u>2017</u>	<u>2016</u>
	<u>Code</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Organizational development consulting	120-Sal	\$32,400	\$16,453	-
Legal services	140-Brandy	44,160	25,450	13,882
Environmental/regulatory legal services	140-Brandy	20,860	-	5,886
Transmission/reliability standards attorney	140-Brandy	5,000	8,002	-
NERC audit preparation consultant	140-Brandy	-	-	2,850
Coal & transportation attorney	140-Brandy	2,080	-	-
Bond counsel	140-Brandy	1,250	-	-
Labor attorney	140-Brandy	2,100	1,497	-
CIP compliance consulting	145-Seth	32,500	1,800	7,000
Web design service	224-Rick	3,495	1,409	1,277
Insurance advisor	310-Jerry	17,010	17,010	17,010
Financial audit services	320-Cassie	34,020	29,819	37,263
Cost of service study	320-Cassie	25,000	20,812	-
Coal & transportation consulting	331-Brad	25,000	25,000	33,162
Fuel procurement committee consulting	331-Brad	3,000	-	-
IS department professional services	350-Jerry	-	7,512	-
IS department review	350-Jerry	-	15,882	-
509A Actuary	410-Erika	891	790	811
Benefits consulting	410-Erika	12,069	12,069	12,069
Employee search services	410-Erika	16,875	-	-
Engineering compensation review	410-Erika	-	1,175	-
Labor legal services	410-Erika	-	-	1,486
Pension study	410-Erika	-	-	19,018
MISO consultant	610-Gage	2,085	-	-
Coal pile survey	612-Scott	1,000		
Engineering services	760-Mark	-	4,867	-
		<u>\$280,795</u>	<u>\$189,547</u>	<u>\$151,714</u>

Injuries and Damages – (925)

Workers compensation claims are \$21,395 higher than anticipated; insurance costs are \$10,209 lower than budget.

Administrative and General (cont'd)

<u>Employee Pensions and Benefits (926)</u>	2017	2017	2016
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Pension	\$978,267	\$978,267	\$899,673
Healthcare costs	1,029,707	986,813	958,846
FICA	558,122	532,027	526,575
Deferred comp utility match	132,000	140,396	130,482
Dental	41,800	39,521	42,053
Educational reimbursements	21,870	11,054	18,301
LTD insurance	26,072	24,087	24,954
Life insurance	18,752	18,950	17,634
Post-employment health benefit	11,430	11,430	11,580
Recognition dinner	12,150	14,975	15,792
Unemployment expenses	2,025	67,047	21,083
Other expenses	15,063	18,003	13,009
	<u>\$2,847,258</u>	<u>\$2,842,570</u>	<u>\$2,679,982</u>

Fringe Benefits Charged to Construction – (927)

Less time has been charged to capital projects than projected.

<u>Miscellaneous General Expense - (930)</u>	2017	2017	2016
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Employment expenses	\$19,643	\$13,476	\$4,022
APPA dues	9,240	10,367	9,425
IUB Iowa Energy Center	20,833	21,916	20,910
IAMU membership	14,165	15,699	14,528
Economic development pledge	11,813	14,175	14,175
Annual report	7,047	4,528	4,059
Legal publications	2,194	1,785	1,725
Continuous Improvement	16,403	1,102	5
CIP low impact site compliance	30,000	-	-
Subscriptions/memberships	15,973	16,826	17,798
Employee team expenses	25,487	15,772	17,328
Training/travel	74,600	21,247	24,670
Safety-related expenses	7,846	1,995	6,519
Labor	21,226	11,579	18,142
Temporary labor services	28,711	29,281	28,377
Board trustee fees	3,038	3,038	3,038
Other expenses	25,066	26,801	10,694
	<u>\$333,284</u>	<u>\$209,588</u>	<u>\$195,415</u>

Maintenance of General Plant – (932)

Radio equipment, telephone, vehicle, and computer hardware/software maintenance costs are \$8,782, \$4,577, \$12,144 and \$12,447 lower than budgeted, respectively.

Administrative and General (cont'd)

Depreciation – (933)

The budget overestimated the net value of A&G assets at 2016 year end.

Electric Utility
Statement of Net Position Review
May 2017

	<u>2017</u>	<u>2016</u>
<u>Current Assets</u>		
<u>Consumer Accounts</u>		
Customer Electric Accounts	\$4,902,991	\$4,528,241
Unbilled Revenue	479,274	482,645
Merchandise Accounts	222,532	1,317,325
Allowance for Doubtful Accounts	(36,147)	(42,207)
	<u>\$5,568,650</u>	<u>\$6,286,004</u>
<u>Inventories</u>		
Inventory	\$4,960,505	\$5,229,951
Emission Allowance - NOx	3,530	36,165
Emission Allowance - SO2	119,970	121,583
Stores Expense	13,285	(77,161)
Gas and Diesel Fuel	107,839	193,304
Limestone	144,001	134,638
	<u>\$5,349,130</u>	<u>\$5,638,480</u>
<u>Prepaid Expenses</u>		
Prepaid Insurance	\$778,386	\$764,436
Prepaid Maintenance Contracts	287,448	250,787
Economic Development Pledge	19,845	19,845
GP Strategies operator training program	10,250	10,200
IA Dept Comm Global Warming	17,533	16,728
IAMU-annual dues	29,325	26,659
APPA dues	---	4,066
IUB - commerce commission assessment	3,512	3,412
NERC-quarterly assessment	3,701	15,968
Travel advances	17,461	38,259
Other Prepaid Expenses	1,056	8,273
	<u>\$1,168,517</u>	<u>\$1,158,633</u>
<u>Current Liabilities</u>		
<u>Accounts Payable (amounts over \$10,000 itemized)</u>		
Water bills	\$24,810	\$27,817
Communications bills	13,812	13,812
ADA Carbon Solutions - PAC	---	73,006
Airgas - hydrogen	---	17,487
Alliant Energy - gas	29,850	---
Alstom -bull ring assembly	15,883	---
Bank of America - supplies	19,869	19,330
Benetech - dust suppressant	---	22,185
Black & Veatch - engineering services	27,719	14,800
Brooks Brothers Trailers - pole trailer	14,708	---
Buckskin Mining Company - coal	284,677	141,924
Burlington Northern - coal transport/railcar rpr	930,582	225,670

Camlin Power Inc - DGA analyzer	42,520	---
Canadian Pacific Railway - coal transport	130,967	54,000
CDW-G - Thinkpads	28,818	---
City of Muscatine - wastewater/sanitation	119,543	68,432
Cogsdale - business system implementation	54,820	209,219
Cottingham & Butler -workers comp claims	8,352	12,243
FE Moran - sprinkler inspection	12,680	---
GE International - #9 turbine overhaul/#7 turbine inspection	48,957	---
HDR Engineering - BTA evaluation	24,820	13,146
Hedge Above - lawn service	15,753	---
Heery - facility design	34,181	---
HR Green Inc - CCR sampling	11,032	---
IDNR - Title V Fee	422,519	279,420
Iowa Chicago & Eastern RR - coal transportation	38,930	38,930
Jefferies Refined Coal - refined coal	2,374,746	2,193,226
Kaman - coal conveyor belt	---	52,745
Kone - elevator maintenance	10,841	---
MidAmerican Energy - joint trans line maint	---	61,250
MISO - purch power/trans svc/admin fee	114,649	559,818
Mitel - phone system	13,990	---
MJ Electric - autotransformer	113,085	---
Mostardi Platt - emissions testing	68,837	---
Motion Industries - belts/pulleys	---	10,753
NERC - qtrly assessment	---	11,054
PC Connection - server	---	22,043
Precision Midwest - GIS equipment	58,621	---
Ragan - #9 desuperheater header repair	29,000	---
Resco - blade assembly/transformers	104,345	244,591
RMB Consulting - environmental training	---	11,508
Siemens - vacuum breaker/switches	52,249	---
South Fork Wind - energy	121,704	---
SPX Heat Transfer - cover plate/ring	---	18,017
Tekran - CEM maintenance	---	32,728
Tempair - dehumidifiers	16,735	---
Tenaska - monthly fee	---	15,000
Thielsch Engineering - boiler monitoring software	---	44,000
Traffic Control Corporation - corridor project	12,038	---
Visa - travel	16,811	10,683
W-S Industrial Services - #8 grit blasting/deslagging	52,144	---
Other	311,885	162,414

\$5,827,482

\$4,681,251

Miscellaneous Accrued Expenses

Interest on Customer Deposits	\$85,776	\$88,411
Sales/Use Tax Collections Payable	94,969	65,031
Payroll Tax Collections Payable	174,380	171,570
Workers' Comp Self Insurance Reserves	348,016	464,749
Employee payroll vision deductions	0	---
Comp Time Payable	52,287	42,906
Employee team bank	60,519	58,594

\$815,947

\$891,261

Muscatine Power and Water

Water Utility

Statement of Revenues, Expenses and Changes in Net Position

May 2017

**Muscatine Power and Water
Water Utility**

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Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - May 2017

	<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>Water Distribution - 1,000 Gallons</u>					
Contract Customers	695,251	(2.4)	678,259	1.7	666,955
Power Plants	50,200	(44.6)	27,835	(47.5)	53,013
Residential	35,566	(2.9)	34,521	(1.2)	34,923
Commercial	29,821	(2.8)	28,984	2.6	28,245
Total Metered Customers	810,838	(5.1)	769,599	(1.7)	783,136
Rated Customers - Estimate	---	---	15	36.4	11
City Use, Line Loss, Cycle Billing	48,650	(5.1)	46,176	(1.7)	46,988
Total Water Pumped	859,488	(5.1)	815,790	(1.7)	830,135

Calendar Year-to-Date

	<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>Water Distribution - 1,000 Gallons</u>					
Contract Customers	3,202,649	5.2	3,367,842	8.3	3,109,075
Power Plants	254,445	21.2	308,485	(5.0)	324,720
Residential	175,019	(3.8)	168,355	(2.0)	171,852
Commercial	137,620	(2.3)	134,475	3.2	130,346
Total Metered Customers	3,769,733	5.6	3,979,157	6.5	3,735,993
Rated Customers - Estimate	---	---	71	36.5	52
City Use, Line Loss, Cycle Billing	226,184	5.6	238,749	6.5	224,160
Total Water Pumped	3,995,917	5.6	4,217,977	6.5	3,960,205

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - May 2017

	Budget Estimate	Avg. Price	% Increase (Decrease) from Budget	This Year	Avg. Price	% Increase (Decrease) from Last Year	Last Year	Avg. Price
<u>Sales of Water</u>								
Contract Customers	\$278,204	\$ 0.40015	2.7	\$285,822	\$ 0.42141	9.2	\$261,791	\$ 0.39252
Power Plants	26,657	0.53102	(7.4)	24,686	0.88688	(10.9)	27,698	0.52248
Residential	161,058	4.52843	---	161,057	4.66549	4.1	154,685	4.42932
Commercial	51,674	1.73281	1.7	52,546	1.81292	7.5	48,872	1.73029
Water Sales	517,593	0.63834	1.3	524,111	0.68102	6.3	493,046	0.62958
<u>Other Revenue</u>								
Penalty Revenue	845		10.7	935		10.7	845	
Merchandise & Job Sales-Net	917		39.0	1,275		12.7X	93	
Miscellaneous Revenue	984		(26.3)	725		10.9	654	
Total Other Revenue	2,746		6.9	2,935		84.4	1,592	
Operating Revenue	520,339		1.3	527,046		6.6	494,638	
<u>Operating Expense</u>								
Operation	342,941		1.4	347,775		3.6	335,739	
Maintenance	138,999		(4.8)	132,374		2.2X	41,398	
Depreciation	65,293		(1.3)	64,466		5.2	61,305	
Total Operating Expense	547,233		(0.5)	544,615		24.2	438,442	
Operating Income (Loss)	(26,894)		(34.7)	(17,569)		-1.3X	56,196	
<u>Nonoperating Revenues (Expenses)</u>								
Interest Income	88		(8.0)	81		19.1	68	
Interest Expense	(1,092)		30.9	(1,429)		77.5	(805)	
Net Nonoperating Revenues (Expenses)	(1,004)		34.3	(1,348)		82.9	(737)	
Net Income (Loss) before Capital Contributions	(27,898)		(32.2)	(18,917)		-1.3X	55,459	
Capital Contributions	---		---	---		---	36,869	
Change in Net Position	(27,898)		(32.2)	(18,917)		-1.2X	92,328	
Beginning Net Position	16,524,868			16,641,826			15,784,142	
Ending Net Position	<u>\$16,496,970</u>			<u>\$16,622,909</u>			<u>\$15,876,470</u>	
Net Income (Loss) to Operating Revenue	(5.4)			(3.6)			11.2	
Debt Service Coverage	10.47			11.71			41.93	

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - May 2017

	Budget		% Increase			% Increase		
	Estimate	Avg. Price	(Decrease)	This Year	Avg. Price	(Decrease)	Last Year	Avg. Price
			from Budget			from Last		
						Year		
<u>Sales of Water</u>								
Contract Customers	\$1,293,830	\$ 0.40399	6.1	\$1,372,650	\$ 0.40758	12.5	\$1,219,951	\$ 0.39238
Power Plants	131,046	0.51503	19.9	157,101	0.50927	6.8	147,106	0.45302
Residential	783,740	4.47803	(0.7)	778,032	4.62137	4.0	748,185	4.35366
Commercial	231,750	1.68398	5.5	244,552	1.81856	7.4	227,627	1.74633
Water Sales	2,440,366	0.64736	4.6	2,552,335	0.64143	8.9	2,342,869	0.62711
<u>Other Revenue</u>								
Penalty Revenue	3,380		(1.6)	3,325		12.0	2,970	
Merchandise & Job Sales-Net	4,584		(9.3)	4,157		5.6	3,937	
Miscellaneous Revenue	6,843		38.7	9,492		39.1	6,826	
Total Other Revenue	14,807		14.6	16,974		23.6	13,733	
Operating Revenue	2,455,173		4.6	2,569,309		9.0	2,356,602	
<u>Operating Expense</u>								
Operation	1,708,061		(3.2)	1,652,973		3.9	1,590,473	
Maintenance	386,643		11.9	432,769		51.3	286,088	
Depreciation	326,471		(1.3)	322,250		5.1	306,525	
Total Operating Expense	2,421,175		(0.5)	2,407,992		10.3	2,183,086	
Operating Income	33,998		3.7X	161,317		(7.0)	173,516	
<u>Nonoperating Revenues (Expenses)</u>								
Interest Income	340		34.4	457		25.5	364	
Interest Expense	(5,461)		27.4	(6,958)		74.3	(3,992)	
Net Nonoperating Revenues (Expenses)	(5,121)		26.9	(6,501)		79.2	(3,628)	
<u>Net Income (Loss) before Capital Contributions</u>	28,877		4.4X	154,816		(8.9)	169,888	
Capital Contributions	---		---	---		---	36,869	
<u>Change in Net Position</u>	28,877		4.4X	154,816		(25.1)	206,757	
<u>Beginning Net Position</u>	16,468,093			16,468,093			15,669,713	
<u>Ending Net Position</u>	\$16,496,970			\$16,622,909			\$15,876,470	
Net Income (Loss) to Operating Revenue	1.2			6.0			7.2	
Debt Service Coverage	19.63			24.35			34.92	

Muscatine Power and Water - Water Utility
Statements of Net Position
May 2017

ASSETS

	<u>2017</u>	<u>2016</u>
Current Assets:		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$425,955	\$754,900
Receivables:		
Consumer Accounts	682,728	639,568
Interest	22	2
Inventories	363,594	311,646
Prepaid Expenses	54,045	53,604
	<u>1,526,344</u>	<u>1,759,720</u>
Total Unrestricted Current Assets		
<u>Restricted Assets</u>		
Cash - interest bearing	35,300	35,265
	<u>35,300</u>	<u>35,265</u>
Total Current Assets	<u>1,561,644</u>	<u>1,794,985</u>
Property and Equipment:		
At Cost	33,579,635	29,689,471
Less Accumulated Depreciation	10,946,320	10,780,532
	<u>22,633,315</u>	<u>18,908,939</u>
Net Property and Equipment		
Deferred Outflows of Resources - Pension		
Changes of Assumptions	120,280	120,280
Difference between projected and actual earnings on pension plan	294,580	54,648
Contributions subsequent to measurement date	309,461	303,525
	<u>724,321</u>	<u>478,453</u>
Total Deferred Outflows of Resources - Pension		
TOTAL ASSETS	<u><u>\$24,919,280</u></u>	<u><u>\$21,182,377</u></u>

Muscatine Power and Water - Water Utility
Statements of Net Position
May 2017

LIABILITIES AND NET POSITION

	<u>2017</u>	<u>2016</u>
Current Liabilities:		
<u>Payable from Unrestricted Assets</u>		
Accounts Payable	\$422,845	\$235,938
Health & Dental Insurance Provision	31,680	30,320
Retained Percentage on Contracts	8,456	12,043
Consumer Advances for Construction	91,105	87,439
Accrued Payroll	60,102	51,581
Accrued Vacation	147,118	126,300
Accrued Property Taxes	1,245	1,162
Miscellaneous Accrued Expenses	64,491	75,242
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	827,042	620,025
	<hr/>	<hr/>
<u>Payable from Restricted Assets</u>		
State Revolving Loan	32,000	31,000
Accrued Interest	5,184	1,811
	<hr/>	<hr/>
Total Payable from Restricted Assets	37,184	32,811
	<hr/>	<hr/>
Total Current Liabilities	864,226	652,836
	<hr/>	<hr/>
Non-Current Liabilities:		
State Revolving Loan	68,000	100,000
Notes Payable to Electric Utility	5,500,000	2,900,000
Health & Dental Insurance Provision	34,261	39,683
Post-Employment Health Benefit Provision	41,325	37,927
Net Pension Liability	1,327,491	1,073,863
Consumer Advances for Construction	198,772	253,514
	<hr/>	<hr/>
Total Non-Current Liabilities	7,169,849	4,404,987
	<hr/>	<hr/>
Deferred Inflows of Resources - Pension	262,296	248,084
	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets	22,243,438	18,436,986
Restricted	30,116	33,454
Unrestricted	(5,650,645)	(2,593,970)
	<hr/>	<hr/>
Total Net Position	16,622,909	15,876,470
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET POSITION	<u>\$24,919,280</u>	<u>\$21,182,377</u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
May 2017

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$542,945	\$2,563,504
Miscellaneous sources	6,830	18,538
Cash paid to/for:		
Suppliers	(151,828)	(909,930)
Employees payroll, taxes and benefits	(198,953)	(1,058,588)
Net cash flows from operating activities	<u>198,994</u>	<u>613,524</u>
Cash flows from capital and related financing activities:		
State revolving loan fund principal payments	(31,000)	(31,000)
State revolving loan interest payments	(2,293)	(2,293)
Loan from electric utility	---	2,600,000
Capital expenditures, net	(266,339)	(3,602,767)
Net cash flows from capital and related financing activities	<u>(299,632)</u>	<u>(1,036,060)</u>
Cash flows from investing activities:		
Interest received on investments	<u>78</u>	<u>445</u>
Net cash flows from investing activities	<u>78</u>	<u>445</u>
Net decrease in cash and investments	<u>(100,560)</u>	<u>(422,091)</u>
Cash and investments at beginning of period	<u>561,815</u>	<u>883,346</u>
Cash and investments at end of period	<u><u>\$461,255</u></u>	<u><u>\$461,255</u></u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
May 2017

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	(\$17,569)	\$161,317
Noncash item in operating income:		
Depreciation of utility plant	64,466	322,250
Changes in assets and liabilities:		
Consumer accounts receivable	25,195	18,620
Inventories	(808)	(6,627)
Prepaid and deferred expenses	3,923	(302)
Accounts payable	71,191	41,776
Net pension liability	13,799	68,996
Health & dental insurance provision	(564)	3,019
Other post-employment benefit provision	300	1,503
Retained percentage	6,964	7,673
Accrued payroll	25,081	(16,942)
Accrued vacation	3,758	17,604
Accrued property taxes	113	(114)
Unearned revenue	---	(2,300)
Miscellaneous accrued expenses	3,145	(2,949)
	<u>\$198,994</u>	<u>\$613,524</u>
Net cash flows from operating activities	<u>\$198,994</u>	<u>\$613,524</u>

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - May 2017

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision (600)	\$3,403		\$3,499		\$2,772	
Operation Labor and Expenses (601)	1,037		1,215		1,135	
Miscellaneous Expense (603)	530		986		344	
Maintenance of Wells (614)	40,000		24,022		---	
Maintenance of Supply Mains (616)	760		---		222	
Depreciation (618)	9,493		9,525		9,015	
Total Source of Supply Expense	55,223	10.6	39,247	7.4	13,488	2.7
<u>Pumping</u>						
Operation Supervision (620)	3,875		4,004		3,221	
Fuel or Power Purchased (623)	89,245		82,412		82,005	
Pumping Labor and Expenses (624)	4,501		4,228		5,487	
Miscellaneous Expense (626)	262		295		295	
Maintenance of Structures (631)	448		---		---	
Maintenance of Pumping Equipment (632/633)	33,922		62,616		9,984	
Depreciation (634)	6,382		6,294		6,024	
Total Pumping Expense	138,635	26.6	159,849	30.3	107,016	21.6
<u>Water Treatment</u>						
Operation Supervision (640)	3,488		3,625		3,234	
Chemicals (641)	18,917		19,024		18,958	
Operation Labor and Expenses (642)	12,430		16,230		13,128	
Miscellaneous Expense (643)	2,207		573		551	
Maintenance of Structures (651)	3,241		218		454	
Maintenance of Purification Equip. (652)	2,002		4,675		1,909	
Depreciation (654)	3,518		3,262		3,229	
Total Water Treatment Expense	45,803	8.8	47,607	9.0	41,463	8.4
<u>Distribution</u>						
Operation Supervision (660)	3,568		3,719		3,268	
Storage Facilities Expense (661)	4,900		5,955		5,910	
Trans. & Distr. Lines Expense (662)	5,272		9,951		10,880	
Meter Expense (663)	9,570		9,239		9,937	
Consumer Installation Expense (664)	11,305		5,575		4,224	
Miscellaneous Expense (665)	14,963		19,744		15,478	
Vehicle Expense (667)	4,617		5,920		3,636	
Maintenance:						
Supervision (670)	5,107		5,329		4,627	
Structures (671)	657		720		8,284	
Reservoirs and Standpipes (672)	21,064		234		8	
Mains (673)	16,232		13,648		4,704	
Valves (674)	4,774		4,885		1,456	
Meters (676)	1,932		2,080		2,547	
Hydrants (677)	1,319		6,681		403	
Miscellaneous Plant (678)	2,969		3,126		4,109	
Vacation, Holiday, Sick Leave (679)	16,743		17,491		14,252	
Depreciation (680)	38,251		36,184		35,403	
Total Distribution Expense	\$163,243	31.4	\$150,481	28.6	\$129,126	26.1

Muscatine Power and Water - Water Utility
Summary of Expenses
Calendar Year-to-Date - May 2017

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Source of Supply</u>						
Operation Supervision (600)	\$16,839		\$17,160		\$13,929	
Operation Labor and Expenses (601)	5,184		3,880		5,218	
Miscellaneous Expense (603)	1,735		2,079		1,610	
Maintenance of Wells (614)	80,000		66,396		37,000	
Maintenance of Supply Mains (616)	3,799		---		2,526	
Depreciation (618)	47,468		47,627		45,073	
Total Source of Supply Expense	155,025	6.3	137,142	5.3	105,356	4.5
<u>Pumping</u>						
Operation Supervision (620)	18,950		19,504		16,107	
Fuel or Power Purchased (623)	414,903		417,855		387,304	
Pumping Labor and Expenses (624)	22,515		22,759		23,853	
Miscellaneous Expense (626)	1,310		1,496		1,474	
Maintenance of Structures (631)	2,242		272		90	
Maintenance of Pumping Equipment (632/633)	73,646		145,924		84,089	
Depreciation (634)	31,911		31,470		30,120	
Total Pumping Expense	565,477	23.0	639,280	24.9	543,037	23.0
<u>Water Treatment</u>						
Operation Supervision (640)	17,361		18,002		16,207	
Chemicals (641)	94,585		88,037		87,138	
Operation Labor and Expenses (642)	79,883		77,562		75,727	
Miscellaneous Expense (643)	15,386		12,103		4,957	
Maintenance of Structures (651)	7,166		7,634		4,190	
Maintenance of Purification Equip. (652)	7,816		18,955		13,302	
Depreciation (654)	17,588		16,309		16,146	
Total Water Treatment Expense	239,785	9.8	238,602	9.3	217,667	9.2
<u>Distribution</u>						
Operation Supervision (660)	17,873		18,462		16,574	
Storage Facilities Expense (661)	20,907		25,676		24,397	
Trans. & Distr. Lines Expense (662)	26,842		29,622		30,510	
Meter Expense (663)	49,298		46,443		44,378	
Consumer Installation Expense (664)	40,160		20,237		19,523	
Miscellaneous Expense (665)	83,068		90,024		70,068	
Vehicle Expense (667)	23,437		24,883		18,966	
Maintenance:						
Supervision (670)	25,569		25,834		23,630	
Structures (671)	1,287		814		8,921	
Reservoirs and Standpipes (672)	21,318		2,111		322	
Mains (673)	86,654		90,581		38,366	
Valves (674)	22,934		18,400		28,564	
Meters (676)	10,067		5,142		8,813	
Hydrants (677)	5,668		11,458		2,331	
Miscellaneous Plant (678)	14,847		20,858		19,156	
Vacation, Holiday, Sick Leave (679)	73,130		76,089		63,099	
Depreciation (680)	191,257		180,840		177,015	
Total Distribution Expense	\$714,316	29.1	\$687,474	26.8	\$594,633	25.2

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - May 2017

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	<u>\$574</u>	0.1	<u>\$953</u>	0.2	<u>\$1,233</u>	0.2
<u>Consumer Accounts</u>						
Supervision (901)	1,385		1,619		1,087	
Meter Reading Expense (902)	3,893		5,080		3,474	
Consumer Records and Collection (903)	16,752		16,907		14,959	
Uncollectible Accounts Expense (904)	1,104		1,104		1,049	
Vacation, Holiday, Sick Leave (906)	<u>2,445</u>		<u>2,258</u>		<u>2,340</u>	
Total Consumer Accounts Expense	<u>25,579</u>	4.9	<u>26,968</u>	5.1	<u>22,909</u>	4.6
<u>Administrative and General</u>						
Administrative and General Salaries (920)	22,282		22,665		21,116	
Office Supplies and Expenses (921)	1,540		1,870		2,020	
Outside Services Employed (923)	1,911		1,562		2,411	
Property Insurance (924)	1,808		1,760		1,698	
Casualty Ins, Injuries & Damages (925)	4,798		5,231		17,055	
Employee Pensions and Benefits (926)	63,896		63,102		57,795	
Fringe Benefits Charged to Constr. (927)	(10,748)		(7,769)		(10,917)	
Miscellaneous General Expense (930)	9,574		7,193		11,569	
Rents (931)	6,279		6,279		6,096	
Maintenance of General Plant (932)	4,572		4,140		2,691	
Vacation, Holiday, Sick Leave (936)	4,615		4,276		4,039	
Depreciation (933)	<u>7,649</u>		<u>9,201</u>		<u>7,634</u>	
Total Administrative and General	<u>118,176</u>	22.7	<u>119,510</u>	22.7	<u>123,207</u>	24.9
Total Operating Expense	<u>\$547,233</u>		<u>\$544,615</u>		<u>\$438,442</u>	
Percent to Operating Revenue		105.2		103.3		88.6

Muscatine Power and Water - Water Utility
Summary of Expenses
Calendar Year-to-Date - May 2017

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	<u>\$7,410</u>	0.3	<u>\$2,797</u>	0.1	<u>\$3,579</u>	0.2
<u>Consumer Accounts</u>						
Supervision (901)	6,924		7,046		6,672	
Meter Reading Expense (902)	18,537		20,988		18,858	
Consumer Records and Collection (903)	81,236		77,043		74,675	
Uncollectible Accounts Expense (904)	5,519		5,520		5,245	
Vacation, Holiday, Sick Leave (906)	<u>10,621</u>		<u>11,003</u>		<u>10,904</u>	
Total Consumer Accounts Expense	<u>122,837</u>	5.0	<u>121,600</u>	4.7	<u>116,354</u>	4.9
<u>Administrative and General</u>						
Administrative and General Salaries (920)	111,493		105,470		107,349	
Office Supplies and Expenses (921)	9,710		9,110		7,680	
Outside Services Employed (923)	13,111		8,906		9,362	
Property Insurance (924)	8,712		8,614		8,578	
Casualty Ins, Injuries & Damages (925)	24,229		24,017		60,429	
Employee Pensions and Benefits (926)	315,676		311,678		289,108	
Fringe Benefits Charged to Constr. (927)	(36,763)		(41,106)		(32,684)	
Miscellaneous General Expense (930)	56,616		38,848		51,351	
Rents (931)	31,396		31,396		30,482	
Maintenance of General Plant (932)	23,630		18,390		14,788	
Vacation, Holiday, Sick Leave (936)	20,268		19,770		17,846	
Depreciation (933)	<u>38,247</u>		<u>46,004</u>		<u>38,171</u>	
Total Administrative and General	<u>616,325</u>	25.1	<u>581,097</u>	22.6	<u>602,460</u>	25.6
Total Operating Expense	<u>\$2,421,175</u>		<u>\$2,407,992</u>		<u>\$2,183,086</u>	
Percent to Operating Revenue		98.6		93.7		92.6

Muscatine Power and Water - Water Utility
Statistical Data
Current Month - May 2017

	<u>2017</u>		<u>2016</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.642	0.681	0.594	0.630
Cost Per 1,000 Gallons	<u>0.668</u>	<u>0.708</u>	<u>0.528</u>	<u>0.560</u>
Margin	<u>(0.025)</u>	<u>(0.027)</u>	<u>0.066</u>	<u>0.070</u>

	<u>2017</u>	<u>2016</u>
Maximum Daily Water Pumped (1,000 gallons)	29,256	29,173
Date of Maximum	05/16	05/30

Calendar Year-to-Date

	<u>2017</u>		<u>2016</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.605	0.641	0.592	0.627
Cost Per 1,000 Gallons	<u>0.571</u>	<u>0.605</u>	<u>0.551</u>	<u>0.584</u>
Margin	<u>0.034</u>	<u>0.036</u>	<u>0.040</u>	<u>0.043</u>

	<u>2017</u>	<u>2016</u>
Maximum Daily Water Pumped (1,000 gallons)	30,872	29,892
Date of Maximum	01/11	04/20

Services

Contract Customers	2	2
Power Plants	2	2
Residential	8,776	8,755
Commercial	<u>1,075</u>	<u>1,067</u>
Total	<u>9,855</u>	<u>9,826</u>

Water Utility
Review of Operating Results
May 2017

MUSCATINE POWER AND WATER - WATER UTILITY
VARIANCES FROM BUDGETED NET POSITION - May 31, 2017

(Unfavorable)/
Favorable
Compared to
Budget

Sales of Water

Contract Customers	\$ 73,977	GPC consumption is 5.3% higher than budgeted, along with a higher billing rate
	26,055	Power plants' consumption is 21.2% higher than budgeted, partially offset by lower billing rate
	12,802	Commercial consumption is 2.3% lower than budgeted offset by higher billing rate
	(5,708)	Residential consumption is 3.8% lower than budgeted, partially offset by higher billing rate
	4,843	Heinz's consumption is 4.1% higher than budgeted
	<u>111,969</u>	

Other Revenue

Merchandise & Job Sales-Net	(427)	Lower job sales revenue
Miscellaneous Revenue	2,594	Other miscellaneous variances
	<u>2,167</u>	

Operating Expense

Operation	(2,952)	Higher fuel/power purchased due to 1.0% lower cost per kWh, offset by 5.6% more gallons pumped
	6,548	Lower chemicals than budgeted due to lower price/unit and lower phosphate lbs used
	8,683	Bacteria sampling supplies not incurred
	1,620	Road stone materials
	(5,247)	East Hill and West Hill electricity higher than budgeted
	5,855	RPZ replacement costs budgeted in February and not incurred through May
	(9,554)	Hydrant and valve adjustment
	3,531	Promotional/education materials
	2,939	Lower legal costs than budgeted
	2,291	Lower organizational development costs than budgeted
	1,460	Employee search services not incurred through May
	(2,022)	IS review not budgeted
	5,646	Lower health care cost
	(2,601)	Temp services higher than budgeted
	8,392	Travel and training lower than budgeted
	25,969	Lower labor, sick, personal and vacation expense
	4,530	Other miscellaneous variances - net
	<u>55,088</u>	
Maintenance	30,490	Maintenance labor under budget
	(8,228)	Vacuum regulator, yoke assembly, chlorine injector and spare pump repairs not budgeted
	3,827	Maintenance agreements less than budget
	(15,890)	Street and concrete repairs more than budgeted in maintenance of mains
	3,069	Budgeted more valve replacement in anticipation of higher number of broken valves
	(2,797)	Backhoe repairs not budgeted
	19,467	Budgeted tank inspection and tower cleaning/painting not incurred through May
	13,604	Well cleaning (some budgeted in 2016 and completed in 2017), behind schedule for 2017
	(13,967)	Well #28 repairs
	(10,085)	Well #34 motor repairs not budgeted
	(60,031)	Maintenance of wells 23 and 25 budgeted in 2016
	(5,585)	Other miscellaneous variances - net
	<u>(46,126)</u>	
Depreciation	4,221	
Nonoperating Revenue (Expense)		
Interest Income	117	
Interest Expense	(1,497)	
	<u>(1,380)</u>	
Change in Net Loss before Capital Contributions	<u>125,939</u>	
Capital Contributions	-	
Change in Net Position	<u>\$ 125,939</u>	Total Variance in Budgeted Net Position

Statements of Revenues, Expenses and Changes in Net Position

Sales of Water

Contract customers' water usage is 5.2% higher than budgeted, resulting in \$78,820 more revenue. GPC's usage was 5.3% higher than budget along with a 1.0% higher billing rate, resulting in \$73,977 more revenue. Heinz's usage was 4.1% higher than budget, resulting in \$4,843 more revenue. Power plants' revenue was \$26,055 or 19.9% higher than budget due to 21.2% higher usage offset by a 1.1% lower billing rate. Residential customers' water usage is 3.8% lower than budgeted, offset by a 3.2% higher billing rate, resulting in \$5,708 lower revenue. Commercial customers' water usage is 2.3% lower than budgeted, offset by a 8.0% higher billing rate, resulting in \$12,802 more revenue.

Year-To-Date Summary of Expenses

Source of Supply

Maintenance of Supply Wells – (614)

Well cleaning leftover from 2016 was completed in January and February, totaling \$42,000. 2017 well cleaning was budgeted at \$80,000 through May with only \$24,000 expended to date.

Maintenance of Supply Mains – (616)

Labor and materials are under budget \$2,383 and \$1,417, respectively in production.

Pumping

Fuel or Purchased Power – (623)

The cost per kWh was 1.0% lower than budget, offset by 5.6% more gallons pumped than budget, resulting in \$2,952 higher expense.

	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
Fuel or Power Purchased	\$414,903	\$417,855	\$387,304
1,000 Gallons Pumped	<u>3,995,917</u>	<u>4,217,977</u>	<u>3,960,205</u>
Cost per 1,000 Gal. Pumped	\$0.1038	\$0.0991	\$0.0978
kWhs Consumed	6,556,882	6,673,540	6,494,880
kWh per 1,000 Gal. Pumped	1.64	1.58	1.64

Maintenance of Pumping Equipment – (632/633)

Pump #23 and pump #25 are over budget \$56,994 and \$3,037, respectively. This relining, cleaning and pump replacement was budgeted in 2016 and not finished until 2017. Well #34 is over budget \$10,085 due to motor repairs, Well #44 repairs are over budget \$5,100, West Hill Pump House repairs are over budget \$1,500, and other wells are over budget \$13,967, mostly due to repairs on well #28. Pumping equipment labor is under budget \$10,087 in distribution, planning and electrician departments. RTU labor is under budget \$8,506, mostly in technical services. SCADA is under budget \$1,200.

Water TreatmentChemicals Expense – (641)

Chemical purchases, are \$6,548 less than budgeted due to lower price/unit through May.

	<u>2017 Budget</u>			<u>2017 Actual</u>			<u>2016 Actual</u>		
1,000 Gal. Pumped	3,995,917			4,217,977			3,960,205		
	Units	\$	Per Unit	Units	\$	Per Unit	Units	\$	Per Unit
Chlorine (lbs)	63,083	\$20,110	\$0.310	62,870	\$18,990	\$0.302	60,520	\$18,287	\$0.302
Hydrofluoro-silic Acid (lbs)	77,917	\$28,050	\$0.360	85,188	\$27,573	\$0.324	79,341	\$26,318	\$0.332
Phosphate (lbs)	45,125	\$46,425	\$1.029	43,728	\$41,474	\$0.948	44,600	\$42,534	\$0.954

Operations Labor and Expense – (642)

Materials are under budget \$8,683 mostly due to production bacteria sampling budgeted in January and not yet incurred through May. Labor is over budget \$6,362 mostly in production.

Miscellaneous Expense – (643)

Labor is under budget \$4,902, mostly in distribution. Materials are over budget \$1,620 due mostly to road stone purchases.

Maintenance of Purification Equipment – (652)

Labor is over budget \$2,910, mostly in distribution and planning and scheduling. Materials are over budget \$8,228, due to a vacuum regulator purchase, yoke assembly, chlorine injector, and a spare pump for Grandview.

DistributionStorage Facilities Expense – (661)

Materials are over budget \$5,417 mostly due to East Hill Reservoir and West Hill Reservoir power bills higher than budgeted by \$3,573 and \$1,674, respectively. Labor is \$649 lower than budget.

Consumer Installation Expense – (664)

Labor is under budget \$14,068, mostly in outside services and distribution. Materials are under budget \$5,855 due to RPZ replacement costs budgeted in February but not incurred through May.

Miscellaneous Expense – (665)

Labor is under budget \$11,293 in engineering technicians and CAD, partially offset by higher labor of \$8,695 in project engineering, outside services and supplies. Materials are over budget \$9,554 mostly due to an inventory adjustment of a hydrant and valve.

Maintenance of Reservoirs and Standpipes – (672)

Materials are under budget \$19,467 due to budgeted inspection of tanks and cleaning and painting of tower budgeted in May.

Distribution (cont'd)Maintenance of Mains – (673)

Labor is under budget \$11,963 mostly in distribution. Materials are over budget \$15,890 due to higher cost of street and concrete repairs than budgeted.

Maintenance of Valves – (674)

Labor is under budget \$1,465 mostly in distribution. Materials are under budget \$3,069 due to anticipation of more maintenance and replacement needed when turning old valves.

Maintenance of Meters – (676)

Labor is under budget \$2,989 in metering. Materials are under budget \$1,935.

Maintenance of Hydrants – (677)

Labor is over budget \$671, mostly in distribution. Materials are over budget \$5,119 due to temp services and hydrant valve work not budgeted.

Miscellaneous Plant – (678)

Labor is over budget \$3,214, mostly in vehicle maintenance. Materials are over budget \$2,797 due to backhoe repairs not budgeted.

Depreciation – (680)

Transmission and distribution depreciation is under budget due mainly to reservoir, mains and other projects not completed in 2016.

Customer Information Expense – (909)

	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
Promotional Material/Education	\$3,656	\$125	\$744
Media Advertising	2,257	1,917	2,276
Newsletter	602	649	433
Billtrust	150	35	---
Presentation Materials	240	---	---
Postage	395	---	---
Photo Library	<u>110</u>	<u>71</u>	<u>126</u>
	<u>\$7,410</u>	<u>\$2,797</u>	<u>\$3,579</u>

Consumer Records and Collections – (903)

	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
Labor	\$60,325	\$54,236	\$55,332
Credit Card Processing	5,096	5,113	5,330
Bill Trust Expense	2,375	2,190	2,254
Postage	5,146	4,868	5,082
Temp Services	187	4,441	1,346
Fuel	750	327	300
Invoice Cloud	934	931	856
Collection Expense	1,979	2,201	1,866
IVR	356	296	336
Other Expenses	<u>4,088</u>	<u>2,440</u>	<u>1,973</u>
	<u>\$81,236</u>	<u>\$77,043</u>	<u>\$74,675</u>

Administrative and GeneralAdministrative and General Salaries – (920)

Labor is under budget \$6,023, mostly in information services and supply chain.

Outside Services Employed – (923)

	<u>Resp Code</u>	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
Organizational Development	120-Sal	\$2,800	\$509	\$---
Consulting Services	120-Sal	---	913	---
Legal Fees	140-Brandy	2,520	81	1,200
Labor Attorney	140-Brandy	500	---	---
Web Graphics	224-Rick	302	122	110
Insurance Advisor	310-Jerry	1,470	1,470	1,470
Audit Services	320-Cassie	2,940	2,577	3,220
IS Review	350-Jerry	---	2,022	---
Pension Study	410-Erika	---	---	1,644
Benefits Consulting	410-Erika	1,042	1,043	1,648
Employee Search Services	410-Erika	1,460	---	---
Other Expenses		<u>77</u>	<u>169</u>	<u>70</u>
		<u>\$13,111</u>	<u>\$8,906</u>	<u>\$9,362</u>

Employee Pensions and Benefits – (926)

	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
Health Care Cost	\$135,488	\$129,842	\$112,073
Pension	68,996	68,996	67,188
FICA	61,246	60,236	57,694
IPERS	20,550	21,468	20,720
Deferred comp utility match	13,200	14,040	14,865
Life, LTD & ADD	4,641	4,448	4,407
Dental	5,500	5,200	4,915
OPEB	1,504	1,504	1,354
Unemployment	175	1,023	---
Other Expenses	<u>4,376</u>	<u>4,921</u>	<u>5,892</u>
	<u>\$315,676</u>	<u>\$311,678</u>	<u>\$289,108</u>

Fringe Benefits Charged to Construction – (927)

More time was charged to capital projects through May than projected.

Miscellaneous General Expense – (930)

Labor expenses are lower than budget by \$6,941, mostly in water production, distribution, environmental and safety and training departments. Materials are under budget \$10,827, mostly due to travel and training lower than budget by \$7,324.

Maintenance of General Plant – (932)

Maintenance agreements are under budget \$5,216 and memberships and subscriptions are under budget by \$957.

Administrative and General (cont'd)

Depreciation — (933)

Depreciation is over budget \$7,757, mostly due to tools and equipment not budgeted.

Water Utility
Statement of Net Position Review
May 2017

	<u>2017</u>	<u>2016</u>
<u>Current Assets</u>		
<u>Receivables - Consumer Accounts</u>		
Customer Water Accounts	\$612,322	\$576,733
Customer Loan	2,667	---
Unbilled Revenue	68,790	65,128
Merchandise Accounts	5,033	2,510
Allowance for Doubtful Accounts	(6,084)	(4,803)
	<u>\$682,728</u>	<u>\$639,568</u>
<u>Inventories</u>		
Inventory	362,805	\$315,678
Stores Expense (a/c 163)	789	(4,032)
	<u>\$363,594</u>	<u>\$311,646</u>
<u>Prepaid Expenses</u>		
Prepaid Insurance	\$37,638	\$38,440
Prepaid Maintenance Contracts	16,779	11,475
Other Prepaid Expenses	(372)	3,689
	<u>\$54,045</u>	<u>\$53,604</u>
<u>Current Liabilities</u>		
<u>Accounts Payable (amounts over \$2,500 itemized)</u>		
Electric bills	\$89,662	\$89,263
Alexander Chemical Corp - chlorine	4,824	4,824
A-L-L Equipment - pump	2,632	---
Cahoy Pump Service - Well 46	20,013	39,983
City of Muscatine - mansand	68,932	---
Cogsdale - business system implementation	4,738	18,081
First National Bank - bank fees	---	3,235
HD Supply - hydrant/corp stops	4,407	6,791
Heuer - main repairs	---	6,793
Hometown Plumbing & Heating - plumbing svcs	38,357	3,470
HR Green - professional services	15,225	---
Hupp Electric Motors - capacitors	---	4,472
Interstate Industrial - flow meter	---	6,354
IPERS - pension	5,595	5,150
Kellor & Kellor - landscaping	4,135	---
Martin Equipment - excavator rental	---	4,011
Metering & Tech Solutions - encoders/meters	23,341	---
Metron-Farnier - antennas	3,016	---
Midwest Mobile Washers - clean water tower	---	8,189
Mosaic Global Sales - hydrofluorosilic acid	---	14,399
Mitel - phone system	6,041	---
Northway - well repair/cleaning	76,110	3,766
Utility Equipment - bolts/service saddles	---	3,122
Wilkinson Precast - concrete box	4,750	---
Other	60,067	14,035
	<u>\$431,845</u>	<u>\$235,938</u>
<u>Customer Advances for Construction</u>		
Lutheran Homes	\$59,640	\$6,000
Aspen Villas	---	43,873
Curry Trucking	30,815	---
Oakview Plaza	---	36,991
Others	650	575
	<u>\$91,105</u>	<u>\$87,439</u>
<u>Miscellaneous Accrued Expenses</u>		
Sales/Use Tax Collections Payable	\$8,238	\$7,472
Payroll Tax Collections Payable	16,185	14,058
Employee Payroll Deductions	2,652	2,546
Workers' Comp Self Insurance Reserves	33,060	45,287
Comp Time Payable	4,356	5,879
	<u>\$64,491</u>	<u>\$75,242</u>

Muscatine Power and Water

Communications Utility

Statement of Revenues, Expenses and Changes in Net Position

May 2017

**Muscatine Power and Water
Communications Utility**

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Muscatine Power and Water - Communications Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - May 2017

	<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	\$614,223	(4.1)	\$589,076	(0.7)	\$593,043
Data/Internet	473,623	4.1	493,026	6.9	461,385
MAN	48,800	26.0	61,474	16.0	53,017
Miscellaneous	11,658	31.8	15,370	44.0	10,677
Total Operating Revenues	<u>1,148,304</u>	0.9	<u>1,158,946</u>	3.7	<u>1,118,122</u>
<u>Operating Expense</u>					
Operation	773,487	(5.2)	733,096	---	733,287
Maintenance	79,075	1.7	80,420	11.8	71,963
Depreciation	145,200	(7.1)	134,926	(3.2)	139,329
Total Operating Expenses	<u>997,762</u>	(4.9)	<u>948,442</u>	0.4	<u>944,579</u>
Operating Income	<u>150,542</u>	39.8	<u>210,504</u>	21.3	<u>173,543</u>
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	685	3.9X	3,367	33.2	2,527
Interest Expense	<u>(3,768)</u>	---	<u>(3,768)</u>	(5.0)	<u>(3,968)</u>
Net Nonoperating Expense	<u>(3,083)</u>	(87.0)	<u>(401)</u>	(72.2)	<u>(1,441)</u>
Net Income before Capital Contributions	147,459	42.5	210,103	22.1	172,102
Capital Contributions	<u>1,722</u>	47.4	<u>2,538</u>	0.6	<u>2,522</u>
Change in Net Position	149,181		212,641		174,624
Beginning Net Position	<u>6,078,843</u>		<u>6,375,557</u>		<u>4,137,753</u>
Ending Net Position	<u>\$6,228,024</u>		<u>\$6,588,198</u>		<u>\$4,312,377</u>
Net Income to Operating Revenue	12.8		18.1		15.4
Debt Service Coverage on Electric Utility Debt	6.75		7.95		7.07

Muscatine Power and Water - Communications Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - May 2017

	<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	\$2,996,757	(4.8)	\$2,853,428	(2.8)	\$2,934,208
Data/Internet	2,343,922	3.0	2,414,511	7.0	2,256,573
MAN	244,000	26.3	308,156	15.9	265,794
Miscellaneous	<u>58,291</u>	<u>(7.6)</u>	<u>53,839</u>	<u>0.2</u>	<u>53,751</u>
Total Operating Revenues	<u>5,642,970</u>	<u>(0.2)</u>	<u>5,629,934</u>	<u>2.2</u>	<u>5,510,326</u>
<u>Operating Expense</u>					
Operation	3,904,744	(6.4)	3,654,796	1.5	3,599,365
Maintenance	439,594	(14.6)	375,365	(2.0)	383,074
Depreciation	<u>725,998</u>	<u>(7.1)</u>	<u>674,630</u>	<u>(3.2)</u>	<u>696,645</u>
Total Operating Expenses	<u>5,070,336</u>	<u>(7.2)</u>	<u>4,704,791</u>	<u>0.5</u>	<u>4,679,084</u>
Operating Income	<u>572,634</u>	<u>61.6</u>	<u>925,143</u>	<u>11.3</u>	<u>831,242</u>
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	4,085	2.1X	12,666	87.1	6,769
Interest Expense	<u>(18,840)</u>	<u>---</u>	<u>(18,842)</u>	<u>(5.0)</u>	<u>(19,840)</u>
Net Nonoperating Expense	<u>(14,755)</u>	<u>(58.1)</u>	<u>(6,176)</u>	<u>(52.8)</u>	<u>(13,071)</u>
Net Income before Capital Contributions	557,879	64.7	918,967	12.3	818,171
Capital Contributions	<u>8,610</u>	<u>(10.6)</u>	<u>7,696</u>	<u>(18.2)</u>	<u>9,411</u>
Change in Net Position	566,489		926,663		827,582
Beginning Net Position	<u>5,661,535</u>		<u>5,661,535</u>		<u>3,484,795</u>
Ending Net Position	<u><u>\$6,228,024</u></u>		<u><u>\$6,588,198</u></u>		<u><u>\$4,312,377</u></u>
Net Income (Loss) to Operating Revenue	9.9		16.3		14.9
Debt Service Coverage on Electric Utility Debt	5.94		7.35		6.97

Muscatine Power and Water - Communications Utility
Statements of Net Position
May 2017

ASSETS

	<u>2017</u>	<u>2016</u>
Current Assets:		
Cash - interest bearing	\$8,881,455	\$2,923,174
Investments	---	4,000,000
Receivables:		
Consumer Accounts	1,316,410	1,287,459
Interest	3,201	5,715
Inventories	132,804	170,681
Prepaid Expenses	<u>257,942</u>	<u>215,630</u>
Total Current Assets	<u>10,591,812</u>	<u>8,602,659</u>
Property and Equipment:		
At Cost	35,856,140	34,124,182
Less Accumulated Depreciation	<u>27,617,048</u>	<u>26,434,096</u>
Net Property and Equipment	<u>8,239,092</u>	<u>7,690,086</u>
Deferred Outflows of Resources - Pension		
Changes of Assumptions	425,212	425,212
Difference between projected and actual earnings on pension plan	493,996	88,477
Contributions subsequent to measurement date	<u>350,181</u>	<u>379,416</u>
Total Deferred Outflows of Resources - Pension	<u>1,269,389</u>	<u>893,105</u>
TOTAL ASSETS	<u><u>\$20,100,293</u></u>	<u><u>\$17,185,850</u></u>

Muscatine Power and Water - Communications Utility
Statements of Net Position
May 2017

LIABILITIES AND NET POSITION

	<u>2017</u>	<u>2016</u>
Current Liabilities:		
<u>Payable from Unrestricted Assets</u>		
Accrued Interest	\$18,842	\$19,840
Accounts Payable	1,339,157	741,654
Health & Dental Insurance Provision	49,280	53,060
Retained Percentage on Contracts	5,235	301
Accrued Payroll	82,832	72,387
Accrued Vacation	187,525	170,673
Accrued Property Taxes	5,949	6,930
Unearned Revenue - Dark Fiber Lease	17,500	17,500
Miscellaneous Accrued Expenses	123,421	137,907
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	1,829,741	1,220,252
	<hr/>	<hr/>
<u>Payable from Restricted Assets</u>		
Notes Payable:		
Electric Utility	481,443	479,048
	<hr/>	<hr/>
Total Payable from Restricted Assets	481,443	479,048
	<hr/>	<hr/>
Total Current Liabilities	2,311,184	1,699,300
	<hr/>	<hr/>
Non-Current Liabilities:		
Health & Dental Insurance Provision	81,175	107,346
Post-Employment Health Benefit Provision	71,865	66,812
Unearned Revenue - Dark Fiber Lease	222,188	239,688
Net Pension Liability	2,165,496	1,614,674
Notes Payable:		
Electric Utility	8,562,844	9,044,287
	<hr/>	<hr/>
Total Non-Current Liabilities	11,103,568	11,072,807
	<hr/>	<hr/>
Deferred Inflows of Resources - Pension	97,343	101,366
	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets	7,757,649	7,211,038
Unrestricted	(1,169,451)	(2,898,661)
	<hr/>	<hr/>
Total Net Position	6,588,198	4,312,377
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET POSITION	<u>\$20,100,293</u>	<u>\$17,185,850</u>

Muscatine Power and Water - Communications Utility
Statements of Cash Flows
May 2017

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Communications sales	\$1,166,772	\$5,434,680
Advertising sales	21,813	119,971
Miscellaneous sources	2,936	28,609
Cash paid to/for:		
Suppliers	(400,925)	(2,468,399)
Employees payroll, taxes and benefits	<u>(277,421)</u>	<u>(1,510,609)</u>
Net cash flows from operating activities	<u>513,175</u>	<u>1,604,252</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	<u>(338,189)</u>	<u>(991,074)</u>
Net cash flows from capital and related financing activities	<u>(338,189)</u>	<u>(991,074)</u>
Cash flows from investing activities:		
Interest received on investments	<u>3,064</u>	<u>10,810</u>
Net cash flows from investing activities	<u>3,064</u>	<u>10,810</u>
Net increase in cash and investments	<u>178,050</u>	<u>623,988</u>
Cash and investments at beginning of period	<u>8,703,405</u>	<u>8,257,467</u>
Cash and investments at end of period	<u><u>\$8,881,455</u></u>	<u><u>\$8,881,455</u></u>

Muscatine Power and Water - Communications Utility
Statements of Cash Flows
May 2017

	<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	\$210,504	\$925,143
Noncash items in operating income:		
Converter/modem write-off	3,305	10,294
Depreciation of utility plant	134,926	674,630
Changes in assets and liabilities:		
Consumer accounts receivable	31,013	36,008
Inventories	9,742	10,708
Prepaid and deferred expenses	51,000	(151,192)
Accounts payable	(8,451)	9,927
Net pension liability	30,474	152,371
Health & dental insurance provision	(5,394)	(18,885)
Other post-employment benefit provision	421	2,106
Unearned revenue	(1,458)	(14,899)
Retained percentage on contracts	2,677	3,894
Accrued payroll	28,783	(22,509)
Accrued vacation	5,444	12,561
Accrued property taxes	541	(541)
Miscellaneous accrued expenses	19,648	(25,364)
	<hr/>	<hr/>
Net cash flows from operating activities	<u>\$513,175</u>	<u>\$1,604,252</u>

Muscatine Power and Water - Communications Utility
Summary of Expenses
Current Month - May 2017

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
CATV			
Program Acquisition Expense (751-758)	\$388,165	\$356,466	\$355,189
Promotional Expense (960)	5,838	830	555
Electricity Expense (736)	2,235	2,560	1,639
Pole Attachment Expense (715)	1,967	1,967	1,967
Changes of Service (742)	1,099	1,079	1,175
Underground Line Expense (743)	9,091	4,612	2,422
Ad Insertion - Marketing/Production (964, 965)	6,887	7,319	6,200
Miscellaneous CATV Expense (710, 738, 739)	13,502	19,756	20,027
Vehicle Expense (760)	4,988	4,271	6,892
Maintenance:			
Fiber (711)	663	402	178
Coax (712)	1,234	742	812
Drops (713)	3,402	1,226	3,423
Conduit System (714)	1,696	1,166	1,091
Headend (721-725)	21,322	14,018	14,640
Line Equipment (731-735)	3,321	1,472	9,245
Converters (741)	3,985	2,393	1,229
Ad Insertion (966)	3,437	5,189	2,418
Vacation, Holiday, Sick Leave (799)	6,294	5,203	5,769
Property Taxes (794)	731	314	(556)
Depreciation (793)	84,951	76,631	82,721
Total CATV	564,808	507,616	517,036
Data/Internet			
Data/Internet Access Charges (851-853)	25,769	26,384	25,726
Promotional Expense (961)	5,838	866	591
Electricity Expense (836)	394	333	289
Pole Attachment Expense (837)	346	346	346
Changes of Service (842)	194	360	207
Underground Line Expense (843)	391	1,537	428
Miscellaneous Data/Internet Expense (839, 844, 848)	5,599	9,530	16,591
Vehicle Expense (860)	803	513	840
Maintenance:			
Fiber (811)	114	168	31
Coax (813)	218	247	143
Drops (814)	2,316	409	604
Conduit System (816)	228	486	192
Headend (820, 821)	21,748	31,622	22,236
Line Equipment (831-835)	445	375	1,631
Modems (841)	4,401	5,126	3,666
Vacation, Holiday, Sick Leave (879)	3,193	2,555	2,558
Property Taxes (894)	129	55	(99)
Depreciation (893)	27,909	26,898	25,111
Total Data/Internet	100,035	107,810	101,091

Muscatine Power and Water - Communications Utility
Summary of Expenses
Calendar Year-to-Date - May 2017

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>CATV</u>			
Program Acquisition Expense (751-758)	\$1,941,219	\$1,796,998	\$1,792,931
Promotional Expense (960)	34,833	5,210	3,050
Electricity Expense (736)	11,175	11,955	11,290
Pole Attachment Expense (715)	9,837	9,837	9,835
Changes of Service (742)	5,490	6,088	7,695
Underground Line Expense (743)	26,632	11,145	9,325
Ad Insertion - Marketing/Production (964, 965)	34,942	33,714	32,980
Miscellaneous CATV Expense (710, 738, 739)	70,388	87,254	80,106
Vehicle Expense (760)	24,858	19,410	22,410
Maintenance:			
Fiber (711)	3,638	2,550	4,765
Coax (712)	6,078	2,770	2,659
Drops (713)	16,785	11,438	10,196
Conduit System (714)	6,821	2,839	3,471
Headend (721-725)	105,774	80,045	83,724
Line Equipment (731-735)	13,579	14,775	26,466
Converters (741)	18,813	14,640	10,566
Ad Insertion (966)	17,233	25,182	13,119
Vacation, Holiday, Sick Leave (799)	27,497	38,125	25,886
Property Taxes (794)	3,654	1,568	1,826
Depreciation (793)	424,755	383,155	413,605
Total CATV	<u>2,804,001</u>	<u>2,558,698</u>	<u>2,565,905</u>
<u>Data/Internet</u>			
Data/Internet Access Charges (851-853)	131,096	131,381	130,952
Promotional Expense (961)	34,833	5,149	3,290
Electricity Expense (836)	1,970	1,625	1,857
Pole Attachment Expense (837)	1,730	1,730	1,730
Changes of Service (842)	969	2,029	1,358
Underground Line Expense (843)	1,313	3,715	1,646
Miscellaneous Data/Internet Expense (839, 844, 848)	26,337	39,213	35,219
Vehicle Expense (860)	4,013	2,331	2,706
Maintenance:			
Fiber (811)	628	1,062	838
Coax (813)	1,073	923	469
Drops (814)	11,539	3,813	1,799
Conduit System (816)	971	1,183	610
Headend (820, 821)	163,007	146,416	147,278
Line Equipment (831-835)	2,113	4,085	4,670
Modems (841)	21,128	17,588	28,743
Vacation, Holiday, Sick Leave (879)	13,905	14,108	13,993
Property Taxes (894)	643	276	322
Depreciation (893)	139,547	134,490	125,555
Total Data/Internet	<u>556,815</u>	<u>511,117</u>	<u>\$503,035</u>

Muscatine Power and Water - Communications Utility
Summary of Expenses
Current Month - May 2017

	<u>Budget Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>MAN</u>			
Pole Attachment Expense (838)	\$1,079	\$1,179	\$1,179
Tools Expense (845)	208	24	---
Maintenance:			
Fiber (812)	365	268	98
Conduit System (817)	903	777	598
MAN Equipment (818, 819)	3,378	8,108	6,146
Vacation, Holiday, Sick Leave (899)	479	226	327
Property Taxes (896)	400	172	(307)
Depreciation (840)	22,135	22,038	21,854
Total MAN	28,947	32,792	29,895
<u>Customer Service Expense</u>			
Customer Information Expense (909)	2,029	2,285	2,666
<u>Consumer Accounts</u>			
Supervision (901)	2,697	3,153	2,118
Consumer Records and Collections (903)	47,448	48,984	43,836
Uncollectible Accounts Expense (904)	1,574	1,574	1,519
Vacation, Holiday, Sick Leave (906)	6,154	5,368	5,964
Total Consumer Accounts	57,873	59,079	53,437
<u>Administrative and General</u>			
Administrative and General Salaries (920)	78,295	84,438	77,651
Office Supplies and Expense (921)	4,982	3,644	3,703
Outside Services Employed (923)	9,926	7,645	8,809
Property Insurance (924)	1,206	1,173	1,132
Casualty Ins, Injuries & Damages (925)	7,632	8,299	23,482
Employee Pensions and Benefits (926)	96,421	93,590	87,858
Fringe Benefits Charges to Construction (927)	(5,780)	(6,307)	(4,612)
Rents (931)	9,656	9,656	9,375
Miscellaneous General Expense (930)	10,722	7,650	8,211
Maintenance of General Plant (932)	5,899	6,226	3,582
Vacation, Holiday, Sick Leave (936)	14,906	13,487	11,620
Depreciation (933)	10,205	9,359	9,643
Total Administrative and General	244,070	238,860	240,454
Total Operating Expenses	\$997,762	\$948,442	\$944,579

Muscatine Power and Water - Communications Utility
Summary of Expenses
Calendar Year-to-Date - May 2017

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>MAN</u>			
Pole Attachment Expense (838)	\$5,393	\$5,893	\$5,695
Tools Expense (845)	1,042	1,032	227
Maintenance:			
Fiber (812)	2,007	1,700	2,612
Conduit System (817)	3,659	1,893	1,903
MAN Equipment (818, 819)	16,758	18,513	21,626
Vacation, Holiday, Sick Leave (899)	2,073	1,301	1,458
Property Taxes (896)	2,003	860	1,002
Depreciation (840)	110,673	110,190	109,270
Total MAN	143,608	141,382	143,793
<u>Customer Service Expense</u>			
Customer Information Expense (909)	23,105	6,106	8,268
<u>Consumer Accounts</u>			
Supervision (901)	13,484	13,720	12,982
Consumer Records and Collections (903)	235,437	243,768	221,537
Uncollectible Accounts Expense (904)	7,870	7,870	7,595
Vacation, Holiday, Sick Leave (906)	26,703	28,054	26,673
Total Consumer Accounts	283,494	293,412	268,787
<u>Administrative and General</u>			
Administrative and General Salaries (920)	391,214	391,290	385,247
Office Supplies and Expense (921)	24,072	19,149	18,674
Outside Services Employed (923)	66,228	40,781	44,712
Property Insurance (924)	5,808	5,743	5,780
Casualty Ins, Injuries & Damages (925)	38,520	36,272	83,788
Employee Pensions and Benefits (926)	477,446	467,535	445,538
Fringe Benefits Charges to Construction (927)	(28,310)	(31,863)	(20,688)
Rents (931)	48,281	48,281	46,875
Miscellaneous General Expense (930)	91,927	81,412	57,049
Maintenance of General Plant (932)	27,990	23,950	17,560
Vacation, Holiday, Sick Leave (936)	65,114	64,731	56,546
Depreciation (933)	51,023	46,795	48,215
Total Administrative and General	1,259,313	1,194,076	1,189,296
Total Operating Expenses	\$5,070,336	\$4,704,791	\$4,679,084

Muscatine Power and Water - Communications Utility
Statistical Data
May 2017

	<u>Budget</u> <u>Estimate</u>	<u>% Increase</u> <u>(Decrease)</u> <u>From Budget</u>	<u>This Year</u> ^{fn1}	<u>% Increase</u> <u>(Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last Year</u> ^{fn1}
<u>Services</u>					
<u>CATV</u>					
Residential	5,393	(2.4)	5,266	(7.0)	5,662
Commercial/Hospitality	<u>146</u>	11.0	<u>162</u>	1.9	<u>159</u>
Total CATV	<u>5,539</u>	(2.0)	<u>5,428</u>	(6.8)	<u>5,821</u>
Bulk Equivalent Services	<u>368</u>	(13.3)	<u>319</u>	(10.4)	<u>356</u>
Bulk Master Services	<u>24</u>	---	<u>24</u>	9.1	<u>22</u>
<u>Internet</u>					
Residential	7,827	1.3	7,930	4.5	7,589
Commercial	<u>498</u>	5.2	<u>524</u>	5.9	<u>495</u>
Total Internet	<u>8,325</u>	1.5	<u>8,454</u>	4.6	<u>8,084</u>
<u>MAN</u>	<u>80</u>	10.0	<u>88</u>	7.3	<u>82</u>

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

Communications Utility
Review of Operating Results
May 2017

**MUSCATINE POWER AND WATER - COMMUNICATIONS UTILITY
VARIANCES FROM BUDGETED NET POSITION - MAY 31, 2017**

	(Unfavorable)/ Favorable Compared to Budget	
Operating Revenue		
CATV Revenue	\$ (220,427)	Lower CATV revenues due to fewer subscribers 5,428 actual vs. 5,539 budget, incorrect prices in budget, broadcast fee has been pulled out of packages and different rate increase than budget
	(65,001)	Bulk lower because budgeted upgrades are recorded in basic and select, broadcast fee has been pulled out and different rate increase than budget
	120,184	New broadcast fee pulled out of packages
	53,086	Lower marketing promotional discounts (\$164,342 vs. \$111,256) due to end of price pledge
	(12,395)	Lower VOD/PPV sales due to fewer subscribers and less buys
	(11,198)	Lower ad sales
	(10,729)	Lower converter rentals due to less subscribers
	3,151	Other miscellaneous variances - net
	<u>(143,329)</u>	
Data/Internet Revenue	59,146	Higher cable modem revenues due to higher subscribers (8,310 actual vs. 8,156 budget) and more subscribers taking a higher level of service
	(6,490)	Higher promotional discounts due to higher subscribers (\$46,293 actual vs. \$39,803 budget)
	1,895	Higher modem rentals due to more subscribers
	14,433	Higher Wi-fi @ Home due to more subscribers
	1,605	Other miscellaneous variances - net
	<u>70,589</u>	
MAN	<u>64,156</u>	More subscribers than budgeted and new contracts
Miscellaneous Revenue	<u>(4,452)</u>	CATV signal transmission
Operating Expense		
Operation	144,221	Lower programming due to less subscribers and lower negotiated contracts
	7,555	Lower labor than budgeted
	15,185	Lower promotional/education than budgeted
	3,606	Memberships and subscriptions lower than budgeted
	2,500	Temp services lower than budgeted
	4,171	Lower fuel expense
	3,235	Organizational development expenses not fully expended
	12,181	Lower legal costs
	13,000	FTTH graphic design expense not incurred
	42,000	FTTH promotional expense not incurred, vehicle wraps etc.
	5,633	Lower FICA than budgeted
	7,902	Health care expenses lower than budgeted
	(16,429)	Travel and training over budget, FTTH training budgeted in 2016
	5,188	Other miscellaneous variances - net
	<u>249,948</u>	
Maintenance	17,820	Lower maintenance agreements, mostly bandwidth monitoring equipment , CMTS and IS
	25,753	Lower labor
	18,881	Temp services for drops not incurred through May
	1,640	Memberships and subscription under budget
	135	Other miscellaneous variances - net
	<u>64,229</u>	
Depreciation	<u>51,368</u>	Lower depreciation due to fewer fixed assets purchases in 2016 than anticipated
Nonoperating Revenue (Expense)		
Interest Income/expense	<u>8,579</u>	More interest income due to higher cash balances
Change in Net Position before Capital Contributions	<u>361,088</u>	
Capital Contributions	<u>(914)</u>	
Change in Net Position	<u>\$ 360,174</u>	Total Variance from Budgeted Net Position

Statement of Revenues, Expenses and Changes in Net Position

Operating Revenues

CATV

Customer levels totaled 5,428 actual vs. 5,539 budgeted.

	<u>2017</u>	<u>2017</u>	<u>2016</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Basic revenue	\$90,766	\$77,993	\$82,126
Select revenue	1,824,103	1,634,679	1,720,849
Preferred revenue	290,157	293,841	309,128
Premiums revenue	130,174	108,260	131,312
Bulk revenue	172,268	107,267	110,876
Broadcast fee	---	120,184	---
PPV	16,180	9,966	12,064
VOD	<u>55,430</u>	<u>49,249</u>	<u>59,815</u>
Subtotal	\$2,579,078	\$2,401,439	\$2,426,170
Converter rentals	416,371	405,642	423,897
Ad insertion revenue	145,000	133,802	183,785
Other CATV revenues	<u>20,650</u>	<u>23,801</u>	<u>28,357</u>
Gross CATV Revenues	\$3,161,099	\$2,964,684	\$3,062,209
Discounts	<u>(164,342)</u>	<u>(111,256)</u>	<u>(128,001)</u>
Net CATV Revenue	<u>\$2,996,757</u>	<u>\$2,853,428</u>	<u>\$2,934,208</u>

Basic, Select and Bulk revenues are under budget because the broadcast fee has been reallocated to a separate billing item and the overall rate increase is lower than budget. Also, Select revenue was budgeted at an incorrect price and Bulk revenue upgrades were budgeted in bulk instead of select or preferred. Broadcast fee is over budget because it was added in lieu of the full budgeted rate increase. PPV and VOD have less subscribers and fewer buys. Ad insertion revenues are lower due to less ads sold. Discounts are less than budgeted due to subscribers ending price pledge and less overall subscribers.

Data/Internet Revenue

Subscriber levels are 8,454 actual vs. 8,325 budgeted.

	<u>2017</u>	<u>2017</u>	<u>2016</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Cable modem	\$2,112,484	\$2,171,630	\$2,027,271
Wi-fi @ Home	92,714	107,147	87,352
Wimax	41,198	39,793	40,270
Modem Rentals	121,403	123,298	117,767
Other Data/Internet revenues	<u>15,926</u>	<u>18,936</u>	<u>19,118</u>
Gross Data/Internet Revenues	\$2,383,725	\$2,460,804	\$2,291,778
Discounts	<u>(39,803)</u>	<u>(46,293)</u>	<u>(35,205)</u>
Net Data/Internet Revenues	<u>\$2,343,922</u>	<u>\$2,414,511</u>	<u>\$2,256,573</u>

Cable modem revenues are higher due to more subscribers and a better mix. Wi-fi @ home is higher due to more subscribers than budget.

MAN

Revenue is \$64,156 higher than budget mostly due to more subscribers and new contracts.

Miscellaneous Revenues

Miscellaneous revenues are under budget \$4,452, due primarily to lower than budget CATV retransmission revenue.

Nonoperating Revenue (Expense)

Interest income is over budget \$8,579 due to higher than projected cash balances.

Statement of Net PositionLiabilitiesHealth and Dental Insurance Provision

Health and dental care claims have been less than premiums accrued. The current portion is based on the third-party administrator's estimate of incurred but unpaid health claims at year end. The estimate is adjusted annually.

Year-To-Date Summary of ExpensesCATVProgram Acquisition Expense – (751 to 758)

Programming is lower due to lower subscribers than budgeted.

	<u>2017</u>	<u>2017</u>	<u>2016</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Basic	\$360,066	\$312,969	\$311,514
Select	671,214	634,385	620,548
Preferred	619,583	585,586	572,813
Premium	94,313	81,839	103,101
Digital	147,413	140,942	137,510
Pay-per-view	10,872	7,729	8,206
Video on demand	<u>37,758</u>	<u>33,548</u>	<u>39,239</u>
Total	<u>\$1,941,219</u>	<u>\$1,796,998</u>	<u>\$1,792,931</u>

Basic, select and preferred programming is lower than budget due to negotiated contracts coming in lower than budgeted and less subscribers.

Promotional Expense – (960)

Labor is over budget \$953, mostly in the customer service area. Temp services are under budget \$8,972 due to FTTH and other materials are under budget \$21,603 mostly due to vehicle rewrap (\$9,250) and other FTTH promotional expenses (\$11,750) budgeted but not incurred through May.

Underground Line Expense - (743)

Labor is under budget \$14,200 in outside services due to more hours budgeted for FTTH. Materials are under budget \$1,287.

Miscellaneous CATV Expense – (740)

Labor is over budget \$9,893 mostly in data, CATV technicians, and communications manager areas. Materials are over budget \$6,972 mostly due to temp services.

CATV (cont'd)Vehicle Expense – (760)

Vehicle expense is under budget \$5,448, mostly due to fuel expense and less maintenance than budgeted.

Maintenance of Coax - (712)

Labor is under budget \$2,559, mostly in the CATV technicians' area. Materials are under budget \$708.

Maintenance of Drops - (713)

Labor is over budget \$3,648. Materials are under budget \$8,995 mostly due to budgeted temp labor for FTTH not yet needed.

Maintenance of Conduit – (714)

Labor is under budget \$3,790 in technician and T & D. Materials are under budget \$193.

Maintenance of Headend – (721-725)

Total labor is under budget by \$26,043 in the communications manager and CATV technicians' departments. Total materials are over budget by \$314.

Maintenance of Converters – (741)

Labor is under budget \$9,490 in CATV technicians, marketing and communications manager, partially offset by materials over budget \$5,317 due to equipment repairs.

Maintenance of Ad Insertion- (966)

Labor is over budget \$5,484 mostly in marketing. Maintenance agreements are over budget \$2,465.

Vacation, Holiday, Sick Leave – (799)

Sick, personal, and vacation is over budget \$10,628, mostly in the CATV technicians' department.

Depreciation – (793)

Depreciation is lower than budget due to lower than expected expenditures for digital boxes, headend equipment, and customer drops prior to year-end 2016. Minimal equipment is being purchased until the FTTH project is completed. This type of equipment has five- and ten-year lives.

Data/InternetPromotional Expense – (961)

Labor is over budget \$953, mostly in the customer service area. Temp services are under budget \$8,972 due to FTTH and other materials are under budget \$21,665 mostly due to vehicle rewrap (\$9,250) and other FTTH promotional expenses (\$11,750) budgeted but not incurred through May.

Miscellaneous Data/Internet Expense – (847)

Labor is over budget \$8,251 mostly in manager of communications, CAD and data departments. Materials are over budget \$4,625 due to equipment retirements and temp services.

Data/Internet (cont'd)Maintenance of Drops – (814)

Labor is over budget \$2,160. Materials are under budget \$9,886 mostly due to budgeted temp labor for FTTH not yet needed.

Maintenance of Headend – (820, 821)

Manager of communications labor is over budget \$32,691 partially offset by data labor being under budget by \$15,553. Materials are under budget by \$33,582. This includes bandwidth/cache monitoring equipment which was budgeted all in one month but is being written off over the entire year (\$14,486), Force 10 contract which is also being written off over the entire year and was budgeted higher than the actual renewal amount (\$22,462), offset by higher than budgeted maintenance agreements for CMTS maintenance (\$4,780), CISCO Smartnet due to timing (\$5,808), Tech Data Extreme due to timing (\$2,753) and Phone Plus was not budgeted (\$2,469). \$7,449 is due to a demo equipment return. Other materials are under budget \$3,369.

Maintenance of Modems- (841)

Labor is under budget \$3,540 mostly in the manager of communications and CATV technicians' departments.

Depreciation – (893)

Depreciation is lower than budget due to lower than expected expenditures for modems, equipment and customer drops prior to year-end 2016. Minimal equipment is being purchased until the FTTH project is completed. This type of equipment has five- and ten-year lives.

Customer Service ExpenseCustomer Information Expense -- (909-Marketing)

	2017	2017	2016
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Promotion/Education Expense	\$ 15,912	\$ 727	\$2,753
Media Advertising	4,392	3,735	4,443
Billtrust	260	61	---
Postage	770	---	---
Newsletter	1,171	1,303	844
Presentation Materials	410	---	---
Other	<u>190</u>	<u>280</u>	<u>228</u>
Total	<u>\$23,105</u>	<u>\$6,106</u>	<u>\$8,268</u>

Consumer AccountsConsumer Records and Collections – (903-Customer Service)

	2017	2017	2016
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Labor	\$190,390	\$179,750	\$178,690
Temp Services	365	8,647	2,621
Credit Card Processing	9,923	9,957	10,380
Bill Processing	4,625	4,265	4,389
Postage	10,021	9,450	9,896
IVR	694	464	655
Training	4,202	17,751	1,981
Credit Bureau Fees	3,854	4,287	3,634
ACH Processing	2,929	3,205	2,462
Other	<u>8,434</u>	<u>5,992</u>	<u>6,829</u>
Total	<u>\$235,437</u>	<u>\$243,768</u>	<u>\$221,537</u>

Temp services are higher because of extra help for BSA. Training is over budget due to FTTH training budgeted in 2016.

Administrative & GeneralOffice Supplies and Expense – (921)

Materials are lower than budgeted by \$4,816 mostly due to miscellaneous computer hardware and software budgeted in information systems and not purchased through May.

Administrative & General (cont'd)Outside Services – (923)

	Resp Code	2017 Budget	2017 Actual	2016 Actual
Organizational Development	120-Sal	\$ 4,800	\$ 1,565	\$ ---
Consulting Services	120-Sal	---	873	---
Legal Fees	140-Brandy	4,320	139	2,057
Employment Legal Fees	140-Brandy	500	---	---
Communications Legal Fees	140-Brandy	7,500	---	---
MCC Public Access	224-Rick	23,610	23,400	23,418
Web/Graphics Services	224-Rick	518	209	189
FTTH Design	224-Rick	13,000	---	---
Insurance Advisor	310-Jerry	2,520	2,520	2,520
Audit Fees	320-Cassie	5,040	4,418	5,520
IS Department Review	350-Jerry	---	3,466	---
Pension Study	410-Erika	---	---	2,817
Benefits Consulting	410-Erika	1,788	1,788	1,788
Employee Search Services	410-Erika	2,500	---	---
Security Assessment	920-Beecher	---	---	5,300
Transport Network Study	920-Beecher	---	---	982
Organizational Development	920-Beecher	---	2,113	---
Other		<u>132</u>	<u>290</u>	<u>121</u>
		<u>\$66,228</u>	<u>\$40,781</u>	<u>\$44,712</u>

Employee Pensions & Benefits – (926)

	2017 Budget	2017 Actual	2016 Actual
Health care cost	\$189,683	\$181,781	\$174,336
Pension	152,371	152,371	140,515
FICA	91,276	85,643	84,091
Deferred compensation	19,800	21,059	19,820
Dental	7,700	7,280	7,646
Life, LTD & ADD	6,962	6,673	6,610
OPEB	2,105	2,105	2,105
Unemployment	300	1,992	---
Severance	---	---	2,352
Recognition	1,800	2,218	2,304
Other expenses	<u>5,449</u>	<u>6,413</u>	<u>5,759</u>
	<u>\$477,446</u>	<u>\$467,535</u>	<u>\$445,538</u>

Administrative & General (cont'd)

Fringe Benefits Charged to Construction – (927)

More labor has been charged to capital projects than budgeted.

Miscellaneous General Expense – (930)

Labor is under budget \$9,987 mostly in communications manager and safety & training departments. Materials are under budget \$528 due to memberships and subscriptions, freight and temp services.

Maintenance of General Plant – (932)

Materials are under budget \$4,039 mostly due to maintenance agreements in information systems and memberships and subscriptions.

Depreciation – (933)

Depreciation is lower than budget due to lower than expected expenditures for equipment prior to year-end 2016. This type of equipment has five-year lives.

Communications Utility
Statement of Net Position Review
May 2017

<u>Current Assets</u>	<u>2017</u>	<u>2016</u>
<u>Receivables - Consumer Accounts</u>		
Customer Communications Accounts	\$1,162,299	\$1,137,995
Unbilled Revenue	85,167	86,239
Merchandise Accounts	86,982	67,574
Allowance for Doubtful Accounts	(18,038)	(4,349)
	<u>\$1,316,410</u>	<u>\$1,287,459</u>
<u>Inventories</u>		
Inventory	\$132,330	\$173,551
Stores Expense (a/c 163)	474	(2,870)
	<u>\$132,804</u>	<u>\$170,681</u>
<u>Prepaid Expenses</u>		
Prepaid Insurance	\$44,623	\$45,155
Prepaid Maintenance Contracts	177,130	155,375
Muscatine Schools - E-rate customer	36,764	---
Travel advances	2,199	7,713
Other Prepaid Expenses	(575)	7,387
	<u>\$257,942</u>	<u>\$215,630</u>
<u>Current Liabilities</u>		
<u>Accounts Payable (amounts over \$2,500 itemized)</u>		
Pole Rental	\$16,960	\$16,960
Advanced Media Technologies - media players	2,612	---
Atlantic Engineering Group - FTTH	64,762	---
Big 10 - programming fee	9,671	10,047
BillTrust - bill processing	2,850	---
CDW-G - software/servers	4,659	3,808
Centurylink - tel/access fees	5,579	5,585
Channel Commercial Corp - GS drop enclosure	90,427	---
Cogsdale - business system implementation	8,121	30,995
Comcast Sportsnet Chicago - programming fee	22,913	22,195
DASCOM - FTTH equipment	451,411	---
Dell - maintenance agreement	---	4,117
First National Bank - bank fees	---	6,300
Fox Sports Net Midwest - programming fee	23,227	23,561
Gray Television - programming fee	14,650	---
Graybar Electric - fiber	92,734	---
Insight - routers	5,548	---
KGCW - programming fee	116,594	61,207
LIN Television - programming fee	---	13,995
MCC - public access	9,352	9,352
Megahertz - switches	52,366	---
Mitel - phone system	15,368	---
Natl Cable TV Coop - programming fee	214,106	315,752
NewComTech GIS - FTTH consulting	---	129,198
Nexstar - programming fee	30,495	29,263
PC Connection - computer/server	---	3,266
Pivot Group LLC - customer svc training	10,148	---
Rovi Guides - programming fee	8,754	9,071
Showtime Networks - programming fee	2,224	2,721
Tower Distribution - programming fee	15,325	14,982
Univision - programming fee	6,894	6,953
Visa - travel	---	5,714
Vubiquity - programming fee	8,193	9,587
Wireless Connections - cable	4,426	---
Other	33,214	7,025
	<u>\$1,339,157</u>	<u>\$741,654</u>
<u>Miscellaneous Accrued Expenses</u>		
Sales/Use Tax Collections Payable	\$23,565	\$20,841
Franchise Fees Payable	30,337	32,049
Payroll Tax Collections Payable	20,682	18,594
Workers' Comp Self Insurance Reserves	48,837	66,423
	<u>\$123,421</u>	<u>\$137,907</u>