

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	<u>54,450,144</u>	<u>55.6</u>	<u>84,723,909</u>	<u>36.2</u>	<u>62,215,680</u>
Wholesale Sales - Wind	<u>5,154,042</u>	<u>(1.4)</u>	<u>5,082,471</u>	<u>---</u>	<u>---</u>
Total Wholesale Sales	<u>59,604,186</u>	<u>50.7</u>	<u>89,806,380</u>	<u>44.3</u>	<u>62,215,680</u>
<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	<u>1,474,136</u>	<u>(0.8)</u>	<u>1,461,744</u>	<u>2.0</u>	<u>1,432,577</u>
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	<u>1,447,028</u>	<u>(65.5)</u>	<u>499,117</u>	<u>(70.5)</u>	<u>1,694,094</u>
Total Native System KWH					
Distributed	69,200,444	(1.2)	68,347,909	0.4	68,095,680
Wind KWH Purchases	<u>5,154,042</u>	<u>(1.4)</u>	<u>5,082,471</u>	<u>---</u>	<u>---</u>
Total Purchased Power KWH	<u>74,354,486</u>	<u>(1.2)</u>	<u>73,430,380</u>	<u>7.8</u>	<u>68,095,680</u>
<u>STEAM SALES - 1,000 lbs</u>					
	<u>236,046</u>	<u>8.0</u>	<u>254,905</u>	<u>12.7</u>	<u>226,108</u>

Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - 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	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	<u>265,255,891</u>	(11.0)	<u>236,098,624</u>	(3.2)	<u>244,006,802</u>
Wholesale Sales - Wind	<u>17,614,291</u>	14.7	<u>20,203,741</u>	---	<u>---</u>
Total Wholesale Sales	<u>282,870,182</u>	(9.4)	<u>256,302,365</u>	5.0	<u>244,006,802</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>303,291,626</u>	(0.1)	<u>302,962,871</u>	8.7	<u>278,732,055</u>
<u>STEAM SALES - 1,000 lbs</u>					
	<u>997,619</u>	5.0	<u>1,047,098</u>	6.0	<u>987,999</u>

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

	Budget			% Increase (Decrease) from Budget			% Increase (Decrease) from Last Year			Last Year	Avg. Price
	Estimate	Avg. Price		This Year	Avg. Price		Year				
Sales of Electricity											
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		
Steam Sales	972,216	4.12	(0.1)	971,712	3.81	7.0	908,310	4.02			
Other Revenue											
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		
Operating Expense											
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)		
Nonoperating Revenue (Expense)											
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

	% Increase (Decrease)			% Increase (Decrease)			Last Year	Avg. Price
	Budget	Estimate	Avg. Price	This Year	Avg. Price	Year		
Sales of Electricity								
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	
Steam Sales	4,095,826	4.11	(2.2)	4,005,118	3.82	2.0	3,926,997	3.97
Other Revenue								
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	
Operating Expense								
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)	
Nonoperating Revenue (Expense)								
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

	2017	2016
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	<u>25,923</u>	<u>262,766</u>
	<u>9,841,063</u>	<u>10,570,894</u>
Total Unrestricted Current Liabilities	<u>9,841,063</u>	<u>10,570,894</u>
Non-Current Liabilities:		
Health & Dental Insurance Provision	984,616	964,945
Post-Employment Health Benefit Provision	418,862	391,190
Net Pension Liability	<u>13,783,282</u>	<u>10,302,364</u>
	<u>15,186,760</u>	<u>11,658,499</u>
Total Non-Current Liabilities	<u>15,186,760</u>	<u>11,658,499</u>
Deferred Inflows of Resources		
Extraordinary O&M	13,032,866	13,032,866
Pension		
Differences between expected and actual experience	<u>633,159</u>	<u>658,920</u>
	<u>13,666,025</u>	<u>13,691,786</u>
Total Deferred Inflows of Resources	<u>13,666,025</u>	<u>13,691,786</u>
Net Position:		
Net Investment in Capital Assets	73,610,984	77,249,934
Unrestricted	<u>53,071,069</u>	<u>45,323,271</u>
	<u>126,682,053</u>	<u>122,573,205</u>
Total Net Position	<u>126,682,053</u>	<u>122,573,205</u>
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	<u>(1,786,005)</u>	<u>(7,613,710)</u>
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	---	(2,600,000)
Net cash flows from noncapital financing activities	---	(2,600,000)
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	---	(37)
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>\$43,897,803</u>	<u>\$43,897,803</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	<u>(92,702)</u>	<u>(89,369)</u>
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>\$13,143,183</u>	<u>\$13,082,587</u>

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

	Budget		This Year		Last Year
	<u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>
Purchased Power	\$1,768,130	24.7	\$2,289,582	26.2	\$1,228,652
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

	Budget		This Year		Last Year
	<u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>
Purchased Power	\$7,898,688	25.2	\$9,242,478	29.1	\$5,707,113
Average price per kWh	\$0.0276		\$0.0327		\$0.0205
Generation					
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)	<u>5,677</u>	<u>5,690</u>	<u>5,686</u>	
Total Transmission Expense	<u>302,794</u>	4.2	<u>227,682</u>	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)	<u>52,761</u>	<u>71,505</u>	<u>55,127</u>	
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)	<u>1,696</u>	<u>1,700</u>	<u>1,698</u>	
Total Distribution Expense	<u>\$469,385</u>	6.6	<u>\$479,507</u>	5.5
			\$437,548	6.7

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

	Budget		This Year		Last Year
	<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)	<u>22,709</u>		<u>22,851</u>		<u>22,827</u>
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)	<u>6,783</u>		<u>6,826</u>		<u>6,819</u>
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 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	 22,802	 0.3	 37,977
		0.4	6,823
			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	 64,624	 0.9	 57,472
		0.7	64,639
			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	 1,238,049	 17.3	 1,045,700
		12.0	1,096,731
			16.7
 Total Operating Expense	 \$7,689,749	 \$8,036,931	 \$6,836,243
 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)	<u>745</u>	<u>194</u>	<u>235</u>
Total Customer Service Expense	<u>\$106,775</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)	<u>20,010</u>	<u>21,028</u>	<u>21,837</u>
Total Consumer Accounts Expense	<u>250,369</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)	<u>400,177</u>	<u>191,065</u>	<u>803</u>
Total Administrative and General	<u>4,783,719</u>	15.3	<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°
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<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>	5,154,042		5,082,471		0	
<u>Purchased Power</u>	\$134,005	0.02600	\$132,158	0.02600	\$0	---
<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>	17,614,291		20,203,741		0	
<u>Purchased Power</u>	\$457,971	0.02600	\$525,331	0.02600	\$0	---
<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

	Current Month 2017 Budget	Current Month 2017 Actual	Current Month 2016 Actual	Year-To-Date 2017 Budget	Year-To-Date 2017 Actual	Year-To-Date 2016 Actual
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	(\$1,739,344)	(\$892,174)	(\$2,031,900)	(\$7,556,705)	(\$5,451,979)	(\$7,634,473)

Delivered to Steam Customer

	Current Month 2017 Budget	Current Month 2017 Actual	Current Month 2016 Actual	Year-To-Date 2017 Budget	Year-To-Date 2017 Actual	Year-To-Date 2016 Actual
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	\$379,028	\$864,149	\$347,511	\$1,645,751	\$1,653,103	\$1,532,537

Delivered to Paving Native System Customers

	Current Month 2017 Budget	Current Month 2017 Actual	Current Month 2016 Actual	Year-To-Date 2017 Budget	Year-To-Date 2017 Actual	Year-To-Date 2016 Actual
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	(\$1,739,344)	(\$892,174)	(\$2,031,900)	(\$7,556,705)	(\$5,451,979)	(\$7,634,473)
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	(\$518,334)	\$734,697	(\$266,667)	(\$2,411,356)	(\$1,208,774)	(\$659,780)

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		(90,708) 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	<u>(67,360)</u>	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

Page 3

(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 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
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 tungston 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	
	<u>11,486</u>	Lower cost for computer hardware/software maintenance
	<u>6,782</u>	Radio equipment maintenance not needed
	<u>5,306</u>	Lower cost for telephone maintenance
	<u>(167,819)</u>	Higher labor cost
	<u>193,741</u>	Other miscellaneous variances - net
	<u><u>452,938</u></u>	
Depreciation	<u><u>228,541</u></u>	Net value of the A&G assets were overestimated for the budget
Nonoperating Revenue (Expense)		
Interest Income	<u>45,802</u>	Higher average cash balances
Interest Expense	<u>(217)</u>	
	<u><u>45,585</u></u>	
Capital Contributions	<u>2,863</u>	CenturyLink transformer
Change in Net Position	<u><u>\$ 1,205,445</u></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		GPC		Allowances		MPW
4102.5						
Annual EPA		Allocation	+ Purchases	+ Provides	= Available	GPC
		1956.0	0.0	447.0	6505.5	Allowances
					Electricity	+ Steam
					163.1	447.0
					Valued @	\$547
					Electricity	\$894
					Steam	
					Consumed	
						610.1
					Ending Balance 4/30/17	5895.4

Annual NOx allowance information follows:						
1/1/17 Beg balance		GPC		Allowances		MPW
1301.7						
Annual EPA		Allocation	+ Purchases	+ Provides	= Available	GPC
		1746.0	0.0	453.0	3500.7	Allowances
					Electricity	+ Steam
					138.9	453.0
					Valued @	\$0
					Electricity	\$3,530
					Steam	
					Consumed	
						791.9
					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.

Miscellaneous Steam Power Expense - (506)	2017	
	Budget	Actual
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
	\$819,609	\$735,444

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><u>\$387,143</u></u>	<u><u>\$124,905</u></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 temperator 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
	Budget	Actual
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
	\$1,157,864	\$848,079

<u>Maintenance of Boiler Plant – Pollution Control - (512-007)</u>	2017	2017
	Budget	Actual
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	6,957	2,914
	\$251,264	\$312,313

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	25,179	18,001
	<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
	\$212,729	\$213,347

<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
	\$116,721	\$97,495

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>	2017	2017	2016
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Marketing			
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	1,017	648	649
Subtotal - Marketing	13,206	5,052	7,008
Energy Services			
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	100	453	400
Subtotal - Energy Services	19,487	16,476	14,543
Miscellaneous	-	0	129
	\$32,693	\$21,528	\$21,680

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
	\$71,432	\$62,225	\$17,615

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
	\$159,295	\$148,409	\$146,813

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.

Office Supplies - (921)	2017	2017	2016
	Budget	Actual	Actual
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>
Current Assets		
Consumer Accounts		
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	<u>(28,817)</u>	<u>(57,585)</u>
	<u><u>\$5,559,024</u></u>	<u><u>\$5,395,248</u></u>
Inventories		
Inventory	\$5,028,787	\$5,377,882
Emission Allowance - NOx	173,595	32,105
Emission Allowance - S02	119,697	121,306
Stores Expense	11,361	(83,809)
Gas and Diesel Fuel	118,541	93,340
Limestone	<u>142,969</u>	<u>137,868</u>
	<u><u>\$5,594,950</u></u>	<u><u>\$5,678,692</u></u>
Prepaid Expenses		
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	<u>21,096</u>	<u>51,468</u>
	<u><u>\$1,251,864</u></u>	<u><u>\$1,255,241</u></u>
Current Liabilities		
Accounts Payable (amounts over \$10,000 itemized)		
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-II 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

	Budget Estimate	%Increase (Decrease) From Budget	This Year	%Increase (Decrease) Fr. Last Yr.	Last Year
<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	<u>27,049</u>	4.5	<u>28,259</u>	10.3	<u>25,619</u>
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	<u>47,202</u>	2.6	<u>48,435</u>	6.7	<u>45,388</u>
Total Water Pumped	<u>833,905</u>	2.6	<u>855,691</u>	6.7	<u>801,877</u>

Calendar Year-to-Date

	Budget Estimate	%Increase (Decrease) From Budget	This Year	%Increase (Decrease) Fr. Last Yr.	Last Year
<u>Water Distribution - 1,000 Gallons</u>					
Contract Customers	2,507,398	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	<u>107,799</u>	(2.1)	<u>105,491</u>	3.3	<u>102,101</u>
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	<u>177,534</u>	8.5	<u>192,573</u>	8.7	<u>177,171</u>
Total Water Pumped	<u>3,136,429</u>	8.5	<u>3,402,186</u>	8.7	<u>3,130,070</u>

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

	Budget			% Increase (Decrease)			% Increase (Decrease)	
	Estimate	Avg. Price	from Budget	This Year	Avg. Price	Year	Last Year	Avg. Price
Sales of Water								
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
Other Revenue								
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	
Operating Expense								
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	
Nonoperating Revenues (Expenses)								
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)	
Net Income (Loss) before Capital Contributions	(7,374)		-12.3X	82,989		15.6	71,814	
Capital Contributions	---		---	---		---	---	
Change in Net Position	(7,374)		-12.3X	82,989		15.6	71,814	
Beginning Net Position	16,532,242			16,558,837			15,712,328	
Ending Net Position	\$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 Estimate	% Increase (Decrease) from Budget	This Year	Avg. Price	% Increase (Decrease) from Last		
						Year	Last Year
Sales of Water							
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
Other Revenue							
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
Operating Expense							
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
Nonoperating Revenues (Expenses)							
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	<u>61,347</u>	<u>69,869</u>
 Total Payable from Unrestricted Assets	 <u>606,600</u>	 <u>605,372</u>
<u>Payable from Restricted Assets</u>		
State Revolving Loan	31,000	30,000
Accrued Interest	<u>6,047</u>	<u>3,824</u>
 Total Payable from Restricted Assets	 <u>37,047</u>	 <u>33,824</u>
Total Current Liabilities	<u>643,647</u>	<u>639,196</u>
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	<u>198,772</u>	<u>290,532</u>
 Total Non-Current Liabilities	 <u>7,188,314</u>	 <u>4,463,428</u>
Deferred Inflows of Resources - Pension	<u>262,296</u>	<u>248,084</u>
Net Position:		
Net Investment in Capital Assets	21,900,374	18,301,640
Restricted	29,253	31,441
Unrestricted	<u>(5,287,801)</u>	<u>(2,548,939)</u>
 Total Net Position	 <u>16,641,826</u>	 <u>15,784,142</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$24,736,083</u></u>	<u><u>\$21,134,850</u></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	<u>(203,395)</u>	<u>(859,635)</u>
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	<u>(210,314)</u>	<u>(3,336,428)</u>
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	<u>81</u>	<u>366</u>
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>\$561,814</u>	<u>\$561,814</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	<u>(2,418)</u>	<u>(6,093)</u>
Net cash flows from operating activities	<u><u>\$104,396</u></u>	<u><u>\$414,530</u></u>

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>Source of Supply</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)	<u>9,493</u>	<u>9,525</u>	<u>9,015</u>
 Total Source of Supply Expense	 <u>55,135</u>	 10.8	 2.6
 <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)	<u>6,382</u>	<u>6,294</u>	<u>6,024</u>
 Total Pumping Expense	 <u>126,753</u>	 24.8	 21.2
 <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)	<u>3,517</u>	<u>3,262</u>	<u>3,229</u>
 Total Water Treatment Expense	 <u>43,926</u>	 8.6	 7.6
 <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)	<u>38,252</u>	<u>36,184</u>	<u>35,403</u>
 Total Distribution Expense	 <u>\$145,698</u>	 28.5	 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)	<u>37,974</u>	<u>38,101</u>	<u>36,059</u>
 Total Source of Supply Expense	<u>99,802</u>	5.2	<u>91,867</u> 4.9
 Pumping			
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)	<u>25,529</u>	<u>25,176</u>	<u>24,096</u>
 Total Pumping Expense	<u>426,842</u>	22.1	<u>436,022</u> 23.4
 Water Treatment			
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)	<u>14,071</u>	<u>13,047</u>	<u>12,917</u>
 Total Water Treatment Expense	<u>193,982</u>	10.0	<u>176,205</u> 9.5
 Distribution			
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)	<u>153,006</u>	<u>144,656</u>	<u>141,612</u>
 Total Distribution Expense	<u>\$551,073</u>	28.5	<u>\$465,507</u> 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>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>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
Total Operating Expense	<u><u>\$518,111</u></u>	<u><u>\$454,191</u></u>	<u><u>\$415,689</u></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>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><u>9,846</u></u>	<u><u>9,709</u></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	3,394	

Nonoperating Revenue (Expense)

Interest Income	124	
Interest Expense	(1,160)	
	<u>(1,036)</u>	

Change in Net Loss before Capital Contributions

116,958

Capital Contributions

-

Change in Net Position \$ 116,958 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)

	2017 Budget			2017 Actual			2016 Actual		
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	2,819	1,872	1,855
	<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

	2017	2016
<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	<u>(5,662)</u>	<u>(5,865)</u>
	<u>\$707,923</u>	<u>\$639,821</u>
<u>Inventories</u>		
Inventory	362,156	\$319,545
Stores Expense (a/c 163)	<u>630</u>	<u>(4,346)</u>
	<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	<u>(954)</u>	<u>1,364</u>
	<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	<u>37,381</u>	<u>21,390</u>
	<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	<u>650</u>	<u>575</u>
	<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	<u>4,304</u>	<u>5,206</u>
	<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

	Budget Estimate	% Increase (Decrease) From Budget	This Year	% Increase (Decrease) Fr. Last Yr.	Last Year
<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	<u>11,658</u>	(43.2)	<u>6,617</u>	(28.1)	<u>9,206</u>
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	<u>145,199</u>	(7.1)	<u>134,926</u>	(3.2)	<u>139,329</u>
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	<u>46,633</u>	(17.5)	<u>38,469</u>	(10.7)	<u>43,073</u>
Total Operating Revenues	<u>4,494,666</u>	(0.5)	<u>4,470,987</u>	1.8	<u>4,392,203</u>
<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	<u>580,800</u>	(7.1)	<u>539,704</u>	(3.2)	<u>557,316</u>
Total Operating Expenses	<u>4,072,574</u>	(7.8)	<u>3,756,348</u>	0.6	<u>3,734,505</u>
Operating Income	<u>422,092</u>	69.3	<u>714,639</u>	8.7	<u>657,698</u>
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	3,400	1.7X	9,299	1.2X	4,243
Interest Expense	<u>(15,072)</u>	---	<u>(15,074)</u>	(5.0)	<u>(15,872)</u>
Net Nonoperating Expense	<u>(11,672)</u>	(50.5)	<u>(5,775)</u>	(50.3)	<u>(11,629)</u>
Net Income before Capital Contributions	410,420	72.7	708,864	9.7	646,069
Capital Contributions	<u>6,888</u>	(25.1)	<u>5,158</u>	(25.1)	<u>6,889</u>
Change in Net Position	417,308		714,022		652,958
Beginning Net Position	<u>5,661,535</u>		<u>5,661,535</u>		<u>3,484,795</u>
Ending Net Position	<u>\$6,078,843</u>		<u>\$6,375,557</u>		<u>\$4,137,753</u>
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	<u>103,775</u>	<u>118,088</u>
Total Payable from Unrestricted Assets	<u>1,052,596</u>	<u>1,198,583</u>
<u>Payable from Restricted Assets</u>		
Notes Payable:		
Electric Utility	481,443	479,048
Total Payable from Restricted Assets	<u>481,443</u>	<u>479,048</u>
Total Current Liabilities	<u>1,534,039</u>	<u>1,677,631</u>
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	<u>8,562,844</u>	<u>9,044,287</u>
Total Non-Current Liabilities	<u>11,079,525</u>	<u>11,052,111</u>
Deferred Inflows of Resources - Pension	<u>97,343</u>	<u>101,366</u>
Net Position:		
Net Investment in Capital Assets	6,830,416	7,304,025
Unrestricted	<u>(454,859)</u>	<u>(3,166,272)</u>
Total Net Position	<u>6,375,557</u>	<u>4,137,753</u>
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</u> <u>Month</u>	<u>Year-</u> <u>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	<u>(292,623)</u>	<u>(1,233,188)</u>
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	<u>(36,105)</u>	<u>(45,011)</u>
Net cash flows from operating activities	<u><u>\$240,056</u></u>	<u><u>\$1,091,079</u></u>

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

	Budget Estimate	This Year	Last Year
CATV			
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)	<u>84,951</u>	<u>76,631</u>	<u>82,721</u>
Total CATV	<u>563,567</u>	<u>511,457</u>	<u>509,789</u>
Data/Internet			
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)	<u>27,909</u>	<u>26,898</u>	<u>25,111</u>
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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
CATV			
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)	<u>339,804</u>	<u>306,524</u>	<u>330,884</u>
Total CATV	<u>2,239,194</u>	<u>2,051,081</u>	<u>2,048,870</u>
Data/Internet			
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)	<u>111,638</u>	<u>107,592</u>	<u>100,444</u>
Total Data/Internet	<u>456,780</u>	<u>403,307</u>	<u>\$401,944</u>

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

	<u>Budget 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)	<u>22,135</u>	<u>22,038</u>	<u>21,854</u>
Total MAN	<u>28,839</u>	<u>26,516</u>	<u>28,254</u>
<u>Customer Service Expense</u>			
Customer Information Expense (909)	<u>4,500</u>	<u>1,229</u>	<u>3,565</u>
<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)	<u>6,154</u>	<u>5,842</u>	<u>4,919</u>
Total Consumer Accounts	<u>56,978</u>	<u>62,965</u>	<u>57,315</u>
<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)	<u>10,204</u>	<u>9,359</u>	<u>9,643</u>
Total Administrative and General	<u>254,004</u>	<u>233,140</u>	<u>248,140</u>
Total Operating Expenses	<u><u>\$1,007,810</u></u>	<u><u>\$914,146</u></u>	<u><u>\$931,247</u></u>

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

	Budget Estimate	This Year	Last Year
<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)	<u>88,539</u>	<u>88,152</u>	<u>87,416</u>
Total MAN	<u>114,660</u>	<u>108,590</u>	<u>113,897</u>
<u>Customer Service Expense</u>			
Customer Information Expense (909)	<u>21,076</u>	<u>3,821</u>	<u>5,602</u>
<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)	<u>20,549</u>	<u>22,686</u>	<u>20,709</u>
Total Consumer Accounts	<u>225,621</u>	<u>234,333</u>	<u>215,350</u>
<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)	<u>40,819</u>	<u>37,436</u>	<u>38,572</u>
Total Administrative and General	<u>1,015,243</u>	<u>955,216</u>	<u>948,842</u>
Total Operating Expenses	<u><u>\$4,072,574</u></u>	<u><u>\$3,756,348</u></u>	<u><u>\$3,734,505</u></u>

Muscatine Power and Water - Communications Utility
Statistical Data
April 2017

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

Capital Contributions	<u>298,444</u>
	<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	<u>45,075</u>	<u>39,170</u>	<u>47,717</u>
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	<u>16,349</u>	<u>17,748</u>	<u>21,763</u>
Gross CATV Revenues	\$2,513,745	\$2,354,222	\$2,442,381
Discounts	<u>(131,211)</u>	<u>(89,870)</u>	<u>(101,217)</u>
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	<u>12,601</u>	<u>14,750</u>	<u>14,353</u>
Gross Data/Internet Revenues	\$1,902,075	\$1,963,341	\$1,823,508
Discounts	<u>(31,776)</u>	<u>(41,856)</u>	<u>(28,320)</u>
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>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</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	30,720	26,959	31,196
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 <u>Code</u>	2017 <u>Budget</u>	2017 <u>Actual</u>	2016 <u>Actual</u>
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 <u>Budget</u>	2017 <u>Actual</u>	2016 <u>Actual</u>
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><u>\$1,347,423</u></u>	<u><u>\$1,321,424</u></u>
<u>Inventories</u>		
Inventory	\$142,154	\$181,367
Stores Expense (a/c 163)	<u>392</u>	<u>(3,115)</u>
	<u><u>\$142,546</u></u>	<u><u>\$178,252</u></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><u>\$308,942</u></u>	<u><u>\$236,126</u></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	<u>19,911</u>	<u>27,948</u>
	<u><u>\$622,871</u></u>	<u><u>\$764,695</u></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	<u>48,092</u>	<u>62,098</u>
	<u><u>\$103,775</u></u>	<u><u>\$118,088</u></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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Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Current Month - May 2017

	Budget Estimate	% Increase (Decrease) From Budget	This Year	% Increase (Decrease) Fr. Last Yr.	Last Year
<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 Wholesale 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	<u>1,516,287</u>	(8.6)	<u>1,385,151</u>	(5.4)	<u>1,463,776</u>
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	<u>3,153,497</u>	(11.7)	<u>2,783,184</u>	1.0	<u>2,756,387</u>
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>137,824</u>

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

	Budget Estimate	% Increase (Decrease) From Budget	This Year	% Increase (Decrease) Fr. Last Yr.	Last Year
<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	<u>356,638,004</u>	(7.4)	<u>330,321,456</u>	12.2	<u>294,321,337</u>
<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	<u>7,179,852</u>	0.3	<u>7,202,689</u>	2.4	<u>7,035,942</u>
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	<u>9,516,529</u>	(15.4)	<u>8,052,898</u>	(12.6)	<u>9,215,676</u>
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	<u>380,643,420</u>	(0.4)	<u>379,021,961</u>	8.5	<u>349,340,591</u>
STEAM SALES - 1,000 lbs	<u>997,619</u>	5.0	<u>1,047,098</u>	(7.0)	<u>1,125,823</u>

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

	Budget			% Increase (Decrease) from Budget			% Increase (Decrease) from Last Year			Last Year	Avg. Price
	Estimate	Avg. Price		This Year	Avg. Price		Year				
Sales of Electricity											
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		
Steam Sales	---	---	---	---	---	---	---	---	557,698	4.05	
Other Revenue											
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		
Operating Expense											
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)		
Nonoperating Revenue (Expense)											
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	<u>\$124,468,477</u>			<u>\$126,275,164</u>					<u>\$122,018,429</u>		
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

	% Increase (Decrease) from Budget			% Increase (Decrease) from Last Year				
	Budget Estimate	Avg. Price		This Year	Avg. Price		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								
Change in Net Position to Operating Revenue	(9.0)			(4.3)			(3.7)	
	(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	<u>1,168,517</u>	<u>1,158,633</u>
	<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	<u>354,214,501</u>	<u>345,023,625</u>
	<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	<u>95,290</u>	<u>109,999</u>
	<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	<u>2,241,817</u>	<u>2,462,042</u>
	<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>\$164,900,919</u>	<u>\$156,316,680</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:		
Unrestricted		
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	<u>4,640</u>	<u>277,557</u>
Total Unrestricted Current Liabilities	<u>9,591,707</u>	<u>8,786,528</u>
Non-Current Liabilities:		
Health & Dental Insurance Provision	967,940	944,132
Post-Employment Health Benefit Provision	421,148	393,506
Net Pension Liability	<u>13,978,935</u>	<u>10,482,299</u>
Total Non-Current Liabilities	<u>15,368,023</u>	<u>11,819,937</u>
Deferred Inflows of Resources		
Extraordinary O&M	13,032,866	13,032,866
Pension		
Differences between expected and actual experience	<u>633,159</u>	<u>658,920</u>
Total Deferred Inflows of Resources	<u>13,666,025</u>	<u>13,691,786</u>
Net Position:		
Net Investment in Capital Assets	73,398,397	77,155,147
Unrestricted	<u>52,876,767</u>	<u>44,863,282</u>
Total Net Position	<u>126,275,164</u>	<u>122,018,429</u>
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</u> <u>Month</u>	<u>Year-</u> <u>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	<u>(1,613,093)</u>	<u>(9,226,802)</u>
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	---	(2,600,000)
Net cash flows from noncapital financing activities	---	(2,600,000)
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	---	(37)
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>\$46,227,069</u>	<u>\$46,227,069</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	<u>32,777</u>	<u>(56,591)</u>
Net cash flows from operating activities	<u><u>\$3,038,278</u></u>	<u><u>\$15,249,525</u></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>\$13,143,183</u>	<u>\$13,082,587</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>
Purchased Power	\$1,977,516	29.0	\$2,376,743
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>	<u>56.0</u>	<u>\$3,526,635</u>
		47.8	52.9
		<u>\$3,235,406</u>	

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

	Budget		This Year		Last Year
	<u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>
Purchased Power	\$9,876,203	25.9	\$11,619,220	29.7	\$7,329,703
Average price per kWh	\$0.0276		\$0.0328		\$0.0210
Generation					
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

	Budget <u>Estimate</u>	This Year	Last Year
<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)	<u>5,677</u>	<u>5,690</u>	<u>5,686</u>
Total Transmission Expense	<u>304,894</u>	4.5	<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)	<u>1,696</u>	<u>1,700</u>	<u>1,698</u>
Total Distribution Expense	<u>\$487,695</u>	7.1	<u>\$435,023</u> 7.1

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

	Budget <u>Estimate</u>	This Year	Last Year			
<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)	<u>28,386</u>	<u>28,541</u>	<u>28,513</u>			
Total Transmission Expense	<u>1,629,328</u>	4.3	1,195,456	3.1	1,276,929	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)	<u>8,479</u>	<u>8,525</u>	<u>8,517</u>			
Total Distribution Expense	<u>\$2,382,748</u>	6.2	\$2,613,697	6.7	\$2,254,602	6.8

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

	Budget <u>Estimate</u>	This Year	Last Year
<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)	<u>161</u>	<u>32</u>	<u>63</u>
Total Customer Service Expense	<u>27,054</u>	0.4	50,923
		0.7	18,100
		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)	<u>5,989</u>	<u>4,888</u>	<u>5,484</u>
Total Consumer Accounts Expense	<u>65,532</u>	1.0	68,581
		0.9	57,960
		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)	<u>100,044</u>	<u>47,766</u>	<u>201</u>
Total Administrative and General	<u>1,157,549</u>	17.0	1,068,969
		14.5	1,076,921
		17.6	
Total Operating Expense	<u><u>\$7,844,605</u></u>	<u><u>\$7,877,860</u></u>	<u><u>\$6,686,153</u></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

	Budget <u>Estimate</u>	This Year	Last Year
<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)	<u>906</u>	<u>226</u>	<u>298</u>
Total Customer Service Expense	<u>\$133,829</u>	0.4	<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)	<u>25,999</u>	<u>25,916</u>	<u>27,321</u>
Total Consumer Accounts Expense	<u>315,901</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)	<u>500,222</u>	<u>238,831</u>	<u>1,004</u>
Total Administrative and General	<u>5,941,268</u>	15.6	<u>5,370,872</u> 13.7
Total Operating Expense	<u><u>\$41,632,989</u></u>	<u><u>\$40,933,420</u></u>	<u><u>\$34,386,842</u></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
Total	11,421	11,398

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>	5,112,990		4,680,907		0	
<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	<u>\$0</u>	<u>--</u>	<u>\$0</u>	<u>--</u>	<u>\$0</u>	<u>--</u>
Misc Wind Revenues/Charges	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>	
<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>	22,727,281		24,884,648		0	
<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	<u>\$0</u>	<u>--</u>	<u>\$1,875</u>	<u>0.75</u>	<u>\$0</u>	<u>--</u>
Misc Wind Revenues/Charges	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>	
<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	<u>\$0.00</u>	<u>\$0.75</u>	<u>\$0.00</u>
Value of RECs on Hand	<u>\$0.00</u>	<u>\$7,847.49</u>	<u>\$0.00</u>

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

Delivered to Wholesale Customers

	Current Month <u>2017 Budget</u>	Current Month <u>2017 Actual</u>	Current Month <u>2016 Actual</u>	Year-To-Date <u>2017 Budget</u>	Year-To-Date <u>2017 Actual</u>	Year-To-Date <u>2016 Actual</u>
Wholesale Sales KWHs	<u>73,767,822</u>	<u>74,019,090</u>	<u>50,314,535</u>	<u>356,638,004</u>	<u>330,321,456</u>	<u>294,321,337</u>
Wholesale Sales	<u>\$2,300,735</u>	<u>\$2,677,421</u>	<u>\$1,251,061</u>	<u>\$11,147,735</u>	<u>\$11,991,378</u>	<u>\$6,995,031</u>
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	<u>4,097,777</u>	<u>3,724,924</u>	<u>3,144,165</u>	<u>20,511,125</u>	<u>18,490,861</u>	<u>16,523,051</u>
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

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

	Current Month <u>2017 Budget</u>	Current Month <u>2017 Actual</u>	Current Month <u>2016 Actual</u>	Year-To-Date <u>2017 Budget</u>	Year-To-Date <u>2017 Actual</u>	Year-To-Date <u>2016 Actual</u>
Native System Sales KWHs	<u>68,073,469</u>	<u>67,476,284</u>	<u>66,593,522</u>	<u>344,448,438</u>	<u>339,620,070</u>	<u>334,812,650</u>
Native System Sales	<u>\$4,445,560</u>	<u>\$4,540,700</u>	<u>\$4,221,987</u>	<u>\$22,582,989</u>	<u>\$22,749,673</u>	<u>\$21,306,600</u>
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	<u>3,715,346</u>	<u>4,111,411</u>	<u>3,210,594</u>	<u>18,649,949</u>	<u>20,049,019</u>	<u>15,138,380</u>
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

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(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
	<u>(406)</u>	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	<u>(56,126)</u>	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
	<u>12,812</u>	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

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(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
1,187,372	

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 reheat 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		GPC		Allowances		
Allocation		+	Purchases	+	Provides	= Available
1956.0	0.0	447.0		6505.5	166.9	447.0
				Valued @	\$560	\$894
					Ending Balance 5/31/17	<u>5891.6</u>
Annual NOx allowance information follows:						
1/1/17 Beg balance		GPC		Allowances		
Allocation		+	Purchases	+	Provides	= Available
1746.0	0.0	453.0		3500.7	393.8	453.0
				Valued @	\$0	\$3,530
					Ending Balance 5/31/17	<u>2653.9</u>

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>	2017	2017
	<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	120,941	30,294
	\$1,123,954	\$982,664

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>	<u>2017</u>	<u>2017</u>
	<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	69,019	74,834
	\$1,368,337	\$1,103,395

Generation (cont'd)

Maintenance of Boiler Plant – Pollution Control - (512-007)	2017	2017
	Budget	Actual
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	8,694	4,189
	<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	
	\$2,174,509	\$2,321,228	
*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	<u>56,231</u>	<u>22,179</u>
	<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>
Marketing			
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>
Energy Services			
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	-	-	129
	<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
	\$89,289	\$104,066	\$25,864

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
	\$200,611	\$190,723	\$183,423

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	<u>12,826</u>	<u>7,327</u>	<u>7,033</u>
	<u>\$84,779</u>	<u>\$65,114</u>	<u>\$63,793</u>

Administrative and General (cont'd)

Outside Services Employed - (923)	Resp	2017	2017	2016
	Code	Budget	Actual	Actual
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	<u>-</u>	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	<u>(36,147)</u>	<u>(42,207)</u>
	<u><u>\$5,568,650</u></u>	<u><u>\$6,286,004</u></u>
<u>Inventories</u>		
Inventory	\$4,960,505	\$5,229,951
Emission Allowance - NOx	3,530	36,165
Emission Allowance - S02	119,970	121,583
Stores Expense	13,285	(77,161)
Gas and Diesel Fuel	107,839	193,304
Limestone	<u>144,001</u>	<u>134,638</u>
	<u><u>\$5,349,130</u></u>	<u><u>\$5,638,480</u></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	<u>1,056</u>	<u>8,273</u>
	<u><u>\$1,168,517</u></u>	<u><u>\$1,158,633</u></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	<u>930,582</u>	<u>225,670</u>

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
	<u><u>\$5,827,482</u></u>	<u><u>\$4,681,251</u></u>

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
	<u><u>\$815,947</u></u>	<u><u>\$891,261</u></u>

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

	Budget Estimate	%Increase (Decrease) From Budget	This Year	%Increase (Decrease) Fr. Last Yr.	Last Year
Water Distribution - 1,000 Gallons					
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	<u>29,821</u>	(2.8)	<u>28,984</u>	2.6	<u>28,245</u>
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	<u>48,650</u>	(5.1)	<u>46,176</u>	(1.7)	<u>46,988</u>
Total Water Pumped	<u>859,488</u>	(5.1)	<u>815,790</u>	(1.7)	<u>830,135</u>

Calendar Year-to-Date

	Budget Estimate	%Increase (Decrease) From Budget	This Year	%Increase (Decrease) Fr. Last Yr.	Last Year
Water Distribution - 1,000 Gallons					
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	<u>137,620</u>	(2.3)	<u>134,475</u>	3.2	<u>130,346</u>
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	<u>226,184</u>	5.6	<u>238,749</u>	6.5	<u>224,160</u>
Total Water Pumped	<u>3,995,917</u>	5.6	<u>4,217,977</u>	6.5	<u>3,960,205</u>

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	% Increase (Decrease) from Last Year			Last Year	Avg. Price
				This Year	Avg. Price	Year		
Sales of Water								
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	<u>517,593</u>	<u>0.63834</u>	<u>1.3</u>	<u>524,111</u>	<u>0.68102</u>	<u>6.3</u>	<u>493,046</u>	<u>0.62958</u>
Other Revenue								
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	<u>2,746</u>		<u>6.9</u>	<u>2,935</u>		<u>84.4</u>	<u>1,592</u>	
Operating Revenue	<u>520,339</u>		<u>1.3</u>	<u>527,046</u>		<u>6.6</u>	<u>494,638</u>	
Operating Expense								
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	<u>547,233</u>		<u>(0.5)</u>	<u>544,615</u>		<u>24.2</u>	<u>438,442</u>	
Operating Income (Loss)	<u>(26,894)</u>		<u>(34.7)</u>	<u>(17,569)</u>		<u>-1.3X</u>	<u>56,196</u>	
Nonoperating Revenues (Expenses)								
Interest Income	88		(8.0)	81		19.1	68	
Interest Expense	(1,092)		30.9	(1,429)		77.5	(805)	
Net Nonoperating Revenues (Expenses)	<u>(1,004)</u>		<u>34.3</u>	<u>(1,348)</u>		<u>82.9</u>	<u>(737)</u>	
Net Income (Loss) before Capital Contributions	<u>(27,898)</u>		<u>(32.2)</u>	<u>(18,917)</u>		<u>-1.3X</u>	<u>55,459</u>	
Capital Contributions	---		---	---		---	36,869	
Change in Net Position	<u>(27,898)</u>		<u>(32.2)</u>	<u>(18,917)</u>		<u>-1.2X</u>	<u>92,328</u>	
Beginning Net Position	<u>16,524,868</u>			<u>16,641,826</u>			<u>15,784,142</u>	
Ending Net Position	<u>\$16,496,970</u>			<u>\$16,622,909</u>			<u>\$15,876,470</u>	
Net Income (Loss) to Operating Revenue	<u>(5.4)</u>			<u>(3.6)</u>			<u>11.2</u>	
Debt Service Coverage	<u>10.47</u>			<u>11.71</u>			<u>41.93</u>	

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

	Budget Estimate	Avg. Price	% Increase (Decrease) from Budget	% Increase (Decrease) from Last Year			Last Year	Avg. Price
				This Year	Avg. Price	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	<u>2,440,366</u>	0.64736	4.6	<u>2,552,335</u>	0.64143	8.9	<u>2,342,869</u>	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	<u>14,807</u>		14.6	<u>16,974</u>		23.6	<u>13,733</u>	
Operating Revenue	<u>2,455,173</u>		4.6	<u>2,569,309</u>		9.0	<u>2,356,602</u>	
<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	<u>2,421,175</u>		(0.5)	<u>2,407,992</u>		10.3	<u>2,183,086</u>	
Operating Income	<u>33,998</u>		3.7X	<u>161,317</u>		(7.0)	<u>173,516</u>	
<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)	<u>(5,121)</u>		26.9	<u>(6,501)</u>		79.2	<u>(3,628)</u>	
Net Income (Loss) before Capital Contributions	<u>28,877</u>		4.4X	<u>154,816</u>		(8.9)	<u>169,888</u>	
Capital Contributions	---	---		---		---	<u>36,869</u>	
Change in Net Position	<u>28,877</u>		4.4X	<u>154,816</u>		(25.1)	<u>206,757</u>	
Beginning Net Position	<u>16,468,093</u>			<u>16,468,093</u>			<u>15,669,713</u>	
Ending Net Position	<u>\$16,496,970</u>			<u>\$16,622,909</u>			<u>\$15,876,470</u>	
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	<u>54,045</u>	<u>53,604</u>
Total Unrestricted Current Assets	<u>1,526,344</u>	<u>1,759,720</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>1,561,644</u>	<u>1,794,985</u>
Property and Equipment:		
At Cost	33,579,635	29,689,471
Less Accumulated Depreciation	<u>10,946,320</u>	<u>10,780,532</u>
Net Property and Equipment	<u>22,633,315</u>	<u>18,908,939</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>303,525</u>
Total Deferred Outflows of Resources - Pension	<u>724,321</u>	<u>478,453</u>
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	<u>64,491</u>	<u>75,242</u>
	<u>827,042</u>	<u>620,025</u>
Total Payable from Unrestricted Assets	<u>827,042</u>	<u>620,025</u>
<u>Payable from Restricted Assets</u>		
State Revolving Loan	32,000	31,000
Accrued Interest	<u>5,184</u>	<u>1,811</u>
	<u>37,184</u>	<u>32,811</u>
Total Payable from Restricted Assets	<u>37,184</u>	<u>32,811</u>
Total Current Liabilities	<u>864,226</u>	<u>652,836</u>
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	<u>198,772</u>	<u>253,514</u>
	<u>7,169,849</u>	<u>4,404,987</u>
Total Non-Current Liabilities	<u>7,169,849</u>	<u>4,404,987</u>
Deferred Inflows of Resources - Pension	<u>262,296</u>	<u>248,084</u>
Net Position:		
Net Investment in Capital Assets	22,243,438	18,436,986
Restricted	30,116	33,454
Unrestricted	<u>(5,650,645)</u>	<u>(2,593,970)</u>
	<u>16,622,909</u>	<u>15,876,470</u>
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	<u>(198,953)</u>	<u>(1,058,588)</u>
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	<u>(266,339)</u>	<u>(3,602,767)</u>
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	<u>3,145</u>	<u>(2,949)</u>
Net cash flows from operating activities	<u><u>\$198,994</u></u>	<u><u>\$613,524</u></u>

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>Source of Supply</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)	<u>9,493</u>	<u>9,525</u>	<u>9,015</u>
 Total Source of Supply Expense	 <u>55,223</u>	 10.6	 39,247
	7.4	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)	<u>6,382</u>	<u>6,294</u>	<u>6,024</u>
 Total Pumping Expense	 <u>138,635</u>	 26.6	 159,849
	30.3	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)	<u>3,518</u>	<u>3,262</u>	<u>3,229</u>
 Total Water Treatment Expense	 <u>45,803</u>	 8.8	 47,607
	9.0	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)	<u>38,251</u>	<u>36,184</u>	<u>35,403</u>
 Total Distribution Expense	 <u>\$163,243</u>	 31.4	 \$150,481
	28.6	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)	<u>47,468</u>	<u>47,627</u>	<u>45,073</u>
 Total Source of Supply Expense	 <u>155,025</u>	 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)	<u>31,911</u>	<u>31,470</u>	<u>30,120</u>
 Total Pumping Expense	 <u>565,477</u>	 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)	<u>17,588</u>	<u>16,309</u>	<u>16,146</u>
 Total Water Treatment Expense	 <u>239,785</u>	 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)	<u>191,257</u>	<u>180,840</u>	<u>177,015</u>
 Total Distribution Expense	 <u>\$714,316</u>	 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)	\$7,410	0.3	\$2,797	0.1	\$3,579	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

Miscellaneous Revenue

(427)	Lower job sales 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
<u>4,530</u>	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
<u>(5,585)</u>	Other miscellaneous variances - net
<u>(46,126)</u>	

Depreciation

<u>4,221</u>	
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Nonoperating Revenue (Expense)

Interest Income	117
Interest Expense	(1,497)
	<u>(1,380)</u>

Change in Net Loss before Capital Contributions

125,939	
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Capital Contributions

-	
---	--

Change in Net Position

\$ 125,939	Total Variance in Budgeted Net Position
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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 Treatment

Chemicals Expense – (641)

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

	2017 Budget			2017 Actual			2016 Actual		
	1,000 Gal. Pumped	Units	\$	Per Unit	Units	\$	Per Unit	Units	\$
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.

Distribution

Storage 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><u>\$13,111</u></u>	<u><u>\$8,906</u></u>	<u><u>\$9,362</u></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><u>\$315,676</u></u>	<u><u>\$311,678</u></u>	<u><u>\$289,108</u></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

	2017	2016
Current Assets		
Receivables - Consumer Accounts		
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	<u>(6,084)</u>	<u>(4,803)</u>
	<u>\$682,728</u>	<u>\$639,568</u>
Inventories		
Inventory	362,805	\$315,678
Stores Expense (a/c 163)	<u>789</u>	<u>(4,032)</u>
	<u>\$363,594</u>	<u>\$311,646</u>
Prepaid Expenses		
Prepaid Insurance	\$37,638	\$38,440
Prepaid Maintenance Contracts	16,779	11,475
Other Prepaid Expenses	<u>(372)</u>	<u>3,689</u>
	<u>\$54,045</u>	<u>\$53,604</u>
Current Liabilities		
Accounts Payable (amounts over \$2,500 itemized)		
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	<u>60,067</u>	<u>14,035</u>
	<u>\$431,845</u>	<u>\$235,938</u>
Customer Advances for Construction		
Lutheran Homes	\$59,640	\$6,000
Aspen Villas	--	43,873
Curry Trucking	30,815	--
Oakview Plaza	--	36,991
Others	<u>650</u>	<u>575</u>
	<u>\$91,105</u>	<u>\$87,439</u>
Miscellaneous Accrued Expenses		
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	<u>4,356</u>	<u>5,879</u>
	<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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Muscantine Power and Water - Communications Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - May 2017

	Budget Estimate	% Increase (Decrease) From Budget	This Year	% Increase (Decrease) Fr. Last Yr.	Last Year
<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	(3,768)	---	(3,768)	(5.0)	(3,968)
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

	Budget	% Increase (Decrease)	This Year	% Increase (Decrease)	Last Year
	Estimate	From Budget		Fr. Last Yr.	
<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>	(7.6)	<u>53,839</u>	0.2	<u>53,751</u>
Total Operating Revenues	<u>5,642,970</u>	(0.2)	<u>5,629,934</u>	2.2	<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>	(7.1)	<u>674,630</u>	(3.2)	<u>696,645</u>
Total Operating Expenses	<u>5,070,336</u>	(7.2)	<u>4,704,791</u>	0.5	<u>4,679,084</u>
Operating Income	<u>572,634</u>	61.6	<u>925,143</u>	11.3	<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>(18,842)</u>	(5.0)	<u>(19,840)</u>
Net Nonoperating Expense	<u>(14,755)</u>	(58.1)	<u>(6,176)</u>	(52.8)	<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>	(10.6)	<u>7,696</u>	(18.2)	<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>\$6,228,024</u>		<u>\$6,588,198</u>		<u>\$4,312,377</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>\$20,100,293</u>	<u>\$17,185,850</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	<u>123,421</u>	<u>137,907</u>
 Total Payable from Unrestricted Assets	 <u>1,829,741</u>	 <u>1,220,252</u>
<u>Payable from Restricted Assets</u>		
Notes Payable:		
Electric Utility	481,443	479,048
 Total Payable from Restricted Assets	 <u>481,443</u>	 <u>479,048</u>
 Total Current Liabilities	 <u>2,311,184</u>	 <u>1,699,300</u>
 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	<u>8,562,844</u>	<u>9,044,287</u>
 Total Non-Current Liabilities	 <u>11,103,568</u>	 <u>11,072,807</u>
 Deferred Inflows of Resources - Pension	 <u>97,343</u>	 <u>101,366</u>
 Net Position:		
Net Investment in Capital Assets	7,757,649	7,211,038
Unrestricted	<u>(1,169,451)</u>	<u>(2,898,661)</u>
 Total Net Position	 <u>6,588,198</u>	 <u>4,312,377</u>
 TOTAL LIABILITIES AND NET POSITION	 <u><u>\$20,100,293</u></u>	 <u><u>\$17,185,850</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>
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	<u>19,648</u>	<u>(25,364)</u>
Net cash flows from operating activities	<u><u>\$513,175</u></u>	<u><u>\$1,604,252</u></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>
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)	<u>84,951</u>	<u>76,631</u>	<u>82,721</u>
Total CATV	<u>564,808</u>	<u>507,616</u>	<u>517,036</u>
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)	<u>27,909</u>	<u>26,898</u>	<u>25,111</u>
Total Data/Internet	<u>100,035</u>	<u>107,810</u>	<u>101,091</u>

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

	Budget Estimate	This Year	Last Year
CATV			
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)	<u>424,755</u>	<u>383,155</u>	<u>413,605</u>
Total CATV	<u>2,804,001</u>	<u>2,558,698</u>	<u>2,565,905</u>
Data/Internet			
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)	<u>139,547</u>	<u>134,490</u>	<u>125,555</u>
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)	<u>22,135</u>	<u>22,038</u>	<u>21,854</u>
Total MAN	<u>28,947</u>	<u>32,792</u>	<u>29,895</u>
<u>Customer Service Expense</u>			
Customer Information Expense (909)	<u>2,029</u>	<u>2,285</u>	<u>2,666</u>
<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)	<u>6,154</u>	<u>5,368</u>	<u>5,964</u>
Total Consumer Accounts	<u>57,873</u>	<u>59,079</u>	<u>53,437</u>
<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)	<u>10,205</u>	<u>9,359</u>	<u>9,643</u>
Total Administrative and General	<u>244,070</u>	<u>238,860</u>	<u>240,454</u>
Total Operating Expenses	<u><u>\$997,762</u></u>	<u><u>\$948,442</u></u>	<u><u>\$944,579</u></u>

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

	<u>Budget 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)	<u>110,673</u>	<u>110,190</u>	<u>109,270</u>
Total MAN	<u>143,608</u>	<u>141,382</u>	<u>143,793</u>
<u>Customer Service Expense</u>			
Customer Information Expense (909)	<u>23,105</u>	<u>6,106</u>	<u>8,268</u>
<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)	<u>26,703</u>	<u>28,054</u>	<u>26,673</u>
Total Consumer Accounts	<u>283,494</u>	<u>293,412</u>	<u>268,787</u>
<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)	<u>51,023</u>	<u>46,795</u>	<u>48,215</u>
Total Administrative and General	<u>1,259,313</u>	<u>1,194,076</u>	<u>1,189,296</u>
Total Operating Expenses	<u><u>\$5,070,336</u></u>	<u><u>\$4,704,791</u></u>	<u><u>\$4,679,084</u></u>

Muscatine Power and Water - Communications Utility
Statistical Data
May 2017

<u>Services</u>	<u>Budget</u>	<u>% Increase (Decrease)</u>	<u>This Year</u>	^{fn1} <u>Fr. Last Yr.</u>	<u>% Increase (Decrease)</u>	^{fn1} <u>Last Year</u>
	<u>Estimate</u>	<u>From Budget</u>				
CATV						
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>	
Internet						
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>	
MAN	<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
	<u>3,151</u>	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
	<u>1,605</u>	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
	<u>5,188</u>	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
	<u>135</u>	Other miscellaneous variances - net
	<u>64,229</u>	

Depreciation	51,368	Lower depreciation due to fewer fixed assets purchases in 2016 than anticipated
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Nonoperating Revenue (Expense)

Interest Income/expense	<u>8,579</u>	More interest income due to higher cash balances
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Change in Net Position before Capital Contributions

361,088

Capital Contributions	<u>(914)</u>
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Change in Net Position

\$ 360,174 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>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</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><u>\$2,996,757</u></u>	<u><u>\$2,853,428</u></u>	<u><u>\$2,934,208</u></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>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</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><u>\$2,343,922</u></u>	<u><u>\$2,414,511</u></u>	<u><u>\$2,256,573</u></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>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</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	37,758	33,548	39,239
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 <u>Budget</u>	2017 <u>Actual</u>	2016 <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 <u>Code</u>	2017 <u>Budget</u>	2017 <u>Actual</u>	2016 <u>Actual</u>
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><u>\$66,228</u></u>	<u><u>\$40,781</u></u>	<u><u>\$44,712</u></u>

Employee Pensions & Benefits – (926)

	2017 <u>Budget</u>	2017 <u>Actual</u>	2016 <u>Actual</u>
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><u>\$477,446</u></u>	<u><u>\$467,535</u></u>	<u><u>\$445,538</u></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

Current Assets	2017	2016
Receivables - Consumer Accounts		
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	<u>(18,038)</u>	<u>(4,349)</u>
	<u><u>\$1,316,410</u></u>	<u><u>\$1,287,459</u></u>
Inventories		
Inventory	\$132,330	\$173,551
Stores Expense (a/c 163)	<u>474</u>	<u>(2,870)</u>
	<u><u>\$132,804</u></u>	<u><u>\$170,681</u></u>
Prepaid Expenses		
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	<u>(575)</u>	<u>7,387</u>
	<u><u>\$257,942</u></u>	<u><u>\$215,630</u></u>
Current Liabilities		
Accounts Payable (amounts over \$2,500 itemized)		
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	<u>33,214</u>	<u>7,025</u>
	<u><u>\$1,339,157</u></u>	<u><u>\$741,654</u></u>
Miscellaneous Accrued Expenses		
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	<u>48,837</u>	<u>66,423</u>
	<u><u>\$123,421</u></u>	<u><u>\$137,907</u></u>