

**Muscatine Power and Water**

**Electric Utility**

**Statement of Revenues, Expenses and Changes in Net Position**

**October 2017**

**Muscatine Power and Water  
Electric Utility**

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

	<b>Budget Estimate</b>	<b>% Increase (Decrease) From Budget</b>	<b>This Year</b>	<b>% Increase (Decrease) Fr. Last Yr.</b>	<b>Last Year</b>
<b><u>KWH Generated and Sold</u></b>					
Gross Generation	40,365,259	69.6	68,452,554	(27.5)	94,354,344
Less: Plant Use	3,411,240	1.2X	7,540,072	(25.2)	10,085,335
Net Generation/Wholesale Sales	36,954,019	64.8	60,912,482	(27.7)	84,269,009
Wholesale Sales - Wind	5,233,913	4.1	5,450,431	---	---
Total Wholesales Sales	<u>42,187,932</u>	57.3	<u>66,362,913</u>	(21.2)	<u>84,269,009</u>
<b><u>Net Capacity Factors</u></b>					
Unit 9	28.00	30.6	36.58	(39.5)	60.49
Unit 8/8A	25.24	1.2X	55.91	37.3	40.72
Unit 7	7.00	---	---	---	---
Total Plant	25.52	45.5	37.12	(27.0)	50.85
<b><u>KWH Distribution</u></b>					
Residential	6,823,123	12.6	7,680,137	9.8	6,995,047
Commercial I	2,711,781	10.5	2,996,054	6.4	2,815,714
Commercial II	7,523,983	5.5	7,938,300	6.3	7,465,600
Industrial I	10,885,736	6.2	11,556,620	9.0	10,606,100
Industrial II	41,450,000	(5.3)	39,267,158	0.4	39,126,217
City Enterprise Funds	417,800	(1.7)	410,832	4.0	395,213
Water & Communications Utilities	<u>1,535,971</u>	(7.8)	<u>1,415,637</u>	(6.9)	<u>1,521,353</u>
Native System Sales	71,348,394	(0.1)	71,264,738	3.4	68,925,244
City Lighting	115,714	37.1	158,608	(6.5)	169,708
City Buildings	435,907	24.3	541,765	21.3	446,732
Offline Power Plant Usage	1,322,400	(55.6)	586,536	1.7X	221,141
Losses & Cycle Billing	<u>2,084,540</u>	(79.7)	<u>423,250</u>	(70.1)	<u>1,414,184</u>
Total Native System KWH					
Distributed	75,306,955	(3.1)	72,974,897	2.5	71,177,009
Wind KWH Purchases	5,233,913	4.1	5,450,431	---	---
Total Purchased Power KWH	<u>80,540,868</u>	(2.6)	<u>78,425,328</u>	10.2	<u>71,177,009</u>
<b><u>STEAM SALES - 1,000 lbs</u></b>					
	<u>---</u>	---	<u>250,087</u>	(10.3)	<u>278,878</u>

**Muscataine Power and Water - Electric Utility**  
**Classification of Electric Energy/Steam Sales**  
**Calendar Year-to-Date - October 2017**

	<b><u>Budget Estimate</u></b>	<b><u>% Increase (Decrease) From Budget</u></b>	<b><u>This Year</u></b>	<b><u>% Increase (Decrease) Fr. Last Yr.</u></b>	<b><u>Last Year</u></b>
<b><u>KWH Generated and Sold</u></b>					
Gross Generation	689,963,918	4.7	722,407,529	(8.5)	789,692,428
Less: Plant Use	69,744,240	9.8	76,587,729	(15.6)	90,775,110
Net Generation/Wholesale Sales	620,219,678	4.1	645,819,800	(7.6)	698,917,318
Wholesale Sales - Wind	39,174,442	9.6	42,917,231	---	---
Total Wholesale Sales	<u>659,394,120</u>	4.4	<u>688,737,031</u>	(1.5)	<u>698,917,318</u>
<b><u>Net Capacity Factors</u></b>					
Unit 9	49.57	(3.4)	47.88	(1.9)	48.80
Unit 8/8A	37.61	(40.0)	22.55	(39.2)	37.10
Unit 7	3.40	4.0X	16.96	1.3X	7.27
Total Plant	43.67	(8.3)	40.06	(6.5)	42.86
<b><u>KWH Distribution</u></b>					
Residential	87,921,519	(4.6)	83,848,420	(5.9)	89,096,291
Commercial I	30,975,662	1.4	31,422,170	0.8	31,180,347
Commercial II	78,509,772	(2.4)	76,630,000	(4.9)	80,585,400
Industrial I	110,166,551	2.6	113,027,840	10.5	102,320,120
Industrial II	386,200,000	(1.7)	379,791,733	1.7	373,461,925
City Enterprise Funds	4,404,768	(2.0)	4,317,711	3.1	4,188,635
Water & Communications Utilities	15,094,692	(7.1)	14,021,199	(6.7)	15,034,187
Native System Sales	713,272,964	(1.4)	703,059,073	1.0	695,866,905
City Lighting	1,149,622	39.0	1,597,906	(0.7)	1,608,770
City Buildings	5,386,079	9.1	5,875,444	9.5	5,364,147
Offline Power Plant Usage	4,157,760	22.9	5,108,626	44.9	3,525,844
Losses & Cycle Billing	19,830,902	(3.9)	19,064,742	(2.6)	19,564,905
Total Native System KWH					
Distributed	743,797,327	(1.2)	734,705,791	1.2	725,930,571
Wind KWH Purchases	39,174,442	9.6	42,917,231	---	---
Total Purchased Power KWH	<u>782,971,769</u>	(0.7)	<u>777,623,022</u>	7.1	<u>725,930,571</u>
<b><u>STEAM SALES - 1,000 lbs</u></b>					
	<u>997,619</u>	30.0	<u>1,297,185</u>	(47.6)	<u>2,473,946</u>

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

	<b>Budget Estimate</b>	<b>Avg. Price</b>	<b>% Increase (Decrease) from Budget</b>	<b>This Year</b>	<b>Avg. Price</b>	<b>% Increase (Decrease) from Last Year</b>	<b>Last Year</b>	<b>Avg. Price</b>
<b><u>Sales of Electricity</u></b>								
Residential	\$807,861	\$ 0.11840	10.4	\$891,767	\$ 0.11611	12.1	\$795,745	\$ 0.11376
Commercial I	290,108	0.10698	9.9	318,740	0.10639	10.5	288,540	0.10247
Commercial II	649,690	0.08635	0.3	651,623	0.08209	11.1	586,283	0.07853
Industrial I	709,685	0.06519	5.5	748,723	0.06479	12.6	665,185	0.06272
Industrial II	2,212,601	0.05338	(3.0)	2,145,621	0.05464	7.0	2,004,646	0.05124
City Enterprise Funds	34,005	0.08139	2.4	34,821	0.08476	13.9	30,574	0.07736
Water & Communication Utilities	103,712	0.06752	(11.1)	92,156	0.06510	(0.5)	92,610	0.06087
Native System Sales	4,807,662	0.06738	1.6	4,883,451	0.06853	9.4	4,463,583	0.06476
Wholesale Sales	1,588,241	0.03765	21.4	1,928,734	0.02906	(39.1)	3,167,336	0.03759
Energy Sales	6,395,903		6.5	6,812,185		(10.7)	7,630,919	
<b><u>Steam Sales</u></b>	---	---	---	951,110	3.80	(9.4)	1,049,941	3.76
<b><u>Other Revenue</u></b>								
By-Product Revenue	15,233		53.8	23,421		27.7	18,342	
Miscellaneous Revenue	53,789		70.5	91,726		75.1	52,371	
Total Other Revenue	69,022		66.8	115,147		62.8	70,713	
Operating Revenue	6,464,925		21.9	7,878,442		(10.0)	8,751,573	
<b><u>Operating Expense</u></b>								
Purchased Power	2,094,160	0.02600	3.5	2,168,433	0.02765	(6.9)	2,329,159	0.03272
Production Fuel	851,772		99.8	1,701,949		(22.7)	2,202,094	
Emissions Allowance	---		---	889		(51.1)	1,819	
Operation	2,015,094		0.4	2,024,143		5.6	1,917,185	
Maintenance	768,099		4.9	805,889		10.6	728,612	
Depreciation	957,139		(6.0)	900,004		7.5	837,341	
Total Operating Expense	6,686,264		13.7	7,601,307		(5.2)	8,016,210	
Operating Income (Loss)	(221,339)		-2.3X	277,135		(62.3)	735,363	
<b><u>Nonoperating Revenue (Expense)</u></b>								
Interest Income	9,116		3.6X	41,525		1.5X	16,687	
Interest Expense	(400)		37.5	(550)		1.0X	(274)	
Total Nonoperating Revenue (Expense)	8,716		3.7X	40,975		1.5X	16,413	
<b>Net Income (Loss) Before Revenue Adjustment</b>	(212,623)		-2.5X	318,110		(57.7)	751,776	
Capital Contributions	---		---	---		---	31,540	
<b>Change in Net Position</b>	(212,623)		-2.5X	318,110		(59.4)	783,316	
<b>Beginning Net Position</b>	125,023,338			128,159,210			125,596,004	
<b>Ending Net Position</b>	\$124,810,715			\$128,477,320			\$126,379,320	
Net Loss Before Rev Adj to Op Revenue	(3.3)			4.0			8.6	
Change in Net Position to Operating Revenue	(3.3)			4.0			9.0	

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

	<u>Budget</u>	<u>Avg. Price</u>	<u>% Increase (Decrease) from Budget</u>	<u>This Year</u>	<u>Avg. Price</u>	<u>% Increase (Decrease) from Last Year</u>	<u>Last Year</u>	<u>Avg. Price</u>
<b><u>Sales of Electricity</u></b>								
Residential	\$9,533,769	\$ 0.10843	(0.7)	\$9,466,831	\$ 0.11290	(0.0)	\$9,467,275	\$ 0.10626
Commercial I	3,187,005	0.10289	3.6	3,300,748	0.10505	6.5	3,099,251	0.09940
Commercial II	6,478,759	0.08252	(3.6)	6,246,979	0.08152	0.5	6,216,504	0.07714
Industrial I	6,989,374	0.06344	6.2	7,422,847	0.06567	16.9	6,350,652	0.06207
Industrial II	20,194,844	0.05229	3.0	20,796,912	0.05476	10.5	18,816,866	0.05038
City Enterprise Funds	338,598	0.07687	0.5	340,262	0.07881	8.8	312,659	0.07464
Water & Communications Utilities	977,407	0.06475	(5.1)	927,379	0.06614	0.9	919,087	0.06113
Native System Sales	47,699,756	0.06687	1.7	48,501,958	0.06899	7.3	45,182,294	0.06493
Wholesale Sales	22,340,591	0.03388	6.3	23,754,527	0.03449	5.8	22,445,453	0.03211
Energy Sales	70,040,347		3.2	72,256,485		6.8	67,627,747	
<b><u>Steam Sales</u></b>	4,095,826	4.11	21.0	4,956,228	3.82	(49.1)	9,741,636	3.94
<b><u>Other Revenue</u></b>								
By-Product Revenue	227,144		4.4	237,214		(4.5)	248,348	
Miscellaneous Revenue	526,784		26.4	665,998		11.5	597,075	
Total Other Revenue	753,928		19.8	903,212		6.8	845,423	
Operating Revenue	74,890,101		4.3	78,115,925		(0.1)	78,214,806	
<b><u>Operating Expense</u></b>								
Purchased Power	21,208,577	0.02709	10.0	23,336,302	0.03001	20.2	19,409,583	0.02674
Production Fuel	14,607,977		7.8	15,751,550		(18.4)	19,308,659	
Emissions Allowance	298,102		(97.9)	6,274		(97.2)	221,512	
Operation	21,704,302		(8.4)	19,882,909		(3.1)	20,513,056	
Maintenance	10,661,034		(7.1)	9,899,608		33.6	7,408,853	
Depreciation	9,571,394		(6.0)	9,000,043		7.5	8,373,412	
Total Operating Expense	78,051,386		(0.2)	77,876,686		3.5	75,235,075	
Operating Income (Loss)	(3,161,285)		-1.1X	239,239		(92.0)	2,979,731	
<b><u>Nonoperating Revenue (Expense)</u></b>								
Interest Income	88,036		2.3X	291,437		1.1X	137,769	
Interest Expense	(4,000)		20.1	(4,803)		77.5	(2,706)	
Total Nonoperating Revenue (Expense)	84,036		2.4X	286,634		1.1X	135,063	
<b>Net Income (Loss) Before Revenue Adjustment and Capital Contributions</b>	(3,077,249)		-1.2X	525,873		(83.1)	3,114,794	
Capital Contributions	---		---	63,483		(61.6)	165,118	
<b>Change in Net Position</b>	(3,077,249)		-1.2X	589,356		(82.0)	3,279,912	
<b>Beginning Net Position</b>	127,887,964			127,887,964			123,099,408	
<b>Ending Net Position</b>	\$124,810,715			\$128,477,320			\$126,379,320	
Net Income (Loss) Before Rev Adj to Op Revenue	(4.1)			0.7			4.0	
Change in Net Position to Operating Revenue	(4.1)			0.8			4.2	

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

**ASSETS**

	<u><b>2017</b></u>	<u><b>2016</b></u>
<b>Current Assets:</b>		
Cash - interest bearing	\$37,095,634	\$15,959,671
Investments	15,550,000	19,251,565
Receivables:		
Consumer Accounts	6,155,324	5,764,063
Refined Coal	2,932,559	3,806,454
Wholesale	353,531	690,053
Steam Sales	972,601	1,050,308
Interest	116,123	89,670
Inventories	5,209,490	5,687,637
Fuel	9,171,657	14,467,194
Prepaid Expenses	697,628	767,956
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Total Current Assets	78,254,547	67,534,571
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<b>Property and Equipment:</b>		
At Cost	429,307,854	424,775,584
Less Accumulated Depreciation	357,837,922	348,851,390
	<hr/>	<hr/>
Net Property and Equipment	71,469,932	75,924,194
	<hr/>	<hr/>
<b>Other Assets:</b>		
Note Receivable - Communications Utility	9,044,287	9,523,335
Note Receivable - Water Utility	---	2,900,000
Joint Venture Rights	85,079	118,042
	<hr/>	<hr/>
Total Other Assets	9,129,366	12,541,377
	<hr/>	<hr/>
<b>Deferred Outflows of Resources - Pension</b>		
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	3,456,218	3,863,178
	<hr/>	<hr/>
Total Deferred Outflows of Resources - Pension	9,391,824	7,202,363
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<u><u>\$168,245,669</u></u>	<u><u>\$163,202,505</u></u>

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

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION**

	<u>2017</u>	<u>2016</u>
<b>Current Liabilities:</b>		
<b><u>Unrestricted</u></b>		
Accounts Payable	\$5,908,840	\$6,460,703
Health & Dental Insurance Provision	271,040	295,620
Accrued Payroll	427,790	386,655
Accrued Vacation	1,171,320	1,186,396
Accrued Emission Allowance Expense	6,274	221,512
Consumers' Deposits	783,183	768,445
Retained Percentage on Contracts	28,408	6,744
Accrued Property Taxes	81,288	87,382
Miscellaneous Accrued Expenses	718,010	749,118
Unearned Revenue	150,209	157,010
	<hr/>	<hr/>
Total Unrestricted Current Liabilities	9,546,362	10,319,585
	<hr/>	<hr/>
<b>Non-Current Liabilities:</b>		
Health & Dental Insurance Provision	1,170,831	1,024,756
Post-Employment Health Benefit Provision	427,929	405,086
Net Pension Liability	14,957,202	11,381,972
	<hr/>	<hr/>
Total Non-Current Liabilities	16,555,962	12,811,814
	<hr/>	<hr/>
<b>Deferred Inflows of Resources</b>		
Extraordinary O&M	13,032,866	13,032,866
Pension		
Differences between expected and actual experience	633,159	658,920
	<hr/>	<hr/>
Total Deferred Inflows of Resources	13,666,025	13,691,786
	<hr/>	<hr/>
<b>Net Position:</b>		
Net Investment in Capital Assets	71,469,932	75,924,194
Unrestricted	57,007,388	50,455,126
	<hr/>	<hr/>
Total Net Position	128,477,320	126,379,320
	<hr/>	<hr/>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$168,245,669</u>	<u>\$163,202,505</u>



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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$5,221,291	\$48,123,832
MISO sales	3,347,308	25,658,146
Steam sales	---	7,357,805
Coal sales	2,210,670	28,045,580
Railcar/facilities leasing	5,849	56,693
By-product sales	82,423	312,974
Miscellaneous sources	200,959	642,527
Cash paid to/for:		
Suppliers	(1,150,479)	(9,355,745)
MISO purchases/administration fees	(2,736,592)	(23,029,453)
South Fork Wind purchases	(109,698)	(1,055,589)
Coal purchases	(4,017,445)	(38,747,472)
Employees payroll, taxes and benefits	(1,958,585)	(19,525,679)
Net cash flows from operating activities	<u>1,095,701</u>	<u>18,483,619</u>
Cash flows from noncapital financing activities:		
Interest received on notes receivable from water & communications utilities	---	28,829
Principal received on note receivable from water utility	---	6,000,000
Loan to Water Utility	<u>---</u>	<u>(3,100,000)</u>
Net cash flows from noncapital financing activities	<u>---</u>	<u>2,928,829</u>
Cash flows from capital financing activities:		
Capital expenditures, net	<u>(294,100)</u>	<u>(4,992,972)</u>
Net cash flows from capital and related financing activities	<u>(294,100)</u>	<u>(2,064,143)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	---	(74,540)
Interest received on investments	19,904	218,323
Amortization/accretion of investments	---	(210)
Mark to Market	<u>---</u>	<u>(37)</u>
Net cash flows from investing activities	<u>19,904</u>	<u>143,536</u>
Net increase in cash and investments	<u>821,505</u>	<u>16,563,012</u>
Cash and investments at beginning of period	<u>51,824,129</u>	<u>36,082,622</u>
Cash and investments at end of period	<u><u>\$52,645,634</u></u>	<u><u>\$52,645,634</u></u>

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

	<b><u>Current</u> <u>Month</u></b>	<b><u>Year-</u> <u>To-Date</u></b>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$277,135	\$239,239
Noncash items in operating income:		
Depreciation of electric utility plant	900,004	9,000,043
Amortization of joint venture rights	8,062	84,885
Change in deferred outflows of resources - pension	(404,800)	(1,214,400)
Changes in assets and liabilities:		
Consumer accounts receivable	504,442	962,251
Refined coal	(716,040)	1,098,910
Wholesale receivable	(26,227)	679,292
Steam sales receivable	(972,601)	1,303,768
Inventories	49,973	457,804
Fuel	(816,618)	4,725,808
Prepaid expenses	35,337	146,358
Accounts payable	1,885,506	(513,164)
Net pension liability	195,653	1,956,533
Health & dental insurance provision	58,367	159,554
Other post-employment benefit provision	2,120	18,211
Accrued payroll	133,273	(253,309)
Accrued vacation	(1,530)	(14,884)
Accrued emission allowance expense	889	(218,124)
Consumers' deposits	5,821	21,583
Retained Percentage	1,185	(22,878)
Accrued property taxes	7,964	(20,746)
Unearned revenue	(3,509)	41,417
Miscellaneous accrued expenses	(28,705)	(154,532)
Net cash flows from operating activities	<u>\$1,095,701</u>	<u>\$18,483,619</u>

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

	<u><b>This Year</b></u>	<u><b>Last Year</b></u>
Extraordinary Operation & Maintenance Account	<u>\$13,167,236</u>	<u>\$13,083,910</u>
Total Cash and Investments Appropriated for Specific Purposes	<u><u>\$13,167,236</u></u>	<u><u>\$13,083,910</u></u>

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Purchased Power</u></b>	<u>\$2,094,160</u>	32.4	<u>\$2,168,433</u>	27.5	<u>\$2,329,159</u>	26.6
Average price per kWh	\$0.0278		\$0.0297		\$0.0327	
<b><u>Generation</u></b>						
Operation Supervision (500)	65,888		82,922		79,331	
Fuel: (501)						
Coal	761,823		1,619,583		2,087,007	
Fuel Oil	13,017		22,527		18,329	
Gas	---		10,558		17,542	
Coal Handling Expense (501-003)	40,590		33,282		49,618	
Landfill Operation Expense (501-925)	36,342		15,999		29,598	
Emissions Allowance Expense (509)	---		889		1,819	
Steam Expense:						
Boiler (502-004)	71,560		86,680		92,623	
Pollution Control (502-005)	43,079		87,228		79,287	
Electric Expense (505)	77,633		93,112		101,388	
Miscellaneous Steam Power Expense (506)	223,341		153,369		172,624	
Maintenance:						
Supervision (510)	49,285		80,370		64,378	
Structures (511)	44,045		55,212		47,915	
Boiler Plant:						
Boiler (512-006)	147,459		217,506		111,275	
Pollution Control (512-007)	85,195		65,740		107,749	
Electric Plant (513-008)	49,892		85,312		23,770	
System Control (513-009)	22,486		20,636		16,173	
Miscellaneous Steam Plant (514)	71,519		57,074		83,155	
Coal Handling Equipment (516)	59,968		49,080		51,411	
System Control and Load Dispatch (556)	30,253		28,691		21,685	
Vacation, Holiday, Sick Leave (557)	55,634		74,704		71,132	
Depreciation (558)	<u>643,473</u>		<u>648,814</u>		<u>637,587</u>	
<b>Total Generation Expense</b>	<u>\$2,592,482</u>	40.1	<u>\$3,589,288</u>	45.6	<u>\$3,965,396</u>	45.3

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Purchased Power</u></b>	<u>\$21,208,577</u>	28.3	<u>\$23,336,302</u>	29.9	<u>\$19,409,583</u>	24.8
Average price per kWh	\$0.0285		\$0.0318		\$0.0267	
<b><u>Generation</u></b>						
Operation Supervision (500)	813,988		785,817		814,210	
Fuel: (501)						
Coal	13,874,356		15,013,460		18,501,824	
Fuel Oil	92,151		79,535		87,870	
Gas	8,000		132,353		135,776	
Coal Handling Expense (501-003)	489,426		367,271		465,127	
Landfill Operation Expense (501-925)	144,044		158,931		118,062	
Emissions Allowance Expense (509)	298,102		6,274		221,512	
Steam Expense:						
Boiler (502-004)	902,145		886,067		1,052,964	
Pollution Control (502-005)	620,619		484,880		738,329	
Electric Expense (505)	912,261		859,511		1,022,589	
Miscellaneous Steam Power Expense (506)	2,298,546		1,763,835		2,091,795	
Maintenance:						
Supervision (510)	594,307		770,077		688,435	
Structures (511)	947,386		604,836		488,552	
Boiler Plant:						
Boiler (512-006)	2,137,051		1,850,369		1,400,385	
Pollution Control (512-007)	568,851		615,650		702,393	
Electric Plant (513-008)	2,395,216		2,484,377		365,536	
System Control (513-009)	216,764		177,840		207,060	
Miscellaneous Steam Plant (514)	776,938		541,301		606,550	
Coal Handling Equipment (516)	723,030		702,767		818,312	
System Control and Load Dispatch (556)	289,194		252,554		229,653	
Vacation, Holiday, Sick Leave (557)	831,496		837,753		891,365	
Depreciation (558)	<u>6,434,729</u>		<u>6,488,142</u>		<u>6,375,873</u>	
<b>Total Generation Expense</b>	<u>\$36,368,600</u>	48.6	<u>\$35,863,600</u>	45.9	<u>\$38,024,172</u>	48.6

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Transmission</u></b>						
Operation Supervision (560)	\$7,686		\$7,762		\$7,497	
Load Dispatching (561)	66,087		82,441		69,097	
Station Expense (562)	13,262		7,450		12,275	
Overhead Line Expense (563)	142		1,527		107	
Transmission of Electricity by Others (565)	113,017		91,393		67,861	
Miscellaneous Transmission Expense (566)	11,211		27,486		8,016	
Maintenance:						
Supervision (568)	2,909		1,985		2,690	
Structures (569)	251		---		---	
Station Equipment (570)	6,816		3,524		8,340	
Overhead Lines (571)	21,661		1,664		8,101	
Vacation, Holiday, Sick Leave (575)	8,395		6,971		7,110	
Depreciation (576)	40,936		31,072		31,072	
Tax on Rural Property (577)	5,677		5,621		5,690	
Total Transmission Expense	298,050	4.6	268,896	3.4	227,856	2.6
<b><u>Distribution</u></b>						
Operation Supervision (580)	15,394		11,950		15,624	
Load Dispatching (581)	28,519		28,810		32,723	
Station Expense (582)	8,216		17,080		8,383	
Overhead Line Expense (583)	2,157		1,246		1,761	
Vehicle Expense (589)	16,369		13,460		9,776	
Underground Line Expense (584)	9,912		6,007		3,411	
Street Lighting (585-418)	2,611		606		226	
Signal Expense (585-419)	688		1		83	
Meter Expense (586)	9,100		8,740		8,943	
Consumer Installation Expense (587)	528		413		565	
Miscellaneous Distribution Expense (588)	63,635		74,016		63,108	
Maintenance:						
Supervision (590)	11,665		7,309		11,325	
Structures (591)	473		---		---	
Station Equipment (592)	12,533		11,256		14,697	
Overhead Lines (593)	63,380		47,094		54,731	
Underground Lines (594)	16,292		9,188		11,043	
Line Transformers (595)	3,910		915		3,360	
Street Lighting (596-418)	10,226		10,121		33,190	
Signal System (596-419)	2,047		774		1,479	
Meters (597)	2,175		2,052		3,957	
Miscellaneous Distribution Plant (598)	2,708		3,365		2,469	
Vacation, Holiday, Sick Leave (599)	26,060		23,024		25,215	
Depreciation (578)	172,686		172,352		168,481	
Tax on Rural Property (579)	1,696		1,679		1,700	
Total Distribution Expense	\$482,980	7.5	\$451,458	5.7	\$476,250	5.4

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Transmission</u></b>						
Operation Supervision (560)	\$75,602		\$73,490		\$68,113	
Load Dispatching (561)	675,120		670,482		603,565	
Station Expense (562)	106,374		87,554		111,279	
Overhead Line Expense (563)	868		5,754		5,398	
Transmission of Electricity by Others (565)	1,130,170		859,273		764,419	
Miscellaneous Transmission Expense (566)	254,640		141,642		180,182	
Maintenance:						
Supervision (568)	28,727		24,171		31,423	
Structures (569)	1,441		---		---	
Station Equipment (570)	63,516		64,622		106,727	
Overhead Lines (571)	202,246		45,788		170,300	
Vacation, Holiday, Sick Leave (575)	101,087		88,234		81,659	
Depreciation (576)	409,358		310,718		310,721	
Tax on Rural Property (577)	56,772		55,888		57,011	
Total Transmission Expense	<u>3,105,921</u>	4.1	<u>2,427,616</u>	3.1	<u>2,490,797</u>	3.2
<b><u>Distribution</u></b>						
Operation Supervision (580)	151,512		137,266		166,325	
Load Dispatching (581)	282,191		319,389		339,505	
Station Expense (582)	95,822		90,435		80,253	
Overhead Line Expense (583)	36,070		17,473		23,033	
Vehicle Expense (589)	165,262		138,709		123,007	
Underground Line Expense (584)	83,504		48,501		37,737	
Street Lighting (585-418)	26,029		7,919		8,890	
Signal Expense (585-419)	7,256		1,369		1,261	
Meter Expense (586)	92,292		104,273		104,159	
Consumer Installation Expense (587)	5,435		6,315		6,400	
Miscellaneous Distribution Expense (588)	570,621		669,858		563,332	
Maintenance:						
Supervision (590)	116,366		94,734		133,178	
Structures (591)	13,866		---		17	
Station Equipment (592)	98,494		129,965		102,174	
Overhead Lines (593)	551,870		683,247		501,373	
Underground Lines (594)	157,966		167,713		173,224	
Line Transformers (595)	66,852		34,153		27,196	
Street Lighting (596-418)	103,265		116,000		162,363	
Signal System (596-419)	32,910		41,264		36,747	
Meters (597)	24,752		26,023		24,715	
Miscellaneous Distribution Plant (598)	27,083		28,114		27,108	
Vacation, Holiday, Sick Leave (599)	316,109		328,181		315,876	
Depreciation (578)	1,726,864		1,723,521		1,684,811	
Tax on Rural Property (579)	16,958		16,694		17,029	
Total Distribution Expense	<u>\$4,769,349</u>	6.4	<u>\$4,931,116</u>	6.3	<u>\$4,659,713</u>	6.0

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense (909)	\$6,619		\$2,913		\$3,273	
Energy Efficiency Rebates (912)	17,859		22,064		18,363	
Electric Ranges/Dryers Maintenance (910)	451		469		265	
Electric Water Heaters Maintenance (911)	161		65		---	
Total Customer Service Expense	<u>25,090</u>	0.4	<u>25,511</u>	0.3	<u>21,901</u>	0.3
<b><u>Consumer Accounts</u></b>						
Supervision (901)	3,303		3,614		2,456	
Meter Reading Expense (902)	9,590		9,433		8,366	
Consumer Records and Collection (903)	41,153		37,579		33,350	
Uncollectible Accounts Expense (904)	5,623		5,623		9,822	
Vacation, Holiday, Sick Leave (906)	4,113		3,629		7,438	
Total Consumer Accounts Expense	<u>63,782</u>	1.0	<u>59,878</u>	0.8	<u>61,432</u>	0.7
<b><u>Administrative and General</u></b>						
Administrative and General Salaries (920)	192,353		190,310		183,702	
Office Supplies and Expenses (921)	14,268		16,420		14,972	
Outside Services Employed (923)	37,311		54,791		41,202	
Property Insurance (924)	57,271		55,721		53,778	
Casualty Ins, Injuries & Damages (925)	52,770		24,939		41,460	
Employee Pensions and Benefits (926)	542,277		530,704		490,341	
Fringe Benefits Charged to Constr. (927)	(24,684)		(40,797)		(33,486)	
Regulatory Commission (928)	6,231		9,794		8,513	
Miscellaneous General Expense (930)	45,989		53,325		44,912	
Maintenance of General Plant (932)	46,169		36,231		32,383	
Maintenance of A/O Center (934)	35,035		39,481		35,021	
Vacation, Holiday, Sick Leave (936)	24,686		19,158		21,217	
Depreciation (933)	100,044		47,766		201	
Total Administrative and General	<u>1,129,720</u>	17.5	<u>1,037,843</u>	13.2	<u>934,216</u>	10.7
Total Operating Expense	<u>\$6,686,264</u>		<u>\$7,601,307</u>		<u>\$8,016,210</u>	
Percent to Operating Revenue		103.4		96.5		91.6



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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense (909)	\$65,024		\$48,231		\$72,108	
Energy Efficiency Rebates (912)	182,080		180,677		90,399	
Electric Ranges/Dryers Maintenance (910)	4,614		1,725		1,626	
Electric Water Heaters Maintenance (911)	1,647		606		580	
Total Customer Service Expense	<u>\$253,365</u>	0.3	<u>\$231,239</u>	0.3	<u>\$164,713</u>	0.2
<b><u>Consumer Accounts</u></b>						
Supervision (901)	32,457		32,272		32,373	
Meter Reading Expense (902)	92,511		97,337		88,486	
Consumer Records and Collection (903)	405,095		384,724		366,926	
Uncollectible Accounts Expense (904)	56,229		56,230		52,743	
Vacation, Holiday, Sick Leave (906)	50,508		46,926		56,734	
Total Consumer Accounts Expense	<u>636,800</u>	0.9	<u>617,489</u>	0.8	<u>597,262</u>	0.8
<b><u>Administrative and General</u></b>						
Administrative and General Salaries (920)	1,890,888		1,758,207		1,781,820	
Office Supplies and Expenses (921)	163,049		139,498		127,384	
Outside Services Employed (923)	559,954		368,990		323,745	
Property Insurance (924)	562,232		551,384		552,792	
Casualty Ins, Injuries & Damages (925)	517,296		501,803		780,542	
Employee Pensions and Benefits (926)	5,584,975		5,541,358		5,200,072	
Fringe Benefits Charged to Constr. (927)	(294,888)		(332,235)		(282,555)	
Regulatory Commission (928)	62,313		84,060		78,114	
Miscellaneous General Expense (930)	552,027		405,319		407,792	
Maintenance of General Plant (932)	451,921		344,981		274,898	
Maintenance of A/O Center (934)	360,216		351,616		360,187	
Vacation, Holiday, Sick Leave (936)	298,348		276,681		282,037	
Depreciation (933)	1,000,443		477,662		2,007	
Total Administrative and General	<u>11,708,774</u>	15.6	<u>10,469,324</u>	13.4	<u>9,888,835</u>	12.6
Total Operating Expense	<u>\$78,051,386</u>		<u>\$77,876,686</u>		<u>\$75,235,075</u>	
Percent to Operating Revenue		104.2		99.7		96.2

**Muscatine Power and Water - Electric Utility**  
**Statistical Data**  
**October 2017**

**Total Fuel Cost**

(To & Including Ash Handling, Gas & Oil)

	<b><u>Current Month</u></b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
Per Million Btu.	\$1.790	\$1.768
Per Net MW Generated	\$19.62	\$19.14
Net Peak Monthly Demand-KW	117,030	116,830
Date of Peak	10/2	10/17
Hour of Peak	1700	1700

	<b><u>Calendar Year-To-Date</u></b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
Per Million Btu.	\$1.789	\$1.821
Per Net MW Generated	\$20.28	\$19.99
Net Peak Monthly Demand-KW	135,890	137,009
Date of Peak	9/20	9/6
Hour of Peak	1400	1700

Average Temperature	55.8°	57.7°
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<b><u>Services</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Residential	9,869	9,837
Commercial I	1,373	1,366
Commercial II	116	116
Industrial I	11	11
Industrial II	2	2
City Enterprise Funds	25	22
Water & Communications Utility	35	35
Total	<u>11,431</u>	<u>11,389</u>

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

	<u>Modified Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<b>Wholesale kWh Sales*</b>	<u>36,954,019</u>		<u>60,912,482</u>		<u>84,269,009</u>	
<b>Wholesale Sales*</b>	<u>\$1,497,066</u>	<u>\$0.04051</u>	<u>\$1,860,118</u>	<u>\$0.03054</u>	<u>\$3,167,336</u>	<u>\$0.03759</u>
<b>Variable Costs</b>						
Fuel (Coal, Gas & Fuel Oil)	771,511	0.02088	1,135,274	0.01864	1,516,730	0.01800
Emissions:						
SO <sup>2</sup> Allowances-ARP <sup>fn1</sup>	---	---	46	---	33	---
SO <sup>2</sup> Allowances-CSAPR <sup>fn2</sup>	---	---	116	---	82	---
NO <sub>x</sub> Allowances <sup>fn3</sup>	---	---	339	0.00001	896	0.00001
Other <sup>fn4</sup>	<u>159,224</u>	<u>0.00431</u>	<u>178,138</u>	<u>0.00292</u>	<u>193,885</u>	<u>0.00230</u>
Total Variable Costs	<u>930,735</u>	<u>0.02519</u>	<u>1,313,913</u>	<u>0.02157</u>	<u>1,711,626</u>	<u>0.02031</u>
<b>Gross Margin</b>	<u>\$566,331</u>	<u>\$0.01533</u>	<u>\$546,205</u>	<u>\$0.00897</u>	<u>\$1,455,710</u>	<u>\$0.01727</u>
Percent Gross Margin	37.8%		29.4%		46.0%	

\*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>
<b>Wholesale kWh Sales*</b>	<u>620,219,678</u>		<u>645,819,800</u>		<u>698,917,318</u>	
<b>Wholesale Sales*</b>	<u>\$21,533,283</u>	<u>\$0.03472</u>	<u>\$23,170,252</u>	<u>\$0.03588</u>	<u>\$22,445,453</u>	<u>\$0.03211</u>
<b>Variable Costs</b>						
Fuel (Coal, Gas & Fuel Oil)	11,860,579	0.01912	12,445,056	0.01927	13,232,797	0.01893
Emissions:						
SO <sup>2</sup> Allowances-ARP <sup>fn1</sup>	882	---	188	---	295	---
SO <sup>2</sup> Allowances-CSAPR <sup>fn2</sup>	882	---	475	---	733	---
NO <sub>x</sub> Allowances <sup>fn3</sup>	296,337	0.00048	173,064	0.00027	198,606	0.00028
Other <sup>fn4</sup>	<u>1,592,238</u>	<u>0.00257</u>	<u>1,726,620</u>	<u>0.00267</u>	<u>1,931,580</u>	<u>0.00276</u>
Total Variable Costs	<u>13,750,918</u>	<u>0.02217</u>	<u>14,345,403</u>	<u>0.02221</u>	<u>15,364,011</u>	<u>0.02198</u>
<b>Gross Margin</b>	<u>\$7,782,365</u>	<u>\$0.01255</u>	<u>\$8,824,849</u>	<u>\$0.01366</u>	<u>\$7,081,442</u>	<u>\$0.01013</u>
Percent Gross Margin	36.1%		38.1%		31.5%	

\*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>
<b>fn1</b> SO <sup>2</sup> ARP	\$2.00	\$0.80	\$0.80
YTD SO <sup>2</sup> ARP	2.00	0.79	0.80
<b>fn2</b> SO <sup>2</sup> CSAPR	0.00	2.00	2.00
YTD SO <sup>2</sup> CSAPR	0.00	2.00	2.00
<b>fn3</b> NO <sub>x</sub> annual	500.00	3.00	8.50
YTD NO <sub>x</sub> annual	500.00	4.44	32.16
YTD NO <sub>x</sub> seasonal	1,300.00	595.41	262.24

**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 - October 2017**

	<u>Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<b><u>Revenue</u></b>						
<b><u>Wholesale kWh Sales</u></b>	<u>5,233,913</u>		<u>5,450,431</u>		<u>0</u>	
<b><u>Wholesale Sales</u></b>	<u>\$91,175</u>	<u>\$0.01742</u>	<u>\$68,616</u>	<u>\$0.01259</u>	<u>\$0</u>	<u>---</u>
<b><u>Expense</u></b>						
<b><u>Purchased Power kWh</u></b>	<u>5,233,913</u>		<u>5,450,431</u>		<u>0</u>	
<b><u>Purchased Power</u></b>	<u>\$136,082</u>	<u>0.02600</u>	<u>\$141,902</u>	<u>0.02604</u>	<u>\$0</u>	<u>---</u>
<b><u>Gross Margin/(Loss)</u></b>	<u>(\$44,907)</u>	<u>(\$0.00858)</u>	<u>(\$73,286)</u>	<u>(\$0.01345)</u>	<u>\$0</u>	<u>---</u>
Percent Gross Margin	-49.3%		-106.8%		---	
RECs Sold	---		---		---	
REC Net Proceeds	\$0	---	\$0	---	\$0	---
Misc Wind Revenues/Charges	\$0		\$0		\$0	
<b><u>Wind Net Margin/(Loss)</u></b>	<u>(\$44,907)</u>		<u>(\$73,286)</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>
<b><u>Revenue</u></b>						
<b><u>Wholesale kWh Sales</u></b>	<u>39,174,442</u>		<u>42,917,231</u>		<u>0</u>	
<b><u>Wholesale Sales</u></b>	<u>\$807,308</u>	<u>\$0.02061</u>	<u>\$584,275</u>	<u>\$0.01361</u>	<u>\$0</u>	<u>---</u>
<b><u>Expense</u></b>						
<b><u>Purchased Power kWh</u></b>	<u>39,174,442</u>		<u>42,917,231</u>		<u>0</u>	
<b><u>Purchased Power</u></b>	<u>\$1,018,535</u>	<u>0.02600</u>	<u>\$1,116,187</u>	<u>0.02601</u>	<u>\$0</u>	<u>---</u>
<b><u>Gross Margin/(Loss)</u></b>	<u>(\$211,227)</u>	<u>(\$0.00539)</u>	<u>(\$531,912)</u>	<u>(\$0.01239)</u>	<u>\$0</u>	<u>---</u>
Percent Gross Margin	-26.2%		-91.0%		---	
RECs Sold	---		2,500		---	
REC Net Proceeds	\$0	---	\$1,875	0.75	\$0	---
Misc Wind Revenues/Charges	\$0		\$0		\$0	
<b><u>Wind Net Margin/(Loss)</u></b>	<u>(\$211,227)</u>		<u>(\$530,037)</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	0	24,873	0
RECs Sold This Period	0	2,500	0
Number of RECs on hand	0	25,811	0
Market Value per REC	\$0.00	\$0.75	\$0.00
Value of RECs on Hand	\$0.00	\$19,358.49	\$0.00

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

**Delivered to Wholesale Customers**

	<u>Current Month 2017 Budget</u>	<u>Current Month 2017 Actual</u>	<u>Current Month 2016 Actual</u>	<u>Year-To-Date 2017 Budget</u>	<u>Year-To-Date 2017 Actual</u>	<u>Year-To-Date 2016 Actual</u>
Wholesale Sales KWHs	42,187,932	66,362,913	84,269,009	659,394,120	688,737,031	698,917,318
Wholesale Sales	\$1,588,241	\$1,928,734	\$3,167,336	\$22,340,591	\$23,754,527	\$22,445,453
Less:						
Production Fuel	851,772	1,189,837	1,600,464	12,541,836	13,016,582	13,868,670
Generation-Other	1,710,015	1,854,426	1,730,686	21,249,584	19,751,791	18,166,503
Transmission	298,050	268,896	227,856	3,105,921	2,427,616	2,490,797
Subtotal	2,859,837	3,313,159	3,559,006	36,897,341	35,195,989	34,525,970
Wholesale Margin	<u>(\$1,271,596)</u>	<u>(\$1,384,425)</u>	<u>(\$391,670)</u>	<u>(\$14,556,750)</u>	<u>(\$11,441,462)</u>	<u>(\$12,080,517)</u>

**Delivered to Steam Customer**

	<u>Current Month 2017 Budget</u>	<u>Current Month 2017 Actual</u>	<u>Current Month 2016 Actual</u>	<u>Year-To-Date 2017 Budget</u>	<u>Year-To-Date 2017 Actual</u>	<u>Year-To-Date 2016 Actual</u>
Steam Sales - 1,000 lbs.	---	250,087	278,878	997,619	1,297,185	2,473,946
Steam Sales	---	951,110	\$1,049,941	\$4,095,826	\$4,956,228	\$9,741,636
Less:						
Production Fuel	---	512,112	601,630	2,066,141	2,734,968	5,439,989
Generation-Other	30,696	32,914	32,617	511,039	360,259	549,010
Steam Sales Margin	<u>(\$30,696)</u>	<u>\$406,085</u>	<u>\$415,695</u>	<u>\$1,518,646</u>	<u>\$1,861,001</u>	<u>\$3,752,637</u>

**Delivered to Paying Native System Customers**

	<u>Current Month 2017 Budget</u>	<u>Current Month 2017 Actual</u>	<u>Current Month 2016 Actual</u>	<u>Year-To-Date 2017 Budget</u>	<u>Year-To-Date 2017 Actual</u>	<u>Year-To-Date 2016 Actual</u>
Native System Sales KWHs	71,348,394	71,264,738	68,925,244	713,272,964	703,059,073	695,866,905
Native System Sales	\$4,807,662	\$4,883,451	\$4,463,583	\$47,699,756	\$48,501,958	\$45,182,294
Less:						
Purchased Power	2,094,160	2,168,433	2,329,159	21,208,577	23,336,302	19,409,583
Distribution	482,980	451,458	476,250	4,769,349	4,931,116	4,659,713
Customer Service	25,090	25,511	21,901	253,365	231,239	164,713
Consumers Accounts	63,782	59,878	61,432	636,800	617,489	597,262
Administrative & General	1,129,720	1,037,843	934,216	11,708,774	10,469,324	9,888,835
Subtotal	3,795,732	3,743,123	3,822,958	38,576,865	39,585,470	34,720,106
Native System Margin	1,011,930	1,140,328	640,625	9,122,891	8,916,488	10,462,188
Steam Sales Margin	(30,696)	406,085	415,695	1,518,646	1,861,001	3,752,637
Wholesale Margin	<u>(1,271,596)</u>	<u>(1,384,425)</u>	<u>(391,670)</u>	<u>(14,556,750)</u>	<u>(11,441,462)</u>	<u>(12,080,517)</u>
Net Electric Margin	(290,361)	161,988	664,650	(3,915,213)	(663,973)	2,134,308
Other Revenue	69,022	115,147	70,713	753,928	903,212	845,423
Nonoperating Revenue (Expense)	8,716	40,975	16,413	84,036	286,634	135,063
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	<u>(\$212,623)</u>	<u>\$318,110</u>	<u>\$751,776</u>	<u>(\$3,077,249)</u>	<u>\$525,873</u>	<u>\$3,114,794</u>

**Electric Utility**  
**Review of Operating Results**  
**October 2017**

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

Page 1

	(Unfavorable)/ Favorable Compared to Budget	
<b>Sales of Electricity</b>		
Native System Sales	\$ 802,202	3.2% higher average sales price (\$.06899/kWh versus \$.06687/kWh budgeted), offset by 1.4% lower kWhs sold
Wholesale Sales	1,413,936	1.8% higher average sale price (\$.03449/kWh versus \$.03388/kWh), plus 4.4% higher kWhs sold
	<u>2,216,138</u>	
<b>Steam Sales</b>	<u>860,402</u>	30.0% higher pounds of steam sold, offset by a 7.1% lower average sales price
<b>Other Revenue</b>		
By-Product Revenue	25,027	Fly ash sales
	(14,957)	Gypsum sales
Miscellaneous Revenue	45,987	Higher job sales, net of expenses
	4,996	Higher penalty revenue
	2,760	Higher collection posting fees
	83,015	IAMWind payment
	2,456	Other miscellaneous variances - net
	<u>149,284</u>	
<b>Operating Expense</b>		
Purchased Power - Native System	(2,030,074)	Average purchase price is 11.4% higher (\$.03024/kwh vs \$.02714/kwh), offset by 1.2% lower kWhs purchased
Purchased Power - Wind	(97,651)	9.6% higher kWhs purchased
	<u>(2,127,725)</u>	
Production Fuel	(1,139,104)	10.9% or 52,378 higher coal tons burned, offset by a 2.4% lower price/ton
	12,616	Fewer Unit 9 start-ups, resulted in lower fuel oil cost
	(104,094)	Unit 8's natural gas usage was not budgeted
	(20,259)	Unit 7's natural gas usage was higher than budgeted
	53,579	Lower gasoline/diesel fuel usage for dozers
	10,029	Lower bottom ash handling expense
	23,233	Lower fly ash handling expense
	(71,109)	CCR compliance costs were not budgeted
	21,029	Lower labor cost
	70,507	Other miscellaneous variances - net
	<u>(1,143,573)</u>	
Emissions Allowance	<u>291,828</u>	Market price lower than assumed
Operation	(63,032)	Higher bottom ash handling expense due to timing
	(10,388)	Higher cost for boiler water chemical expenses
	36,326	Lower gas usage for auxiliary boiler
	86,513	PAC (powdered activated carbon) injection system costs were lower
	26,250	Lower scrubber waste handling expenses
	(14,411)	Higher limestone expense
	(20,548)	Higher water expense for power plants
	(20,736)	Higher hydrogen cost and other electric material expenses
	(68,696)	Higher cost for IDNR Title V permit fee
	96,000	Environmental permitting fee, not expended
	15,376	PM2.5 modeling not performed
	16,620	Lower cost of the 316(b) cooling water impingement/entrainment study

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

Page 2

(Unfavorable)/  
 Favorable  
 Compared to  
 Budget

50,000	Effluent limit guidelines study, not performed
140,771	Lower cost for stack emission testing
37,000	Relative accuracy test audits not performed
17,000	Nuclear source disposal services, not expended
11,200	Universal waste recycling/hazardous waste disposal, not expended
11,000	Coal and byproduct analysis not completed
(39,381)	Higher cost for continuous emissions monitoring system consulting
50,000	Unit 9 levee pipe inspection, not performed
19,044	Lower cost for plant safety materials
56,645	Lower cost for rail car storage, switching costs, and administration fees
4,340	Tenaska management fee lower than budget
4,799	Lower cost for NERC assessments
7,655	Lower cost for OATI WebCares
16,000	161kV breakers painting, not completed
(6,324)	Protective relay device support, not budgeted
270,897	Lower cost for MISO's multi-value and market efficiency transmission projects
103,000	Transmission coordination study, not completed
25,000	Relay technician consultant, not utilized
(17,971)	Transmission pricing zone study, not budgeted
(9,417)	Update of Isett substation equipment, not budgeted
12,082	Electric line workers' tools not needed
11,682	Fewer marketing materials expended
5,258	Lower cost of energy services
20,908	Organizational development consulting not expended
109,350	Succession planning costs, not expended
49,166	Board legal service not expended
35,741	Environmental/regulatory legal service not expended
(3,985)	Higher cost for transmission/reliability standards attorney
(5,888)	NERC audit preparation consultant, not budgeted
4,160	Coal & transportation attorney, not expended
31,900	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
6,000	Fuel procurement committee consulting not expended
(40,675)	IS department professional services and review, not budgeted
(14,954)	Higher cost for employee search services
(16,320)	Engineering services, not budgeted
(11,113)	Higher cost for workers compensation claims
26,606	Lower general liability insurance costs
106,778	Lower healthcare costs
40,041	Lower FICA expense
21,949	Lower cost for educational reimbursements
(137,141)	Higher unemployment expenses
37,347	Higher fringe charged to construction
15,141	Lower cost for employee team expenses
31,703	Lower cost for continuous improvement
30,000	CIP low impact site compliance, not expended
12,283	Fewer subscriptions/memberships
22,216	Lower cost for gasoline/diesel fuel
208,646	Less training/travel
(29,402)	Higher cost for temporary labor services
213,795	Lower labor cost



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

Page 3

(Unfavorable)/  
Favorable  
Compared to  
Budget

48,461	Lower vacation accrual
<u>140,737</u>	Other miscellaneous variances - net
<u>1,821,393</u>	

**Maintenance**

9,114	Lower cost for elevator maintenance and repairs
8,170	Overhead door maintenance not needed
6,633	Lower cost for Central Stores building maintenance
23,000	Contracted utility work not utilized
201,749	Lower cost for Unit 9 boiler roof and other roof repairs
9,000	Unit 7 building sump pump, not expended
6,000	Waste oil material dumpster not expended
8,318	Lower cost of FGD reheater hoist oil leak repair
7,846	Lower bottom ash system materials expense
(8,281)	Higher cost for partial replacement of Unit 9 BA pantleg refractory
14,000	Unit 9 HP ash pump motor inspection/repair, not completed
(7,575)	Unit 8 BA settling tank pump seal, not budgeted
(10,464)	Higher cost for fly ash system materials
(24,324)	9A flyash vacuum blower repair, not budgeted
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
(58,393)	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
(8,547)	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
(29,019)	Unit 8 boiler cyclone weld repairs, not budgeted
(29,899)	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
(26,378)	Unit 8 boiler cyclone inspection, not budgeted
(4,577)	Unit 8 sootblower repairs, not budgeted
(6,764)	Unit 8 feedwater heater valve repairs, not budgeted
125,000	Unit 8 boiler layup costs not completed
30,608	Lower cost to waterblast and repaint Unit 8 stack
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
(7,457)	Higher cost for Unit 9 sootblower repairs
(29,923)	Replacement of 9B pulverizer ceramic tile on the journal inner cone not budgeted
80,000	Pulverizer journal rebuild, not completed
40,164	Lower cost for routine pulverizer maintenance
21,302	Unit 9 sootblower rebuild, not completed
(4,389)	Higher cost for Unit 9 valve repairs
18,750	Unit 9 boiler vent, drain, and blowdown valve repairs not expended
(11,677)	Inspection of Unit 9 boiler windboxes and SOFA ductwork not budgeted
(31,166)	Higher cost for Unit 9 superheater temperator inspection
14,000	Unit 9 boiler feed pump motor inspection/repair, not performed
(5,109)	Higher cost for hydroset boiler safeties & repair

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

Page 4

(Unfavorable)/  
Favorable  
Compared to  
Budget

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
46,496	Lower cost to replace Unit 9 hot & cold reheat drip leg switches
15,000	9C Mill tungston tiles on bowl deflectors not completed
(7,128)	Cleaning of coal bunkers, not budgeted
(7,698)	Higher cost for PAC (powdered activated carbon) injection system costs
(6,001)	Higher cost for limestone handling equipment repairs
10,897	Wastewater equipment maintenance not needed
7,465	Scrubber waste equipment repairs, not needed
(12,264)	Inspection and cleaning Tower 902 not budgeted
(19,915)	FGD batteries replacement not budgeted
(32,122)	Higher cost for absorber spray pump inspection and repair
(14,486)	Leak repair in 9B scrubber reheat condensate return pump, not budgeted
8,000	Process piping repairs not expended
(10,736)	Higher cost for booster fan OEM inspection
(8,784)	Unit 9 circulating water pump valves repair, not budgeted
(9,577)	Ox air compressor 901 relief valve repairs, not budgeted
(9,905)	Unit 9 precipitator weld repairs, not budgeted
(4,179)	Higher cost for Quencher sump pump motor repair
34,162	Refurbishment of Unit 9 transformer rectifier precipitator, not complete
20,683	Lower cost for miscellaneous FGD equipment repairs
(123,037)	Higher cost for Unit 9 turbine & control valves inspection/overhaul
16,776	Lower cost to replace oil in Unit 9 transformer
(9,161)	Higher cost of Unit 9 auxiliary transformer repair/hot oil process
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
(9,125)	Unit 9 control valves inspection/repair, not budgeted
(4,222)	Repair Unit 9 air ejector supply safety valve leak, not budgeted
5,716	Lower cost for Unit 9 heat exchangers cleaning
(6,222)	Unit 9 circulating water booster strainer repair, not budgeted
(9,616)	8A turbine/generator repairs, not budgtd
108,180	Unit 8 turbine layup costs not completed
17,156	Unit 7 stop valve overhaul not completed
11,000	UPS service agreement, not expended
15,713	Service Unit 8 air compressor motor, not completed
6,000	Unit 9 CCHX heads, not replaced
28,195	Plant tool crib expenses, not needed
10,259	Lower cost for hoist and chain fall inspections/repairs
(25,882)	Higher cost for rail car maintenance
17,435	Lower cost for coal dozer maintenance
17,819	Lower cost for coal conveyor maintenance
9,000	Coal chute ceramic repair, not completed
54,000	Track maintenance not performed

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

Page 5

	(Unfavorable)/ Favorable Compared to Budget	
	(5,284)	Motor control center breaker reconditioning, not budgeted
	(22,315)	Inspect Unit 8 coal crushers and feeders not budgeted
	11,435	Lower cost for miscellaneous rail unloader maintenance
	(14,551)	Replace rail unloader stacker conveyor belt not budgeted
	(43,113)	Correct radial stacker motor & gearbox vibration problem
	(15,394)	DC-3 blower fan rebuild, not budgeted
	(4,292)	Unit 7 lump breaker switch replacement, not budgeted
	102,746	Lower cost for transmission line maintenance
	9,100	Distribution structure repairs, not needed
	(40,492)	Oregon Street substation barrier board replacement, not budgeted
	(45,000)	Higher cost for distribution line maintenance due to storm restoration work
	(4,581)	Higher cost for distribution pole inspections
	(33,473)	Higher cost for underground line repairs
	12,637	Lower cost for line transformer maintenance
	(8,111)	Video detection sensor, not budgeted
	55,145	Lower cost for computer hardware/software maintenance
	20,286	Lower cost for vehicle maintenance
	17,282	Radio equipment maintenance not needed
	11,329	Lower cost for Pine Street building maintenance
	8,863	Lower cost for A/O Center maintenance
	59,344	Lower labor cost
	221,852	Other miscellaneous variances - net
	<u>761,426</u>	
Depreciation	<u>571,351</u>	Net value of the A&G assets were overestimated for the budget
<b>Nonoperating Revenue (Expense)</b>		
Interest Income	203,401	Higher average cash balances
Interest Expense	(803)	
	<u>202,598</u>	
<b>Capital Contributions</b>	<u>63,483</u>	HNI, and CenturyLink transformers
<b>Change in Net Position</b>	<u>\$ 3,666,605</u>	Total Variance from Budgeted Net Position

## **Statements of Revenues, Expenses and Changes in Net Position**

### **Sales of Electricity**

#### **Native System Sales**

A 3.2% higher average sales price per kWh (\$.06899/kWh versus \$.06687/kWh budgeted), offset by 1.4% lower kWh's sold, resulted in \$802,202 higher revenue.

#### **Wholesale Sales**

A 1.8% higher average sales price (\$.03449/kWh versus \$.03388/kWh budgeted), plus 4.4% higher kWhs sold, resulted in \$1,413,936 higher revenue than projected.

### **Steam Sales**

30.0% higher pounds of steam sold , offset by a 7.1% lower average sales price, resulted in \$860,402 higher revenue than projected.

### **Other Revenue**

#### **By-Product Revenue**

Fly ash sales are \$25,027 higher than budgeted; gypsum sales are lower than budgeted by \$14,957.

#### **Miscellaneous Revenue**

The budget did not include the IAMWind payments totaling \$83,015. Net job sales revenue, penalty revenue, and collection posting fees are \$45,987, \$4,996, and \$2,760 higher than budgeted, respectively.

### **Nonoperating Revenue (Expense)**

#### **Interest Income**

Interest income is \$203,401 higher than budgeted due to higher average cash balances.

### **Capital Contributions**

Capital contributions include customer contributions for transformers.

## **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 11.4% higher average purchase price (\$.03024/kWh versus \$.02714/kWh budgeted), offset by 1.2% lower kWhs purchased for native system sales, resulted in \$2,030,074 higher cost. Wind energy kWh purchases were 9.6% or \$97,651 higher than budgeted.

### Generation

#### Operation Supervision – (500)

Plant operations labor expense is \$59,317 lower than budgeted primarily due to budgeting for an assistant operations supervisor position that has not been filled.

#### Fuel – Coal – (501-001)

10.9% or 52,378 higher tons of coal burned offset by a 2.4% lower price/ton, resulted in \$1,139,104 higher coal expense.

#### Fuel – Fuel Oil – (501-921)

Fewer Unit 9 start-ups, resulted in \$12,616 lower fuel oil expense.

#### Fuel – Gas – (501-002)

The budget assumed there would be no Unit 8 natural gas usage; actual expense is \$104,094. Unit 7's gas usage is also \$20,259 higher than budgeted.

#### Coal Handling Expense - (501-003)

Gasoline/diesel fuel expense for the dozers, labor, bottom ash handling, and fly ash handling expenses are \$53,579, \$28,194, \$10,029, and \$23,233 lower than budgeted, respectively.

#### Landfill Operation Expense - (501-925)

Actual expenses are \$14,887 higher than budget due to not budgeting for CCR compliance expenses.

Generation (cont'd)Emissions Allowance Expense - (509)

Expense is based on current market price, which is \$291,828 lower than budgeted.

Annual SO2 - CSAPR allowance information follows:						
1/1/17 Beg balance						
4102.5						
Annual EPA		GPC	Allowances	MPW	GPC	Allowances
<u>Allocation</u>	<u>+ Purchases</u>	<u>+ Provides</u>	<u>= Available</u>	<u>Electricity</u>	<u>+ Steam</u>	<u>= Consumed</u>
1956.0	0.0	550.0	6608.5	239.7	550.0	789.7
			Valued @	\$804	\$1,100	
			Ending Balance 10/31/17			5818.8
Annual NOx allowance information follows:						
1/1/17 Beg balance						
1301.7						
Annual EPA		GPC	Allowances	MPW	GPC	Allowances
<u>Allocation</u>	<u>+ Purchases</u>	<u>+ Provides</u>	<u>= Available</u>	<u>Electricity</u>	<u>+ Steam</u>	<u>= Consumed</u>
1746.0	0.0	721.0	3768.7	738.2	721.0	1459.2
			Valued @	\$0	\$3,935	
			Ending Balance 10/31/17			2309.5

Steam Expense – Boiler – (502-004)

Gas usage for the auxiliary boiler and labor expenses are \$36,326 and \$53,172 lower than budgeted, respectively. Bottom ash handling expense is \$63,032 higher than budgeted; other boiler water chemical expenses are \$10,388 higher than the budget.

Steam Expense – Pollution Control – (502-005)

Labor, PAC (powdered activated carbon) injection system costs, and scrubber waste handling are \$33,521, \$86,513, and \$26,250 lower than budgeted, respectively. Limestone expense is \$14,411 higher than budgeted.

Electric Expense – (505)

Labor expense is \$94,035 lower than budget; power plant water expense is \$20,548 higher than budgeted. Hydrogen and other material expenses are \$20,736 higher than budgeted.

Generation (cont'd)

<u>Miscellaneous Steam Power Expense - (506)</u>	<u>2017</u>	<u>2017</u>
	<u>Budget</u>	<u>Actual</u>
Labor	\$718,637	\$768,141
IDNR Title V permit fee	83,065	151,761
Environmental permitting fee	96,000	-
PM2.5 modeling	20,000	4,624
316(b) cooling water impingement/entrainment study	150,000	133,380
Effluent Limit Guidelines study	50,000	-
Stack emission testing	326,750	185,979
Relative accuracy test audits	37,000	-
NPDES permit fee	3,600	3,400
Nuclear source disposal services	17,000	-
Universal waste recycling/hazardous waste disposal	11,200	-
Coal and byproduct analysis	11,000	-
Continuous emissions monitoring system consulting	21,687	61,068
ESC software engineering time/maintenance	21,000	18,517
Unit 9 4-SYTE system strategy program	6,670	7,400
Unit 9 levee pipe inspection	50,000	-
Plant safety material expenses	106,028	86,984
Fire extinguisher inspections	4,500	5,005
Rail car storage/switching costs/admin fees	148,360	91,715
Travel/training	151,800	79,677
Temporary labor services	32,840	35,081
Ground maintenance	51,150	49,878
Membership/subscriptions	10,275	6,041
Gasoline/diesel fuel	11,667	6,829
Other expenses	<u>158,317</u>	<u>68,355</u>
	<u>\$2,298,546</u>	<u>\$1,763,835</u>

Maintenance of Supervision – (510)

Labor expense is \$175,770 higher than budget due to more time for Unit 9 maintenance outage, and work being done to Unit 8 during the summer outage period.

Generation (cont'd)

<u>Maintenance of Structures - (511)</u>	2017	2017
	<u>Budget</u>	<u>Actual</u>
Labor	\$231,041	\$207,442
Elevator maintenance	34,014	26,900
State elevator inspection and permits	2,000	-
Contracted insulation replacement/repair	20,060	17,039
Overhead door maintenance	10,000	1,830
Central Stores building maintenance	7,500	867
Replace CHMB heaters	-	4,316
Contracted utility work	23,000	-
Units 9, 8 & 8A annual backflow preventer testing	3,470	7,083
Unit 9 boiler roof	300,000	218,251
Other roof maintenance	120,000	-
Unit 7 building sump pump	9,000	-
Waste oil material dumpster	6,000	-
Replacement of cathodic protection anodes	1,000	-
Repair FGD reheater hoist; oil leak from gearbox	15,000	6,682
Inspect Unit 9 AFFF foam system; foam	5,000	1,897
Unit 8 fire protection pump/valve repair/panel inspection	8,100	9,820
Unit 9 fire protection panel repair/inspection	9,000	12,559
Unit 9 wastewater treatment sump pump cleaning	3,600	4,871
Other expenses	<u>139,601</u>	<u>85,279</u>
	<u>\$947,386</u>	<u>\$604,836</u>



Generation (cont'd)

<u>Maintenance of Boiler Plant - Boiler - (512-006)</u>	2017 <u>Budget</u>	2017 <u>Actual</u>
Labor	\$689,769	\$566,691
Bottom ash system materials	72,605	64,759
Partial replacement of Unit 9 BA pantleg refractory	75,000	83,281
Unit 9 HP ash pump motor inspection/repair	14,000	-
Unit 8 BA settling tank pump seal	-	7,575
Fly ash system materials	53,747	64,211
9A flyash vacuum blower repair	-	24,324
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	6,450	8,205
Repair auxiliary boiler steam line under RR crossing	-	58,393
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	-	8,547
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	-	29,019
Unit 8 grit blasting & boiler tube inspection	-	29,899
Unit 8 grit blast precipitator	-	18,862
Unit 8 boiler explosive deslagging	-	13,368
Unit 8 boiler cyclone inspection	-	26,378
Unit 8 sootblower repairs	-	4,577
Unit 8 FWH valve repairs	-	6,764
Unit 8 boiler layup	125,000	-
Waterblast and repaint Unit 8 stack	90,000	59,392
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	26,250	33,707
Unit 9 coal feeder repairs	12,000	12,525
Replace 9B pulverizer ceramic tile on the journal inner cone	-	29,923
Pulverizer journal rebuild	80,000	-
Unit 9 routine pulverizer maintenance	83,340	43,176
Rebuild Unit 9 sootblowers	26,250	4,948
Unit 9 electromatic safety pressure sensing valve repair	-	19,179

Generation (cont'd)

<u>Maintenance of Boiler Plant - Boiler - (512-006) cont'd</u>	2017	2017
	<u>Budget</u>	<u>Actual</u>
Unit 9 miscellaneous valve repairs	35,000	20,210
Unit 9 boiler vent, drain, and blowdown valve repairs	18,750	-
Inspect Unit 9 boiler windboxes and SOFA ductwork	-	11,677
Unit 9 superheater temperator inspection	15,000	46,166
9A ID fan motor inspection	14,000	14,162
Unit 9 boiler feed pump motor inspection/repair	14,000	
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 tubes	-	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	75,000	28,504
9C Mill tungston tiles on bowl deflectors	15,000	-
Replace one 9D and two 9A mill upper riffle distributor housings	40,500	42,711
Install grease lines to ID fan damper bearings	-	3,283
Clean coal bunkers	-	7,128
Software/plant controls maintenance agreements	43,416	46,181
Other expenses	166,734	149,627
	<u>\$2,137,051</u>	<u>\$1,850,369</u>

Generation (cont'd)

<u>Maintenance of Boiler Plant – Pollution Control - (512-007)</u>	2017	2017
	<u>Budget</u>	<u>Actual</u>
Labor	\$244,385	\$242,701
Continuous emission monitoring expenses	102,942	102,677
PAC (powdered activated carbon) injection system costs	8,330	16,028
Grit blast and vacuum clean Unit 9 precipitator	35,000	37,657
Miscellaneous limestone handling equipment repairs	9,490	15,491
Wastewater equipment maintenance	18,083	7,186
Scrubber waste equipment repairs	9,000	1,535
Inspect/clean Tower 902	-	12,264
FGD hydroclone repairs/replacements	12,500	15,225
FGD batteries replacement	-	19,915
Absorber spray pump inspection/repair	6,000	38,122
Repair leak in 9B scrubber reheat condensate return pump	-	14,486
WDHFP discharge valves to Clarkson	9,800	10,328
Process piping repairs	8,000	-
Booster fan OEM inspection	9,600	20,336
Unit 9 circulating water pump valves repair	-	8,784
Ox air compressor 901 relief valve repairs	-	9,577
Unit 9 precipitator weld repairs	-	9,905
Quencher sump pump motor repair	5,000	9,179
Refurbish Unit 9 transformer rectifier precipitator	40,000	5,838
Miscellaneous FGD equipment repairs	33,330	12,647
Other expenses	17,391	6,069
	<u>\$568,851</u>	<u>\$615,950</u>

Generation (cont'd)

<u>Maintenance of Electric Plant - (513-008)</u>	2017	2017	
	<u>Budget</u>	<u>Actual</u>	
Labor	\$271,146	\$359,739	
Unit 9 turbine & control valves inspection/overhaul	1,600,000	1,767,037	*
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	26,750	35,911	
Replace Unit 9 turbine thermocouples	-	2,839	
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	
Unit 9 control valves inspection/repair	-	9,125	
Repair Unit 9 air ejector supply safety valve leak	-	4,222	
Clean Unit 9 heat exchangers	7,200	1,484	
Unit 9 circulating water booster strainer repair	-	6,222	
Unit 9 flux probe and PDA generator analysis	8,750	7,697	
8A turbine/generator repairs	-	9,616	
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	125,000	16,820	
Battery room absorbent neutralizing pads	2,000	2,942	
Unit 8 miscellaneous plant maintenance	18,368	1,938	
Unit 7 stop valve overhaul	25,000	7,844	
Unit 7 miscellaneous plant maintenance	19,105	11,446	
UPS service agreement	11,000	-	
GE, EX-2000, and Mark V service agreement	18,720	19,088	
Other expenses	44,177	34,472	
	<u>\$2,395,216</u>	<u>\$2,484,377</u>	
*Costs included in turbine overhaul project			

Maintenance of System Control – (513-009)

Labor expense is \$17,037 lower than budgeted. The budget includes \$4,250 for CIP-related expenses that were not expended, plus software maintenance costs are \$13,967 lower than budgeted.

Maintenance of Miscellaneous Steam Plant – (514)

Labor expense is \$79,956 lower than budgeted. The budget includes \$18,000 to service Unit 8's air compressor motor of which \$2,287 has been expended, \$6,000 to replace Unit 9 CCHX heads, and \$28,195 for tools and tool crib expenses that have not been needed. Hoist and chain fall inspections and repairs are \$10,259 lower than budgeted. Other miscellaneous material expenses are lower than budget by \$95,514.

Generation (cont'd)

<u>Maintenance of Coal Handling Equipment - (516)</u>	2017	2017
	<u>Budget</u>	<u>Actual</u>
Labor	\$227,090	\$206,056
Rail car maintenance	125,300	151,182
Dozer maintenance	114,250	112,035
Recap 4 tires on coal dozer V101	60,000	44,780
Coal conveyor maintenance	45,953	28,134
Coal chute ceramic repair	9,000	-
Track maintenance	54,000	-
Update Unit 8 coal handling modicon	-	3,940
Recondition motor control center breaker	-	5,284
Inspect Unit 8 coal crushers and feeders	-	22,315
Rail unloader maintenance	30,960	19,525
Replace rail unloader stacker conveyor belt	-	14,551
Correct radial stacker motor & gearbox vibration	-	43,113
Rebuild DC-3 blower fan	-	15,394
Unit 7 lump breaker switch replacement	-	4,292
Other expenses	<u>56,477</u>	<u>32,166</u>
	<u>\$723,030</u>	<u>\$702,767</u>

<u>System Control and Load Dispatch - (556)</u>	2017	2017
	<u>Budget</u>	<u>Actual</u>
Labor	\$143,621	\$106,084
SCADA Dark Fiber service & BUCC MME services	16,220	15,780
MISO operating & administrative fees	121,490	125,202
North American Energy Markets membership	3,000	-
Travel and training	2,600	3,430
Other expenses	<u>4,863</u>	<u>2,058</u>
	<u>\$289,194</u>	<u>\$252,554</u>

Depreciation – (558)

The depreciation on the steam sales capital expenditures are \$56,387 higher than budgeted due to decreasing their useful life.

TransmissionLoad Dispatching – (561)

Tenaska management fee, NERC assessments and OATI WebCares are \$4,340, 4,799 and \$7,655 lower than budgeted, respectively. Labor expense is \$15,451 higher than budgeted.

Station Expense – (562)

Labor expense is \$5,159 lower than budgeted. The budget includes \$16,000 to paint 161 breakers and \$2,000 for oil testing that have not been completed; actual expenses include \$6,324 for protective relay device support that was not budgeted.

Transmission (cont'd)Overhead Line Expense – (563)

Labor expense is \$4,886 higher than budgeted.

Transmission of Electricity by Others – (565)

The cost of MISO's multi-value and market efficiency projects are \$270,897 lower than budgeted.

Miscellaneous Transmission Expense – (566)

The budget includes \$110,000 for a consultant for the system protection coordination study, of which \$7,000 has been expended; \$25,000 for a relay technician consultant; and \$5,400 for software maintenance that have not been expended. The transmission pricing zone study, costing \$17,971, was not budgeted. Labor expense is \$15,070 higher than budget due to project engineering spending more time on the transmission study than 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 \$50,246 lower than budgeted. Electric line workers' labor expense is \$55,873 lower than the budget.

Vacation, Holiday, Sick Leave – (575)

Technical services department's vacation accrual was overestimated in the budget, plus that department used less sick leave than estimated.

Depreciation – (576)

The budget assumed the South Substation autotransformer would be installed by 2016's year end and depreciation would begin in 2017; the project was not completed.

DistributionOperation Supervision – (581)

Labor expense is \$14,246 lower than budget due to the Manager, T&D position opening.

Load Dispatching – (581)

System control labor expense is \$39,526 higher than budgeted.

Station Expense – (582)

Substation electricians' labor expense is \$18,427 lower than budgeted. The cost to update the power distribution system at Isett substation was \$9,417, which was not budgeted.

Overhead Line Expense – (583)

The budget includes \$12,082 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 \$14,233 lower than budgeted, other material costs are \$13,322 lower than the budget.

Distribution (cont'd)Underground Line Expense – (584)

Outside servicemen's labor expense is \$34,531 lower than budgeted; less time was required for locates.

Street Lighting – (585-STL)

Less time has been spent on street light repairs, resulting in \$13,399 lower labor expense and \$4,712 lower material cost.

Signal Expense – (585-419)

Labor expense is \$4,726 lower than budgeted.

Meter Expense – (586)

Labor expense is \$10,954 higher than budgeted.

Miscellaneous Distribution Expense – (588)

Labor expense is \$106,713 higher than budgeted; the electric line workers' labor makes up \$49,463 or 46% of this total.

Maintenance Supervision – (590)

Labor expense is \$21,632 lower than budget due to the Manager, T&D position opening.

Maintenance of Structures – (591)

The budget includes \$6,400 for HVAC unit repairs, \$2,700 for rock, fence, and paint, plus \$4,765 for labor expenses that have not been needed.

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 \$10,611 lower than budgeted.

Maintenance of Overhead Lines – (593)

Pole inspections are \$4,581 higher than the budget. Other material costs and labor expenses are \$45,000 and \$81,796 higher than budgeted, respectively, primarily due to the March storm restoration work.

Maintenance of Underground Lines – (594)

Material expenses are \$33,473 higher than budgeted primarily due to the URD cable replacement, costing \$25,649; labor expense is \$23,726 lower than budgeted.

Maintenance of Line Transformers – (595)

Labor for transformer change-outs and other maintenance is \$20,062 lower than budgeted; material expense is \$12,637 lower than budgeted.

Maintenance of Street Lighting – (596-STL)

Labor and materials are higher than budgeted by \$8,989 and \$3,746, respectively.

Maintenance of Signal Expense – (596-419)

Expenses include \$8,111 for a video detection sensor that was not budgeted.

Distribution (cont'd)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>
<b><u>Marketing</u></b>			
Media advertising	\$14,930	\$13,931	\$10,520
Customer newsletter/bill inserts	3,483	3,101	3,050
Postage	1,832	-	-
Promotional materials	8,811	1,262	3,858
Photo library	<u>2,540</u>	<u>1,620</u>	<u>1,620</u>
<b>Subtotal - Marketing</b>	<u>31,596</u>	<u>19,914</u>	<u>19,048</u>
<b><u>Energy Services</u></b>			
Trees Forever	13,000	13,000	12,500
IAMU energy efficiency report	-	-	150
City-owned buildings energy efficiencies	-	1,916	24,358
Customized energy efficiencies	3,000	-	-
Compact fluorescent exchange program	6,000	3,146	4,721
Customer awareness programs	6,008	4,786	4,786
Presentation materials	4,320	3,462	3,463
Science fair/poster contest	<u>1,100</u>	<u>1,860</u>	<u>2,946</u>
<b>Subtotal - Energy Services</b>	<u>33,428</u>	<u>28,170</u>	<u>52,924</u>
Miscellaneous	-	147	136
	<u>\$65,024</u>	<u>\$48,231</u>	<u>\$72,108</u>

<u>Energy Efficiency Rebates - (912)</u>	2017	2017	2016
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Compact fluorescent lighting	\$2,500	\$1,770	\$1,555
Commercial lighting	62,500	77,184	25,778
Air conditioning	20,250	34,773	26,915
Refrigerator	8,330	2,985	3,495
City building improvement	15,000	-	-
Washing machine	5,000	2,450	3,150
Customized energy efficiency	-	4,895	19,681
Water heater	4,500	5,400	6,900
Geo-thermal	10,000	7,620	1,200
Motor	50,000	42,250	-
Dishwasher	<u>4,000</u>	<u>1,350</u>	<u>1,725</u>
	<u>\$182,080</u>	<u>\$180,677</u>	<u>\$90,399</u>



Consumer Accounts

<u>Consumer Records and Collection - (903)</u>	2017	2017	2016
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Labor	\$308,282	\$282,920	\$266,741
Temporary labor services	867	16,455	11,577
Postage	23,833	21,150	23,733
Payment processing fees	45,967	46,024	47,277
Collection fees	9,900	8,125	7,906
Integrated voice response service	1,650	1,541	1,436
Travel/training	5,750	2,146	2,289
Gasoline/diesel fuel	2,500	1,921	1,609
Other	6,346	4,442	4,358
	<u>\$405,095</u>	<u>\$384,724</u>	<u>\$366,926</u>

Administrative and GeneralAdministrative and General Salaries – (920)

Labor is lower than budget by \$132,681 due to the Manager, Information Systems position not being filled until May, plus not filling the Manager, Continuous Improvement position after April.

<u>Office Supplies - (921)</u>	2017	2017	2016
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Phone expense	\$32,266	\$29,662	\$28,749
Memberships/subscriptions	20,270	18,084	14,304
Internet/MME	13,851	12,988	14,338
Office furniture	13,666	9,421	9,854
Computer hardware/software	24,770	21,697	17,110
Postage	-	6,638	8,393
Vehicle allowance	10,385	10,835	10,375
Vehicle maintenance	7,834	3,377	4,068
Gasoline/diesel fuel	3,333	1,631	1,623
General office supplies	11,486	11,069	8,033
Other	25,188	14,096	10,537
	<u>\$163,049</u>	<u>\$139,498</u>	<u>\$127,384</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	\$60,750	\$39,842	\$34,526
Succession planning	110-Board	109,350	-	-
Legal services	140-Brandy	77,510	28,344	24,985
Environmental/regulatory legal services	140-Brandy	41,660	5,919	19,957
Transmission/reliability standards attorney	140-Brandy	8,000	11,985	2,833
NERC audit preparation consultant	140-Brandy	-	5,888	2,850
Coal & transportation attorney	140-Brandy	4,160	-	-
Bond counsel	140-Brandy	1,875	-	-
Labor attorney	140-Brandy	4,200	1,497	-
CIP compliance consulting	145-Seth	32,500	600	7,000
Web design service	224-Rick	6,517	4,918	2,958
Insurance advisor	310-Jerry	34,020	34,020	30,618
Financial audit services	320-Cassie	34,020	29,819	37,263
Cost of service study	320-Cassie	25,000	20,812	-
GASB 45 actuarial study	320-Cassie	6,480	6,075	-
Coal & transportation consulting	331-Brad	50,000	50,237	69,978
Fuel procurement committee consulting	331-Brad	6,000	-	-
IS department professional services	350-Jerry	-	24,793	-
IS department review	350-Jerry	-	15,882	8,108
509A Actuary	410-Erika	891	790	811
Benefits consulting	410-Erika	18,105	20,574	24,138
Employee search services	410-Erika	33,748	48,702	-
Engineering compensation review	410-Erika	-	1,175	-
Career transition support	410-Erika	-	405	-
Labor legal services	410-Erika	-	-	1,854
Pension study	410-Erika	-	-	28,787
MISO consultant	610-Gage	4,168	-	-
Coal pile survey	612-Scott	1,000	393	7,110
Engineering services	760-Mark	-	16,320	19,969
		<u>\$559,954</u>	<u>\$368,990</u>	<u>\$323,745</u>

Property Insurance – (924)

Insurance premium was 1.2% lower than anticipated.

Injuries and Damages – (925)

Workers compensation claims are \$11,113 higher than anticipated; insurance costs are \$26,606 lower than budget.

Administrative and General (cont'd)

<u>Employee Pensions and Benefits (926)</u>	2017 <u>Budget</u>	2017 <u>Actual</u>	2016 <u>Actual</u>
Pension	\$1,956,533	\$1,956,533	\$1,799,346
Healthcare costs	2,060,551	1,953,773	1,880,004
FICA	1,055,021	1,014,980	1,023,467
Deferred comp utility match	236,000	231,976	207,672
Dental	83,600	78,331	82,527
Educational reimbursements	36,450	14,501	24,113
LTD insurance	52,145	47,839	49,542
Life insurance	37,504	37,758	34,913
Post-employment health benefit	22,859	18,211	23,160
Recognition dinner	12,150	14,975	15,792
Unemployment expenses	6,075	143,216	35,471
Other expenses	<u>26,088</u>	<u>29,265</u>	<u>24,065</u>
	<u>\$5,584,975</u>	<u>\$5,541,358</u>	<u>\$5,200,072</u>

Fringe Benefits Charged to Construction – (927)

More time has been charged to capital projects than projected.

Regulatory Commission – (928)

The regulatory fees for both Iowa Utilities Board and FERC are higher than budgeted by \$11,292 and \$10,455, respectively.

Administrative and General (cont'd)

<u>Miscellaneous General Expense - (930)</u>	2017	2017	2016
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Employment expenses	\$27,135	\$30,829	\$9,403
APPA dues	18,482	21,548	19,590
IUB Iowa Energy Center	41,667	43,923	42,021
IAMU membership	28,330	31,991	29,339
Economic development pledge	23,625	28,350	28,350
Customer appreciation day	-	-	13,501
Annual report	7,047	4,528	4,059
Legal publications	4,388	3,406	3,766
Continuous Improvement	32,805	1,102	195
CIP low impact site compliance	30,000	-	-
Subscriptions/memberships	17,760	21,307	22,150
Employee team expenses	37,537	22,396	31,237
Training/travel	137,530	46,742	52,469
Safety-related expenses	16,608	3,545	12,000
Labor	40,198	23,949	30,911
Temporary labor services	35,394	53,092	62,914
Board trustee fees	6,075	6,075	6,074
Freight	10,850	17,739	6,448
Other expenses	<u>36,597</u>	<u>44,796</u>	<u>33,365</u>
	<u>\$552,027</u>	<u>\$405,319</u>	<u>\$407,792</u>

Maintenance of General Plant – (932)

Radio equipment, Pine Street building, vehicle, and computer hardware/software maintenance costs are \$17,282, \$11,329, \$21,087, and \$55,145 lower than budgeted, respectively.

Maintenance of A/O Center – (934)

Lawn care expense is \$6,415 lower than budgeted.

Vacation, Holiday, Sick Leave – (936)

Less sick leave has been taken than anticipated; plus vacation accrual is lower for the IT department than budget.

Depreciation – (933)

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

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

	<u>2017</u>	<u>2016</u>
<b><u>Current Assets</u></b>		
<u>Consumer Accounts</u>		
Customer Electric Accounts	\$5,521,640	\$5,093,666
Unbilled Revenue	479,274	482,645
Merchandise Accounts	196,186	187,025
Utility loan program	2,197	4,800
Allowance for Doubtful Accounts	(43,973)	(4,073)
	<u>\$6,155,324</u>	<u>\$5,764,063</u>
<u>Inventories</u>		
Inventory	\$4,825,081	\$5,171,157
Emission Allowance - NOx	3,530	215,802
Emission Allowance - SO2	119,970	123,020
Stores Expense	40,873	(28,605)
Gas and Diesel Fuel	87,705	83,794
Limestone	132,331	122,469
	<u>\$5,209,490</u>	<u>\$5,687,637</u>
<u>Prepaid Expenses</u>		
Prepaid Insurance	\$343,202	\$337,836
Prepaid Maintenance Contracts	234,439	264,678
APPA dues	---	6,098
Economic Development Pledge	5,670	5,670
GP Strategies operator training program	3,844	3,825
IA Dept Comm Global Warming	49,214	48,216
IAMU-annual dues	13,033	11,848
IDNR lease	---	7,700
IDNR Title V emission fee	---	50,633
NERC-quarterly assessment	7,401	8,598
OATI Digital Certificates	10,238	---
Travel advances	16,741	17,996
SOS International, LLC	12,129	---
Other Prepaid Expenses	1,717	4,858
	<u>\$697,628</u>	<u>\$767,956</u>
<b><u>Current Liabilities</u></b>		
<u>Accounts Payable (amounts over \$10,000 itemized)</u>		
Water bills	\$28,252	\$35,852
Communications bills	13,806	13,812
ADA Carbon Solutions - PAC	62,119	77,621
Alliant Energy - gas	10,760	34,884
Allied Valve - valve repairs	22,607	---
Altec - cargo trailer	---	21,080
Associated Computer Systems - Network Supv augmentation	17,168	---
Baker Hughes - Mark VIE upgrade	32,921	---
Bank of America - supplies	18,037	16,176

Benetech - dust suppressant	22,609	---
Black & Veatch - transmission study	9,129	30,220
Buckskin Mining Company - coal	391,838	426,570
Burlington Northern - coal transport/railcar rpr	449,483	433,364
Camlin Power - DGA analyzer	---	42,520
Canadian Pacific Railway - coal transport	126,451	163,788
City of Muscatine - Miss Dr project/wastewater/sanitation	99,555	74,429
Cogsdale - business system implementation	46,211	43,906
Graybar Electric Co - wire	73,781	---
Heartland - security camera system	15,683	---
HR Green - CCR compliance testing	---	17,810
IDNR - Title V Fee	150,676	---
Iowa Chicago & Eastern RR - coal transportation	38,930	38,930
Iowa Utilities Board - assessment	14,048	13,646
Jefferies Refined Coal - refined coal	2,875,122	3,724,813
Keystone - South Sub autotransformer	---	60,512
Konecranes - hoist testing	---	16,729
Krieger Motor Co - truck	---	29,687
KW Associates - transformer	---	16,927
MAGIC - joint venture cost	---	23,725
MD Henry Co - South Sub autotransformer	---	470,013
MidAmerican Energy - joint trans line maint	12,000	92,500
MISO - purch power/trans svc/admin fee	464,986	89,949
Mostardi Platt - emissions testing	15,470	13,627
Ovivo USA LLC - liners	---	20,663
Pingel Exchanger Service - heat exchangers	---	12,169
Power System Engineering - South Sub autotransformer	---	77,779
Ragan Mechanical - weld repairs	23,608	---
Secure Works - software maintenance	10,509	---
South Fork Wind - energy	141,902	---
Southwest Electric - repair #9 auxiliary transformer	21,174	---
Telcom - IVR switch upgrade	17,821	---
Telexpress - power distribution system	12,318	---
Tenaska - monthly fee	17,500	---
TestAmerica Laboratories - CCR/water analysis	---	10,288
Townley Manufacturing - relign piping	---	30,890
Tri City Blacktop Inc - street repair	---	10,095
Trinity Consultants - emissions audit	---	43,681
Van Meter - Mississippi Dr corridor project	347,749	---
Visa - travel	11,540	---
Other	293,077	232,048
	<u>\$5,908,840</u>	<u>\$6,460,703</u>

Miscellaneous Accrued Expenses

Interest on Customer Deposits	\$83,213	\$87,394
Sales/Use Tax Collections Payable	52,356	55,240
Payroll Tax Collections Payable	161,358	159,541
Workers' Comp Self Insurance Reserves	321,919	330,143
Comp Time Payable	37,685	50,582
Employee team bank	61,479	66,218
	<u>\$718,010</u>	<u>\$749,118</u>

**Muscatine Power and Water**

**Water Utility**

**Statement of Revenues, Expenses and Changes in Net Position**

**October 2017**

**Muscatine Power and Water  
Water Utility**

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

	<u>Budget Estimate</u>	<u>%Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>%Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<b><u>Water Distribution - 1,000 Gallons</u></b>					
Contract Customers	702,826	(0.2)	701,312	(2.8)	721,471
Power Plants	49,000	(0.1)	48,958	(41.8)	84,154
Residential	39,481	(5.6)	37,274	4.6	35,620
Commercial	34,191	(2.7)	33,285	4.6	31,833
Total Metered Customers	825,498	(0.6)	820,829	(6.0)	873,078
Rated Customers - Estimate	---	---	11	57.1	7
City Use, Line Loss, Cycle Billing	49,530	(0.6)	49,250	(6.0)	52,385
Total Water Pumped	875,028	(0.6)	870,090	(6.0)	925,470

**Calendar Year-to-Date**

	<u>Budget Estimate</u>	<u>%Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>%Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<b><u>Water Distribution - 1,000 Gallons</u></b>					
Contract Customers	6,808,722	1.4	6,902,754	0.7	6,852,442
Power Plants	531,306	(9.5)	480,587	(36.5)	756,242
Residential	388,882	(3.2)	376,509	---	376,536
Commercial	324,665	(0.9)	321,597	5.8	304,034
Total Metered Customers	8,053,575	0.3	8,081,447	(2.5)	8,289,254
Rated Customers - Estimate	---	---	138	48.4	93
City Use, Line Loss, Cycle Billing	483,215	0.3	484,887	(2.5)	497,355
Total Water Pumped	8,536,790	0.3	8,566,471	(2.5)	8,786,702

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

	<b>Budget</b>		<b>% Increase (Decrease)</b>			<b>% Increase (Decrease)</b>		
	<b>Estimate</b>	<b>Avg. Price</b>	<b>from Budget</b>	<b>This Year</b>	<b>Avg. Price</b>	<b>from Last Year</b>	<b>Last Year</b>	<b>Avg. Price</b>
<b><u>Sales of Water</u></b>								
Contract Customers	\$280,833	\$ 0.39958	2.5	\$287,961	\$ 0.41060	4.0	\$276,853	\$ 0.38373
Power Plants	24,612	0.50229	14.3	28,127	0.57451	(21.3)	35,733	0.42461
Residential	166,083	4.20666	(0.7)	164,938	4.42506	6.0	155,536	4.36654
Commercial	59,244	1.73274	(5.2)	56,137	1.68658	8.1	51,907	1.63060
Water Sales	530,772	0.64297	1.2	537,163	0.65442	3.3	520,029	0.59563
<b><u>Other Revenue</u></b>								
Penalty Revenue	845		58.7	1,341		75.8	763	
Merchandise & Job Sales-Net	917		(34.2)	603		(59.1)	1,473	
Miscellaneous Revenue	990		(10.5)	886		28.2	691	
Total Other Revenue	2,752		2.8	2,830		(3.3)	2,927	
Operating Revenue	533,524		1.2	539,993		3.3	522,956	
<b><u>Operating Expense</u></b>								
Operation	352,562		(8.6)	322,371		3.1	312,822	
Maintenance	41,179		48.4	61,116		(30.6)	88,004	
Depreciation	65,293		(1.3)	64,466		5.2	61,305	
Total Operating Expense	459,034		(2.4)	447,953		(3.1)	462,131	
Operating Income	74,490		23.6	92,040		51.3	60,825	
<b><u>Nonoperating Revenues (Expenses)</u></b>								
Interest Income	139		46.7X	6,625		86.2X	76	
Interest Expense	(30,875)		28.8	(39,754)		53.9X	(724)	
Net Nonoperating Revenues (Expenses)	(30,736)		7.8	(33,129)		50.1X	(648)	
<b>Net Income (Loss) before Capital Contributions</b>	43,754		34.6	58,911		(2.1)	60,177	
Capital Contributions	---		---	---		---	---	
<b>Change in Net Position</b>	43,754		34.6	58,911		(2.1)	60,177	
<b>Beginning Net Position</b>	16,427,910			16,539,407			16,393,902	
<b>Ending Net Position</b>	\$16,471,664			\$16,598,318			\$16,454,079	
Net Income (Loss) to Operating Revenue	8.2			10.9			11.5	
Debt Service Coverage	4.17			3.21			44.49	

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

	<u>Budget</u>		<u>% Increase</u>		<u>% Increase</u>		<u>% Increase</u>	
	<u>Estimate</u>	<u>Avg. Price</u>	<u>(Decrease)</u>	<u>This Year</u>	<u>Avg. Price</u>	<u>from Last</u>	<u>Last Year</u>	<u>Avg. Price</u>
<b><u>Sales of Water</u></b>								
Contract Customers	\$2,714,583	\$ 0.39869	4.0	\$2,823,585	\$ 0.40905	7.6	\$2,623,523	\$ 0.38286
Power Plants	263,164	0.49532	7.8	283,712	0.59034	(12.7)	325,104	0.42989
Residential	1,635,273	4.20506	(0.3)	1,630,753	4.33125	4.6	1,559,218	4.14095
Commercial	555,854	1.71208	(1.9)	545,448	1.69606	8.8	501,171	1.64840
Water Sales	5,168,874	0.64181	2.2	5,283,498	0.65378	5.5	5,009,016	0.60428
<b><u>Other Revenue</u></b>								
Penalty Revenue	7,605		20.7	9,181		17.8	7,793	
Merchandise & Job Sales-Net	9,170		19.1	10,918		48.9	7,331	
Miscellaneous Revenue	11,788		4.4	12,301		11.2	11,058	
Total Other Revenue	28,563		13.4	32,400		23.7	26,182	
Operating Revenue	5,197,437		2.3	5,315,898		5.6	5,035,198	
<b><u>Operating Expense</u></b>								
Operation	3,467,662		(5.4)	3,281,161		2.7	3,193,996	
Maintenance	718,225		25.3	900,198		74.6	515,449	
Depreciation	652,941		(1.3)	644,579		5.1	613,050	
Total Operating Expense	4,838,828		(0.3)	4,825,938		11.6	4,322,495	
Operating Income	358,609		36.6	489,960		(31.3)	712,703	
<b><u>Nonoperating Revenues (Expenses)</u></b>								
Interest Income	932		23.0X	22,328		32.4X	668	
Interest Expense	(355,970)		7.3	(382,063)		49.3X	(7,589)	
Net Nonoperating Revenues (Expenses)	(355,038)		1.3	(359,735)		51.0X	(6,921)	
<b><u>Net Income (Loss) before Capital Contributions</u></b>	3,571		35.5X	130,225		(81.5)	705,782	
Capital Contributions	---		---	---		---	78,584	
<b><u>Change in Net Position</u></b>	3,571		35.5X	130,225		(83.4)	784,366	
<b><u>Beginning Net Position</u></b>	16,468,093			16,468,093			15,669,713	
<b><u>Ending Net Position</u></b>	\$16,471,664			\$16,598,318			\$16,454,079	
Net Income (Loss) to Operating Revenue	0.1			2.4			14.0	
Debt Service Coverage	6.48			5.03			48.39	

**Muscatine Power and Water - Water Utility**  
**Statements of Net Position**  
**October 2017**

**ASSETS**

	<u>2017</u>	<u>2016</u>
<b>Current Assets:</b>		
<b><u>Unrestricted Assets</u></b>		
Cash - interest bearing	\$769,309	\$910,879
Receivables:		
Consumer Accounts	736,536	689,258
Interest	34	5
Inventories	319,998	367,220
Prepaid Expenses	29,622	32,332
	<hr/>	<hr/>
Total Unrestricted Current Assets	1,855,499	1,999,694
	<hr/>	<hr/>
<b><u>Restricted Assets</u></b>		
Cash - interest bearing	8,135,760	35,283
	<hr/>	<hr/>
Total Restricted Current Assets	8,135,760	35,283
	<hr/>	<hr/>
Total Current Assets	9,991,259	2,034,977
	<hr/>	<hr/>
<b>Non-Current Assets:</b>		
Unamortized debt issuance costs	57,282	---
	<hr/>	<hr/>
<b>Property and Equipment:</b>		
At Cost	35,798,746	30,220,073
Less Accumulated Depreciation	11,136,969	11,079,869
	<hr/>	<hr/>
Net Property and Equipment	24,661,777	19,140,204
	<hr/>	<hr/>
<b>Deferred Outflows of Resources - Pension</b>		
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	395,112	408,176
	<hr/>	<hr/>
Total Deferred Outflows of Resources - Pension	809,972	583,104
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<u>\$35,520,290</u>	<u>\$21,758,285</u>

**Muscatine Power and Water - Water Utility**  
**Statements of Net Position**  
**October 2017**

**LIABILITIES AND NET POSITION**

	<u>2017</u>	<u>2016</u>
<b>Current Liabilities:</b>		
<b><u>Payable from Unrestricted Assets</u></b>		
Accounts Payable	\$386,347	\$233,208
Health & Dental Insurance Provision	31,680	30,320
Retained Percentage on Contracts	58,930	12,316
Consumer Advances for Construction	90,745	6,595
Accrued Payroll	54,218	40,968
Accrued Vacation	133,391	126,510
Accrued Property Taxes	2,589	1,132
Miscellaneous Accrued Expenses	62,766	57,491
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	820,666	508,540
	<hr/>	<hr/>
<b><u>Payable from Restricted Assets</u></b>		
State Revolving Loan	32,000	31,000
Accrued Interest	195,893	5,409
	<hr/>	<hr/>
Total Payable from Restricted Assets	227,893	36,409
	<hr/>	<hr/>
Total Current Liabilities	1,048,559	544,949
	<hr/>	<hr/>
<b>Non-Current Liabilities:</b>		
State Revolving Loan	68,000	100,000
Notes Payable to Electric Utility	---	2,900,000
Water Revenue Bond Series 2017	15,837,480	---
Health & Dental Insurance Provision	68,362	40,601
Post-Employment Health Benefit Provision	42,218	39,280
Net Pension Liability	1,396,487	1,141,051
Consumer Advances for Construction	198,570	290,241
	<hr/>	<hr/>
Total Non-Current Liabilities	17,611,117	4,511,173
	<hr/>	<hr/>
<b>Deferred Inflows of Resources - Pension</b>	262,296	248,084
	<hr/>	<hr/>
<b>Net Position:</b>		
Net Investment in Capital Assets	24,272,462	18,712,368
Restricted	7,939,867	29,874
Unrestricted	(15,614,011)	(2,288,163)
	<hr/>	<hr/>
Total Net Position	16,598,318	16,454,079
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$35,520,290</u>	<u>\$21,758,285</u>

**Muscatine Power and Water - Water Utility**  
**Statements of Cash Flows**  
**October 2017**

	<b><u>Current Month</u></b>	<b><u>Year- To-Date</u></b>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$559,512	\$5,238,832
Miscellaneous sources	6,616	30,301
Cash paid to/for:		
Suppliers	(159,935)	(1,812,242)
Employees payroll, taxes and benefits	(215,829)	(2,225,009)
Net cash flows from operating activities	<u>190,364</u>	<u>1,231,882</u>
Cash flows from capital and related financing activities:		
State revolving loan fund principal payments	---	(31,000)
State revolving loan interest payments	---	(2,293)
Loan from electric utility	---	3,100,000
Loan from electric utility interest payments	---	(6,218)
Electric loan principal payment	---	(6,000,000)
Water revenue bond series 2017 proceeds	---	15,872,296
Water revenue bond series 2017 issuance costs	---	(270,277)
Capital expenditures, net	(319,755)	(5,894,971)
Net cash flows from capital and related financing activities	<u>(319,755)</u>	<u>6,767,537</u>
Cash flows from investing activities:		
Interest received on investments	<u>6,623</u>	<u>22,304</u>
Net cash flows from investing activities	<u>6,623</u>	<u>22,304</u>
Net increase (decrease) in cash and investments	<u>(122,768)</u>	<u>8,021,723</u>
Cash and investments at beginning of period	<u>9,027,837</u>	<u>883,346</u>
Cash and investments at end of period	<u><u>\$8,905,069</u></u>	<u><u>\$8,905,069</u></u>

**Muscatine Power and Water - Water Utility**  
**Statements of Cash Flows**  
**October 2017**

	<b><u>Current</u></b> <b><u>Month</u></b>	<b><u>Year-</u></b> <b><u>To-Date</u></b>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$92,040	\$489,960
Noncash item in operating income:		
Depreciation of utility plant	64,466	644,579
Change in deferred outflows of resources - pension	(28,550)	(85,650)
Changes in assets and liabilities:		
Consumer accounts receivable	27,090	(35,188)
Inventories	24,319	36,969
Prepaid and deferred expenses	9,219	24,121
Accounts payable	(43,181)	(53,872)
Net pension liability	13,800	137,992
Health & dental insurance provision	8,880	37,120
Other post-employment benefit provision	279	2,396
Retained percentage	7,510	58,147
Accrued payroll	17,879	(22,826)
Accrued vacation	854	3,877
Accrued property taxes	259	1,230
Unearned revenue	---	(2,300)
Miscellaneous accrued expenses	(4,500)	(4,673)
	<u>\$190,364</u>	<u>\$1,231,882</u>
Net cash flows from operating activities	<u>\$190,364</u>	<u>\$1,231,882</u>

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision (600)	\$3,405		\$3,974		\$3,337	
Operation Labor and Expenses (601)	1,037		905		1,155	
Miscellaneous Expense (603)	330		---		109	
Maintenance of Wells (614)	---		---		23,940	
Maintenance of Supply Mains (616)	760		---		124	
Depreciation (618)	9,493		9,525		9,015	
Total Source of Supply Expense	15,025	2.8	14,404	2.7	37,680	7.2
<b><u>Pumping</u></b>						
Operation Supervision (620)	3,457		4,373		3,768	
Fuel or Power Purchased (623)	94,648		82,758		83,981	
Pumping Labor and Expenses (624)	4,405		3,895		4,267	
Miscellaneous Expense (626)	262		353		295	
Maintenance of Structures (631)	449		383		---	
Maintenance of Pumping Equipment (632/633)	3,919		1,135		8,972	
Depreciation (634)	6,382		6,294		6,024	
Total Pumping Expense	113,522	21.3	99,191	18.4	107,307	20.5
<b><u>Water Treatment</u></b>						
Operation Supervision (640)	3,115		3,968		3,418	
Chemicals (641)	18,917		19,757		18,207	
Operation Labor and Expenses (642)	12,906		16,007		13,038	
Miscellaneous Expense (643)	207		467		153	
Maintenance of Structures (651)	555		11,291		748	
Maintenance of Purification Equip. (652)	1,892		360		293	
Depreciation (654)	3,518		3,262		3,229	
Total Water Treatment Expense	41,110	7.7	55,112	10.2	39,086	7.5
<b><u>Distribution</u></b>						
Operation Supervision (660)	3,729		4,100		3,482	
Storage Facilities Expense (661)	5,448		6,003		5,181	
Trans. & Distr. Lines Expense (662)	15,149		10,089		12,398	
Meter Expense (663)	9,321		10,837		6,615	
Consumer Installation Expense (664)	11,729		4,839		4,968	
Miscellaneous Expense (665)	15,594		7,670		16,330	
Vehicle Expense (667)	4,529		5,177		3,120	
Maintenance:						
Supervision (670)	3,980		5,468		4,842	
Structures (671)	157		467		16	
Reservoirs and Standpipes (672)	63		5,758		462	
Mains (673)	13,331		20,542		21,079	
Valves (674)	4,775		5,635		12,286	
Meters (676)	2,252		1,884		2,655	
Hydrants (677)	1,115		1,654		99	
Miscellaneous Plant (678)	2,969		3,104		8,173	
Vacation, Holiday, Sick Leave (679)	11,145		10,668		9,363	
Depreciation (680)	38,251		36,184		35,403	
Total Distribution Expense	\$143,537	26.9	\$140,079	25.9	\$146,472	28.0



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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision (600)	\$33,733		\$35,531		\$31,035	
Operation Labor and Expenses (601)	10,367		10,138		10,109	
Miscellaneous Expense (603)	3,385		6,132		3,903	
Maintenance of Wells (614)	100,000		114,711		60,940	
Maintenance of Supply Mains (616)	7,599		104		7,488	
Depreciation (618)	94,935		95,253		90,147	
<b>Total Source of Supply Expense</b>	<b>250,019</b>	<b>4.8</b>	<b>261,869</b>	<b>4.9</b>	<b>203,622</b>	<b>4.0</b>
<b><u>Pumping</u></b>						
Operation Supervision (620)	36,617		39,762		35,401	
Fuel or Power Purchased (623)	896,483		835,128		829,582	
Pumping Labor and Expenses (624)	45,572		44,525		52,719	
Miscellaneous Expense (626)	2,620		3,042		3,211	
Maintenance of Structures (631)	4,484		655		91	
Maintenance of Pumping Equipment (632/633)	161,416		200,052		108,181	
Depreciation (634)	63,822		62,940		60,239	
<b>Total Pumping Expense</b>	<b>1,211,014</b>	<b>23.3</b>	<b>1,186,104</b>	<b>22.3</b>	<b>1,089,424</b>	<b>21.6</b>
<b><u>Water Treatment</u></b>						
Operation Supervision (640)	33,228		36,383		33,678	
Chemicals (641)	189,171		181,135		187,378	
Operation Labor and Expenses (642)	143,737		152,601		148,350	
Miscellaneous Expense (643)	22,420		17,471		8,643	
Maintenance of Structures (651)	14,176		19,513		6,023	
Maintenance of Purification Equip. (652)	17,109		24,421		15,365	
Depreciation (654)	35,177		32,617		32,292	
<b>Total Water Treatment Expense</b>	<b>455,018</b>	<b>8.8</b>	<b>464,141</b>	<b>8.7</b>	<b>431,729</b>	<b>8.6</b>
<b><u>Distribution</u></b>						
Operation Supervision (660)	36,104		37,590		34,642	
Storage Facilities Expense (661)	42,685		55,585		50,831	
Trans. & Distr. Lines Expense (662)	60,951		63,859		67,449	
Meter Expense (663)	95,913		91,631		83,008	
Consumer Installation Expense (664)	96,048		48,186		48,970	
Miscellaneous Expense (665)	160,040		138,384		147,513	
Vehicle Expense (667)	46,258		58,175		35,106	
Maintenance:						
Supervision (670)	46,621		51,248		48,345	
Structures (671)	3,574		3,736		9,107	
Reservoirs and Standpipes (672)	35,635		22,460		9,048	
Mains (673)	164,000		289,809		79,129	
Valves (674)	46,468		53,824		70,540	
Meters (676)	20,323		11,137		19,883	
Hydrants (677)	19,742		38,501		3,966	
Miscellaneous Plant (678)	29,694		33,910		47,706	
Vacation, Holiday, Sick Leave (679)	139,499		139,660		123,434	
Depreciation (680)	382,514		361,761		354,029	
<b>Total Distribution Expense</b>	<b>\$1,426,069</b>	<b>27.4</b>	<b>\$1,499,456</b>	<b>28.2</b>	<b>\$1,232,706</b>	<b>24.5</b>

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense (909)	<u>\$2,035</u>	0.4	<u>\$956</u>	0.2	<u>\$1,211</u>	0.2
<b><u>Consumer Accounts</u></b>						
Supervision (901)	1,426		1,561		1,061	
Meter Reading Expense (902)	3,893		3,942		3,468	
Consumer Records and Collection (903)	16,956		15,164		13,349	
Uncollectible Accounts Expense (904)	1,104		1,104		1,049	
Vacation, Holiday, Sick Leave (906)	<u>1,682</u>		<u>1,536</u>		<u>3,141</u>	
Total Consumer Accounts Expense	<u>25,061</u>	4.7	<u>23,307</u>	4.3	<u>22,068</u>	4.2
<b><u>Administrative and General</u></b>						
Administrative and General Salaries (920)	22,950		22,304		21,650	
Office Supplies and Expenses (921)	1,566		1,914		1,636	
Outside Services Employed (923)	2,295		3,335		582	
Property Insurance (924)	1,808		1,760		1,698	
Casualty Ins, Injuries & Damages (925)	4,958		2,051		3,892	
Employee Pensions and Benefits (926)	63,388		59,987		55,057	
Fringe Benefits Charged to Constr. (927)	(11,495)		(12,170)		(4,445)	
Miscellaneous General Expense (930)	11,093		14,038		7,645	
Rents (931)	6,279		6,279		6,096	
Maintenance of General Plant (932)	4,962		3,435		4,315	
Vacation, Holiday, Sick Leave (936)	3,291		2,770		2,547	
Depreciation (933)	<u>7,649</u>		<u>9,201</u>		<u>7,634</u>	
Total Administrative and General	<u>118,744</u>	22.3	<u>114,904</u>	21.3	<u>108,307</u>	20.7
Total Operating Expense	<u><u>\$459,034</u></u>		<u><u>\$447,953</u></u>		<u><u>\$462,131</u></u>	
Percent to Operating Revenue		86.0		83.0		88.4

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense (909)	<u>\$13,193</u>	0.3	<u>\$7,375</u>	0.1	<u>\$7,949</u>	0.2
<b><u>Consumer Accounts</u></b>						
Supervision (901)	14,015		13,935		13,974	
Meter Reading Expense (902)	38,035		41,416		37,219	
Consumer Records and Collection (903)	164,195		155,026		148,274	
Uncollectible Accounts Expense (904)	11,039		11,040		10,490	
Vacation, Holiday, Sick Leave (906)	<u>20,636</u>		<u>19,683</u>		<u>23,405</u>	
Total Consumer Accounts Expense	<u>247,920</u>	4.8	<u>241,100</u>	4.5	<u>233,362</u>	4.6
<b><u>Administrative and General</u></b>						
Administrative and General Salaries (920)	225,577		209,317		215,694	
Office Supplies and Expenses (921)	18,324		19,442		16,503	
Outside Services Employed (923)	55,231		31,024		16,883	
Property Insurance (924)	17,755		17,412		17,069	
Casualty Ins, Injuries & Damages (925)	48,537		44,818		83,806	
Employee Pensions and Benefits (926)	630,299		616,822		563,651	
Fringe Benefits Charged to Constr. (927)	(95,163)		(90,172)		(86,520)	
Miscellaneous General Expense (930)	108,814		90,079		95,104	
Rents (931)	62,793		62,792		60,963	
Maintenance of General Plant (932)	47,384		36,117		29,637	
Vacation, Holiday, Sick Leave (936)	39,551		36,234		34,570	
Depreciation (933)	<u>76,493</u>		<u>92,008</u>		<u>76,343</u>	
Total Administrative and General	<u>1,235,595</u>	23.8	<u>1,165,893</u>	21.9	<u>1,123,703</u>	22.3
Total Operating Expense	<u><u>\$4,838,828</u></u>		<u><u>\$4,825,938</u></u>		<u><u>\$4,322,495</u></u>	
Percent to Operating Revenue		93.1		90.8		85.8

**Muscatine Power and Water - Water Utility**  
**Statistical Data**  
**Current Month - October 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	0.617	0.654	0.562	0.596
Cost Per 1,000 Gallons	<u>0.515</u>	<u>0.546</u>	<u>0.499</u>	<u>0.529</u>
Margin	<u>0.103</u>	<u>0.109</u>	<u>0.063</u>	<u>0.066</u>

	<u>2017</u>	<u>2016</u>
Maximum Daily Water Pumped (1,000 gallons)	31,460	31,400
Date of Maximum	10/02	10/19

**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	0.617	0.654	0.570	0.604
Cost Per 1,000 Gallons	<u>0.563</u>	<u>0.597</u>	<u>0.492</u>	<u>0.521</u>
Margin	<u>0.053</u>	<u>0.057</u>	<u>0.078</u>	<u>0.083</u>

	<u>2017</u>	<u>2016</u>
Maximum Daily Water Pumped (1,000 gallons)	32,963	34,405
Date of Maximum	08/30	08/09

**Services**

Contract Customers	2	2
Power Plants	2	2
Residential	8,793	8,749
Commercial	<u>1,079</u>	<u>1,078</u>
Total	<u>9,876</u>	<u>9,831</u>

**Water Utility**  
**Review of Operating Results**  
**October 2017**

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

(Unfavorable)/  
Favorable  
Compared to  
Budget

**Sales of Water**

Contract Customers	\$ 119,753	GPC consumption is 2.2% higher than budgeted, along with a 2.6% higher billing rate
	20,548	Power plants' consumption is 9.5% lower than budgeted, offset by a higher billing rate
	(10,406)	Commercial consumption is 0.9% lower than budgeted offset by higher billing rate
	(4,520)	Residential consumption is 3.2% lower than budgeted, partially offset by higher billing rate
	(10,751)	Heinz's consumption is 8.0% lower than budgeted, offset by a higher billing rate
	<u>114,624</u>	

**Other Revenue**

Merchandise & Job Sales-Net	1,748	Higher job sales revenue
Miscellaneous Revenue	2,089	Other miscellaneous variances
	<u>3,837</u>	

**Operating Expense**

Operation	61,355	Lower fuel/power purchased due to 0.3% more gallons pumped, offset by 6.8% lower kWh consumed and 0.1% lower cost per kWh
	8,036	Lower chemicals than budgeted due to lower price/unit
	5,314	Lower cost of lab supplies and chemicals
	5,400	Lower cost of road rock at well fields
	(11,130)	East Hill and West Hill electricity higher than budgeted
	4,000	RPZ replacement costs budgeted in February and not yet incurred
	(6,246)	Higher cost of inventory adjustments
	(8,826)	Higher cost of vehicle repairs
	4,678	Promotional/education materials
	9,450	Succession planning costs not incurred yet
	4,737	Lower legal costs than budgeted
	2,316	Lower organizational development costs than budgeted
	2,920	Employee search services not incurred yet
	(3,516)	IS review and professional services not budgeted
	7,617	Lower cost of water cost of services study
	14,064	Lower health care cost
	(6,236)	Temp services higher than budgeted
	6,464	Travel and training lower than budgeted
	79,272	Lower labor, sick, personal and vacation expense
	6,832	Other miscellaneous variances - net
	<u>186,501</u>	
Maintenance	4,480	Maintenance labor under budget
	(4,990)	Vacuum regulator, yoke assembly, chlorine injector and spare pump repairs not budgeted
	2,833	Supply main repairs lower than budget
	3,853	Lower cost of pumping structures maintenance
	7,133	Lower cost of water treatment structures maintenance
	(130,749)	Street and concrete repairs more than budgeted in maintenance of mains
	10,108	Lower cost of general plant maintenance agreements
	5,845	Lower cost of meter repairs
	(10,311)	Temp labor for hydrant painting is over budget
	14,000	Reservoir drain line project not yet begun
	15,000	Budgeted tower cleaning/painting not incurred through October
	(14,711)	Well cleaning (some budgeted in 2016 and completed in 2017), behind schedule for 2017
	(56,994)	Maintenance of well #23 budgeted in 2016
	(27,470)	Other miscellaneous variances - net
	<u>(181,973)</u>	

**Depreciation**

8,362

**Nonoperating Revenue (Expense)**

Interest Income	21,396	Water bond dividend interest not budgeted
Interest Expense	(26,093)	Higher borrowing than budgeted
	<u>(4,697)</u>	

**Change in Net Loss before  
Capital Contributions**

126,654

**Capital Contributions**

-

**Change in Net Position**

\$ 126,654 Total Variance in Budgeted Net Position

## Statements of Revenues, Expenses and Changes in Net Position

### Sales of Water

Contract customers' water usage is 1.4% higher than budgeted, resulting in \$109,002 more revenue. GPC's usage was 2.2% higher than budget along with a 2.6% higher billing rate, resulting in \$119,753 more revenue. Heinz's usage was 8.0% lower than budget, offset by 4.1% higher billing rate, resulting in \$10,751 less revenue. Power plants' revenue was \$20,548 or 7.8% higher than budget due to a 19.2% higher billing rate offset by 9.5% lower usage. Residential customers' water usage is 3.2% lower than budgeted, partially offset by a 3.0% higher billing rate, resulting in \$4,520 less revenue. Commercial customers' water usage is 0.9% lower than budgeted with a 0.9% lower billing rate, resulting in \$10,406 less revenue.

### Year-To-Date Summary of Expenses

#### Source of Supply

##### Miscellaneous Expense – (603)

Lawn care expense is \$2,747 higher than budgeted through October.

##### Maintenance of Wells – (614)

Well cleaning leftover from 2016 was completed in January and February, totaling \$42,374. 2017 well cleaning was budgeted at \$100,000 through October with only \$72,337 expended to date.

##### Maintenance of Supply Mains – (616)

Production department labor and materials are under budget \$4,765 and \$2,833, respectively, due to fewer repairs.

#### Pumping

##### Operation Supervision – (620)

Manager and planning and scheduling departments' labor are higher than budgeted by \$1,390 and \$1,411, respectively.

##### Fuel or Purchased Power – (623)

The kWh consumed were 6.8% fewer than budgeted and a 0.1% lower cost per kWh, offset by 0.3% higher gallons pumped, resulting in \$61,355 lower expense.

	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
Fuel or Power Purchased	\$896,483	\$835,128	\$829,582
1,000 Gallons Pumped	<u>8,536,790</u>	<u>8,566,471</u>	<u>8,786,702</u>
Cost per 1,000 Gal. Pumped	\$0.1050	\$0.0975	\$0.0944
kWhs Consumed	13,979,652	13,035,293	14,061,700
kWh per 1,000 Gal. Pumped	1.64	1.52	1.60

##### Maintenance of Structures – (631)

Materials are under budget by \$3,853, due to fewer repairs.

Pumping (cont'd)Maintenance of Pumping Equipment – (632/633)

Well maintenance is over budget \$54,627, primarily due to repairs to Well 23 totaling \$56,994. RTU labor is under budget \$15,548, including \$13,206 in technical services department and \$2,343 in SCADA department.

Water TreatmentOperation Supervision – (640)

Manager and planning and scheduling departments' labor are higher than budgeted by \$1,177 and \$1,805, respectively.

Chemicals Expense – (641)

Chemical purchases, are \$8,036 less than budgeted primarily due to lower price/unit through October offset by higher fluoride usage.

	<u>2017 Budget</u>			<u>2017 Actual</u>			<u>2016 Actual</u>		
1,000 Gal. Pumped	8,536,790			8,566,471			8,786,702		
	Units	\$	Per Unit	Units	\$	Per Unit	Units	\$	Per Unit
Chlorine (lbs)	126,167	\$40,220	\$0.319	127,860	\$38,626	\$0.302	132,150	\$39,921	\$0.302
Hydrofluoro-silic Acid (lbs)	155,833	\$56,100	\$0.360	169,293	\$54,636	\$0.323	174,640	\$58,315	\$0.334
Phosphate (lbs)	90,250	\$92,850	\$1.029	92,550	\$87,872	\$0.949	93,350	\$89,143	\$0.955

Operation Labor and Expenses – (642)

Water production department labor is over budget by \$13,422 and lab supplies and chemicals are under budget by \$5,314.

Miscellaneous Expense – (643)

Road rock at well fields is \$5,400 less than budgeted through October.

Maintenance of Structures – (651)

Labor is lower than budget by \$1,796. Materials expense is higher than budget by \$7,133 due to higher cost of repairs.

Maintenance of Purification Equipment – (652)

Planning and scheduling department labor is over budget \$4,700. The technical supervisor department labor is under budget by \$2,791. Materials are over budget \$4,990, due to purchases of a vacuum regulator, yoke assembly, chlorine injector, and a spare pump for Grandview that were not budgeted.

DistributionStorage Facilities Expense – (661)

Materials are over budget \$11,344 primarily due to East Hill Reservoir and West Hill Reservoir power bills higher than budgeted by \$8,789 and \$2,341, respectively.



Distribution (cont'd)Meter Expense – (663)

Metering department labor is less than budget by \$3,278 and outside services materials expense is over budget by \$1,096.

Consumer Installation Expense – (664)

Labor is under budget \$42,108 in the outside services department. Materials are under budget \$6,071 primarily due to \$4,000 RPZ replacement not incurred yet and fewer locates.

Miscellaneous Expense – (665)

Engineering tech, CAD, and Project Engineering department's labor expenses are less than budget by \$19,377, \$14,598, and \$17,105, respectively. Outside service supervisor and Supply Chain department's labor expenses are higher than budget by \$10,779 and \$5,705, respectively. Inventory adjustments are \$6,246 over budget. Engineering tech temp services are \$2,812 over budget. Project engineering department outside engineering services are \$3,047 over budget.

Vehicle Expense – (667)

Vehicle maintenance department labor is over budget by \$4,641. Vehicle repairs are over budget by \$8,826 and fuel expense is under budget by \$1,974.

Maintenance – Supervision – (670)

Labor is over budget in the planning and scheduling and manager departments by \$3,545 and \$897, respectively.

Maintenance of Reservoirs and Standpipes – (672)

Materials are under budget primarily due to \$15,000 for tower cleaning and painting and \$14,000 for reservoir drain line projects that have not begun yet. Labor is over budget by \$11,083.

Maintenance of Mains – (673)

Materials are over budget \$130,749 due to higher cost of landscaping and street and concrete repairs than budgeted.

Maintenance of Valves – (674)

Distribution and material handling department's labor expenses are over budget by \$5,445 and \$2,260, respectively. Materials are under budget by \$783.

Maintenance of Meters – (676)

Labor is under budget \$3,340 and materials are under budget \$5,845 due to fewer repairs.

Maintenance of Hydrants – (677)

Distribution and material handling department labor expense is over budget \$5,661 and \$1,115, respectively. Temp services are over budget \$10,311 for hydrant painting.

Miscellaneous Plant – (678)

Vehicle maintenance department labor is over budget \$4,133.

Distribution (cont'd)Depreciation – (680)

Depreciation is under budget due 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	\$5,243	\$565	\$1,608
Media Advertising	4,758	4,706	4,547
Newsletter	1,505	1,298	1,277
Billtrust	302	226	---
Presentation Materials	375	299	---
Postage	790	---	---
Customer awareness programs	---	141	---
Photo Library	220	140	140
Other	---	---	377
	<u>\$13,193</u>	<u>\$7,375</u>	<u>\$7,949</u>

Meter Reading Expense – (902)

Labor expense is over budget by \$8,079. Temp services expense is under budget by \$4,946.

Consumer Records and Collections – (903)

	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
Labor	\$122,107	\$111,254	\$105,905
Credit Card Processing	10,191	10,368	10,697
Bill Trust Expense	4,750	4,106	4,539
Postage	10,292	9,133	10,248
Temp Services	375	7,107	4,741
Fuel	1,500	823	707
Invoice Cloud	1,868	1,969	1,719
Collection Expense	3,958	3,478	3,393
IVR	713	617	620
Other Expenses	<u>8,441</u>	<u>6,171</u>	<u>5,705</u>
	<u>\$164,195</u>	<u>\$155,026</u>	<u>\$148,274</u>

Administrative and GeneralAdministrative and General Salaries – (920)

Labor is under budget \$16,260, primarily in information services and supply chain.

Administrative and General (cont'd)Outside Services Employed – (923)

	<u>Resp Code</u>	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
Organizational				
Development	120-Sal	\$5,250	\$2,934	\$781
Consulting Services	120-Sal	---	509	---
Succession Planning	110-Board	9,450	---	---
Legal Fees	140-Brandy	4,970	233	3,873
Labor Attorney	140-Brandy	1,000	---	158
Web Graphics	224-Rick	563	425	256
Insurance Advisor	310-Jerry	2,940	2,940	2,646
Audit Services	320-Cassie	2,940	2,577	3,220
Cost of Service Study	320-Cassie	23,000	15,383	---
IS Professional Svc	350-Greg	---	2,143	---
IS Review	350-Greg	---	1,373	---
Pension Study	410-Erika	---	---	2,488
Benefits Consulting	410-Erika	1,563	1,778	2,691
Employee Search				
Services	410-Erika	2,920	---	---
Other Expenses		<u>635</u>	<u>729</u>	<u>770</u>
		<u>\$55,231</u>	<u>\$31,024</u>	<u>\$16,883</u>

Injuries and Damages – (925)

Insurance costs are \$3,719 lower than budget.

Employee Pensions and Benefits – (926)

	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
Health Care Cost	\$271,125	\$257,061	\$219,742
Pension	137,992	137,992	134,376
FICA	123,760	119,415	115,922
IPERS	43,282	47,115	41,768
Deferred comp utility match	23,600	23,198	23,659
Life, LTD & ADD	9,283	8,851	8,739
Dental	11,000	10,307	9,646
OPEB	3,008	2,396	2,707
Unemployment	525	1,023	94
Other Expenses	<u>6,724</u>	<u>9,464</u>	<u>6,998</u>
	<u>\$630,299</u>	<u>\$616,822</u>	<u>\$563,651</u>

Fringe Benefits Charged to Construction – (927)

More time has been charged to capital projects than projected.

Miscellaneous General Expense – (930)

Labor expenses are lower than budget by \$10,598, mostly in water production, distribution, environmental and safety and training departments. Materials are under budget \$8,136, mostly due to travel and training lower than budget by \$4,935 and continuous improvement supplies lower by \$2,804.

Administrative and General (cont'd)

Maintenance of General Plant — (932)

Maintenance agreements are under budget \$10,108 and memberships and subscriptions are under budget by \$1,773.

Depreciation — (933)

Depreciation is over budget \$15,515, primarily due to tools and equipment not budgeted.

**Water Utility**  
**Statement of Net Position Review**  
**October 2017**

	<u>2017</u>	<u>2016</u>
<b><u>Current Assets</u></b>		
<u>Receivables - Consumer Accounts</u>		
Customer Water Accounts	\$664,657	\$625,366
Customer Loan	5,417	---
Unbilled Revenue	68,790	65,128
Merchandise Accounts	6,742	5,951
Allowance for Doubtful Accounts	(9,070)	(7,187)
	<u>\$736,536</u>	<u>\$689,258</u>
<u>Inventories</u>		
Inventory	317,816	\$368,925
Stores Expense (a/c 163)	2,182	(1,705)
	<u>\$319,998</u>	<u>\$367,220</u>
<u>Prepaid Expenses</u>		
Prepaid Insurance	\$14,680	\$15,080
Prepaid Maintenance Contracts	17,252	18,752
Other Prepaid Expenses/Deposits	(2,310)	(1,500)
	<u>\$29,622</u>	<u>\$32,332</u>
<b><u>Current Liabilities</u></b>		
<u>Accounts Payable (amounts over \$2,500 itemized)</u>		
Electric bills	\$90,289	\$90,830
Alexander Chemical Corp - chlorine	---	9,648
Cahoy Pump Service - well construction	56,396	20,191
City of Muscatine - Mississippi Dr project	5,722	---
Cogsdale - business system implementation	3,994	3,794
DN Tanks Inc - tank inspection	5,750	---
E H Wachs - wire loops	3,026	---
Ferguson Enterprises - pipe	2,534	---
Hahn Ready Mix concrete	2,638	4,708
HD Supply Waterworks - electrofusing rental/parts	---	7,369
Heuer Construction - concrete repair	70,605	5,835
Hometown Plumbing & Heating - plumbing svcs	52,623	---
Hupp Electric Motors - motor rpr	---	5,259
IPERS - pension	6,209	5,080
Krohne - signal converters	12,634	---
Metering & Tech Solutions - radios/meters/encoders	15,628	5,057
Mosaic Global Sales - chemicals	---	15,181
Municipal Pipe Services - line stops	22,000	---
Municipal Supply - valves/shaft assemblies	4,967	---
Northway - well cleaning	---	23,941
Selco Inc - barricade rental	---	3,019
Steffen Inc - hydraulic pump	---	2,059
Telexpress - power distribution system for water treatment bldg	5,974	---
Other	25,358	31,237
	<u>\$386,347</u>	<u>\$233,208</u>
<u>Customer Advances for Construction</u>		
Lutheran Homes	\$59,640	\$6,000
Curry Trucking	30,815	---
Others	290	595
	<u>\$90,745</u>	<u>\$6,595</u>
<u>Miscellaneous Accrued Expenses</u>		
Sales/Use Tax Collections Payable	\$8,308	\$7,722
Payroll Tax Collections Payable	14,666	12,991
Employee Payroll Deductions	2,998	2,627
Workers' Comp Self Insurance Reserves	30,450	29,952
Comp Time Payable	6,344	4,199
	<u>\$62,766</u>	<u>\$57,491</u>

**Muscatine Power and Water**

**Communications Utility**

**Statement of Revenues, Expenses and Changes in Net Position**

**October 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 - October 2017**

	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<b><u>Operating Revenue</u></b>					
CATV	\$619,906	(14.4)	\$530,715	(17.4)	\$642,627
Data/Internet	479,508	5.0	503,370	6.9	470,934
MAN	48,800	32.7	64,747	22.8	52,725
Miscellaneous	11,670	(5.9)	10,984	(8.1)	11,950
Total Operating Revenues	<u>1,159,884</u>	(4.3)	<u>1,109,816</u>	(5.8)	<u>1,178,236</u>
<b><u>Operating Expense</u></b>					
Operation	759,372	5.0	797,304	15.1	692,618
Maintenance	79,502	24.8	99,195	44.5	68,624
Depreciation	145,199	(7.1)	134,926	(3.2)	139,329
Total Operating Expenses	<u>984,073</u>	4.8	<u>1,031,425</u>	14.5	<u>900,571</u>
Operating Income	<u>175,811</u>	(55.4)	<u>78,391</u>	(71.8)	<u>277,665</u>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	352	8.6X	3,371	23.9	2,720
Interest Expense	<u>(3,769)</u>	---	<u>(3,768)</u>	(5.0)	<u>(3,968)</u>
Net Nonoperating Expense	<u>(3,417)</u>	(88.4)	<u>(397)</u>	(68.2)	<u>(1,248)</u>
<b>Net Income before Capital Contributions</b>	172,394	(54.8)	77,994	(71.8)	276,417
Capital Contributions	<u>1,722</u>	(41.5)	<u>1,007</u>	(39.6)	<u>1,667</u>
<b>Change in Net Position</b>	174,116		79,001		278,084
<b>Beginning Net Position</b>	<u>6,781,030</u>		<u>7,413,862</u>		<u>5,083,836</u>
<b>Ending Net Position</b>	<u>\$6,955,146</u>		<u>\$7,492,863</u>		<u>\$5,361,920</u>
Net Income (Loss) to Operating Revenue	14.9		7.0		23.5
Debt Service Coverage on Electric Utility Debt	7.32		4.94		9.56



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

	<b><u>Budget Estimate</u></b>	<b><u>% Increase (Decrease) From Budget</u></b>	<b><u>This Year</u></b>	<b><u>% Increase (Decrease) Fr. Last Yr.</u></b>	<b><u>Last Year</u></b>
<b><u>Operating Revenue</u></b>					
CATV	\$6,047,671	(5.7)	\$5,702,943	(3.8)	\$5,930,112
Data/Internet	4,727,958	3.8	4,908,600	7.0	4,588,184
MAN	488,000	28.4	626,399	18.3	529,433
Miscellaneous	<u>116,631</u>	<u>(3.6)</u>	<u>112,428</u>	<u>2.7</u>	<u>109,502</u>
Total Operating Revenues	<u>11,380,260</u>	<u>(0.3)</u>	<u>11,350,370</u>	<u>1.7</u>	<u>11,157,231</u>
<b><u>Operating Expense</u></b>					
Operation	7,761,342	(5.1)	7,362,683	3.7	7,101,441
Maintenance	859,355	(5.2)	814,262	4.0	783,094
Depreciation	<u>1,451,996</u>	<u>(7.1)</u>	<u>1,349,260</u>	<u>(3.2)</u>	<u>1,393,290</u>
Total Operating Expenses	<u>10,072,693</u>	<u>(5.4)</u>	<u>9,526,205</u>	<u>2.7</u>	<u>9,277,825</u>
Operating Income	<u>1,307,567</u>	<u>39.5</u>	<u>1,824,165</u>	<u>(2.9)</u>	<u>1,879,406</u>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	6,507	3.9X	31,725	61.2	19,686
Interest Expense	<u>(37,683)</u>	<u>---</u>	<u>(37,684)</u>	<u>(5.0)</u>	<u>(39,680)</u>
Net Nonoperating Expense	<u>(31,176)</u>	<u>(80.9)</u>	<u>(5,959)</u>	<u>(70.2)</u>	<u>(19,994)</u>
<b>Net Income before Capital Contributions</b>	<u>1,276,391</u>	<u>42.4</u>	<u>1,818,206</u>	<u>(2.2)</u>	<u>1,859,412</u>
Capital Contributions	<u>17,220</u>	<u>(23.8)</u>	<u>13,122</u>	<u>(25.9)</u>	<u>17,713</u>
<b>Change in Net Position</b>	<u>1,293,611</u>		<u>1,831,328</u>		<u>1,877,125</u>
<b>Beginning Net Position</b>	<u>5,661,535</u>		<u>5,661,535</u>		<u>3,484,795</u>
<b>Ending Net Position</b>	<u><u>\$6,955,146</u></u>		<u><u>\$7,492,863</u></u>		<u><u>\$5,361,920</u></u>
Net Income (Loss) to Operating Revenue	11.2		16.0		16.7
Debt Service Coverage on Electric Utility Debt	6.30		7.30		7.50

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

**ASSETS**

	<u>2017</u>	<u>2016</u>
<b>Current Assets:</b>		
Cash - interest bearing	\$5,731,402	\$4,202,164
Investments	---	4,000,000
Receivables:		
Consumer Accounts	1,250,426	1,326,486
Interest	3,196	17,459
Inventories	136,643	157,110
Prepaid Expenses	<u>202,075</u>	<u>110,367</u>
Total Current Assets	<u>7,323,742</u>	<u>9,813,586</u>
<b>Property and Equipment:</b>		
At Cost	40,352,342	34,324,754
Less Accumulated Depreciation	<u>27,982,018</u>	<u>26,963,053</u>
Net Property and Equipment	<u>12,370,324</u>	<u>7,361,701</u>
<b>Deferred Outflows of Resources - Pension</b>		
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>539,331</u>	<u>598,278</u>
Total Deferred Outflows of Resources - Pension	<u>1,458,539</u>	<u>1,111,967</u>
<b>TOTAL ASSETS</b>	<u><u>\$21,152,605</u></u>	<u><u>\$18,287,254</u></u>

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

**LIABILITIES AND NET POSITION**

	<u>2017</u>	<u>2016</u>
<b>Current Liabilities:</b>		
<u>Payable from Unrestricted Assets</u>		
Accrued Interest	15,074	15,872
Accounts Payable	1,290,597	697,576
Health & Dental Insurance Provision	49,280	53,060
Retained Percentage on Contracts	74,913	999
Accrued Payroll	89,933	64,586
Accrued Vacation	185,895	179,337
Accrued Property Taxes	4,933	5,408
Unearned Revenue - Dark Fiber Lease	17,500	17,500
Miscellaneous Accrued Expenses	75,900	101,178
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	1,804,025	1,135,516
	<hr/>	<hr/>
<u>Payable from Restricted Assets</u>		
Notes Payable:		
Electric Utility	481,443	479,048
	<hr/>	<hr/>
Total Payable from Restricted Assets	481,443	479,048
	<hr/>	<hr/>
Total Current Liabilities	2,285,468	1,614,564
	<hr/>	<hr/>
<b>Non-Current Liabilities:</b>		
Health & Dental Insurance Provision	108,210	108,615
Post-Employment Health Benefit Provision	73,114	68,917
Unearned Revenue - Dark Fiber Lease	214,896	232,396
Net Pension Liability	2,317,867	1,755,189
Notes Payable:		
Electric Utility	8,562,844	9,044,287
	<hr/>	<hr/>
Total Non-Current Liabilities	11,276,931	11,209,404
	<hr/>	<hr/>
<b>Deferred Inflows of Resources - Pension</b>	97,343	101,366
	<hr/>	<hr/>
<b>Net Position:</b>		
Net Investment in Capital Assets	11,888,881	6,882,653
Unrestricted	(4,396,018)	(1,520,733)
	<hr/>	<hr/>
Total Net Position	7,492,863	5,361,920
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$21,152,605</u></u>	<u><u>\$18,287,254</u></u>

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

	<u><b>Current Month</b></u>	<u><b>Year- To-Date</b></u>
Cash flows from operating activities:		
Cash received from:		
Communications sales	\$1,166,140	\$10,975,788
Advertising sales	39,085	273,565
Miscellaneous sources	9,365	107,770
Cash paid to/for:		
Suppliers	(514,426)	(4,674,719)
Employees payroll, taxes and benefits	(362,835)	(3,248,644)
Net cash flows from operating activities	<u>337,329</u>	<u>3,433,760</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(509,507)	(5,967,089)
Loan interest payments	---	(22,611)
Net cash flows from capital and related financing activities	<u>(509,507)</u>	<u>(5,989,700)</u>
Cash flows from investing activities:		
Interest received on investments	<u>3,373</u>	<u>29,875</u>
Net cash flows from investing activities	<u>3,373</u>	<u>29,875</u>
Net decrease in cash and investments	<u>(168,805)</u>	<u>(2,526,065)</u>
Cash and investments at beginning of period	<u>5,900,207</u>	<u>8,257,467</u>
Cash and investments at end of period	<u><u>\$5,731,402</u></u>	<u><u>\$5,731,402</u></u>

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

	<b><u>Current</u></b> <b><u>Month</u></b>	<b><u>Year-</u></b> <b><u>To-Date</u></b>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$78,391	\$1,824,165
Noncash items in operating income:		
Converter/modem write-off	---	16,762
Depreciation of utility plant	134,926	1,349,260
Change in deferred outflows of resources - pension	(63,050)	(189,150)
Changes in assets and liabilities:		
Consumer accounts receivable	108,437	101,992
Inventories	(21,203)	6,869
Prepaid and deferred expenses	34,146	(95,325)
Accounts payable	44,822	130,477
Net pension liability	30,474	304,742
Health & dental insurance provision	8,700	8,150
Other post-employment benefit provision	390	3,355
Unearned revenue	(1,458)	(22,191)
Retained percentage on contracts	9,354	73,572
Accrued payroll	29,488	(15,408)
Accrued vacation	813	10,931
Accrued property taxes	493	(1,557)
Miscellaneous accrued expenses	(57,394)	(72,884)
	<u>\$337,329</u>	<u>\$3,433,760</u>
Net cash flows from operating activities	<u>\$337,329</u>	<u>\$3,433,760</u>

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

	<b><u>Budget</u></b> <b><u>Estimate</u></b>	<b><u>This Year</u></b>	<b><u>Last Year</u></b>
<b><u>CATV</u></b>			
Program Acquisition Expense (751-758)	\$376,567	\$406,770	\$348,959
Promotional Expense (960)	6,063	4,021	886
Electricity Expense (736)	2,235	2,595	2,439
Pole Attachment Expense (715)	1,967	1,967	1,967
Changes of Service (742)	1,169	974	1,061
Underground Line Expense (743)	7,859	5,787	2,738
Ad Insertion - Marketing/Production (964, 965)	9,008	9,295	8,752
Miscellaneous CATV Expense (710, 738, 739)	14,582	24,813	17,364
Vehicle Expense (760)	4,808	5,296	5,358
Maintenance:			
Fiber (711)	678	1,781	1,528
Coax (712)	1,230	1,598	732
Drops (713)	3,354	2,680	3,326
Conduit System (714)	1,674	1,162	997
Headend (721-725)	21,302	22,121	16,924
Line Equipment (731-735)	2,739	4,999	3,079
Converters (741)	3,947	3,979	468
Ad Insertion (966)	3,450	4,380	3,781
Vacation, Holiday, Sick Leave (799)	4,384	4,784	4,305
Property Taxes (794)	731	286	314
Depreciation (793)	84,951	76,631	82,721
<b>Total CATV</b>	<b>552,698</b>	<b>585,919</b>	<b>507,699</b>
<b><u>Data/Internet</u></b>			
Data/Internet Access Charges (851-853)	25,769	26,424	31,317
Promotional Expense (961)	6,063	4,058	922
Electricity Expense (836)	394	340	323
Pole Attachment Expense (837)	346	346	346
Changes of Service (842)	206	325	187
Customer Wireless Equipment Expense (846)	---	---	---
Underground Line Expense (843)	349	1,929	483
Miscellaneous Data/Internet Expense (839, 844, 848)	5,235	7,716	7,189
Vehicle Expense (860)	803	639	649
Maintenance:			
Fiber (811)	117	742	269
Coax (813)	217	533	129
Drops (814)	2,308	893	587
Conduit System (816)	224	484	175
Headend (820, 821)	22,179	40,098	24,878
Line Equipment (831-835)	447	1,452	543
Modems (841)	4,430	2,977	2,542
Vacation, Holiday, Sick Leave (879)	2,216	2,577	2,094
Property Taxes (894)	129	50	55
Depreciation (893)	27,909	26,898	25,111
<b>Total Data/Internet</b>	<b>99,341</b>	<b>118,481</b>	<b>97,799</b>

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

	<b><u>Budget</u></b> <b><u>Estimate</u></b>	<b><u>This Year</u></b>	<b><u>Last Year</u></b>
<b><u>CATV</u></b>			
Program Acquisition Expense (751-758)	\$3,839,899	\$3,618,625	\$3,544,388
Promotional Expense (960)	64,474	16,313	7,168
Electricity Expense (736)	22,350	25,169	24,289
Pole Attachment Expense (715)	19,673	19,673	19,670
Changes of Service (742)	11,177	11,429	14,095
Underground Line Expense (743)	70,945	37,077	23,550
Ad Insertion - Marketing/Production (964, 965)	81,149	81,471	68,392
Miscellaneous CATV Expense (710, 738, 739)	143,728	190,901	159,731
Vehicle Expense (760)	48,990	42,340	54,437
Maintenance:			
Fiber (711)	7,100	7,426	10,054
Coax (712)	12,263	8,427	9,280
Drops (713)	33,714	23,785	22,140
Conduit System (714)	15,382	9,478	9,253
Headend (721-725)	213,232	196,422	174,500
Line Equipment (731-735)	27,977	31,097	47,231
Converters (741)	38,462	25,966	19,166
Ad Insertion (966)	34,469	48,204	47,373
Vacation, Holiday, Sick Leave (799)	53,389	61,371	50,489
Property Taxes (794)	7,308	2,696	2,825
Depreciation (793)	849,509	766,310	827,210
Total CATV	5,595,190	5,224,180	5,135,241
<b><u>Data/Internet</u></b>			
Data/Internet Access Charges (851-853)	264,442	263,382	259,619
Promotional Expense (961)	64,474	16,452	7,580
Electricity Expense (836)	3,940	3,403	3,782
Pole Attachment Expense (837)	3,460	3,460	3,460
Changes of Service (842)	1,972	3,809	2,487
Customer Wireless Equipment Expense (846)	---	240	---
Underground Line Expense (843)	3,230	11,908	4,156
Miscellaneous Data/Internet Expense (839, 844, 848)	53,015	80,651	66,269
Vehicle Expense (860)	8,026	5,098	6,607
Maintenance:			
Fiber (811)	1,226	3,094	1,768
Coax (813)	2,164	2,809	1,638
Drops (814)	23,105	7,880	3,907
Conduit System (816)	2,127	3,949	1,599
Headend (820, 821)	285,835	309,700	292,327
Line Equipment (831-835)	4,369	8,633	8,052
Modems (841)	44,469	33,288	49,600
Vacation, Holiday, Sick Leave (879)	27,044	26,506	25,289
Property Taxes (894)	1,285	474	500
Depreciation (893)	279,094	268,980	251,110
Total Data/Internet	1,073,277	1,053,716	989,750

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

	<b><u>Budget</u></b> <b><u>Estimate</u></b>	<b><u>This Year</u></b>	<b><u>Last Year</u></b>
<b><u>MAN</u></b>			
Pole Attachment Expense (838)	\$1,079	\$1,179	\$1,179
Tools Expense (845)	208	118	76
Maintenance:			
Fiber (812)	374	1,187	838
Conduit System (817)	891	775	547
MAN Equipment (818, 819)	3,373	2,413	2,474
Vacation, Holiday, Sick Leave (899)	326	152	180
Property Taxes (896)	401	157	172
Depreciation (840)	22,135	22,038	21,854
Total MAN	28,787	28,019	27,320
<b><u>Customer Service Expense</u></b>			
Customer Information Expense (909)	5,925	4,445	2,531
<b><u>Consumer Accounts</u></b>			
Supervision (901)	2,778	3,039	2,065
Consumer Records and Collections (903)	48,392	45,641	40,662
Uncollectible Accounts Expense (904)	1,574	1,574	1,519
Vacation, Holiday, Sick Leave (906)	4,239	3,779	6,808
Total Consumer Accounts	56,983	54,033	51,054
<b><u>Administrative and General</u></b>			
Administrative and General Salaries (920)	80,537	85,201	80,452
Office Supplies and Expense (921)	4,092	4,990	3,651
Outside Services Employed (923)	9,585	19,749	5,674
Property Insurance (924)	1,206	1,173	1,132
Casualty Ins, Injuries & Damages (925)	7,872	3,532	5,930
Employee Pensions and Benefits (926)	93,871	90,283	82,898
Fringe Benefits Charges to Construction (927)	(5,867)	(5,994)	(7,026)
Rents (931)	9,656	9,656	9,375
Miscellaneous General Expense (930)	12,138	8,024	9,543
Maintenance of General Plant (932)	6,568	4,941	4,807
Vacation, Holiday, Sick Leave (936)	10,477	9,614	8,089
Depreciation (933)	10,204	9,359	9,643
Total Administrative and General	240,339	240,528	214,168
Total Operating Expenses	\$984,073	\$1,031,425	\$900,571



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

	<b><u>Budget</u></b> <b><u>Estimate</u></b>	<b><u>This Year</u></b>	<b><u>Last Year</u></b>
<b><u>MAN</u></b>			
Pole Attachment Expense (838)	\$10,787	\$11,787	\$11,590
Tools Expense (845)	2,083	2,102	682
Maintenance:			
Fiber (812)	3,915	7,047	5,512
Conduit System (817)	8,220	6,319	4,986
MAN Equipment (818, 819)	42,306	32,606	38,757
Vacation, Holiday, Sick Leave (899)	4,025	2,621	2,762
Property Taxes (896)	4,007	1,478	1,549
Depreciation (840)	221,347	220,380	218,540
Total MAN	296,690	284,340	284,378
<b><u>Customer Service Expense</u></b>			
Customer Information Expense (909)	46,206	19,343	16,944
<b><u>Consumer Accounts</u></b>			
Supervision (901)	27,293	27,138	27,202
Consumer Records and Collections (903)	473,275	483,730	441,726
Uncollectible Accounts Expense (904)	15,740	15,740	15,190
Vacation, Holiday, Sick Leave (906)	51,966	50,287	55,969
Total Consumer Accounts	568,274	576,895	540,087
<b><u>Administrative and General</u></b>			
Administrative and General Salaries (920)	791,635	793,471	775,300
Office Supplies and Expense (921)	45,925	41,057	36,175
Outside Services Employed (923)	127,260	102,271	96,194
Property Insurance (924)	11,836	11,608	11,441
Casualty Ins, Injuries & Damages (925)	77,159	69,775	114,447
Employee Pensions and Benefits (926)	951,150	922,041	868,494
Fringe Benefits Charges to Construction (927)	(57,665)	(65,838)	(55,772)
Rents (931)	96,562	96,562	93,750
Miscellaneous General Expense (930)	161,204	131,780	126,196
Maintenance of General Plant (932)	59,020	48,132	35,951
Vacation, Holiday, Sick Leave (936)	126,924	123,282	112,819
Depreciation (933)	102,046	93,590	96,430
Total Administrative and General	2,493,056	2,367,731	2,311,425
Total Operating Expenses	\$10,072,693	\$9,526,205	\$9,277,825

**Muscatine Power and Water - Communications Utility**  
**Statistical Data**  
**October 2017**

<b>Services</b>	<b>Budget Estimate</b>	<b>% Increase (Decrease) From Budget</b>	<b>This Year <sup>fn1</sup></b>	<b>% Increase (Decrease) Fr. Last Yr.</b>	<b>Last Year <sup>fn1</sup></b>
<u>CATV</u>					
Residential	5,281	(2.3)	5,158	(6.3)	5,507
Commercial/Hospitality	<u>149</u>	6.7	<u>159</u>	0.0	<u>159</u>
Total CATV	<u>5,430</u>	(2.1)	<u>5,317</u>	(6.2)	<u>5,666</u>
Bulk Equivalent Services	<u>368</u>	(13.3)	<u>319</u>	(10.6)	<u>357</u>
Bulk Master Services	<u>24</u>	---	<u>24</u>	(4.0)	<u>25</u>
<u>Internet</u>					
Residential	7,866	2.3	8,046	4.5	7,698
Commercial	<u>508</u>	5.7	<u>537</u>	5.5	<u>509</u>
Total Internet	<u>8,374</u>	2.5	<u>8,583</u>	4.6	<u>8,207</u>
<u>MAN</u>	<u>80</u>	7.5	<u>86</u>	2.4	<u>84</u>

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

**Communications Utility**  
**Review of Operating Results**  
**October 2017**

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

	(Unfavorable)/ Favorable Compared to Budget	
<b>Operating Revenue</b>		
CATV Revenue	\$ (631,147)	Lower CATV revenues due to fewer subscribers 5,317 actual vs. 5,430 budget, incorrect prices in budget, broadcast fee has been pulled out of packages and different rate increase than budget
	(152,554)	Bulk lower because budgeted upgrades are recorded in basic and select, broadcast fee has been pulled out and different rate increase than budget
	411,213	New broadcast fee pulled out of packages
	92,402	Lower marketing promotional discounts (\$312,472 vs. \$220,070) due to end of price pledge
	(9,682)	Lower VOD/PPV sales due to fewer subscribers and less buys
	(25,444)	Lower ad sales
	(34,360)	Lower converter rentals due to less subscribers
	4,844	Other miscellaneous variances - net
	<u>(344,728)</u>	
Data/Internet Revenue	443,719	Higher cable modem revenues due to higher subscribers (8,583 actual vs. 8,374 budget ) and more subscribers taking a higher level of service
	(292,696)	Fiber service has not yet become available
	(21,111)	VoIP service has not yet become available
	(5,672)	Lower Wimax revenues than budgeted
	(3,613)	Higher promotional discounts due to higher subscribers (\$83,556 actual vs. \$79,943 budget)
	21,909	Higher modem rentals due to more subscribers
	32,114	Higher Wi-fi @ Home due to more subscribers
	5,992	Other miscellaneous variances - net
	<u>180,642</u>	
MAN	138,399	More subscribers than budgeted and new contracts
Miscellaneous Revenue	(4,155)	Job sales lower than budgeted
	(48)	Other miscellaneous variances - net
	<u>(4,203)</u>	
<b>Operating Expense</b>		
Operation	221,274	Lower programming due to fewer subscribers and lower negotiated contracts
	24,325	Lower labor than budgeted
	10,310	Lower promotional/education than budgeted
	7,183	Giveaways have not been spent
	3,504	Memberships and subscriptions lower than budgeted
	(8,173)	More labor charged to capital projects than budgeted
	6,229	Lower fuel expense
	3,970	Organizational development expenses not fully expended
	10,398	Lower legal costs
	15,347	FTTH graphic design expense not incurred
	62,163	FTTH promotional expense not incurred, vehicle wraps etc.
	5,000	Employee search services not yet needed
	16,200	Succession planning expenses, not yet incurred
	11,737	Lower FICA than budgeted
	19,669	Health care expenses lower than budgeted
	4,476	Miscellaneous customer records and collections supplies lower than budgeted
	(6,905)	Travel and training over budget, including FTTH training budgeted in 2016
	(8,048)	Other miscellaneous variances - net
	<u>398,659</u>	
Maintenance	(13,570)	Lower maintenance agreements, for bandwidth monitoring equipment , CMTS and IS (timing)
	29,225	Lower labor
	39,842	Fewer drop repairs
	(5,707)	Maintenance of CATV converters higher than budget
	7,449	Credit for headend equipment returned in 2016
	(4,277)	Other headend repairs are lower than budget
	3,040	Memberships and subscription under budget
	(6,210)	Costs for maintenance of MAN equipment is greater than budget
	(4,699)	Other miscellaneous variances - net
	<u>45,093</u>	
Depreciation	102,736	Lower depreciation due to fewer fixed assets purchases in 2016 than anticipated

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

**Nonoperating Revenue (Expense)**

Interest Income/expense                      25,217    More interest income due to higher cash balances

**Change in Net Position before**

**Capital Contributions**                      541,815

Capital Contributions                      (4,098)

**Change in Net Position**                      \$ 537,717    Total Variance from Budgeted Net Position

**Statement of Revenues, Expenses and Changes in Net Position**

**Operating Revenues**

**CATV**

	<u>2018 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
Customers	5,430	5,317	5,666
Revenue:			
Basic	\$ 178,187	\$ 141,256	\$ 171,838
Select	3,676,825	3,150,375	3,479,011
Preferred	576,424	569,202	625,141
Premium	263,804	203,260	250,828
Bulk	353,037	200,486	226,168
Broadcast fee	-	411,213	-
PPV	23,483	27,046	23,559
VOD	<u>101,938</u>	<u>88,693</u>	<u>109,330</u>
Subtotal	\$ 5,173,698	\$ 4,791,531	\$ 4,885,875
Set top box rentals	830,294	795,934	843,246
Ad insertion revenue	314,000	288,556	405,903
Other CATV revenues	<u>42,151</u>	<u>46,992</u>	<u>53,493</u>
Gross CATV revenue	\$ 6,360,143	\$ 5,923,013	\$ 6,188,517
Discounts	<u>(312,472)</u>	<u>(220,070)</u>	<u>(258,405)</u>
Net CATV Revenue	<u>\$ 6,047,671</u>	<u>\$ 5,702,943</u>	<u>\$ 5,930,112</u>
Net Monthly Revenue per			
Subscriber	\$ 139.22	\$ 134.07	\$ 130.83

- Basic, Select and Bulk revenues are under budget because the broadcast fee has been reallocated to a separate revenue account and the overall rate increase is lower than budget.
- Select revenue was budgeted at an incorrect price and service upgrades for bulk customers were budgeted in bulk revenue instead of select or preferred.
- Broadcast fee revenue was not budgeted because it was added in lieu of the full budgeted rate increase.
- VOD movie revenues are lower due to fewer CATV subscribers and a lower buy rate.
- Set-top box rentals are lower than budget due to fewer CATV subscribers.
- Ad insertion revenues are lower due to fewer ads sold.
- Discounts are less than budgeted due to fewer overall subscribers and fewer promotional discounts.

Internet Revenue

	<u>2018 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
Customers	8,374	8,583	8,207
Revenue:			
Cable modem	\$ 3,962,704	\$ 4,406,423	\$ 4,112,891
Fiber service	292,696	-	-
Voice service	21,111	-	-
Wi-fi @ Home	189,132	221,246	182,315
Wimax	83,165	77,493	83,360
Modem rentals	226,541	248,450	238,276
Other internet revenues	<u>32,552</u>	<u>38,544</u>	<u>38,492</u>
Gross internet revenues	\$ 4,807,901	\$ 4,992,156	\$ 4,655,334
Discounts	<u>(79,943)</u>	<u>(83,556)</u>	<u>(67,150)</u>
Net internet revenues	<u>\$ 4,727,958</u>	<u>\$ 4,908,600</u>	<u>\$ 4,588,184</u>
Net monthly revenue per subscriber	\$ 70.57	\$ 71.49	\$ 69.88

- Cable modem revenues are higher due to more subscribers and more subscribers taking a higher level of service.
- Wi-fi @ home is higher due to more subscribers.
- Fiber and voice service were anticipated to be available in August. However, fiber will not be available until later this year and voice will not be available until early next year.

MAN

Revenue is \$138,399 higher than budget mostly due to more subscribers and new contracts.

Miscellaneous Revenues

Miscellaneous revenues are under budget \$4,203, primarily due to lower than budgeted job sales revenue.

Nonoperating Revenue (Expense)

Interest income is over budget \$25,218 due to higher than projected cash balances.

**Statement of Net Position**LiabilitiesHealth 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 Expenses****CATV****Program Acquisition Expense – (751 to 758)**

Programming is lower due to lower subscribers than budgeted.

	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
Basic	\$ 712,765	\$ 689,031	\$ 613,286
Select	2,202,220	2,073,791	2,038,416
Preferred	358,502	337,595	331,836
Premium	189,647	157,041	199,704
Digital	291,407	282,247	272,881
Pay-per-View	15,957	19,779	16,178
Video on Demand	<u>69,401</u>	<u>59,141</u>	<u>72,087</u>
Total	<u>\$3,839,899</u>	<u>\$3,618,625</u>	<u>\$3,544,388</u>

Basic, select, preferred and premium programming are lower than budget due to negotiated contracts coming in lower than budgeted and fewer subscribers.

**Promotional Expense – (960)**

- Labor is over budget \$2,404.
- Temp services, mileage and phone expenses for DSRs are under budget \$ 23,180 due to delay in FTTH project. Expenses for these items began in September when two DSRs were hired.
- Vehicle rewraps budgeted for \$9,250 have not yet been completed.
- FTTH promotional expenses of \$18,135 were budgeted but have not been incurred.

**Underground Line Expense - (743)**

- Labor is under budget \$34,944 due to more hours budgeted for FTTH locates but not actually utilized yet due to a delay in the timing of the project.

**Miscellaneous CATV Expense – (740)**

- Labor is over budget \$18,710.
- Temp services of \$17,984 were not budgeted.
- Remotes are under budget \$3,395.
- Tools are over budget \$4,339.
- Write-off of net book value of boxes are under budget by \$4,196.
- Other miscellaneous materials are over budget \$13,731.

**Vehicle Expense – (760)**

- Labor is below budget \$1,736.
- Fuel expense is lower than budget by \$3,882.
- Other miscellaneous materials are below budget \$1,031.



CATV (cont'd)Maintenance of Coax - (712)

- Labor is under budget \$2,419.
- Materials are under \$1,417.

Maintenance of Drops - (713)

- Labor is over budget \$9,584.
- Materials are under budget \$19,513.

Maintenance of Conduit – (714)

- Labor is under budget \$5,503.

Maintenance of Headend – (721-725)

- Total labor is under budget by \$46,163.
- Maintenance agreements are over budget \$17,629. The video encryption and VOD equipment maintenance agreements were not budgeted.
- Miscellaneous materials are over budget \$11,727 for custom programming related to add and activate services and boxes in the field.

Maintenance of Converters – (741)

- Labor is under budget \$18,203.
- Materials over budget \$5,707 due to the cost of equipment repairs exceeding budget.

Maintenance of Ad Insertion- (966)

- Labor is over budget \$11,269.
- Maintenance agreements are over budget \$2,467.

Vacation, Holiday, Sick Leave – (799)

- Sick, personal, and vacation is over budget \$7,982, due to an employee's extended absence.

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.

InternetPromotional Expense – (961)

- Labor is over budget \$2,404.
- Temp services, mileage and phone expenses for DSRs are under budget \$23,180 due to delay in FTTH project. Expenses for these items began in September when two DSRs were hired.
- Vehicle rewraps budgeted for \$9,250 have not yet been done.
- FTTH promotional expenses of \$17,996 were budgeted but have not been incurred.

Internet (cont'd)Underground Line Expense - (843)

- Labor is over budget \$7,880.

Miscellaneous Data/Internet Expense – (847)

- Labor is over budget \$16,323.
- Temp services of \$5,995 were not budgeted.
- Other miscellaneous materials are over budget \$5,317.

Maintenance of Drops – (814)

- Labor is over budget \$5,104.
- Materials are under budget \$20,329.

Maintenance of Headend – (820, 821)

- Labor is over budget \$38,120.
- Maintenance agreements are under budget by \$6,576.
- A credit for a piece of equipment purchased in 2016 was received in 2017 for \$7,449.

Maintenance of Line Equipment – (831-835)

- Labor is over budget \$4,144.

Maintenance of Modems – (841)

- Labor is under budget \$11,181.

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 – (818, 819)

- Labor is under budget \$22,885.
- Maintenance agreements are over budget \$6,974.
- Other miscellaneous materials are over budget \$6,210.

Customer Service ExpenseCustomer Information Expense – (909-Marketing)

	2017	2017	2016
	Budget	Actual	Actual
Promotion/Education Expense	\$ 16,953	\$ 6,643	\$ 2,236
Giveaways	7,183	-	-
Media Advertising	9,264	9,169	8,847
Newsletter	2,929	2,607	2,565
Postage	8,340	-	997
Other	1,537	924	2,299
	<u>\$ 46,206</u>	<u>\$ 19,343</u>	<u>\$ 16,944</u>

Customer Records and Collections – (903)

- Labor is under budget \$16,724.
- Temp services are over budget \$13,109.
- Postage is under budget \$2,257.
- Travel and training is over budget \$14,108, due to FTTH training which was budgeted in 2016 but not done until 2017.
- Miscellaneous supplies are under budget \$2,219.

Administrative & GeneralOffice Supplies and Expense – (921)

- Memberships and subscriptions are lower than budget by \$1,454.
- Miscellaneous computer hardware/software and other IS purchases are lower than budget by \$732.
- Miscellaneous expenses for supplies, mileage and phone expenses in marketing are over budget \$2,144.
- Miscellaneous communications departments expenses are lower than budget by \$1,786.

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

	Responsibility	2017	2017	2016
	Code	Budget	Actual	Actual
Succession Planning	110-Sal	16,200	-	-
Organizational Development	120-Sal	9,000	5,030	5,115
Consulting Services	120-Sal	-	873	-
Legal Fees	140-Brandy	8,520	399	2,862
Employment Legal Fees	140-Brandy	1,000	-	-
Communications Legal Fees	140-Brandy	7,500	6,223	6,788
MCC Public Access	224-Rick	47,220	47,043	46,839
Web/Graphics Services	224-Rick	966	2,829	438
FTTH Design	224-Rick	18,000	2,653	-
Training	224-Rick	-	11,260	-
Insurance Advisor	310-Jerry	5,040	5,040	4,536
Audit Fees	320-Cassie	5,040	4,418	5,520
GASB 45 Actuarial Update	320-Cassie	960	900	-
IS Department Review	350-Greg	-	2,353	-
IS Outside Professional Services	350-Greg	-	3,673	1,201
Pension Study	410-Erika	-	-	4,265
Benefits Consulting	410-Erika	2,682	3,048	3,576
Employee Search Services	410-Erika	5,000	-	-
509A Actuary	410-Erika	132	117	120
Other Misc HR Expenses	410-Erika	-	233	-
Communications Consulting - IUB/FCC	920-Beecher		1,800	
Security Assessment	920-Beecher	-	-	5,300
Transport Network Study	920-Beecher	-	-	3,983
Organizational Development	920-Beecher	-	2,113	5,651
		<u>\$ 127,260</u>	<u>\$ 100,005</u>	<u>\$ 96,194</u>

Administrative & General (cont'd)Employee Pensions & Benefits – (926)

	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
Health care cost	\$ 379,575	\$ 359,906	\$ 341,821
Pension	304,742	304,742	281,029
FICA	185,980	174,243	166,241
Deferred compensation	35,400	34,796	31,545
Dental	15,400	14,429	15,005
Life, LTD & ADD	13,925	16,223	13,108
OPEB	4,211	3,355	4,211
Unemployment	900	1,992	3,373
Severance	-	-	3,920
Recognition	1,800	2,218	2,304
Other expenses	9,217	10,137	5,937
	<u>\$ 951,150</u>	<u>\$ 922,041</u>	<u>\$ 868,494</u>

Fringe Benefits Charged to Construction – (927)

More labor has been charged to capital projects than budgeted.

Miscellaneous General Expense – (930)

- Labor is under budget \$22,079.
- Memberships and subscriptions are below budget \$2,051.
- Travel & training are below budget by \$7,204.

Maintenance of General Plant – (932)

- Maintenance agreements in information systems are under budget \$10,566.
- Memberships & subscriptions are below budget \$3,040.
- Miscellaneous small upgrades to business applications are over budget \$2,718.

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 a five-year life.

**Communications Utility**  
**Statement of Net Position Review**  
**October 2017**

<u><b>Current Assets</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>
<u>Receivables - Consumer Accounts</u>		
Customer Communications Accounts	\$1,112,670	\$1,139,342
Unbilled Revenue	85,167	86,239
Merchandise Accounts	71,148	108,278
Allowance for Doubtful Accounts	(18,559)	(7,373)
	<u>\$1,250,426</u>	<u>\$1,326,486</u>
<u>Inventories</u>		
Inventory	\$135,169	\$158,173
Stores Expense (a/c 163)	1,474	(1,063)
	<u>\$136,643</u>	<u>\$157,110</u>
<u>Prepaid Expenses</u>		
Prepaid Insurance	\$15,476	\$15,961
Prepaid Maintenance Contracts	104,208	83,803
E-rate customers	84,105	---
Griffin Media Research	6,833	---
Travel advances	---	3,867
Other Prepaid Expenses	(8,547)	6,736
	<u>\$202,075</u>	<u>\$110,367</u>
<u><b>Current Liabilities</b></u>		
<u>Accounts Payable (amounts over \$2,500 itemized)</u>		
Pole Rental	\$33,920	\$33,920
Advanced Media Technologies - media players	415,813	---
Anixter - cable	2,800	---
Associated Computer Systems - Microsoft Exchange	2,543	---
Atlantic Engineering Group - FTTH	72,055	---
Baller Stokes & Lide - legal services	5,928	---
Big 10 - programming fee	10,066	9,775
BillTrust - bill processing	---	3,200
CDW-G - wireless equip	---	13,517
Centurylink - tel/access fees	5,671	5,579
City of Muscatine - Mississippi Dr project	4,425	---
Cogsdale - business system implementation	6,846	6,505
Comcast Sportsnet Chicago - programming fee	24,207	23,967
Fox Sports Net Midwest - programming fee	22,716	22,946
Gray Television - programming fee	14,377	---
Innovative Systems - FTTH	129,369	---
Insight - routers	30,236	---
KGCW - programming fee	170,206	61,207
LIN Television - programming fee	---	13,699
MCC - public access	4,741	4,676
Natl Cable TV Coop - programming fee	211,527	320,731
NewComTech GIS - FTTH consulting	---	79,198
Nexstar - programming fee	29,927	28,644
Power & Tel - switches/panels	6,648	---
Relay Networks - converters	11,060	---
Rovi Guides - programming fee	8,657	8,870
Showtime Networks - programming fee	---	2,537
Telco Systems - console cable demo	---	7,449
Telcom - IVR switch upgrade	2,640	---
Thomason Broadband Supply - housing units	3,093	---
Tower Distribution - programming fee	18,390	14,654
Univision - programming fee	6,734	6,793
Visa - travel	---	2,738
Vubiquity - programming fee	5,816	7,462
Other	30,186	19,509
	<u>\$1,290,597</u>	<u>\$697,576</u>
<u>Miscellaneous Accrued Expenses</u>		
Sales/Use Tax Collections Payable	(\$3,118)	\$21,144
Franchise Fees Payable	13,259	15,601
Payroll Tax Collections Payable	20,836	18,457
Workers' Comp Self Insurance Reserves	44,923	45,976
	<u>\$75,900</u>	<u>\$101,178</u>

**Muscatine Power and Water**

**Electric Utility**

**Statement of Revenues, Expenses and Changes in Net Position**

**November 2017**

**Muscatine Power and Water  
Electric Utility**

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

	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<b><u>KWH Generated and Sold</u></b>					
Gross Generation	50,457,600	74.7	88,153,968	1.9	86,526,288
Less: Plant Use	4,636,800	1.2X	9,969,688	(0.1)	9,984,029
Net Generation/Wholesale Sales	45,820,800	70.6	78,184,280	2.1	76,542,259
Wholesale Sales - Wind	4,922,269	15.6	5,690,123	67.3X	83,371
Total Wholesales Sales	<u>50,743,069</u>	65.3	<u>83,874,403</u>	9.5	<u>76,625,630</u>
<b><u>Net Capacity Factors</u></b>					
Unit 9	40.00	46.1	58.45	1.4	57.65
Unit 8/8A	---	---	38.36	7.9	35.55
Unit 7	---	---	---	---	---
Total Plant	32.70	50.4	49.19	2.8	47.83
<b><u>KWH Distribution</u></b>					
Residential	7,003,317	(1.8)	6,875,032	11.8	6,149,406
Commercial I	2,666,683	(6.0)	2,507,761	(5.2)	2,645,006
Commercial II	7,363,488	(1.5)	7,251,660	7.7	6,734,340
Industrial I	9,716,144	3.0	10,008,260	2.2	9,794,020
Industrial II	38,800,000	(0.5)	38,615,643	2.7	37,615,133
City Enterprise Funds	418,505	(17.1)	346,848	(6.7)	371,677
Water & Communications Utilities	1,451,100	(8.3)	1,331,142	(7.0)	1,430,703
Native System Sales	67,419,237	(0.7)	66,936,346	3.4	64,740,285
City Lighting	116,610	17.7	137,261	(6.2)	146,381
City Buildings	473,795	17.1	554,655	30.7	424,360
Offline Power Plant Usage	235,680	(71.6)	67,019	27.7	52,474
Losses & Cycle Billing	2,000,730	25.5	2,510,911	(2.0)	2,561,121
Total Native System KWH					
Distributed	70,246,052	(0.1)	70,206,192	3.4	67,924,621
Wind KWH Purchases	4,922,269	15.6	5,690,123	67.3X	83,371
Total Purchased Power KWH	<u>75,168,321</u>	1.0	<u>75,896,315</u>	11.6	<u>68,007,992</u>
<b><u>STEAM SALES - 1,000 lbs</u></b>					
	<u>---</u>	---	<u>258,746</u>	(5.9)	<u>274,939</u>

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

	<b><u>Budget Estimate</u></b>	<b><u>% Increase (Decrease) From Budget</u></b>	<b><u>This Year</u></b>	<b><u>% Increase (Decrease) Fr. Last Yr.</u></b>	<b><u>Last Year</u></b>
<b><u>KWH Generated and Sold</u></b>					
Gross Generation	740,421,518	9.5	810,561,497	(7.5)	876,218,716
Less: Plant Use	<u>74,381,040</u>	16.4	<u>86,557,417</u>	(14.1)	<u>100,759,140</u>
Net Generation/Wholesale Sales	666,040,478	8.7	724,004,080	(6.6)	775,459,576
Wholesale Sales - Wind	<u>44,096,711</u>	10.2	<u>48,607,354</u>	582.0X	<u>83,371</u>
Total Wholesale Sales	<u><u>710,137,189</u></u>	8.8	<u><u>772,611,434</u></u>	(0.4)	<u><u>775,542,947</u></u>
<b><u>Net Capacity Factors</u></b>					
Unit 9	48.71	0.2	48.83	(1.5)	49.55
Unit 8/8A	34.23	(30.0)	23.97	(35.4)	37.10
Unit 7	3.10	4.0X	15.43	1.1X	7.27
Total Plant	42.69	(4.2)	40.88	(4.6)	42.86
<b><u>KWH Distribution</u></b>					
Residential	94,924,836	(4.4)	90,723,452	(4.8)	95,250,903
Commercial I	33,642,345	0.9	33,929,931	0.3	33,825,353
Commercial II	85,873,260	(2.3)	83,881,660	(3.9)	87,319,740
Industrial I	119,882,695	2.6	123,036,100	9.7	112,114,140
Industrial II	425,000,000	(1.6)	418,407,376	1.8	411,077,058
City Enterprise Funds	4,823,273	(3.3)	4,664,559	2.3	4,560,312
Water & Communications Utilities	<u>16,545,792</u>	(7.2)	<u>15,352,341</u>	(6.8)	<u>16,464,890</u>
Native System Sales	780,692,201	(1.4)	769,995,419	1.2	760,612,396
City Lighting	1,266,232	37.0	1,735,167	(1.1)	1,755,151
City Buildings	5,859,874	9.7	6,430,099	11.1	5,788,507
Offline Power Plant Usage	4,393,440	17.8	5,175,645	44.6	3,578,317
Losses & Cycle Billing	<u>21,831,632</u>	(1.2)	<u>21,575,653</u>	(2.5)	<u>22,120,821</u>
Total Native System KWH					
Distributed	814,043,379	(1.1)	804,911,983	1.4	793,855,192
Wind KWH Purchases	<u>44,096,711</u>	10.2	<u>48,607,354</u>	582.0X	<u>83,371</u>
Total Purchased Power KWH	<u><u>858,140,090</u></u>	(0.5)	<u><u>853,519,337</u></u>	7.5	<u><u>793,938,563</u></u>
<b><u>STEAM SALES - 1,000 lbs</u></b>					
	<u><u>997,619</u></u>	56.0	<u><u>1,555,931</u></u>	(43.4)	<u><u>2,748,885</u></u>

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

	<b>Budget Estimate</b>	<b>Avg. Price</b>	<b>% Increase (Decrease) from Budget</b>	<b>This Year</b>	<b>Avg. Price</b>	<b>% Increase (Decrease) from Last Year</b>	<b>Last Year</b>	<b>Avg. Price</b>
<b><u>Sales of Electricity</u></b>								
Residential	\$824,899	\$ 0.11779	(1.5)	\$812,733	\$ 0.11822	12.3	\$723,948	\$ 0.11773
Commercial I	285,738	0.10715	(5.4)	270,167	0.10773	(1.6)	274,432	0.10375
Commercial II	636,489	0.08644	(5.1)	604,192	0.08332	10.3	547,746	0.08134
Industrial I	652,596	0.06717	3.6	675,996	0.06754	6.7	633,423	0.06467
Industrial II	2,080,536	0.05362	1.4	2,109,490	0.05463	6.9	1,972,678	0.05244
City Enterprise Funds	30,346	0.07251	(5.3)	28,737	0.08285	(0.9)	28,989	0.07800
Water & Communication Utilities	96,531	0.06652	(10.6)	86,299	0.06483	(2.6)	88,594	0.06192
Native System Sales	4,607,135	0.06834	(0.4)	4,587,614	0.06854	7.4	4,269,810	0.06595
Wholesale Sales	1,624,206	0.03201	40.2	2,276,787	0.02715	(11.1)	2,561,025	0.03342
Energy Sales	6,231,341		10.2	6,864,401		0.5	6,830,835	
<b><u>Steam Sales</u></b>	---	---	---	983,932	3.80	(9.1)	1,081,951	3.94
<b><u>Other Revenue</u></b>								
By-Product Revenue	29,940		4.8	31,376		(21.6)	39,998	
Miscellaneous Revenue	60,786		(8.9)	55,353		(3.7)	57,455	
Total Other Revenue	90,726		(4.4)	86,729		(11.0)	97,453	
Operating Revenue	6,322,067		25.5	7,935,062		(0.9)	8,010,239	
<b><u>Operating Expense</u></b>								
Purchased Power	1,721,775	0.02291	14.2	1,966,138	0.02591	3.9	1,891,770	0.02785
Production Fuel	958,792		1.1X	1,981,804		(1.4)	2,010,598	
Emissions Allowance	---		---	789		(54.5)	1,735	
Operation	2,104,290		(2.2)	2,057,670		5.0	1,960,043	
Maintenance	770,122		(2.6)	750,204		16.0	646,536	
Depreciation	957,140		(6.0)	900,004		7.5	837,341	
Total Operating Expense	6,512,119		17.6	7,656,609		4.2	7,348,023	
Operating Income (Loss)	(190,052)		-2.5X	278,453		(58.0)	662,216	
<b><u>Nonoperating Revenue (Expense)</u></b>								
Interest Income	9,184		3.8X	43,749		1.8X	15,551	
Interest Expense	(400)		13.3	(453)		3.0	(440)	
Total Nonoperating Revenue (Expense)	8,784		3.9X	43,296		1.9X	15,111	
<b>Net Income (Loss) Before Revenue Adjustment</b>	(181,268)		-2.8X	321,749		(52.5)	677,327	
Capital Contributions	---		---	---		---	---	
<b>Change in Net Position</b>	(181,268)		-2.8X	321,749		(52.5)	677,327	
<b>Beginning Net Position</b>	124,810,715			128,477,320			126,379,320	
<b>Ending Net Position</b>	\$124,629,447			\$128,799,069			\$127,056,647	
Net Loss Before Rev Adj to Op Revenue	(2.9)			4.1			8.5	
Change in Net Position to Operating Revenue	(2.9)			4.1			8.5	

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

	Budget Estimate	Avg. Price	% Increase (Decrease) from Budget	This Year	Avg. Price	% Increase (Decrease) from Last Year	Last Year	Avg. Price
<b><u>Sales of Electricity</u></b>								
Residential	\$10,358,668	\$ 0.10912	(0.8)	\$10,279,564	\$ 0.11331	0.9	\$10,191,223	\$ 0.10699
Commercial I	3,472,743	0.10323	2.8	3,570,914	0.10524	5.8	3,373,684	0.09974
Commercial II	7,115,248	0.08286	(3.7)	6,851,170	0.08168	1.3	6,764,250	0.07747
Industrial I	7,641,970	0.06375	6.0	8,098,844	0.06582	16.0	6,984,075	0.06229
Industrial II	22,275,380	0.05241	2.8	22,906,402	0.05475	10.2	20,789,543	0.05057
City Enterprise Funds	368,945	0.07649	0.0	369,000	0.07911	8.0	341,648	0.07492
Water & Communications Utilities	1,073,937	0.06491	(5.6)	1,013,678	0.06603	0.6	1,007,681	0.06120
Native System Sales	52,306,891	0.06700	1.5	53,089,572	0.06895	7.4	49,452,104	0.06502
Wholesale Sales	23,964,797	0.03375	8.6	26,031,314	0.03369	4.1	25,006,478	0.03224
Energy Sales	76,271,688		3.7	79,120,886		6.3	74,458,582	
<b><u>Steam Sales</u></b>	4,095,826	4.11	45.0	5,940,160	3.82	(45.1)	10,823,588	3.94
<b><u>Other Revenue</u></b>								
By-Product Revenue	257,084		4.5	268,590		(6.9)	288,345	
Miscellaneous Revenue	587,570		22.8	721,351		10.2	654,529	
Total Other Revenue	844,654		17.2	989,941		5.0	942,874	
Operating Revenue	81,212,168		6.0	86,050,987		(0.2)	86,225,044	
<b><u>Operating Expense</u></b>								
Purchased Power	22,930,351	0.02672	10.3	25,302,440	0.02964	18.8	21,301,354	0.02683
Production Fuel	15,566,769		13.9	17,733,354		(16.8)	21,319,256	
Emissions Allowance	298,102		(97.6)	7,063		(96.8)	223,247	
Operation	23,808,595		(7.8)	21,940,574		(2.4)	22,473,097	
Maintenance	11,431,154		(6.8)	10,649,815		32.2	8,055,389	
Depreciation	10,528,534		(6.0)	9,900,049		7.5	9,210,754	
Total Operating Expense	84,563,505		1.1	85,533,295		3.6	82,583,097	
Operating Income (Loss)	(3,351,337)		-1.2X	517,692		(85.8)	3,641,947	
<b><u>Nonoperating Revenue (Expense)</u></b>								
Interest Income	97,220		2.4X	335,186		1.2X	153,320	
Interest Expense	(4,400)		19.5	(5,256)		67.1	(3,146)	
Total Nonoperating Revenue (Expense)	92,820		2.6X	329,930		1.2X	150,174	
<b>Net Income (Loss) Before Revenue Adjustment and Capital Contributions</b>	(3,258,517)		-1.3X	847,622		(77.6)	3,792,121	
Capital Contributions	---		---	63,483		(61.6)	165,118	
<b>Change in Net Position</b>	(3,258,517)		-1.3X	911,105		(77.0)	3,957,239	
<b>Beginning Net Position</b>	127,887,964			127,887,964			123,099,408	
<b>Ending Net Position</b>	\$124,629,447			\$128,799,069			\$127,056,647	
Net Income (Loss) Before Rev Adj to Op Revenue	(4.0)			1.0			4.4	
Change in Net Position to Operating Revenue	(4.0)			1.1			4.6	

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

**ASSETS**

	<u><b>2017</b></u>	<u><b>2016</b></u>
<b>Current Assets:</b>		
Cash - interest bearing	\$37,363,095	\$19,907,216
Investments	15,550,000	16,251,081
Receivables:		
Consumer Accounts	5,957,780	5,511,639
Refined Coal	3,489,089	3,467,334
Wholesale	262,225	495,343
Steam Sales	984,276	1,082,329
Interest	137,500	93,477
Inventories	5,052,120	5,724,164
Fuel	8,940,742	14,562,678
Prepaid Expenses	593,337	629,617
	<hr/>	<hr/>
Total Current Assets	78,330,164	67,724,878
	<hr/>	<hr/>
<b>Property and Equipment:</b>		
At Cost	429,590,809	425,276,777
Less Accumulated Depreciation	358,694,166	349,691,544
	<hr/>	<hr/>
Net Property and Equipment	70,896,643	75,585,233
	<hr/>	<hr/>
<b>Other Assets:</b>		
Note Receivable - Communications Utility	9,044,287	9,523,335
Note Receivable - Water Utility	---	2,900,000
Joint Venture Rights	106,851	105,789
	<hr/>	<hr/>
Total Other Assets	9,151,138	12,529,124
	<hr/>	<hr/>
<b>Deferred Outflows of Resources - Pension</b>		
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	4,157,796	4,143,406
	<hr/>	<hr/>
Total Deferred Outflows of Resources - Pension	10,093,402	7,482,591
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<u><u>\$168,471,347</u></u>	<u><u>\$163,321,826</u></u>

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

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION**

	<u><b>2017</b></u>	<u><b>2016</b></u>
<b>Current Liabilities:</b>		
<u><b>Unrestricted</b></u>		
Accounts Payable	\$5,397,242	\$5,590,869
Health & Dental Insurance Provision	271,040	295,620
Accrued Payroll	573,372	527,423
Accrued Vacation	1,175,650	1,190,452
Accrued Emission Allowance Expense	7,063	223,247
Consumers' Deposits	789,815	759,752
Retained Percentage on Contracts	23,088	36,005
Accrued Property Taxes	89,251	95,422
Miscellaneous Accrued Expenses	757,232	719,299
Unearned Revenue	146,700	132,901
	<hr/>	<hr/>
Total Unrestricted Current Liabilities	9,230,453	9,570,990
	<hr/>	<hr/>
<b>Non-Current Liabilities:</b>		
Health & Dental Insurance Provision	1,192,895	1,033,094
Post-Employment Health Benefit Provision	430,050	407,402
Net Pension Liability	15,152,855	11,561,907
	<hr/>	<hr/>
Total Non-Current Liabilities	16,775,800	13,002,403
	<hr/>	<hr/>
<b>Deferred Inflows of Resources</b>		
Extraordinary O&M	13,032,866	13,032,866
Pension		
Differences between expected and actual experience	633,159	658,920
	<hr/>	<hr/>
Total Deferred Inflows of Resources	13,666,025	13,691,786
	<hr/>	<hr/>
<b>Net Position:</b>		
Net Investment in Capital Assets	70,896,643	75,585,233
Unrestricted	57,902,426	51,471,414
	<hr/>	<hr/>
Total Net Position	128,799,069	127,056,647
	<hr/>	<hr/>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u><u>\$168,471,347</u></u>	<u><u>\$163,321,826</u></u>

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

	<u><b>Current Month</b></u>	<u><b>Year- To-Date</b></u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$4,780,865	\$52,904,697
MISO sales	1,610,203	27,268,349
Steam sales	950,749	8,308,554
Coal sales	2,926,710	30,972,290
Railcar/facilities leasing	5,849	62,542
By-product sales	27,050	340,023
Miscellaneous sources	74,944	717,471
Cash paid to/for:		
Suppliers	(368,803)	(9,724,547)
MISO purchases/administration fees	(1,823,544)	(24,852,997)
South Fork Wind purchases	(141,902)	(1,197,491)
Coal purchases	(4,779,558)	(43,527,030)
Employees payroll, taxes and benefits	(2,317,423)	(21,843,101)
Net cash flows from operating activities	<u>945,140</u>	<u>19,428,760</u>
Cash flows from noncapital financing activities:		
Interest received on notes receivable from water & communications utilities	---	28,829
Principal received on note receivable from water utility	---	6,000,000
Loan to Water Utility	<u>---</u>	<u>(3,100,000)</u>
Net cash flows from noncapital financing activities	<u>---</u>	<u>2,928,829</u>
Cash flows from capital financing activities:		
Capital expenditures, net	<u>(669,463)</u>	<u>(5,662,434)</u>
Net cash flows from capital and related financing activities	<u>(669,463)</u>	<u>(2,733,605)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	(30,590)	(105,130)
Interest received on investments	22,372	240,695
Amortization/accretion of investments	---	(210)
Mark to Market	<u>---</u>	<u>(37)</u>
Net cash flows from investing activities	<u>(8,218)</u>	<u>135,318</u>
Net increase in cash and investments	<u>267,459</u>	<u>16,830,473</u>
Cash and investments at beginning of period	<u>52,645,636</u>	<u>36,082,622</u>
Cash and investments at end of period	<u><u>\$52,913,095</u></u>	<u><u>\$52,913,095</u></u>

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

	<u><b>Current Month</b></u>	<u><b>Year- To-Date</b></u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$278,453	\$517,692
Noncash items in operating income:		
Depreciation of electric utility plant	900,004	9,900,049
Amortization of joint venture rights	8,818	93,703
Change in deferred outflows of resources - pension	(701,578)	(1,915,978)
Changes in assets and liabilities:		
Consumer accounts receivable	197,544	1,159,795
Refined coal	(556,530)	542,380
Wholesale receivable	91,306	770,598
Steam sales receivable	(11,675)	1,292,093
Inventories	157,370	615,174
Fuel	230,915	4,956,723
Prepaid expenses	103,838	250,196
Accounts payable	(168,850)	(682,015)
Net pension liability	195,653	2,152,186
Health & dental insurance provision	22,064	181,618
Other post-employment benefit provision	2,121	20,332
Accrued payroll	145,582	(107,727)
Accrued vacation	4,330	(10,554)
Accrued emission allowance expense	789	(217,335)
Consumers' deposits	6,632	28,215
Retained Percentage	(5,320)	(28,198)
Accrued property taxes	7,963	(12,783)
Unearned revenue	(3,509)	37,908
Miscellaneous accrued expenses	39,220	(115,312)
Net cash flows from operating activities	<u>\$945,140</u>	<u>\$19,428,760</u>



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

	<u><b>This Year</b></u>	<u><b>Last Year</b></u>
Extraordinary Operation & Maintenance Account	<u>\$13,167,236</u>	<u>\$13,089,511</u>
Total Cash and Investments Appropriated for Specific Purposes	<u><u>\$13,167,236</u></u>	<u><u>\$13,089,511</u></u>

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Purchased Power</u></b>	<u>\$1,721,775</u>	27.2	<u>\$1,966,138</u>	24.8	<u>\$1,891,770</u>	23.6
Average price per kWh	\$0.0245		\$0.0280		\$0.0279	
<b><u>Generation</u></b>						
Operation Supervision (500)	76,426		78,150		78,337	
Fuel: (501)						
Coal	912,257		1,928,706		1,927,474	
Fuel Oil	5,050		453		34	
Gas	---		8,843		7,814	
Coal Handling Expense (501-003)	37,682		37,343		45,794	
Landfill Operation Expense (501-925)	3,803		6,459		29,482	
Emissions Allowance Expense (509)	---		789		1,735	
Steam Expense:						
Boiler (502-004)	106,686		93,016		96,605	
Pollution Control (502-005)	49,083		56,802		39,816	
Electric Expense (505)	72,689		103,156		101,922	
Miscellaneous Steam Power Expense (506)	199,133		163,137		167,894	
Maintenance:						
Supervision (510)	44,035		69,584		65,732	
Structures (511)	40,853		50,203		67,480	
Boiler Plant:						
Boiler (512-006)	229,490		230,651		86,086	
Pollution Control (512-007)	41,528		24,252		37,318	
Electric Plant (513-008)	36,056		28,733		8,964	
System Control (513-009)	19,217		17,298		16,469	
Miscellaneous Steam Plant (514)	72,369		59,744		51,632	
Coal Handling Equipment (516)	48,031		25,097		47,350	
System Control and Load Dispatch (556)	29,623		27,656		21,272	
Vacation, Holiday, Sick Leave (557)	103,531		118,869		131,431	
Depreciation (558)	<u>643,473</u>		<u>648,814</u>		<u>637,587</u>	
Total Generation Expense	<u>\$2,771,015</u>	43.8	<u>\$3,777,755</u>	47.6	<u>\$3,668,228</u>	45.8

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Purchased Power</u></b>	<u>\$22,930,351</u>	28.2	<u>\$25,302,440</u>	29.4	<u>\$21,301,354</u>	24.7
Average price per kWh	\$0.0282		\$0.0314		\$0.0268	
<b><u>Generation</u></b>						
Operation Supervision (500)	890,414		863,967		892,547	
Fuel: (501)						
Coal	14,786,612		16,942,165		20,429,297	
Fuel Oil	97,202		79,988		87,904	
Gas	8,000		141,196		143,590	
Coal Handling Expense (501-003)	527,108		404,615		510,921	
Landfill Operation Expense (501-925)	147,847		165,390		147,544	
Emissions Allowance Expense (509)	298,102		7,063		223,247	
Steam Expense:						
Boiler (502-004)	1,008,831		979,083		1,149,569	
Pollution Control (502-005)	669,702		541,681		778,146	
Electric Expense (505)	984,951		962,667		1,124,511	
Miscellaneous Steam Power Expense (506)	2,497,680		1,926,972		2,259,689	
Maintenance:						
Supervision (510)	638,342		839,661		754,167	
Structures (511)	988,238		655,039		556,032	
Boiler Plant:						
Boiler (512-006)	2,366,541		2,081,020		1,486,471	
Pollution Control (512-007)	610,379		639,902		739,712	
Electric Plant (513-008)	2,431,272		2,513,109		374,499	
System Control (513-009)	235,981		195,138		223,529	
Miscellaneous Steam Plant (514)	849,307		601,045		658,182	
Coal Handling Equipment (516)	771,061		727,865		865,661	
System Control and Load Dispatch (556)	318,817		280,210		250,925	
Vacation, Holiday, Sick Leave (557)	935,027		956,622		1,022,796	
Depreciation (558)	<u>7,078,202</u>		<u>7,136,957</u>		<u>7,013,461</u>	
Total Generation Expense	<u>\$39,139,616</u>	48.2	<u>\$39,641,355</u>	46.1	<u>\$41,692,400</u>	48.4

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

	<b><u>Budget</u></b> <b><u>Estimate</u></b>		<b><u>This Year</u></b>		<b><u>Last Year</u></b>	
<b><u>Transmission</u></b>						
Operation Supervision (560)	\$7,686		\$6,417		\$7,165	
Load Dispatching (561)	65,666		68,560		66,343	
Station Expense (562)	9,330		19,393		8,827	
Overhead Line Expense (563)	78		1,058		---	
Transmission of Electricity by Others (565)	113,017		82,615		65,486	
Miscellaneous Transmission Expense (566)	8,596		41,700		11,757	
Maintenance:						
Supervision (568)	2,910		1,854		2,523	
Structures (569)	125		---		---	
Station Equipment (570)	6,963		4,634		17,913	
Overhead Lines (571)	21,661		14,740		6,896	
Vacation, Holiday, Sick Leave (575)	15,651		13,772		13,520	
Depreciation (576)	40,936		31,072		31,072	
Tax on Rural Property (577)	5,677		5,621		5,690	
Total Transmission Expense	298,296	4.7	291,436	3.7	237,192	3.0
<b><u>Distribution</u></b>						
Operation Supervision (580)	15,107		10,217		14,359	
Load Dispatching (581)	29,098		31,795		33,627	
Station Expense (582)	8,191		8,798		9,213	
Overhead Line Expense (583)	2,157		243		1,145	
Vehicle Expense (589)	16,404		12,299		13,450	
Underground Line Expense (584)	10,474		5,958		2,988	
Street Lighting (585-418)	2,611		3		516	
Signal Expense (585-419)	538		867		---	
Meter Expense (586)	8,593		7,672		10,611	
Consumer Installation Expense (587)	528		565		788	
Miscellaneous Distribution Expense (588)	47,714		56,997		55,639	
Maintenance:						
Supervision (590)	11,315		6,366		10,169	
Structures (591)	567		---		---	
Station Equipment (592)	11,423		8,777		101,923	
Overhead Lines (593)	52,508		55,501		37,896	
Underground Lines (594)	14,636		14,654		11,080	
Line Transformers (595)	3,699		1,892		1,569	
Street Lighting (596-418)	10,211		17,092		9,939	
Signal System (596-419)	3,024		924		1,389	
Meters (597)	3,097		2,795		2,309	
Miscellaneous Distribution Plant (598)	2,708		2,663		1,657	
Vacation, Holiday, Sick Leave (599)	49,173		49,925		47,298	
Depreciation (578)	172,687		172,352		168,481	
Tax on Rural Property (579)	1,696		1,679		1,700	
Total Distribution Expense	\$478,159	7.6	\$470,034	5.9	\$537,746	6.7

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

	<b><u>Budget</u></b>		<b><u>This Year</u></b>		<b><u>Last Year</u></b>	
<b><u>Transmission</u></b>	<b><u>Estimate</u></b>					
Operation Supervision (560)	\$83,288		\$79,907		\$75,277	
Load Dispatching (561)	740,786		739,042		669,909	
Station Expense (562)	115,705		106,948		120,105	
Overhead Line Expense (563)	946		6,812		5,398	
Transmission of Electricity by Others (565)	1,243,187		941,888		829,905	
Miscellaneous Transmission Expense (566)	263,236		183,341		191,939	
Maintenance:						
Supervision (568)	31,636		26,026		33,946	
Structures (569)	1,566		---		---	
Station Equipment (570)	70,479		69,256		124,640	
Overhead Lines (571)	223,907		60,528		177,197	
Vacation, Holiday, Sick Leave (575)	116,737		102,006		95,179	
Depreciation (576)	450,294		341,790		341,793	
Tax on Rural Property (577)	62,450		61,508		62,701	
Total Transmission Expense	<u>3,404,217</u>	4.2	<u>2,719,052</u>	3.2	<u>2,727,989</u>	3.2
<b><u>Distribution</u></b>						
Operation Supervision (580)	166,619		147,483		180,684	
Load Dispatching (581)	311,290		351,184		373,132	
Station Expense (582)	104,012		99,233		89,466	
Overhead Line Expense (583)	38,227		17,716		24,177	
Vehicle Expense (589)	181,666		151,007		136,457	
Underground Line Expense (584)	93,978		54,458		40,725	
Street Lighting (585-418)	28,641		7,921		9,406	
Signal Expense (585-419)	7,794		2,237		1,261	
Meter Expense (586)	100,885		111,945		114,771	
Consumer Installation Expense (587)	5,963		6,880		7,188	
Miscellaneous Distribution Expense (588)	618,334		726,855		618,971	
Maintenance:						
Supervision (590)	127,681		101,102		143,348	
Structures (591)	14,433		---		17	
Station Equipment (592)	109,916		138,743		204,097	
Overhead Lines (593)	604,378		738,748		539,269	
Underground Lines (594)	172,602		182,367		184,304	
Line Transformers (595)	70,551		36,046		28,764	
Street Lighting (596-418)	113,476		133,091		172,302	
Signal System (596-419)	35,934		42,188		38,136	
Meters (597)	27,849		28,817		27,024	
Miscellaneous Distribution Plant (598)	29,792		30,777		28,765	
Vacation, Holiday, Sick Leave (599)	365,283		378,106		363,174	
Depreciation (578)	1,899,551		1,895,873		1,853,292	
Tax on Rural Property (579)	18,653		18,373		18,729	
Total Distribution Expense	<u>\$5,247,508</u>	6.5	<u>\$5,401,150</u>	6.3	<u>\$5,197,459</u>	6.0

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

	<u>Budget Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense (909)	\$5,366		\$4,942		\$2,024	
Energy Efficiency Rebates (912)	17,857		---		6,789	
Electric Ranges/Dryers Maintenance (910)	484		391		109	
Electric Water Heaters Maintenance (911)	161		113		---	
Total Customer Service Expense	<u>23,868</u>	0.4	<u>5,446</u>	0.1	<u>8,922</u>	0.1
<b><u>Consumer Accounts</u></b>						
Supervision (901)	3,304		3,343		3,509	
Meter Reading Expense (902)	9,396		8,605		8,504	
Consumer Records and Collection (903)	41,051		39,291		34,079	
Uncollectible Accounts Expense (904)	5,623		5,623		4,769	
Vacation, Holiday, Sick Leave (906)	8,154		7,669		7,222	
Total Consumer Accounts Expense	<u>67,528</u>	1.1	<u>64,531</u>	0.8	<u>58,083</u>	0.7
<b><u>Administrative and General</u></b>						
Administrative and General Salaries (920)	192,353		171,547		170,199	
Office Supplies and Expenses (921)	13,560		12,922		9,280	
Outside Services Employed (923)	29,299		30,746		51,196	
Property Insurance (924)	57,271		55,722		53,778	
Casualty Ins, Injuries & Damages (925)	51,170		59,728		23,061	
Employee Pensions and Benefits (926)	541,045		524,242		495,337	
Fringe Benefits Charged to Constr. (927)	(23,113)		(32,329)		(25,722)	
Regulatory Commission (928)	6,231		8,108		8,179	
Miscellaneous General Expense (930)	42,635		49,334		59,694	
Maintenance of General Plant (932)	63,682		79,002		26,982	
Maintenance of A/O Center (934)	30,014		33,748		33,260	
Vacation, Holiday, Sick Leave (936)	47,287		40,733		40,637	
Depreciation (933)	100,044		47,766		201	
Total Administrative and General	<u>1,151,478</u>	18.2	<u>1,081,269</u>	13.6	<u>946,082</u>	11.8
Total Operating Expense	<u>\$6,512,119</u>		<u>\$7,656,609</u>		<u>\$7,348,023</u>	
Percent to Operating Revenue		103.0		96.5		91.7

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense (909)	\$70,390		\$53,173		\$74,131	
Energy Efficiency Rebates (912)	199,937		180,677		97,187	
Electric Ranges/Dryers Maintenance (910)	5,097		2,116		1,735	
Electric Water Heaters Maintenance (911)	1,809		719		581	
Total Customer Service Expense	<u>\$277,233</u>	0.3	<u>\$236,685</u>	0.3	<u>\$173,634</u>	0.2
<b><u>Consumer Accounts</u></b>						
Supervision (901)	35,760		35,615		35,882	
Meter Reading Expense (902)	101,908		105,943		96,989	
Consumer Records and Collection (903)	446,146		424,014		401,006	
Uncollectible Accounts Expense (904)	61,852		61,853		57,512	
Vacation, Holiday, Sick Leave (906)	58,662		54,595		63,956	
Total Consumer Accounts Expense	<u>704,328</u>	0.9	<u>682,020</u>	0.8	<u>655,345</u>	0.8
<b><u>Administrative and General</u></b>						
Administrative and General Salaries (920)	2,083,241		1,929,754		1,952,019	
Office Supplies and Expenses (921)	176,609		152,419		136,663	
Outside Services Employed (923)	589,252		399,736		374,941	
Property Insurance (924)	619,503		607,105		606,569	
Casualty Ins, Injuries & Damages (925)	568,466		561,531		803,603	
Employee Pensions and Benefits (926)	6,126,019		6,065,599		5,695,409	
Fringe Benefits Charged to Constr. (927)	(318,001)		(364,563)		(308,277)	
Regulatory Commission (928)	68,545		92,168		86,293	
Miscellaneous General Expense (930)	594,662		454,654		467,486	
Maintenance of General Plant (932)	515,602		423,983		301,880	
Maintenance of A/O Center (934)	390,231		385,364		393,447	
Vacation, Holiday, Sick Leave (936)	345,636		317,414		322,675	
Depreciation (933)	1,100,487		525,429		2,208	
Total Administrative and General	<u>12,860,252</u>	15.8	<u>11,550,593</u>	13.4	<u>10,834,916</u>	12.6
Total Operating Expense	<u>\$84,563,505</u>		<u>\$85,533,295</u>		<u>\$82,583,097</u>	
Percent to Operating Revenue		104.1		99.4		95.8

**Muscatine Power and Water - Electric Utility**  
**Statistical Data**  
**November 2017**

**Total Fuel Cost**

(To & Including Ash Handling, Gas & Oil)

	<b><u>Current Month</u></b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
Per Million Btu.	\$1.726	\$1.731
Per Net MW Generated	\$18.39	\$18.87
Net Peak Monthly Demand-KW	111,840	112,830
Date of Peak	11/13	11/18
Hour of Peak	1200	1400

**Calendar Year-To-Date**

	<b><u>2017</u></b>	<b><u>2016</u></b>
Per Million Btu.	\$1.782	\$1.812
Per Net MW Generated	\$20.07	\$19.88
Net Peak Monthly Demand-KW	135,890	137,009
Date of Peak	9/20	9/6
Hour of Peak	1400	1700

Average Temperature	37.5°	45.9°
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<b><u>Services</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Residential	9,879	9,834
Commercial I	1,374	1,372
Commercial II	127	114
Industrial I	11	11
Industrial II	2	2
City Enterprise Funds	25	23
Water & Communications Utility	35	36
Total	<u>11,453</u>	<u>11,392</u>



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

	<u>Modified Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<b>Wholesale kWh Sales*</b>	<u>45,820,800</u>		<u>78,184,280</u>		<u>76,542,259</u>	
<b>Wholesale Sales*</b>	<u>\$1,547,419</u>	<u>\$0.03377</u>	<u>\$2,190,746</u>	<u>\$0.02802</u>	<u>\$2,559,627</u>	<u>\$0.03344</u>
<b>Variable Costs</b>						
Fuel (Coal, Gas & Fuel Oil)	914,703	0.01996	1,383,013	0.01769	1,352,309	0.01767
Emissions:						
SO <sup>2</sup> Allowances-ARP <sup>fn1</sup>	---	---	22	---	24	---
SO <sup>2</sup> Allowances-CSAPR <sup>fn2</sup>	---	---	54	---	60	---
NO <sub>x</sub> Allowances <sup>fn3</sup>	---	---	298	0.00000	780	0.00001
Other <sup>fn4</sup>	<u>159,224</u>	<u>0.00347</u>	<u>178,138</u>	<u>0.00228</u>	<u>193,885</u>	<u>0.00253</u>
Total Variable Costs	<u>1,073,927</u>	<u>0.02344</u>	<u>1,561,525</u>	<u>0.01997</u>	<u>1,547,058</u>	<u>0.02021</u>
<b>Gross Margin</b>	<u>\$473,492</u>	<u>\$0.01033</u>	<u>\$629,221</u>	<u>\$0.00805</u>	<u>\$1,012,569</u>	<u>\$0.01323</u>
Percent Gross Margin	30.6%		28.7%		39.6%	

\*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>
<b>Wholesale kWh Sales*</b>	<u>666,040,478</u>		<u>724,004,080</u>		<u>775,459,576</u>	
<b>Wholesale Sales*</b>	<u>\$23,080,702</u>	<u>\$0.03465</u>	<u>\$25,360,998</u>	<u>\$0.03503</u>	<u>\$25,005,080</u>	<u>\$0.03225</u>
<b>Variable Costs</b>						
Fuel (Coal, Gas & Fuel Oil)	12,775,282	0.01918	13,828,069	0.01910	14,585,106	0.01881
Emissions:						
SO <sup>2</sup> Allowances-ARP <sup>fn1</sup>	882	---	210	---	319	---
SO <sup>2</sup> Allowances-CSAPR <sup>fn2</sup>	882	---	530	---	793	---
NO <sub>x</sub> Allowances <sup>fn3</sup>	296,337	0.00044	173,362	0.00024	199,386	0.00026
Other <sup>fn4</sup>	<u>1,751,461</u>	<u>0.00263</u>	<u>1,904,758</u>	<u>0.00263</u>	<u>2,125,465</u>	<u>0.00274</u>
Total Variable Costs	<u>14,824,844</u>	<u>0.02226</u>	<u>15,906,929</u>	<u>0.02197</u>	<u>16,911,069</u>	<u>0.02181</u>
<b>Gross Margin</b>	<u>\$8,255,858</u>	<u>\$0.01240</u>	<u>\$9,454,069</u>	<u>\$0.01306</u>	<u>\$8,094,011</u>	<u>\$0.01044</u>
Percent Gross Margin	35.8%		37.3%		32.4%	

\*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>
<b>fn1</b> SO <sup>2</sup> ARP	\$2.00	\$0.80	\$0.80
YTD SO <sup>2</sup> ARP	2.00	0.79	0.80
<b>fn2</b> SO <sup>2</sup> CSAPR	0.00	2.00	2.00
YTD SO <sup>2</sup> CSAPR	0.00	2.00	2.00
<b>fn3</b> NO <sub>x</sub> annual	500.00	3.00	8.50
YTD NO <sub>x</sub> annual	500.00	4.27	30.01
YTD NO <sub>x</sub> seasonal	1,300.00	595.41	262.24

**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 - November 2017**

	<u>Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<b><u>Revenue</u></b>						
<b><u>Wholesale kWh Sales</u></b>	4,922,269		5,690,123		83,371	
<b><u>Wholesale Sales</u></b>	\$76,787	\$0.01560	\$86,041	\$0.01512	\$1,398	\$0.01677
<b><u>Expense</u></b>						
<b><u>Purchased Power kWh</u></b>	4,922,269		5,690,123		83,371	
<b><u>Purchased Power</u></b>	\$127,979	0.02600	\$147,943	0.02600	\$1,517	0.01820
<b><u>Gross Margin/(Loss)</u></b>	<u>(\$51,192)</u>	<u>(\$0.01040)</u>	<u>(\$61,902)</u>	<u>(\$0.01088)</u>	<u>(\$119)</u>	<u>(\$0.00143)</u>
Percent Gross Margin	-66.7%		-71.9%		-8.5%	
RECs Sold	---		---		---	
REC Net Proceeds	\$0	---	\$0	---	\$0	---
Misc Wind Revenues/Charges	\$0		\$0		\$0	
<b><u>Wind Net Margin/(Loss)</u></b>	<b><u>(\$51,192)</u></b>		<b><u>(\$61,902)</u></b>		<b><u>(\$119)</u></b>	

**Calendar Year To Date**

	<u>Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<b><u>Revenue</u></b>						
<b><u>Wholesale kWh Sales</u></b>	44,096,711		48,607,354		83,371	
<b><u>Wholesale Sales</u></b>	\$884,095	\$0.02005	\$670,316	\$0.01379	\$1,398	---
<b><u>Expense</u></b>						
<b><u>Purchased Power kWh</u></b>	44,096,711		48,607,354		83,371	
<b><u>Purchased Power</u></b>	\$1,146,514	0.02600	\$1,264,130	0.02601	\$1,517	---
<b><u>Gross Margin/(Loss)</u></b>	<u>(\$262,419)</u>	<u>(\$0.00595)</u>	<u>(\$593,814)</u>	<u>(\$0.01222)</u>	<u>(\$119)</u>	---
Percent Gross Margin	-29.7%		-88.6%		-8.5%	
RECs Sold	---		2,500		---	
REC Net Proceeds	\$0	---	\$1,875	0.75	\$0	---
Misc Wind Revenues/Charges	\$0		\$0		\$0	
<b><u>Wind Net Margin/(Loss)</u></b>	<b><u>(\$262,419)</u></b>		<b><u>(\$591,939)</u></b>		<b><u>(\$119)</u></b>	

	<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	0	24,873	0
RECs Sold This Period	0	2,500	0
Number of RECs on hand	0	25,811	0
Market Value per REC	\$0.00	\$0.75	\$0.00
Value of RECs on Hand	\$0.00	\$19,358.49	\$0.00

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

**Delivered to Wholesale Customers**

	<u>Current Month 2017 Budget</u>	<u>Current Month 2017 Actual</u>	<u>Current Month 2016 Actual</u>	<u>Year-To-Date 2017 Budget</u>	<u>Year-To-Date 2017 Actual</u>	<u>Year-To-Date 2016 Actual</u>
Wholesale Sales KWHs	50,743,069	83,874,403	76,625,630	710,137,189	772,611,434	775,542,947
Wholesale Sales	\$1,624,206	\$2,276,787	\$2,561,025	\$23,964,797	\$26,031,314	\$25,006,478
Less:						
Production Fuel	958,792	1,429,882	1,432,509	13,500,628	14,446,464	15,301,178
Generation-Other	1,781,052	1,759,901	1,625,932	23,040,278	21,511,690	19,792,437
Transmission	298,296	291,436	237,192	3,404,217	2,719,052	2,727,989
Subtotal	3,038,140	3,481,219	3,295,633	39,945,123	38,677,206	37,821,604
Wholesale Margin	<u>(\$1,413,934)</u>	<u>(\$1,204,432)</u>	<u>(\$734,608)</u>	<u>(\$15,980,326)</u>	<u>(\$12,645,892)</u>	<u>(\$12,815,126)</u>

**Delivered to Steam Customer**

	<u>Current Month 2017 Budget</u>	<u>Current Month 2017 Actual</u>	<u>Current Month 2016 Actual</u>	<u>Year-To-Date 2017 Budget</u>	<u>Year-To-Date 2017 Actual</u>	<u>Year-To-Date 2016 Actual</u>
Steam Sales - 1,000 lbs.	---	258,746	274,939	997,619	1,555,931	2,748,885
Steam Sales	---	983,932	\$1,081,951	\$4,095,826	\$5,940,160	\$10,823,588
Less:						
Production Fuel	---	551,922	578,089	2,066,141	3,286,890	6,018,078
Generation-Other	31,172	36,051	31,699	532,569	396,311	580,707
Steam Sales Margin	<u>(\$31,172)</u>	<u>\$395,960</u>	<u>\$472,164</u>	<u>\$1,497,116</u>	<u>\$2,256,959</u>	<u>\$4,224,803</u>

**Delivered to Paying Native System Customers**

	<u>Current Month 2017 Budget</u>	<u>Current Month 2017 Actual</u>	<u>Current Month 2016 Actual</u>	<u>Year-To-Date 2017 Budget</u>	<u>Year-To-Date 2017 Actual</u>	<u>Year-To-Date 2016 Actual</u>
Native System Sales KWHs	67,419,237	66,936,346	64,740,285	780,692,201	769,995,419	760,612,396
Native System Sales	\$4,607,135	\$4,587,614	\$4,269,810	\$52,306,891	\$53,089,572	\$49,452,104
Less:						
Purchased Power	1,721,775	1,966,138	1,891,770	22,930,351	25,302,440	21,301,354
Distribution	478,159	470,034	537,746	5,247,508	5,401,150	5,197,459
Customer Service	23,868	5,446	8,922	277,233	236,685	173,634
Consumers Accounts	67,528	64,531	58,083	704,328	682,020	655,345
Administrative & General	1,151,478	1,081,269	946,082	12,860,252	11,550,593	10,834,916
Subtotal	3,442,808	3,587,418	3,442,603	42,019,672	43,172,888	38,162,708
Native System Margin	1,164,327	1,000,196	827,207	10,287,219	9,916,684	11,289,396
Steam Sales Margin	(31,172)	395,960	472,164	1,497,116	2,256,959	4,224,803
Wholesale Margin	<u>(1,413,934)</u>	<u>(1,204,432)</u>	<u>(734,608)</u>	<u>(15,980,326)</u>	<u>(12,645,892)</u>	<u>(12,815,126)</u>
Net Electric Margin	(280,778)	191,724	564,763	(4,195,991)	(472,249)	2,699,073
Other Revenue	90,726	86,729	97,453	844,654	989,941	942,874
Nonoperating Revenue (Expense)	8,784	43,296	15,111	92,820	329,930	150,174
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	<u>(\$181,268)</u>	<u>\$321,749</u>	<u>\$677,327</u>	<u>(\$3,258,517)</u>	<u>\$847,622</u>	<u>\$3,792,121</u>

**Electric Utility**  
**Review of Operating Results**  
**November 2017**

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

Page 1

	(Unfavorable)/ Favorable Compared to Budget	
<b>Sales of Electricity</b>		
Native System Sales	\$ 782,681	2.9% higher average sales price (\$.06895/kWh versus \$.06700/kWh budgeted), offset by 1.4% lower kWhs sold
Wholesale Sales	2,066,517	8.8% higher kWhs sold; offset by a 0.2% lower average sale price (\$.03369/kWh versus \$.03375/kWh)
	<u>2,849,198</u>	
<b>Steam Sales</b>	<u>1,844,334</u>	56.0% higher pounds of steam sold, offset by a 7.1% lower average sales price
<b>Other Revenue</b>		
By-Product Revenue	28,212	Fly ash sales
	(16,706)	Gypsum sales
Miscellaneous Revenue	45,384	Higher job sales, net of expenses
	9,457	Higher penalty revenue
	3,602	Higher collection posting & reconnection fees
	83,015	IAMWind payment
	(7,677)	Other miscellaneous variances - net
	<u>145,287</u>	
<b>Operating Expense</b>		
Purchased Power - Native System	(2,254,473)	Average purchase price is 11.6% higher (\$.02986/kwh vs \$.02676/kwh), offset by 1.1% lower kWhs purchased
Purchased Power - Wind	(117,616)	10.2% higher kWhs purchased
	<u>(2,372,089)</u>	
Production Fuel	(2,155,553)	17.6% or 89,884 higher coal tons burned, offset by a 2.5% lower price/ton
	17,214	Fewer Unit 9 start-ups, resulted in lower fuel oil cost
	(112,937)	Unit 8's natural gas usage was not budgeted
	(20,259)	Unit 7's natural gas usage was higher than budgeted
	58,432	Lower gasoline/diesel fuel usage for dozers
	11,716	Lower bottom ash handling expense
	25,116	Lower fly ash handling expense
	(72,253)	CCR compliance costs were not budgeted
	21,029	Lower labor cost
	60,910	Other miscellaneous variances - net
	<u>(2,166,585)</u>	
Emissions Allowance	<u>291,039</u>	Market price lower than assumed
Operation	(36,032)	Higher bottom ash handling expense due to timing
	(7,940)	Higher cost for boiler water chemical expenses
	44,075	Lower gas usage for auxiliary boiler
	70,303	PAC (powdered activated carbon) injection system costs were lower
	11,583	Lower cost for wastewater chemicals
	28,875	Lower scrubber waste handling expenses
	(14,795)	Higher limestone expense
	(32,812)	Higher water expense for power plants
	(21,675)	Higher hydrogen cost and other electric material expenses
	(82,662)	Higher cost for IDNR Title V permit fee
	96,000	Environmental permitting fee, not expended
	16,127	PM2.5 modeling not performed

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

Page 2

(Unfavorable)/  
Favorable  
Compared to  
Budget

31,620	Lower cost of the 316(b) cooling water impingement/entrainment study
50,000	Effluent limit guidelines study, not performed
176,789	Lower cost for stack emission testing
37,000	Relative accuracy test audits not performed
(10,060)	Radiation safety officer services, not budgeted
13,450	Universal waste recycling/hazardous waste disposal, not expended
11,000	Coal and byproduct analysis not completed
(39,381)	Higher cost for continuous emissions monitoring system consulting
50,000	Unit 9 levee pipe inspection, not performed
22,583	Lower cost for plant safety materials
62,524	Lower cost for rail car storage, switching costs, and administration fees
4,774	Tenaska management fee lower than budget
5,277	Lower cost for NERC assessments
6,224	Lower cost for OATI WebCares
16,000	161kV breakers painting, not completed
(6,324)	Protective relay device support, not budgeted
(8,830)	Tension wire for substations, not budgeted
301,299	Lower cost for MISO's multi-value and market efficiency transmission projects
103,000	Transmission coordination study, not completed
25,000	Relay technician consultant, not utilized
(51,448)	Transmission pricing zone study, not budgeted
(9,417)	Update of Isett substation equipment, not budgeted
13,868	Electric line workers' tools not needed
15,149	Lower vehicle operations expense
5,712	Lower street lighting expense
11,078	Fewer marketing materials expended
6,828	Lower cost of energy services
19,260	Fewer energy efficiency rebates
20,908	Organizational development consulting not expended
109,350	Succession planning costs, not expended
52,695	Board legal service not expended
39,901	Environmental/regulatory legal service not expended
(13,274)	Higher cost for transmission/reliability standards attorney
(5,888)	NERC audit preparation consultant, not budgeted
4,576	Coal & transportation attorney, not expended
31,900	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
6,000	Fuel procurement committee consulting not expended
(40,675)	IS department professional services and review, not budgeted
(22,179)	Higher cost for employee search services
(16,320)	Engineering services, not budgeted
(21,713)	Higher cost for workers compensation claims
28,648	Lower general liability insurance costs
120,213	Lower healthcare costs
44,496	Lower FICA expense
7,759	Lower cost for deferred compensation match
5,878	Lower cost for dental insurance
21,062	Lower cost for educational reimbursements
(141,986)	Higher unemployment expenses
46,562	Higher fringe charged to construction
19,407	Lower cost for employee team expenses
34,984	Lower cost for continuous improvement

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

Page 3

(Unfavorable)/  
Favorable  
Compared to  
Budget

30,000	CIP low impact site compliance, not expended
10,906	Fewer subscriptions/memberships
24,057	Lower cost for gasoline/diesel fuel
189,661	Less training/travel
(32,235)	Higher cost for temporary labor services
170,863	Lower labor cost
51,071	Lower vacation accrual
148,983	Other miscellaneous variances - net
<u>1,868,021</u>	

**Maintenance**

5,027	Lower cost for contracted insulation replacement/repair
9,170	Overhead door maintenance not needed
7,383	Lower cost for Central Stores building maintenance
25,300	Contracted utility work not utilized
201,749	Lower cost for Unit 9 boiler roof and other roof repairs
9,000	Unit 7 building sump pump, not expended
6,000	Waste oil material dumpster not expended
8,318	Lower cost of FGD reheater hoist oil leak repair
33,731	Lower bottom ash system materials expense
(8,281)	Higher cost for partial replacement of Unit 9 BA pantleg refractory
14,000	Unit 9 HP ash pump motor inspection/repair, not completed
(7,575)	Unit 8 BA settling tank pump seal, not budgeted
(11,988)	Higher cost for fly ash system materials
(24,324)	9A flyash vacuum blower repair, not budgeted
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
(58,393)	Repair auxiliary boiler steam line under RR crossing, not budgeted
(6,962)	Inspection Unit 7 stack fall protection system not budgeted
(10,488)	Inspection of Unit 7 stoker feeders, not budgeted
(5,070)	Replacement of Unit 7 air preheater impulse traps, not budgeted
(4,972)	Unit 7 feeder paddles & drum replacement, not budgeted
(8,547)	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
(29,019)	Unit 8 boiler cyclone weld repairs, not budgeted
(29,899)	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
(26,378)	Unit 8 boiler cyclone inspection, not budgeted
(4,577)	Unit 8 sootblower repairs, not budgeted
(6,764)	Unit 8 feedwater heater valve repairs, not budgeted
125,000	Unit 8 boiler layup costs not completed
30,608	Lower cost to waterblast and repaint Unit 8 stack
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
(4,832)	Higher cost for Unit 9 sootblower repairs
(29,923)	Replacement of 9B pulverizer ceramic tile on the journal inner cone not budgeted
(26,446)	Higher cost for pulverizer journal rebuild/repair

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

Page 4

(Unfavorable)/  
 Favorable  
 Compared to  
 Budget

43,382	Lower cost for routine pulverizer maintenance
23,927	Unit 9 sootblower rebuild, not completed
20,625	Unit 9 boiler vent, drain, and blowdown valve repairs not expended
(11,677)	Inspection of Unit 9 boiler windboxes and SOFA ductwork not budgeted
(77,459)	Higher cost for Unit 9 superheater temperator inspection
14,000	Unit 9 boiler feed pump motor inspection/repair, not performed
(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
71,364	Lower cost for fuel piping inspection and replacement
40,500	Miscellaneous boiler tube repairs, not needed
(17,514)	Higher cost for Unit 9 boiler tube shield repairs
37,755	Lower cost to replace Unit 9 hot & cold reheat drip leg switches
15,000	9C Mill tungston tiles on bowl deflectors not completed
(7,128)	Cleaning of coal bunkers, not budgeted
(7,481)	Higher cost for PAC (powdered activated carbon) injection system costs
(6,001)	Higher cost for limestone handling equipment repairs
11,511	Wastewater equipment maintenance not needed
8,102	Scrubber waste equipment repairs, not needed
(12,264)	Inspection and cleaning Tower 902 not budgeted
(19,915)	FGD batteries replacement not budgeted
(32,122)	Higher cost for absorber spray pump inspection and repair
(14,486)	Leak repair in 9B scrubber reheat condensate return pump, not budgeted
8,000	Process piping repairs not expended
(10,736)	Higher cost for booster fan OEM inspection
(8,784)	Unit 9 circulating water pump valves repair, not budgeted
(9,577)	Ox air compressor 901 relief valve repairs, not budgeted
(9,905)	Unit 9 precipitator weld repairs, not budgeted
(4,179)	Higher cost for Quencher sump pump motor repair
34,162	Refurbishment of Unit 9 transformer rectifier precipitator, not complete
26,523	Lower cost for miscellaneous FGD equipment repairs
(123,037)	Higher cost for Unit 9 turbine & control valves inspection/overhaul
16,776	Lower cost to replace oil in Unit 9 transformer
(9,161)	Higher cost of Unit 9 auxiliary transformer repair/hot oil process
30,000	Bearing laser align and load testing not completed
25,737	Lower cost for circulating water tunnel inspection
(91,012)	Replace Unit 9 batteries not budgeted
(9,125)	Unit 9 control valves inspection/repair, not budgeted
(4,222)	Repair Unit 9 air ejector supply safety valve leak, not budgeted
5,716	Lower cost for Unit 9 heat exchangers cleaning
(6,222)	Unit 9 circulating water booster strainer repair, not budgeted
(10,430)	8A turbine/generator repairs, not budgted
108,180	Unit 8 turbine layup costs not completed
12,305	Unit 7 stop valve overhaul not completed
11,000	UPS service agreement, not expended
15,713	Service Unit 8 air compressor motor, not completed



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

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(Unfavorable)/  
Favorable  
Compared to  
Budget

6,000	Unit 9 CCHX heads, not replaced
29,634	Plant tool crib expenses, not needed
10,259	Lower cost for hoist and chain fall inspections/repairs
(17,882)	Higher cost for rail car maintenance
22,915	Lower cost for coal dozer maintenance
19,381	Lower cost for coal conveyor maintenance
9,000	Coal chute ceramic repair, not completed
54,000	Track maintenance not performed
(5,284)	Motor control center breaker reconditioning, not budgeted
(22,315)	Inspect Unit 8 coal crushers and feeders not budgeted
11,537	Lower cost for miscellaneous rail unloader maintenance
(14,551)	Replace rail unloader stacker conveyor belt not budgeted
(43,113)	Correct radial stacker motor & gearbox vibration problem
(15,394)	DC-3 blower fan rebuild, not budgeted
(4,292)	Unit 7 lump breaker switch replacement, not budgeted
107,978	Lower cost for transmission line maintenance
9,100	Distribution structure repairs, not needed
(40,492)	Oregon Street substation barrier board replacement, not budgeted
(42,628)	Higher cost for distribution line maintenance due to storm restoration work
(4,581)	Higher cost for distribution pole inspections
(34,794)	Higher cost for underground line repairs
12,215	Lower cost for line transformer maintenance
(11,621)	Higher cost for street lighting maintenance
(8,111)	Video detection sensor, not budgeted
40,239	Lower cost for computer hardware/software maintenance
50,301	Lower cost for vehicle maintenance
18,218	Radio equipment maintenance not needed
11,317	Lower cost for Pine Street building maintenance
4,650	Lower cost for A/O Center lawn care
98,712	Lower labor cost
209,131	Other miscellaneous variances - net
<u>781,339</u>	

Depreciation	<u>628,485</u>	Net value of the A&G assets were overestimated for the budget
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**Nonoperating Revenue (Expense)**

Interest Income	237,965	Higher average cash balances
Interest Expense	<u>(855)</u>	
	<u>237,110</u>	

<b>Capital Contributions</b>	<u>63,483</u>	HNI, and CenturyLink transformers
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<b>Change in Net Position</b>	<u>\$ 4,169,622</u>	Total Variance from Budgeted Net Position
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## **Statements of Revenues, Expenses and Changes in Net Position**

### **Sales of Electricity**

#### **Native System Sales**

A 2.9% higher average sales price per kWh (\$.06895/kWh versus \$.06700/kWh budgeted), offset by 1.4% lower kWh's sold, resulted in \$782,681 higher revenue.

#### **Wholesale Sales**

8.8% higher kWhs sold; offset by a 0.2% lower average sales price (\$.03369/kWh versus \$.03375/kWh budgeted), resulted in \$2,066,517 higher revenue than projected.

### **Steam Sales**

56.0% higher pounds of steam sold, offset by a 7.1% lower average sales price, resulted in \$1,844,334 higher revenue than projected. The original steam sale agreement terminated at the end of April; fourth quarter sales were not budgeted.

### **Other Revenue**

#### **By-Product Revenue**

Fly ash sales are \$28,212 higher than budgeted; gypsum sales are lower than budgeted by \$16,706.

#### **Miscellaneous Revenue**

The budget did not include the IAMWind payments totaling \$83,015. Net job sales revenue, penalty revenue, reconnection fees, and collection posting fees are \$45,384, \$9,457, \$1,962, and \$1,640 higher than budgeted, respectively.

### **Nonoperating Revenue (Expense)**

#### **Interest Income**

Interest income is \$237,965 higher than budgeted due to higher average cash balances.

### **Capital Contributions**

Capital contributions include customer contributions for transformers.

## **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 11.6% higher average purchase price (\$.02986/kWh versus \$.02676/kWh budgeted), offset by 1.1% lower kWhs purchased for native system sales, resulted in \$2,254,473 higher cost. Wind energy kWh purchases were 10.2% or \$117,616 higher than budgeted.

#### **Generation**

##### **Operation Supervision – (500)**

Plant operations labor expense is \$59,370 lower than budgeted primarily due to budgeting for an assistant operations supervisor position that has not been filled; other plant departments' labor expense is \$32,923 higher than budget.

##### **Fuel – Coal – (501-001)**

17.6% or 89,884 higher tons of coal burned offset by a 2.5% lower price/ton, resulted in \$2,155,553 higher coal expense. Tons burned for steam sales is 43,016 tons higher than anticipated due to the unanticipated steam sales extension beginning in October.

##### **Fuel – Fuel Oil – (501-921)**

Fewer Unit 9 start-ups, resulted in \$17,214 lower fuel oil expense.

##### **Fuel – Gas – (501-002)**

The budget assumed there would be no Unit 8 natural gas usage; actual expense is \$112,937. Unit 7's gas usage is also \$20,259 higher than budgeted.

##### **Coal Handling Expense - (501-003)**

Gasoline/diesel fuel expense for the dozers, labor, bottom ash handling, and fly ash handling expenses are \$58,432, \$19,721, \$11,716, and \$25,116 lower than budgeted, respectively.

##### **Landfill Operation Expense - (501-925)**

Actual expenses are \$17,543 higher than budget due to not budgeting for CCR compliance expenses.

Generation (cont'd)Emissions Allowance Expense - (509)

Expense is based on current market price, which is \$291,039 lower than budgeted.

Annual SO2 - CSAPR allowance information follows:						
1/1/17 Beg balance						
4102.5						
Annual EPA		GPC	Allowances	MPW	GPC	Allowances
Allocation	+ Purchases	+ Provides	= Available	Electricity +	Steam	= Consumed
1956.0	0.0	640.0	6698.5	267.5	640.0	907.5
			Valued @	\$897	\$1,280	
				Ending Balance 11/30/17		5791.0
Annual NOx allowance information follows:						
1/1/17 Beg balance						
1301.7						
Annual EPA		GPC	Allowances	MPW	GPC	Allowances
Allocation	+ Purchases	+ Provides	= Available	Electricity +	Steam	= Consumed
1746.0	0.0	869.0	3916.7	839.0	869.0	1708.0
			Valued @	\$0	\$4,379	
				Ending Balance 11/30/17		2208.7

Steam Expense – Boiler – (502-004)

Gas usage for the auxiliary boiler and labor expenses are \$44,075 and \$29,645 lower than budgeted, respectively. Bottom ash handling expense is \$36,032 higher than budgeted; other boiler water chemical expenses are \$7,940 higher than the budget.

Steam Expense – Pollution Control – (502-005)

Labor, PAC (powdered activated carbon) injection system costs, wastewater chemicals, and scrubber waste handling are \$29,361, \$70,303, \$11,583, and \$28,875 lower than budgeted, respectively. Limestone expense is \$14,795 higher than budgeted.

Electric Expense – (505)

Labor expense is \$76,771 lower than budget; power plant water expense is \$32,812 higher than budgeted. Hydrogen and other material expenses are \$21,675 higher than budgeted.

Generation (cont'd)

<u>Miscellaneous Steam Power Expense - (506)</u>	2017	2017
	<u>Budget</u>	<u>Actual</u>
Labor	\$778,771	\$834,137
IDNR Title V permit fee	91,372	174,034
Environmental permitting fee	96,000	-
PM2.5 modeling	22,000	5,873
316(b) cooling water impingement/entrainment study	165,000	133,380
Effluent Limit Guidelines study	50,000	-
Stack emission testing	380,500	203,711
Relative accuracy test audits	37,000	-
NPDES permit fee	3,600	3,400
Nuclear source disposal services	17,000	16,456
Radiation safety officer services	-	10,060
Universal waste recycling/hazardous waste disposal	13,450	-
Coal and byproduct analysis	11,000	-
Continuous emissions monitoring system consulting	21,687	61,068
ESC software engineering time/maintenance	23,100	22,632
Unit 9 4-SYTE system strategy program	7,337	7,400
Unit 9 levee pipe inspection	50,000	-
Plant safety material expenses	114,256	91,673
Fire extinguisher inspections	4,750	5,005
Rail car storage/switching costs/admin fees	162,768	100,244
Travel/training	155,150	91,098
Temporary labor services	35,440	35,488
Ground maintenance	51,500	52,041
Membership/subscriptions	10,500	6,191
Gasoline/diesel fuel	12,833	7,704
Other expenses	182,666	65,377
	<u>\$2,497,680</u>	<u>\$1,926,972</u>

Maintenance of Supervision – (510)

Labor expense is \$201,319 higher than budget due to more time for Unit 9 maintenance outage, and work being done to Unit 8 during the summer outage period.

Generation (cont'd)

<u>Maintenance of Structures - (511)</u>	2017	2017
	<u>Budget</u>	<u>Actual</u>
Labor	\$249,827	\$230,241
Elevator maintenance	37,770	36,980
State elevator inspection and permits	2,000	2,025
Contracted insulation replacement/repair	22,066	17,039
Overhead door maintenance	11,000	1,830
Central Stores building maintenance	8,250	867
Replace CHMB heaters	-	4,316
Contracted utility work	25,300	-
Units 9, 8 & 8A annual backflow preventer testing	3,470	7,083
Unit 9 boiler roof	300,000	218,251
Other roof maintenance	120,000	-
Unit 7 building sump pump	9,000	-
Waste oil material dumpster	6,000	-
Replacement of cathodic protection anodes	1,000	-
Repair FGD reheater hoist; oil leak from gearbox	15,000	6,682
Inspect Unit 9 AFFF foam system; foam	5,000	6,058
Unit 8 fire protection pump/valve repair/panel inspection	8,100	9,820
Unit 9 fire protection panel repair/inspection	9,000	12,559
Unit 9 wastewater treatment sump pump cleaning	3,600	4,871
Other expenses	<u>151,855</u>	<u>96,417</u>
	<u>\$988,238</u>	<u>\$655,039</u>

Generation (cont'd)

Maintenance of Boiler Plant - Boiler - (512-006)	2017	2017
	Budget	Actual
Labor	\$747,494	\$608,785
Bottom ash system materials	87,137	53,406
Partial replacement of Unit 9 BA pantleg refractory	75,000	83,281
Unit 9 HP ash pump motor inspection/repair	14,000	-
Unit 8 BA settling tank pump seal	-	7,575
Fly ash system materials	58,432	70,420
9A flyash vacuum blower repair	-	24,324
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	7,525	8,273
Repair auxiliary boiler steam line under RR crossing	-	58,393
Inspect Unit 7 stack fall protection system	-	6,962
Inspect Unit 7 stoker feeders	-	10,488
Replace Unit 7 air preheater impulse traps	-	5,070
Unit 7 feeder paddles & drum replacement	-	4,972
Unit 7 boiler tube leak	-	8,547
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	-	29,019
Unit 8 grit blasting & boiler tube inspection	-	29,899
Unit 8 grit blast precipitator	-	18,862
Unit 8 boiler explosive deslagging	-	13,368
Unit 8 boiler cyclone inspection	-	26,378
Unit 8 sootblower repairs	-	4,577
Unit 8 FWH valve repairs	-	6,764
Unit 8 boiler layup	125,000	-
Waterblast and repaint Unit 8 stack	90,000	59,392
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	28,875	33,707
Unit 9 coal feeder repairs	12,000	13,168
Replace 9B pulverizer ceramic tile on the journal inner cone	-	29,923
Pulverizer journal rebuild/repair	80,000	106,446
Unit 9 routine pulverizer maintenance	91,670	48,288
Rebuild Unit 9 sootblowers	28,875	4,948
Unit 9 electromatic safety pressure sensing valve repair	-	19,179
Unit 9 miscellaneous valve repairs	38,500	20,210

Generation (cont'd)

Maintenance of Boiler Plant - Boiler - (512-006) cont'd	2017	2017
	<u>Budget</u>	<u>Actual</u>
Unit 9 boiler vent, drain, and blowdown valve repairs	20,625	-
Inspect Unit 9 boiler windboxes and SOFA ductwork	-	11,677
Unit 9 superheater temperator inspection & repair	15,000	92,459
9A ID fan motor inspection	14,000	14,162
Unit 9 boiler feed pump motor inspection/repair	14,000	-
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 tubes	-	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
Fuel piping inspection and replacement	80,000	8,636
Miscellaneous boiler tube repairs	40,500	-
Unit 9 boiler tube shield repairs	15,000	32,514
Replace Unit 9 hot & cold reheat drip leg switches	75,000	37,245
9C Mill tungston tiles on bowl deflectors	15,000	-
Replace one 9D and two 9A mill upper riffle distributor housings	40,500	42,711
Install grease lines to ID fan damper bearings	-	3,283
Clean coal bunkers	-	7,128
Software/plant controls maintenance agreements	47,757	50,560
Other expenses	174,411	149,862
	<u>\$2,366,541</u>	<u>\$2,081,020</u>



Generation (cont'd)

<u>Maintenance of Boiler Plant – Pollution Control - (512-007)</u>	<u>2017</u>	<u>2017</u>
	<u>Budget</u>	<u>Actual</u>
Labor	\$265,459	\$259,520
Continuous emission monitoring expenses	113,224	110,405
PAC (powdered activated carbon) injection system costs	9,163	16,644
Grit blast and vacuum clean Unit 9 precipitator	35,000	37,657
Miscellaneous limestone handling equipment repairs	9,490	15,491
Wastewater equipment maintenance	19,242	7,731
Scrubber waste equipment repairs	9,900	1,798
Inspect/clean Tower 902	-	12,264
FGD hydroclone repairs/replacements	13,750	15,225
FGD batteries replacement	-	19,915
Absorber spray pump inspection/repair	6,000	38,122
Repair leak in 9B scrubber reheat condensate return pump	-	14,486
WDHFP discharge valves to Clarkson	9,800	10,328
Process piping repairs	8,000	-
Booster fan OEM inspection	9,600	20,336
Unit 9 circulating water pump valves repair	-	8,784
Ox air compressor 901 relief valve repairs	-	9,577
Unit 9 precipitator weld repairs	-	9,905
Quencher sump pump motor repair	5,000	9,179
Refurbish Unit 9 transformer rectifier precipitator	40,000	5,838
Miscellaneous FGD equipment repairs	36,663	10,140
Other expenses	20,088	6,557
	<u>\$610,379</u>	<u>\$639,902</u>

Generation (cont'd)

<u>Maintenance of Electric Plant - (513-008)</u>	2017	2017	
	<u>Budget</u>	<u>Actual</u>	
Labor	\$297,836	\$373,544	
Unit 9 turbine & control valves inspection/overhaul	1,600,000	1,767,037	*
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	26,750	35,911	
Replace Unit 9 turbine thermocouples	-	2,839	
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	4,961	
Replace Unit 9 batteries	-	91,012	
Unit 9 control valves inspection/repair	-	9,125	
Repair Unit 9 air ejector supply safety valve leak	-	4,222	
Clean Unit 9 heat exchangers	7,200	1,484	
Unit 9 circulating water booster strainer repair	-	6,222	
Unit 9 flux probe and PDA generator analysis	8,750	7,697	
8A turbine/generator repairs	-	10,430	
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	125,000	16,820	
Battery room absorbent neutralizing pads	2,000	2,942	
Unit 8 miscellaneous plant maintenance	19,725	1,561	
Unit 7 stop valve overhaul	25,000	12,695	
Unit 7 miscellaneous plant maintenance	20,971	11,446	
UPS service agreement	11,000	-	
GE, EX-2000, and Mark V service agreement	20,592	20,997	
Other expenses	48,448	37,242	
	<u>\$2,431,272</u>	<u>\$2,513,109</u>	
*Costs included in turbine overhaul project			

Maintenance of System Control – (513-009)

Labor expense is \$17,685 lower than budgeted. The budget includes \$4,475 for CIP-related expenses that were not expended, plus software maintenance costs are \$14,848 lower than budgeted.

Generation (cont'd)Maintenance of Miscellaneous Steam Plant – (514)

Labor expense is \$84,201 lower than budgeted. The budget includes \$18,000 to service Unit 8's air compressor motor of which \$2,287 has been expended, \$6,000 to replace Unit 9 CCHX heads, and \$29,634 for tools and tool crib expenses that have not been needed. Hoist and chain fall inspections and repairs are \$10,259 lower than budgeted. Other miscellaneous material expenses are lower than budget by \$102,455.

<u>Maintenance of Coal Handling Equipment - (516)</u>	2017	2017
	<u>Budget</u>	<u>Actual</u>
Labor	\$247,212	\$220,568
Rail car maintenance	133,300	151,182
Dozer maintenance	125,675	117,980
Recap 4 tires on coal dozer V101	60,000	44,780
Coal conveyor maintenance	49,819	30,438
Coal chute ceramic repair	9,000	-
Track maintenance	54,000	-
Update Unit 8 coal handling modicon	-	3,940
Recondition motor control center breaker	-	5,284
Inspect Unit 8 coal crushers and feeders	-	22,315
Rail unloader maintenance	32,226	20,689
Replace rail unloader stacker conveyor belt	-	14,551
Correct radial stacker motor & gearbox vibration	-	43,113
Rebuild DC-3 blower fan	-	15,394
Unit 7 lump breaker switch replacement	-	4,292
Other expenses	<u>59,829</u>	<u>33,339</u>
	<u>\$771,061</u>	<u>\$727,865</u>

<u>System Control and Load Dispatch - (556)</u>	2017	2017
	<u>Budget</u>	<u>Actual</u>
Labor	\$159,359	\$117,768
SCADA Dark Fiber service & BUCC MME services	17,842	17,358
MISO operating & administrative fees	133,539	139,340
North American Energy Markets membership	3,000	-
Travel and training	2,600	3,618
Other expenses	<u>5,077</u>	<u>2,127</u>
	<u>\$318,817</u>	<u>\$280,211</u>

Depreciation – (558)

The depreciation on the steam sales capital expenditures are \$62,026 higher than budgeted due to decreasing their useful life.

TransmissionLoad Dispatching – (561)

Tenaska management fee, NERC assessments and OATI WebCares are \$4,774, 5,277 and \$6,224 lower than budgeted, respectively. Labor expense is \$20,273 higher than budgeted.

Station Expense – (562)

Labor expense is \$6,089 lower than budgeted. The budget includes \$16,000 to paint 161 breakers and \$2,000 for oil testing that have not been completed; actual expenses include \$6,324 for protective relay device support and \$6,700 for tension wire that were not budgeted.

Overhead Line Expense – (563)

Labor expense is \$5,865 higher than budgeted.

Transmission of Electricity by Others – (565)

The cost of MISO's multi-value and market efficiency projects are \$301,299 lower than budgeted.

Miscellaneous Transmission Expense – (566)

The budget includes \$110,000 for a consultant for the system protection coordination study, of which \$7,000 has been expended; \$25,000 for a relay technician consultant; and \$5,400 for software maintenance that have not been expended. Subscriptions and memberships are \$8,101 lower than budgeted. The transmission pricing zone study, costing \$51,448, was not budgeted. Labor expense is \$15,461 higher than budget due to project engineering spending more time on the transmission study than 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 \$50,228 lower than budgeted. Electric line workers' labor expense is \$58,996 lower than the budget.

Vacation, Holiday, Sick Leave – (575)

Technical services department's vacation accrual was overestimated in the budget, plus that department used less sick leave than estimated.

Depreciation – (576)

The budget assumed the South Substation autotransformer would be installed by 2016's year end and depreciation would begin in 2017; the project was not completed.

DistributionOperation Supervision – (580)

Labor expense is \$19,136 lower than budget due to the Manager, T&D position opening.

Load Dispatching – (581)

System control labor expense is \$42,456 higher than budgeted.

Station Expense – (582)

Substation electricians' labor expense is \$20,682 lower than budgeted. The cost to update the power distribution system at Isett substation was \$9,417, which was not budgeted. Tension wire, costing \$2,130, was not budgeted.

Distribution (cont'd)Overhead Line Expense – (583)

The budget includes \$13,868 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 \$15,576 lower than budgeted, other material costs are \$15,149 lower than the budget.

Underground Line Expense – (584)

Outside servicemen's labor expense is \$39,119 lower than budgeted; less time was required for locates.

Street Lighting – (585-STL)

Less time has been spent on street light repairs, resulting in \$15,007 lower labor expense and \$5,712 lower material cost.

Signal Expense – (585-419)

Labor expense is \$5,107 lower than budgeted.

Meter Expense – (586)

Labor expense is \$10,532 higher than budgeted.

Miscellaneous Distribution Expense – (588)

Labor expense is \$115,823 higher than budgeted; the electric line workers' labor makes up \$52,798 or 46% of this total.

Maintenance Supervision – (590)

Labor expense is \$26,580 lower than budget due to the Manager, T&D position opening.

Maintenance of Structures – (591)

The budget includes \$6,400 for HVAC unit repairs, \$2,700 for rock, fence, and paint, plus \$5,333 for labor expenses that have not been needed.

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 \$12,102 lower than budgeted.

Maintenance of Overhead Lines – (593)

Pole inspections are \$4,581 higher than the budget; inventory adjustments cost \$14,476; other material costs and labor expenses are \$42,628 and \$72,685 higher than budgeted, respectively, primarily due to the March storm restoration work.

Maintenance of Underground Lines – (594)

Material expenses are \$34,794 higher than budgeted primarily due to the URD cable replacement, costing \$25,649; labor expense is \$25,030 lower than budgeted.

Maintenance of Line Transformers – (595)

Labor for transformer change-outs and other maintenance is \$22,290 lower than budgeted; material expense is \$12,215 lower than budgeted.

Distribution (cont'd)Maintenance of Street Lighting – (596-STL)

Labor and materials are higher than budgeted by \$7,994 and \$11,621, respectively.

Maintenance of Signal Expense – (596-419)

Expenses include \$8,111 for a video detection sensor that was not 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>
<b><u>Marketing</u></b>			
Media advertising	\$16,501	\$15,431	\$11,843
Customer newsletter/bill inserts	3,483	3,101	3,050
Postage	2,016	-	-
Promotional materials	10,677	4,000	4,105
Photo library	2,715	1,782	1,783
<b>Subtotal - Marketing</b>	<b>35,392</b>	<b>24,314</b>	<b>20,781</b>
<b><u>Energy Services</u></b>			
Trees Forever	13,000	13,000	12,500
IAMU energy efficiency report	-	-	150
City-owned buildings energy efficiencies	-	1,916	24,358
Customized energy efficiencies	3,300	-	-
Compact fluorescent exchange program	6,600	3,146	5,012
Customer awareness programs	6,367	4,786	4,786
Presentation materials	4,631	3,462	3,463
Science fair/poster contest	1,100	1,860	2,946
<b>Subtotal - Energy Services</b>	<b>34,998</b>	<b>28,170</b>	<b>53,215</b>
Miscellaneous	-	689	136
	<b>\$70,390</b>	<b>\$53,173</b>	<b>\$74,132</b>

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	\$2,750	\$1,770	\$1,578
Commercial lighting	68,750	77,184	30,928
Air conditioning	21,925	34,773	28,160
Refrigerator	9,162	2,985	3,515
City building improvement	16,500	-	-
Washing machine	5,500	2,450	3,250
Customized energy efficiency	-	4,895	19,681
Water heater	4,950	5,400	7,100
Geo-thermal	11,000	7,620	1,200
Motor	55,000	42,250	-
Dishwasher	4,400	1,350	1,775
	<u>\$199,937</u>	<u>\$180,677</u>	<u>\$97,187</u>

Consumer Accounts

<u>Consumer Records and Collection - (903)</u>	2017	2017	2016
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Labor	\$339,754	\$312,940	\$291,244
Temporary labor services	954	17,749	13,593
Postage	26,217	23,444	26,111
Payment processing fees	50,563	50,269	51,597
Collection fees	10,890	8,784	8,366
Integrated voice response service	1,815	1,698	1,436
Travel/training	6,215	2,146	2,289
Gasoline/diesel fuel	2,750	2,200	1,782
Other	6,988	4,785	4,588
	<u>\$446,146</u>	<u>\$424,015</u>	<u>\$401,006</u>

Administrative and GeneralAdministrative and General Salaries – (920)

Labor is lower than budget by \$153,487 due to the Manager, Information Systems position not being filled until May, plus not filling the Manager, Continuous Improvement position after April.

<u>Office Supplies - (921)</u>	2017	2017	2016
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Phone expense	\$35,492	\$32,367	\$31,640
Memberships/subscriptions	20,888	18,356	14,465
Internet/MME	15,236	14,286	15,766
Office furniture	14,333	14,549	9,854
Computer hardware/software	24,770	22,159	17,601
Postage	-	6,625	8,383
Vehicle allowance	11,424	12,024	11,414
Vehicle maintenance	8,617	3,643	4,565
Gasoline/diesel fuel	3,667	1,823	1,762
General office supplies	12,634	11,804	10,134
Other	<u>29,548</u>	<u>14,783</u>	<u>11,079</u>
	<u>\$176,609</u>	<u>\$152,419</u>	<u>\$136,663</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	\$60,750	\$39,842	\$34,526
Succession planning	110-Board	109,350	-	-
Legal services	140-Brandy	83,180	30,485	40,597
Environmental/regulatory legal services	140-Brandy	45,820	5,919	19,957
Transmission/reliability standards attorney	140-Brandy	8,000	21,274	3,940
NERC audit preparation consultant	140-Brandy	-	5,888	2,850
Coal & transportation attorney	140-Brandy	4,576	-	-
Bond counsel	140-Brandy	1,875	-	-
Labor attorney	140-Brandy	4,620	1,497	-
CIP compliance consulting	145-Seth	32,500	600	7,000
Web design service	224-Rick	6,922	4,918	2,958
Insurance advisor	310-Jerry	37,422	37,422	37,422
Financial audit services	320-Cassie	34,020	29,819	37,263
Cost of service study	320-Cassie	25,000	20,812	-
GASB 45 actuarial study	320-Cassie	6,480	6,075	-
Coal & transportation consulting	331-Brad	55,000	55,237	76,706
Fuel procurement committee consulting	331-Brad	6,000	-	-
IS department professional services	350-Jerry	-	24,793	-
IS department review	350-Jerry	-	15,882	21,489
509A Actuary	410-Erika	891	790	811
Benefits consulting	410-Erika	24,140	20,574	24,138
Employee search services	410-Erika	37,122	59,301	-
Engineering compensation review	410-Erika	-	1,175	-
Career transition support	410-Erika	-	405	-
Labor legal services	410-Erika	-	315,000	4,962
Pension study	410-Erika	-	-	33,242
MISO consultant	610-Gage	4,584	-	-
Coal pile survey	612-Scott	1,000	393	7,110
Engineering services	760-Mark	-	16,320	19,970
		<u>\$589,252</u>	<u>\$399,736</u>	<u>\$374,941</u>

Property Insurance – (924)

Insurance premium was 2.7% lower than anticipated.

Injuries and Damages – (925)

Workers compensation claims are \$21,713 higher than anticipated; insurance costs are \$28,648 lower than budget.

Administrative and General (cont'd)

<u>Employee Pensions and Benefits (926)</u>	<u>2017</u>	<u>2017</u>	<u>2016</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Pension	\$2,152,187	\$2,152,187	\$1,979,281
Healthcare costs	2,266,491	2,146,278	2,066,727
FICA	1,157,445	1,112,949	1,122,170
Deferred comp utility match	250,400	242,641	215,834
Dental	91,960	86,082	90,472
Educational reimbursements	37,260	16,198	24,960
LTD insurance	57,360	52,613	54,416
Life insurance	41,254	41,538	38,348
Post-employment health benefit	25,145	20,332	25,476
Recognition dinner	12,150	14,975	15,792
Unemployment expenses	6,075	148,061	35,471
Other expenses	28,292	31,745	26,462
	<u>\$6,126,019</u>	<u>\$6,065,599</u>	<u>\$5,695,409</u>

Fringe Benefits Charged to Construction – (927)

More time has been charged to capital projects than projected.

Regulatory Commission – (928)

The regulatory fees for both Iowa Utilities Board and FERC are higher than budgeted by \$12,720 and \$10,903, respectively.

Administrative and General (cont'd)

<u>Miscellaneous General Expense - (930)</u>	2017	2017	2016
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Employment expenses	\$28,593	\$32,707	\$9,676
APPA dues	20,330	23,783	21,623
IUB Iowa Energy Center	45,833	48,397	46,404
IAMU membership	31,163	35,249	32,301
Economic development pledge	25,988	31,185	31,185
Customer appreciation day	-	-	13,501
Annual report	7,047	4,528	4,059
Legal publications	4,826	3,406	4,204
Continuous Improvement	36,086	1,102	195
CIP low impact site compliance	30,000	-	-
Subscriptions/memberships	18,273	22,498	22,320
Employee team expenses	42,981	23,574	35,455
Training/travel	146,178	59,892	57,980
Safety-related expenses	17,364	3,757	12,279
Labor	45,736	31,897	48,400
Temporary labor services	35,394	59,179	67,667
Board trustee fees	6,683	6,683	6,681
Freight	11,935	20,026	7,337
Other expenses	40,252	46,790	46,219
	<u>\$594,662</u>	<u>\$454,654</u>	<u>\$467,486</u>

Maintenance of General Plant – (932)

Radio equipment, Pine Street building, vehicle, and computer hardware/software maintenance costs are \$18,218, \$11,317, \$21,313, and \$40,239 lower than budgeted, respectively.

Maintenance of A/O Center – (934)

Lawn care expense is \$4,650 lower than budgeted.

Vacation, Holiday, Sick Leave – (936)

Less sick leave has been taken than anticipated; plus, vacation accrual is lower than budgeted, primarily for the IT department.

Depreciation – (933)

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

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

	<u>2017</u>	<u>2016</u>
<b><u>Current Assets</u></b>		
<u>Consumer Accounts</u>		
Customer Electric Accounts	\$5,325,791	\$4,831,117
Unbilled Revenue	479,274	482,645
Merchandise Accounts	192,096	195,687
Utility loan program	4,592	4,500
Allowance for Doubtful Accounts	(43,973)	(2,310)
	<u>\$5,957,780</u>	<u>\$5,511,639</u>
<u>Inventories</u>		
Inventory	\$4,672,791	\$5,158,924
Emission Allowance - NOx	3,935	217,112
Emission Allowance - SO2	120,258	123,375
Stores Expense	43,452	(26,977)
Gas and Diesel Fuel	76,027	131,175
Limestone	135,657	120,555
	<u>\$5,052,120</u>	<u>\$5,724,164</u>
<u>Prepaid Expenses</u>		
Prepaid Insurance	\$256,165	\$251,874
Prepaid Maintenance Contracts	237,210	261,643
APPA dues	4,472	4,066
Economic Development Pledge	2,835	2,835
GP Strategies operator training program	2,563	2,550
IA Dept Comm Global Warming	44,740	43,833
IAMU-annual dues	9,775	8,886
IDNR lease	---	6,738
IDNR Title V emission fee	---	25,317
NERC-quarterly assessment	3,701	4,914
OATI digial certificates	9,750	3,624
SOS International	12,129	---
Travel advances	10,671	12,029
Other Prepaid Expenses	(674)	1,308
	<u>\$593,337</u>	<u>\$629,617</u>
<b><u>Current Liabilities</u></b>		
<u>Accounts Payable (amounts over \$10,000 itemized)</u>		
Water bills	\$36,290	\$33,230
Communications bills	13,812	13,812
ADA Carbon Solutions - PAC	28,960	---
Alliant Energy - gas	---	8,028
Anixter - wire	---	25,759
Associated Computer Systems - Network Supv augmentation	17,168	---
Bank of America - supplies	14,784	21,317
Brooks Brothers - reel trailer	18,802	---

Buckskin Mining Company - coal	401,014	297,158
Burlington Northern - coal transport/railcar rpr	238,322	653,911
Canadian Pacific Railway - coal transport	66,160	164,095
City of Muscatine - Miss Dr project/wastewater/sanitation	62,480	149,684
Cogsdale - business system implementation	130,410	99,486
Cottingham & Butler -workers comp claims/ins	13,322	11,451
Electrical Engineering & Equip - LED lights	---	15,218
General Contractors - South Sub steel structure	---	80,229
Heuer - concrete repairs	16,965	---
IDNR - Title V Fee	172,949	---
Iowa Chicago & Eastern RR - coal transportation	38,930	38,930
Iowa Utilities Board - assessment	17,560	17,058
Jefferies Refined Coal - refined coal	3,413,575	3,392,476
Lordstone - executive search services	10,600	---
Magellan Advisors - consulting	---	13,381
McFarland Cascade - poles	---	64,309
MidAmerican Energy - joint trans line maint	13,000	98,780
MISO - purch power/trans svc/admin fee	297,115	90,878
Mostardi Platt - emissions testing	17,732	---
Power System Engineering - South Sub autotransformer	---	27,756
Ragan Mechanical - weld repairs	47,055	---
Resco - luminaires	---	26,807
Schweitzer Engineering - controllers	15,508	---
South Fork Wind - energy	147,943	---
Stan A Huber Consultants - gauge packaging	19,216	---
Tekran Instruments - qtrly maintenance	22,635	---
Telcom - yrly maintenance	45,757	---
Tenaska - monthly fee	17,500	---
Visa - travel	9,699	16,937
Wesco - bases	16,099	---
Other	31,979	230,179
	<u>\$5,397,242</u>	<u>\$5,590,869</u>

Miscellaneous Accrued Expenses

Interest on Customer Deposits	\$83,383	\$87,090
Sales/Use Tax Collections Payable	83,940	63,843
Payroll Tax Collections Payable	171,156	169,740
Workers' Comp Self Insurance Reserves	329,218	300,517
Comp Time Payable	31,257	38,361
Employee team bank	58,278	59,748
	<u>\$757,232</u>	<u>\$719,299</u>

**Muscatine Power and Water**

**Water Utility**

**Statement of Revenues, Expenses and Changes in Net Position**

**November 2017**

**Muscatine Power and Water  
Water Utility**

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

	<b><u>Budget Estimate</u></b>	<b><u>%Increase (Decrease) From Budget</u></b>	<b><u>This Year</u></b>	<b><u>%Increase (Decrease) Fr. Last Yr.</u></b>	<b><u>Last Year</u></b>
<b><u>Water Distribution - 1,000 Gallons</u></b>					
Contract Customers	659,184	(0.6)	655,396	(4.4)	685,824
Power Plants	46,000	83.7	84,522	17.4	72,000
Residential	33,525	(3.6)	32,310	(2.2)	33,027
Commercial	26,888	1.3	27,229	3.9	26,207
Total Metered Customers	765,597	4.4	799,457	(2.2)	817,058
Rated Customers - Estimate	---	---	11	57.1	7
City Use, Line Loss, Cycle Billing	45,936	4.4	47,967	(2.2)	49,023
Total Water Pumped	811,533	4.4	847,435	(2.2)	866,088

**Calendar Year-to-Date**

	<b><u>Budget Estimate</u></b>	<b><u>%Increase (Decrease) From Budget</u></b>	<b><u>This Year</u></b>	<b><u>%Increase (Decrease) Fr. Last Yr.</u></b>	<b><u>Last Year</u></b>
<b><u>Water Distribution - 1,000 Gallons</u></b>					
Contract Customers	7,467,906	1.2	7,558,150	0.3	7,538,266
Power Plants	577,306	(2.1)	565,109	(31.8)	828,242
Residential	422,407	(3.2)	408,819	---	409,564
Commercial	351,553	(0.8)	348,826	5.6	330,241
Total Metered Customers	8,819,172	0.7	8,880,904	(2.5)	9,106,313
Rated Customers - Estimate	---	---	150	48.5	101
City Use, Line Loss, Cycle Billing	529,150	0.7	532,854	(2.5)	546,379
Total Water Pumped	9,348,322	0.7	9,413,908	(2.5)	9,652,793



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

	Budget Estimate	Avg. Price	% Increase (Decrease) from Budget	This Year	Avg. Price	% Increase (Decrease) from Last Year	Last Year	Avg. Price
<b><u>Sales of Water</u></b>								
Contract Customers	\$271,067	\$ 0.41122	2.6	\$278,188	\$ 0.42446	3.2	\$269,689	\$ 0.39323
Power Plants	23,901	0.51959	51.3	36,165	0.42788	9.2	33,111	0.45988
Residential	158,439	4.72600	(0.1)	158,233	4.89736	4.3	151,764	4.59515
Commercial	46,590	1.73274	9.3	50,929	1.87042	7.9	47,205	1.80124
Water Sales	499,997	0.65308	4.7	523,515	0.65484	4.3	501,769	0.61412
<b><u>Other Revenue</u></b>								
Penalty Revenue	845		69.8	1,435		47.3	974	
Merchandise & Job Sales-Net	917		(42.2)	530		(73.8)	2,021	
Miscellaneous Revenue	990		(36.8)	626		(81.9)	3,457	
Total Other Revenue	2,752		(5.9)	2,591		(59.8)	6,452	
Operating Revenue	502,749		4.6	526,106		3.5	508,221	
<b><u>Operating Expense</u></b>								
Operation	346,173		(4.8)	329,535		7.9	305,278	
Maintenance	40,597		1.8X	114,299		(10.5)	127,745	
Depreciation	65,294		(1.3)	64,466		5.2	61,305	
Total Operating Expense	452,064		12.4	508,300		2.8	494,328	
Operating Income	50,685		(64.9)	17,806		28.2	13,893	
<b><u>Nonoperating Revenues (Expenses)</u></b>								
Interest Income	149		45.4X	6,909		102.1X	67	
Interest Expense	(30,875)		28.8	(39,754)		54.8X	(712)	
Net Nonoperating Revenues (Expenses)	(30,726)		6.9	(32,845)		49.9X	(645)	
<b>Net Income (Loss) before Capital Contributions</b>	19,959		-1.8X	(15,039)		-2.1X	13,248	
Capital Contributions	91,000		(8.9)	82,898		---	---	
<b>Change in Net Position</b>	110,959		(38.8)	67,859		4.1X	13,248	
<b>Beginning Net Position</b>	16,471,664			16,598,318			16,454,079	
<b>Ending Net Position</b>	<u>\$16,582,623</u>			<u>\$16,666,177</u>			<u>\$16,467,327</u>	
Net Income (Loss) to Operating Revenue	4.0			(2.9)			2.6	
Debt Service Coverage	3.46			1.76			27.40	

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

	<u>Budget</u>	<u>Avg. Price</u>	<u>% Increase (Decrease) from Budget</u>	<u>This Year</u>	<u>Avg. Price</u>	<u>% Increase (Decrease) from Last Year</u>	<u>Last Year</u>	<u>Avg. Price</u>
<b><u>Sales of Water</u></b>								
Contract Customers	\$2,985,650	\$ 0.39980	3.9	\$3,101,774	\$ 0.41039	7.2	\$2,893,212	\$ 0.38380
Power Plants	287,065	0.49725	11.4	319,877	0.56605	(10.7)	358,216	0.43250
Residential	1,793,712	4.24641	(0.3)	1,788,986	4.37599	4.6	1,710,983	4.17757
Commercial	602,444	1.71366	(1.0)	596,377	1.70967	8.8	548,375	1.66053
Water Sales	5,668,871	0.64279	2.4	5,807,014	0.65388	5.4	5,510,786	0.60516
<b><u>Other Revenue</u></b>								
Penalty Revenue	8,450		25.6	10,616		21.1	8,768	
Merchandise & Job Sales-Net	10,086		13.5	11,448		22.4	9,351	
Miscellaneous Revenue	12,778		1.2	12,927		(10.9)	14,514	
Total Other Revenue	31,314		11.7	34,991		7.2	32,633	
Operating Revenue	5,700,185		2.5	5,842,005		5.4	5,543,419	
<b><u>Operating Expense</u></b>								
Operation	3,813,834		(5.3)	3,610,697		3.2	3,499,275	
Maintenance	758,821		33.7	1,014,496		57.7	643,194	
Depreciation	718,236		(1.3)	709,045		5.1	674,354	
Total Operating Expense	5,290,891		0.8	5,334,238		10.7	4,816,823	
Operating Income	409,294		24.1	507,767		(30.1)	726,596	
<b><u>Nonoperating Revenues (Expenses)</u></b>								
Interest Income	1,081		26.0X	29,237		38.8X	735	
Interest Expense	(386,845)		9.0	(421,818)		49.8X	(8,301)	
Net Nonoperating Revenues (Expenses)	(385,764)		1.8	(392,581)		50.9X	(7,566)	
<b><u>Net Income (Loss) before Capital Contributions</u></b>	23,530		3.9X	115,186		(84.0)	719,030	
Capital Contributions	91,000		---	82,898		---	78,584	
<b><u>Change in Net Position</u></b>	114,530		73.0	198,084		(75.2)	797,614	
<b><u>Beginning Net Position</u></b>	16,468,093			16,468,093			15,669,713	
<b><u>Ending Net Position</u></b>	\$16,582,623			\$16,666,177			\$16,467,327	
Net Income (Loss) to Operating Revenue	0.4			2.0			13.0	
Debt Service Coverage	5.95			4.44			46.48	

**Muscatine Power and Water - Water Utility**  
**Statements of Net Position**  
**November 2017**

**ASSETS**

	<u><b>2017</b></u>	<u><b>2016</b></u>
<b>Current Assets:</b>		
<u><b>Unrestricted Assets</b></u>		
Cash - interest bearing	\$514,522	\$953,741
Receivables:		
Consumer Accounts	726,840	678,493
Interest	40	4
Inventories	330,664	346,986
Prepaid Expenses	23,835	25,434
	<hr/>	<hr/>
Total Unrestricted Current Assets	1,595,901	2,004,658
	<hr/>	<hr/>
<u><b>Restricted Assets</b></u>		
Cash - interest bearing	8,190,878	35,283
	<hr/>	<hr/>
Total Restricted Current Assets	8,190,878	35,283
	<hr/>	<hr/>
Total Current Assets	9,786,779	2,039,941
	<hr/>	<hr/>
<b>Non-Current Assets:</b>		
Unamortized debt issuance costs	56,932	---
	<hr/>	<hr/>
<b>Property and Equipment:</b>		
At Cost	36,206,613	30,364,929
Less Accumulated Depreciation	11,197,880	11,141,174
	<hr/>	<hr/>
Net Property and Equipment	25,008,733	19,223,755
	<hr/>	<hr/>
<b>Deferred Outflows of Resources - Pension</b>		
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	444,593	429,106
	<hr/>	<hr/>
Total Deferred Outflows of Resources - Pension	859,453	604,034
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<u><u>\$35,711,897</u></u>	<u><u>\$21,867,730</u></u>

**Muscatine Power and Water - Water Utility**  
**Statements of Net Position**  
**November 2017**

**LIABILITIES AND NET POSITION**

	<u>2017</u>	<u>2016</u>
<b>Current Liabilities:</b>		
<b><u>Payable from Unrestricted Assets</u></b>		
Accounts Payable	\$509,124	\$310,746
Health & Dental Insurance Provision	31,680	30,320
Retained Percentage on Contracts	76,079	12,316
Consumer Advances for Construction	290	91,372
Accrued Payroll	68,060	55,439
Accrued Vacation	136,206	129,644
Accrued Property Taxes	2,847	1,245
Miscellaneous Accrued Expenses	63,368	53,807
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	887,654	684,889
	<hr/>	<hr/>
<b><u>Payable from Restricted Assets</u></b>		
State Revolving Loan	32,000	31,000
Accrued Interest	242,502	4,156
	<hr/>	<hr/>
Total Payable from Restricted Assets	274,502	35,156
	<hr/>	<hr/>
Total Current Liabilities	1,162,156	720,045
	<hr/>	<hr/>
<b>Non-Current Liabilities:</b>		
State Revolving Loan	68,000	100,000
Notes Payable to Electric Utility	---	2,900,000
Water Revenue Bond Series 2017	15,828,776	---
Health & Dental Insurance Provision	73,140	39,729
Post-Employment Health Benefit Provision	42,497	39,551
Net Pension Liability	1,410,286	1,154,489
Consumer Advances for Construction	198,569	198,505
	<hr/>	<hr/>
Total Non-Current Liabilities	17,621,268	4,432,274
	<hr/>	<hr/>
<b>Deferred Inflows of Resources - Pension</b>	262,296	248,084
	<hr/>	<hr/>
<b>Net Position:</b>		
Net Investment in Capital Assets	24,709,874	18,802,878
Restricted	7,948,376	31,127
Unrestricted	(15,992,073)	(2,366,678)
	<hr/>	<hr/>
Total Net Position	16,666,177	16,467,327
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$35,711,897</u>	<u>\$21,867,730</u>

**Muscatine Power and Water - Water Utility**  
**Statements of Cash Flows**  
**November 2017**

	<u><b>Current Month</b></u>	<u><b>Year- To-Date</b></u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$531,657	\$5,770,488
Miscellaneous sources	1,730	32,030
Cash paid to/for:		
Suppliers	(208,385)	(2,020,625)
Employees payroll, taxes and benefits	(250,622)	(2,475,631)
Net cash flows from operating activities	<u>74,380</u>	<u>1,306,262</u>
Cash flows from capital and related financing activities:		
State revolving loan fund principal payments	---	(31,000)
State revolving loan interest payments	(1,500)	(3,793)
Loan from electric utility	---	3,100,000
Loan from electric utility interest payments	---	(6,218)
Electric loan principal payment	---	(6,000,000)
Water revenue bond series 2017 proceeds	---	15,872,296
Water revenue bond series 2017 issuance costs	---	(270,277)
Capital expenditures, net	(279,452)	(6,174,422)
Net cash flows from capital and related financing activities	<u>(280,952)</u>	<u>6,486,586</u>
Cash flows from investing activities:		
Interest received on investments	<u>6,902</u>	<u>29,206</u>
Net cash flows from investing activities	<u>6,902</u>	<u>29,206</u>
Net increase (decrease) in cash and investments	<u>(199,670)</u>	<u>7,822,054</u>
Cash and investments at beginning of period	<u>8,905,070</u>	<u>883,346</u>
Cash and investments at end of period	<u><u>\$8,705,400</u></u>	<u><u>\$8,705,400</u></u>

**Muscatine Power and Water - Water Utility**  
**Statements of Cash Flows**  
**November 2017**

	<b><u>Current</u></b> <b><u>Month</u></b>	<b><u>Year-</u></b> <b><u>To-Date</u></b>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$17,806	\$507,767
Noncash item in operating income:		
Depreciation of utility plant	64,466	709,045
Change in deferred outflows of resources - pension	(49,481)	(135,131)
Changes in assets and liabilities:		
Consumer accounts receivable	9,696	(25,492)
Inventories	(10,666)	26,303
Prepaid and deferred expenses	5,787	29,908
Accounts payable	(16,750)	(70,623)
Net pension liability	13,799	151,791
Health & dental insurance provision	4,778	41,898
Other post-employment benefit provision	279	2,675
Retained percentage	17,149	75,296
Accrued payroll	13,842	(8,984)
Accrued vacation	2,815	6,692
Accrued property taxes	258	1,488
Unearned revenue	---	(2,300)
Miscellaneous accrued expenses	602	(4,071)
	<u>602</u>	<u>(4,071)</u>
Net cash flows from operating activities	<u>\$74,380</u>	<u>\$1,306,262</u>

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision (600)	\$3,364		\$3,555		\$3,398	
Operation Labor and Expenses (601)	1,037		382		966	
Miscellaneous Expense (603)	25		436		---	
Maintenance of Wells (614)	---		---		---	
Maintenance of Supply Mains (616)	760		---		110	
Depreciation (618)	9,494		9,525		9,015	
<b>Total Source of Supply Expense</b>	<b>14,680</b>	<b>2.9</b>	<b>13,898</b>	<b>2.6</b>	<b>13,489</b>	<b>2.7</b>
<b><u>Pumping</u></b>						
Operation Supervision (620)	3,487		3,900		3,846	
Fuel or Power Purchased (623)	87,733		76,615		79,740	
Pumping Labor and Expenses (624)	4,521		4,097		4,719	
Miscellaneous Expense (626)	262		295		295	
Maintenance of Structures (631)	448		---		---	
Maintenance of Pumping Equipment (632/633)	3,718		50,860		6,493	
Depreciation (634)	6,382		6,294		6,024	
<b>Total Pumping Expense</b>	<b>106,551</b>	<b>21.2</b>	<b>142,061</b>	<b>27.0</b>	<b>101,117</b>	<b>19.9</b>
<b><u>Water Treatment</u></b>						
Operation Supervision (640)	3,074		3,591		3,506	
Chemicals (641)	18,917		17,826		18,030	
Operation Labor and Expenses (642)	13,963		16,910		12,458	
Miscellaneous Expense (643)	683		908		1,145	
Maintenance of Structures (651)	622		2,755		456	
Maintenance of Purification Equip. (652)	1,756		10,917		1,535	
Depreciation (654)	3,518		3,262		3,229	
<b>Total Water Treatment Expense</b>	<b>42,533</b>	<b>8.5</b>	<b>56,169</b>	<b>10.7</b>	<b>40,359</b>	<b>7.9</b>
<b><u>Distribution</u></b>						
Operation Supervision (660)	3,689		3,828		3,611	
Storage Facilities Expense (661)	3,742		4,872		4,530	
Trans. & Distr. Lines Expense (662)	3,353		6,247		1,664	
Meter Expense (663)	9,037		6,676		6,449	
Consumer Installation Expense (664)	10,959		5,356		5,131	
Miscellaneous Expense (665)	15,462		11,899		15,734	
Vehicle Expense (667)	4,494		4,310		2,994	
Maintenance:						
Supervision (670)	3,939		5,043		5,015	
Structures (671)	157		129		685	
Reservoirs and Standpipes (672)	64		72		57,325	
Mains (673)	14,095		12,713		44,220	
Valves (674)	4,775		10,850		2,645	
Meters (676)	1,644		1,327		845	
Hydrants (677)	1,115		8,269		458	
Miscellaneous Plant (678)	2,969		4,740		5,113	
Vacation, Holiday, Sick Leave (679)	21,516		22,632		20,140	
Depreciation (680)	38,251		36,184		35,403	
<b>Total Distribution Expense</b>	<b>\$139,261</b>	<b>27.7</b>	<b>\$145,147</b>	<b>27.6</b>	<b>\$211,962</b>	<b>41.7</b>

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision (600)	\$37,097		\$39,085		\$34,433	
Operation Labor and Expenses (601)	11,404		10,520		11,075	
Miscellaneous Expense (603)	3,410		6,568		3,903	
Maintenance of Wells (614)	100,000		114,711		60,941	
Maintenance of Supply Mains (616)	8,359		104		7,598	
Depreciation (618)	104,429		104,779		99,161	
Total Source of Supply Expense	264,699	4.6	275,767	4.7	217,111	3.9
<b><u>Pumping</u></b>						
Operation Supervision (620)	40,103		43,662		39,247	
Fuel or Power Purchased (623)	984,216		911,743		909,322	
Pumping Labor and Expenses (624)	50,093		48,622		57,438	
Miscellaneous Expense (626)	2,882		3,337		3,506	
Maintenance of Structures (631)	4,933		655		91	
Maintenance of Pumping Equipment (632/633)	165,134		250,912		114,674	
Depreciation (634)	70,204		69,234		66,263	
Total Pumping Expense	1,317,565	23.1	1,328,165	22.7	1,190,541	21.5
<b><u>Water Treatment</u></b>						
Operation Supervision (640)	36,303		39,974		37,183	
Chemicals (641)	208,088		198,961		205,408	
Operation Labor and Expenses (642)	157,700		169,511		160,808	
Miscellaneous Expense (643)	23,103		18,379		9,788	
Maintenance of Structures (651)	14,797		22,268		6,479	
Maintenance of Purification Equip. (652)	18,865		35,338		16,900	
Depreciation (654)	38,694		35,878		35,521	
Total Water Treatment Expense	497,550	8.7	520,309	8.9	472,087	8.5
<b><u>Distribution</u></b>						
Operation Supervision (660)	39,792		41,418		38,253	
Storage Facilities Expense (661)	46,427		60,457		55,362	
Trans. & Distr. Lines Expense (662)	64,304		70,106		69,113	
Meter Expense (663)	104,951		98,307		89,457	
Consumer Installation Expense (664)	107,007		53,542		54,101	
Miscellaneous Expense (665)	175,502		150,283		163,247	
Vehicle Expense (667)	50,752		62,486		38,100	
Maintenance:						
Supervision (670)	50,560		56,291		53,360	
Structures (671)	3,731		3,865		9,791	
Reservoirs and Standpipes (672)	35,699		22,532		66,372	
Mains (673)	178,096		302,521		123,349	
Valves (674)	51,243		64,675		73,185	
Meters (676)	21,966		12,464		20,729	
Hydrants (677)	20,857		46,769		4,424	
Miscellaneous Plant (678)	32,663		38,650		52,819	
Vacation, Holiday, Sick Leave (679)	161,014		162,292		143,574	
Depreciation (680)	420,766		397,945		389,432	
Total Distribution Expense	\$1,565,330	27.5	\$1,644,603	28.2	\$1,444,668	26.1



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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense (909)	<u>\$1,403</u>	0.3	<u>\$1,590</u>	0.3	<u>\$693</u>	0.1
<b><u>Consumer Accounts</u></b>						
Supervision (901)	1,427		1,444		1,515	
Meter Reading Expense (902)	3,830		3,592		3,514	
Consumer Records and Collection (903)	16,580		15,736		13,580	
Uncollectible Accounts Expense (904)	1,104		1,104		1,049	
Vacation, Holiday, Sick Leave (906)	<u>3,326</u>		<u>3,183</u>		<u>2,918</u>	
Total Consumer Accounts Expense	<u>26,267</u>	5.2	<u>25,059</u>	4.8	<u>22,576</u>	4.4
<b><u>Administrative and General</u></b>						
Administrative and General Salaries (920)	22,950		21,040		20,449	
Office Supplies and Expenses (921)	1,512		1,451		1,339	
Outside Services Employed (923)	1,732		614		3,461	
Property Insurance (924)	1,809		1,760		1,698	
Casualty Ins, Injuries & Damages (925)	4,798		5,599		1,801	
Employee Pensions and Benefits (926)	61,907		60,630		53,535	
Fringe Benefits Charged to Constr. (927)	(8,404)		(4,727)		(6,416)	
Miscellaneous General Expense (930)	10,386		10,575		6,692	
Rents (931)	6,279		6,279		6,096	
Maintenance of General Plant (932)	4,535		6,624		2,845	
Vacation, Holiday, Sick Leave (936)	6,216		5,330		4,998	
Depreciation (933)	<u>7,649</u>		<u>9,201</u>		<u>7,634</u>	
Total Administrative and General	<u>121,369</u>	24.1	<u>124,376</u>	23.6	<u>104,132</u>	20.5
Total Operating Expense	<u><u>\$452,064</u></u>		<u><u>\$508,300</u></u>		<u><u>\$494,328</u></u>	
Percent to Operating Revenue		89.9		96.6		97.3

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense (909)	<u>\$14,596</u>	0.3	<u>\$8,966</u>	0.2	<u>\$8,642</u>	0.2
<b><u>Consumer Accounts</u></b>						
Supervision (901)	15,442		15,379		15,490	
Meter Reading Expense (902)	41,865		45,008		40,733	
Consumer Records and Collection (903)	180,775		170,762		161,854	
Uncollectible Accounts Expense (904)	12,142		12,144		11,539	
Vacation, Holiday, Sick Leave (906)	<u>23,962</u>		<u>22,866</u>		<u>26,322</u>	
Total Consumer Accounts Expense	<u>274,186</u>	4.8	<u>266,159</u>	4.6	<u>255,938</u>	4.6
<b><u>Administrative and General</u></b>						
Administrative and General Salaries (920)	248,527		230,357		236,143	
Office Supplies and Expenses (921)	19,837		20,894		17,843	
Outside Services Employed (923)	56,964		31,638		20,344	
Property Insurance (924)	19,562		19,172		18,767	
Casualty Ins, Injuries & Damages (925)	53,335		50,417		85,607	
Employee Pensions and Benefits (926)	692,206		677,452		617,186	
Fringe Benefits Charged to Constr. (927)	(103,567)		(94,899)		(92,937)	
Miscellaneous General Expense (930)	119,200		100,653		101,796	
Rents (931)	69,072		69,072		67,060	
Maintenance of General Plant (932)	51,918		42,741		32,482	
Vacation, Holiday, Sick Leave (936)	45,768		41,563		39,568	
Depreciation (933)	<u>84,143</u>		<u>101,209</u>		<u>83,977</u>	
Total Administrative and General	<u>1,356,965</u>	23.8	<u>1,290,269</u>	22.1	<u>1,227,836</u>	22.1
Total Operating Expense	<u>\$5,290,891</u>		<u>\$5,334,238</u>		<u>\$4,816,823</u>	
Percent to Operating Revenue		92.8		91.3		86.9

**Muscatine Power and Water - Water Utility**  
**Statistical Data**  
**Current Month - November 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	0.618	0.655	0.579	0.614
Cost Per 1,000 Gallons	<u>0.600</u>	<u>0.636</u>	<u>0.571</u>	<u>0.605</u>
Margin	<u>0.018</u>	<u>0.019</u>	<u>0.009</u>	<u>0.009</u>

	<u>2017</u>	<u>2016</u>
Maximum Daily Water Pumped (1,000 gallons)	29,484	31,533
Date of Maximum	11/28	11/30

**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	0.617	0.654	0.571	0.605
Cost Per 1,000 Gallons	<u>0.567</u>	<u>0.601</u>	<u>0.499</u>	<u>0.529</u>
Margin	<u>0.050</u>	<u>0.053</u>	<u>0.072</u>	<u>0.076</u>

	<u>2017</u>	<u>2016</u>
Maximum Daily Water Pumped (1,000 gallons)	32,963	34,405
Date of Maximum	08/30	08/09

**Services**

Contract Customers	2	2
Power Plants	2	2
Residential	8,786	8,727
Commercial	<u>1,081</u>	<u>1,071</u>
Total	<u>9,871</u>	<u>9,802</u>

**Water Utility**  
**Review of Operating Results**  
**November 2017**

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

(Unfavorable)/  
Favorable  
Compared to  
Budget

**Sales of Water**

Contract Customers	\$ 127,966	GPC consumption is 2.0% higher than budgeted, along with a 2.7% higher billing rate
	32,812	Power plants' consumption is 2.1% lower than budgeted, offset by a higher billing rate
	(6,067)	Commercial consumption is 0.8% lower than budgeted offset by higher billing rate
	(4,726)	Residential consumption is 3.2% lower than budgeted, partially offset by higher billing rate
	(11,842)	Heinz's consumption is 7.4% lower than budgeted, offset by a higher billing rate
	<u>138,143</u>	

**Other Revenue**

Merchandise & Job Sales-Net	1,362	Higher job sales revenue
Miscellaneous Revenue	<u>2,315</u>	Other miscellaneous variances
	<u>3,677</u>	

**Operating Expense**

Operation	72,473	Lower fuel/power purchased due to 0.7% more gallons pumped, offset by 6.9% lower kWh consumed and 0.5% lower cost per kWh
	9,127	Lower chemicals than budgeted due to lower price/unit
	4,811	Lower cost of lab supplies and chemicals
	5,400	Lower cost of road rock at well fields
	(12,243)	East Hill and West Hill electricity higher than budgeted
	(4,757)	Higher cost of T&D lines material expenses
	4,000	RPZ replacement costs budgeted in February and not yet incurred
	(6,267)	Higher cost of inventory adjustments
	(8,586)	Higher cost of vehicle repairs
	4,309	Promotional/education materials
	9,450	Succession planning costs not incurred yet
	6,142	Lower legal & attorney fees than budgeted
	2,316	Lower organizational development costs than budgeted
	2,920	Employee search services not incurred yet
	(3,516)	IS review and professional services not budgeted
	7,617	Lower cost of water cost of services study
	15,832	Lower health care cost
	(6,304)	Temp services higher than budgeted
	5,877	Travel and training lower than budgeted
	85,369	Lower labor, sick, personal and vacation expense
	9,167	Other miscellaneous variances - net
	<u>203,137</u>	

**Maintenance**

	(4,731)	Maintenance labor under budget
	(4,990)	Vacuum regulator, yoke assembly, chlorine injector and spare pump repairs not budgeted
	3,117	Supply main repairs lower than budget
	4,269	Lower cost of pumping structures maintenance
	7,329	Lower cost of water treatment structures maintenance
	(6,421)	Higher cost of purification equipment maintenance
	(132,991)	Street and concrete repairs more than budgeted in maintenance of mains
	(4,766)	Higher cost of valve maintenance
	11,231	Lower cost of general plant maintenance agreements
	6,645	Lower cost of meter repairs
	(4,694)	Higher cost of hydrant repairs
	(10,311)	Temp labor for hydrant painting is over budget
	14,000	Reservoir drain line project not yet begun
	12,018	Budgeted tower cleaning/painting not incurred through November
	(14,711)	Well cleaning (some budgeted in 2016 and completed in 2017), behind schedule for 2017
	(56,220)	Maintenance of well #24
	(56,994)	Maintenance of well #23 budgeted in 2016
	(17,455)	Other miscellaneous variances - net
	<u>(255,675)</u>	

**Depreciation**

9,191

**Nonoperating Revenue (Expense)**

Interest Income	28,156	Water bond dividend interest not budgeted
Interest Expense	<u>(34,973)</u>	Higher borrowing than budgeted
	<u>(6,817)</u>	

**Change in Net Loss before Capital Contributions**

91,656

**Capital Contributions**

(8,102)

**Change in Net Position**

\$ 83,554

Lutheran Homes budgeted for \$60,000 actual \$52,646  
Total Variance in Budgeted Net Position

## Statements of Revenues, Expenses and Changes in Net Position

### Sales of Water

Contract customers' water usage is 1.2% higher than budgeted, resulting in \$116,124 more revenue. GPC's usage was 2.0% higher than budget along with a 2.7% higher billing rate, resulting in \$127,966 more revenue. Heinz's usage was 7.4% lower than budget, offset by 3.4% higher billing rate, resulting in \$11,842 less revenue. Power plants' revenue was \$32,812 or 11.4% higher than budget due to a 13.8% higher billing rate offset by 2.1% lower usage. Residential customers' water usage is 3.2% lower than budgeted, partially offset by a 3.1% higher billing rate, resulting in \$4,726 less revenue. Commercial customers' water usage is 0.8% lower than budgeted with a 0.2% lower billing rate, resulting in \$6,067 less revenue.

### Year-To-Date Summary of Expenses

#### Source of Supply

##### Miscellaneous Expense – (603)

Lawncare expense is \$3,065 higher than budgeted through November.

##### Maintenance of Wells – (614)

Well cleaning leftover from 2016 was completed in January and February, totaling \$42,374. 2017 well cleaning was budgeted at \$100,000 through November with only \$72,337 expended to date.

##### Maintenance of Supply Mains – (616)

Production department labor and materials are under budget \$5,242 and \$3,117, respectively, due to fewer repairs.

#### Pumping

##### Operation Supervision – (620)

Manager and planning and scheduling departments' labor are higher than budgeted by \$1,566 and \$1,684, respectively.

##### Fuel or Purchased Power – (623)

The kWh consumed were 6.9% fewer than budgeted and a 0.5% lower cost per kWh, offset by 0.7% higher gallons pumped, resulting in \$72,473 lower expense.

	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
Fuel or Power Purchased	\$984,216	\$911,743	\$909,322
1,000 Gallons Pumped	<u>9,348,322</u>	<u>9,413,908</u>	<u>9,652,793</u>
Cost per 1,000 Gal. Pumped	0.1053	0.0969	0.0942
kWhs Consumed	15,309,958	14,258,793	15,398,260
kWh per 1,000 Gal. Pumped	1.64	1.51	1.60

##### Maintenance of Structures – (631)

Materials are under budget by \$4,269, due to fewer repairs.

Pumping (cont'd)Maintenance of Pumping Equipment – (632/633)

Well maintenance is over budget \$103,291, primarily due to repairs to Well 23 totaling \$56,994 and well 24 totaling \$56,220. RTU labor is under budget \$16,899, including \$14,405 in technical services department and \$2,494 in SCADA department.

Water TreatmentOperation Supervision – (640)

Manager and planning and scheduling departments' labor are higher than budgeted by \$1,333 and \$2,184, respectively.

Chemicals Expense – (641)

Chemical purchases, are \$9,127 less than budgeted primarily due to lower price/unit through November offset by higher fluoride usage.

	<u>2017 Budget</u>			<u>2017 Actual</u>			<u>2016 Actual</u>		
1,000 Gal. Pumped	9,348,322			9,413,908			9,652,793		
	Units	\$	Per Unit	Units	\$	Per Unit	Units	\$	Per Unit
Chlorine (lbs)	138,784	\$44,246	\$0.319	140,080	\$42,292	\$0.302	145,230	\$43,845	\$0.302
Hydrofluoro-silic Acid (lbs)	171,416	\$61,712	\$0.360	186,736	\$60,218	\$0.323	191,809	\$64,152	\$0.334
Phosphate (lbs)	99,275	\$102,130	\$1.029	101,580	\$96,451	\$0.950	102,050	\$97,411	\$0.955

Operation Labor and Expenses – (642)

Water production department labor is over budget by \$15,396 and lab supplies, and chemicals are under budget by \$4,811.

Miscellaneous Expense – (643)

Road rock at well fields is \$5,400 less than budgeted through November.

Maintenance of Structures – (651)

Materials expense is higher than budget by \$7,329 due to higher cost of repairs.

Maintenance of Purification Equipment – (652)

Labor is over budget by \$10,052 primarily in the planning and scheduling, distribution, and electrician departments. Materials are over budget \$6,421, due to purchases of a vacuum regulator, yoke assembly, chlorine injector, and a spare pump for Grandview that were not budgeted.

DistributionStorage Facilities Expense – (661)

Materials are over budget \$11,344 primarily due to East Hill Reservoir and West Hill Reservoir power bills higher than budgeted by \$9,220 and \$3,023, respectively.

Distribution (cont'd)Trans. & Distr. Lines Expense – (662)

Labor is over budget by \$1,045. Materials are over budget by \$4,757, including \$3,357 for power an electric power operator and \$1,870 for shell cutters.

Meter Expense – (663)

Metering department labor is less than budget by \$4,326 and materials expense is under budget by \$1,862.

Consumer Installation Expense – (664)

Labor is under budget \$47,061 in the outside services department. Materials are under budget \$6,404 primarily due to \$4,000 RPZ replacement not incurred yet and fewer locates.

Miscellaneous Expense – (665)

Engineering tech, CAD, and Project Engineering department's labor expenses are less than budget by \$22,929, \$16,061, and \$18,979, respectively. Outside service supervisor and Supply Chain department's labor expenses are higher than budget by \$11,498 and \$6,322, respectively. Inventory adjustments are \$6,267 over budget. Engineering tech temp services are \$2,812 over budget. Project engineering department outside engineering services are \$4,634 over budget.

Vehicle Expense – (667)

Vehicle maintenance department labor is over budget by \$4,769. Vehicle repairs are over budget by \$8,586 and fuel expense is under budget by \$2,179.

Maintenance – Supervision – (670)

Labor is over budget in the planning and scheduling and manager departments by \$4,464 and \$1,063, respectively.

Maintenance of Reservoirs and Standpipes – (672)

Materials are under budget by \$24,202 primarily due to \$12,018 for tower cleaning and painting and \$14,000 for the reservoir drain line project that has not begun yet. Labor is over budget by \$11,035.

Maintenance of Mains – (673)

Labor is under budget by \$8,565. Materials are over budget \$132,991 due to higher cost of landscaping and street and concrete repairs than budgeted.

Maintenance of Valves – (674)

Distribution and material handling department's labor expenses are over budget by \$5,801 and \$2,294, respectively. Materials are over budget by \$4,766.

Maintenance of Meters – (676)

Labor is under budget \$2,857 and materials are under budget \$6,645 due to fewer repairs.

Maintenance of Hydrants – (677)

Distribution and material handling department labor expense is over budget \$9,962 and \$1,182, respectively. Materials expenses are over budget \$4,694. Temp services are over budget \$10,311 for hydrant painting.



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

Vehicle maintenance department labor is over budget \$5,073.

Depreciation – (680)

Depreciation is under budget due 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	\$5,984	\$1,675	\$1,715
Media Advertising	5,268	5,166	5,119
Newsletter	1,505	1,298	1,277
Billtrust	333	233	---
Presentation Materials	401	299	---
Postage	870	---	---
Customer awareness programs	---	141	---
Photo Library	235	154	154
Other	---	---	377
	<u>\$14,596</u>	<u>\$8,966</u>	<u>\$8,642</u>

Meter Reading Expense – (902)

Labor expense is over budget by \$8,896. Temp services expense is under budget by \$5,918.

Consumer Records and Collections – (903)

	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
Labor	\$134,523	\$122,988	\$115,407
Credit Card Processing	11,210	11,448	11,605
Bill Trust Expense	5,225	4,591	5,004
Postage	11,321	10,124	11,275
Temp Services	412	7,667	5,560
Fuel	1,650	943	783
Invoice Cloud	2,055	2,173	1,720
Collection Expense	4,354	3,763	3,592
IVR	784	695	620
Other Expenses	<u>9,241</u>	<u>6,370</u>	<u>6,288</u>
	<u>\$180,775</u>	<u>\$170,762</u>	<u>\$161,854</u>

Administrative and GeneralAdministrative and General Salaries – (920)

Labor is under budget \$18,170, primarily in information services and supply chain.

Administrative and General (cont'd)Outside Services Employed – (923)

	<u>Resp Code</u>	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
Organizational				
Development	120-Sal	\$5,250	\$2,934	\$781
Consulting Services	120-Sal	---	509	---
Succession Planning	110-Board	9,450	---	---
Legal Fees	140-Brandy	5,460	418	3,873
Labor Attorney	140-Brandy	1,100	---	1,490
Web Graphics	224-Rick	598	425	256
Insurance Advisor	310-Jerry	3,234	3,234	3,234
Audit Services	320-Cassie	2,940	2,577	3,220
Cost of Service Study	320-Cassie	23,000	15,383	---
IS Professional Svc	350-Greg	---	2,143	---
IS Review	350-Greg	---	1,373	1,857
Pension Study	410-Erika	---	---	2,873
Benefits Consulting	410-Erika	2,084	1,778	2,691
Employee Search				
Services	410-Erika	2,920	---	---
Other Expenses		<u>928</u>	<u>864</u>	<u>69</u>
		<u>\$56,964</u>	<u>\$31,638</u>	<u>\$20,344</u>

Employee Pensions and Benefits – (926)

	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
Health Care Cost	\$298,223	\$282,391	\$241,569
Pension	151,791	151,791	147,814
FICA	136,427	131,308	126,774
IPERS	47,568	52,070	45,941
Deferred comp utility match	25,040	24,264	24,589
Life, LTD & ADD	10,211	9,736	9,599
Dental	12,100	11,327	10,575
OPEB	3,308	2,675	2,978
Unemployment	525	1,023	94
Other Expenses	<u>6,724</u>	<u>9,464</u>	<u>6,998</u>
	<u>\$692,206</u>	<u>\$677,452</u>	<u>\$617,186</u>

Fringe Benefits Charged to Construction – (927)

More time has been charged to capital projects than projected.

Miscellaneous General Expense – (930)

Labor expenses are lower than budget by \$11,715, mostly in water production, distribution, environmental and safety and training departments. Materials are under budget \$6,832 mostly due to travel and training lower than budget by \$4,150 and continuous improvement supplies lower by \$3,086.

Administrative and General (cont'd)

Maintenance of General Plant — (932)

Maintenance agreements are under budget \$11,231 and memberships and subscriptions are under budget by \$1,937. Non-maintenance agreements for the information services department are over budget by \$4,924.

Vacation, Holiday, Sick Leave — (936)

Less sick leave has been taken than anticipated.

Depreciation — (933)

Depreciation is over budget \$17,067, primarily due to tools and equipment not budgeted.

**Water Utility  
Statement of Net Position Review  
November 2017**

	<u>2017</u>	<u>2016</u>
<b><u>Current Assets</u></b>		
<u>Receivables - Consumer Accounts</u>		
Customer Water Accounts	\$655,651	\$610,777
Customer Loan	5,000	—
Unbilled Revenue	68,790	65,128
Merchandise Accounts	6,708	9,849
Allowance for Doubtful Accounts	(9,309)	(7,261)
	<u>\$726,840</u>	<u>\$678,493</u>
<u>Inventories</u>		
Inventory	328,235	\$348,514
Stores Expense (a/c 163)	2,429	(1,528)
	<u>\$330,664</u>	<u>\$346,986</u>
<u>Prepaid Expenses</u>		
Prepaid Insurance	\$10,089	\$10,335
Prepaid Maintenance Contracts	16,301	16,835
Other Prepaid Expenses/Deposits	(2,555)	(1,736)
	<u>\$23,835</u>	<u>\$25,434</u>
<b><u>Current Liabilities</u></b>		
<u>Accounts Payable (amounts over \$2,500 itemized)</u>		
Electric bills	\$84,414	\$86,800
Cahoy Pump Service - well construction	269,425	—
City of Muscatine - Mississippi Dr project	57,350	—
Cogsdale - business system implementation	11,270	8,598
Core & Main - hydrants	11,978	—
Doors Inc - door	—	5,514
Foth Infrastructure & Env - professional services	4,200	—
Heuer Construction - concrete repair	—	81,560
ILLOWA - asphalt repair	—	10,558
IPERS - pension	6,665	5,311
Kellor & Kellor - landscaping	4,908	—
Metering & Tech Solutions - radios/meters/encoders	4,191	3,999
Municipal Pipe Services - line stops	—	15,700
Municipal Supply - valves/shaft assemblies	6,587	—
Utility Equipment Co - valves	—	4,014
Vector Construction - reservoir repair	—	53,700
Wendling Quarries - sand/stone	—	11,233
Other	48,136	23,759
	<u>\$509,124</u>	<u>\$310,746</u>
<u>Customer Advances for Construction</u>		
Lutheran Homes	—	\$59,641
Curry Trucking	—	30,815
Others	290	916
	<u>\$290</u>	<u>\$91,372</u>
<u>Miscellaneous Accrued Expenses</u>		
Sales/Use Tax Collections Payable	\$8,473	\$7,672
Payroll Tax Collections Payable	15,784	14,147
Employee Payroll Deductions	3,109	2,536
Workers' Comp Self Insurance Reserves	31,180	26,577
Comp Time Payable	4,822	2,875
	<u>\$63,368</u>	<u>\$53,807</u>

**Muscatine Power and Water**

**Communications Utility**

**Statement of Revenues, Expenses and Changes in Net Position**

**November 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 - November 2017**

	<b><u>Budget Estimate</u></b>	<b><u>% Increase (Decrease) From Budget</u></b>	<b><u>This Year</u></b>	<b><u>% Increase (Decrease) Fr. Last Yr.</u></b>	<b><u>Last Year</u></b>
<b><u>Operating Revenue</u></b>					
CATV	\$622,112	(7.7)	\$574,297	(3.5)	\$595,430
Data/Internet	481,167	5.4	507,274	8.3	468,338
MAN	48,800	33.3	65,063	(43.2)	114,584
Miscellaneous	<u>11,670</u>	<u>(6.7)</u>	<u>10,890</u>	<u>13.5</u>	<u>9,592</u>
Total Operating Revenues	<u>1,163,749</u>	<u>(0.5)</u>	<u>1,157,524</u>	<u>(2.6)</u>	<u>1,187,944</u>
<b><u>Operating Expense</u></b>					
Operation	781,078	(1.3)	770,553	9.7	702,320
Maintenance	106,372	17.1	124,570	42.8	87,228
Depreciation	<u>145,200</u>	<u>(7.1)</u>	<u>134,926</u>	<u>(3.2)</u>	<u>139,329</u>
Total Operating Expenses	<u>1,032,650</u>	<u>(0.3)</u>	<u>1,030,049</u>	<u>10.9</u>	<u>928,877</u>
Operating Income	<u>131,099</u>	<u>(2.8)</u>	<u>127,475</u>	<u>(50.8)</u>	<u>259,067</u>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	285	9.8X	3,089	16.0	2,664
Interest Expense	<u>(3,769)</u>	<u>---</u>	<u>(3,768)</u>	<u>(5.0)</u>	<u>(3,968)</u>
Net Nonoperating Expense	<u>(3,484)</u>	<u>(80.5)</u>	<u>(679)</u>	<u>(47.9)</u>	<u>(1,304)</u>
Net Income before Capital Contributions	127,615	(0.6)	126,796	(50.8)	257,763
Capital Contributions	<u>1,722</u>	<u>(49.4)</u>	<u>872</u>	<u>(96.8)</u>	<u>27,581</u>
Change in Net Position	129,337		127,668		285,344
Beginning Net Position	<u>6,955,146</u>		<u>7,492,863</u>		<u>5,361,920</u>
Ending Net Position	<u>\$7,084,483</u>		<u>\$7,620,531</u>		<u>\$5,647,264</u>
Net Income (Loss) to Operating Revenue	11.0		11.0		21.7
Debt Service Coverage on Electric Utility Debt	6.30		6.05		9.14

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

	<b><u>Budget Estimate</u></b>	<b><u>% Increase (Decrease) From Budget</u></b>	<b><u>This Year</u></b>	<b><u>% Increase (Decrease) Fr. Last Yr.</u></b>	<b><u>Last Year</u></b>
<b><u>Operating Revenue</u></b>					
CATV	\$6,669,783	(5.9)	\$6,277,240	(3.8)	\$6,525,542
Data/Internet	5,209,125	4.0	5,415,874	7.1	5,056,522
MAN	536,800	28.8	691,462	7.4	644,017
Miscellaneous	<u>128,301</u>	<u>(3.9)</u>	<u>123,318</u>	<u>3.5</u>	<u>119,095</u>
Total Operating Revenues	<u>12,544,009</u>	<u>(0.3)</u>	<u>12,507,894</u>	<u>1.3</u>	<u>12,345,176</u>
<b><u>Operating Expense</u></b>					
Operation	8,542,424	(4.8)	8,133,237	4.2	7,803,759
Maintenance	965,723	(2.8)	938,832	7.9	870,324
Depreciation	<u>1,597,196</u>	<u>(7.1)</u>	<u>1,484,186</u>	<u>(3.2)</u>	<u>1,532,619</u>
Total Operating Expenses	<u>11,105,343</u>	<u>(4.9)</u>	<u>10,556,255</u>	<u>3.4</u>	<u>10,206,702</u>
Operating Income	<u>1,438,666</u>	<u>35.7</u>	<u>1,951,639</u>	<u>(8.7)</u>	<u>2,138,474</u>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	6,792	4.1X	34,815	55.8	22,350
Interest Expense	<u>(41,452)</u>	<u>---</u>	<u>(41,452)</u>	<u>(5.0)</u>	<u>(43,649)</u>
Net Nonoperating Expense	<u>(34,660)</u>	<u>(80.9)</u>	<u>(6,637)</u>	<u>(68.8)</u>	<u>(21,299)</u>
<b>Net Income before Capital Contributions</b>	<u>1,404,006</u>	<u>38.5</u>	<u>1,945,002</u>	<u>(8.1)</u>	<u>2,117,175</u>
Capital Contributions	<u>18,942</u>	<u>(26.1)</u>	<u>13,994</u>	<u>(69.1)</u>	<u>45,294</u>
<b>Change in Net Position</b>	<u>1,422,948</u>		<u>1,958,996</u>		<u>2,162,469</u>
<b>Beginning Net Position</b>	<u>5,661,535</u>		<u>5,661,535</u>		<u>3,484,795</u>
<b>Ending Net Position</b>	<u><u>\$7,084,483</u></u>		<u><u>\$7,620,531</u></u>		<u><u>\$5,647,264</u></u>
Net Income (Loss) to Operating Revenue	11.2		15.6		17.2
Debt Service Coverage on Electric Utility Debt	6.30		7.19		7.65



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

**ASSETS**

	<u><b>2017</b></u>	<u><b>2016</b></u>
<b>Current Assets:</b>		
Cash - interest bearing	\$5,054,956	\$4,502,383
Investments	---	4,000,000
Receivables:		
Consumer Accounts	1,313,894	1,374,931
Interest	2,745	19,790
Inventories	144,770	142,343
Prepaid Expenses	<u>209,219</u>	<u>155,705</u>
Total Current Assets	<u>6,725,584</u>	<u>10,195,152</u>
<b>Property and Equipment:</b>		
At Cost	40,697,321	34,353,878
Less Accumulated Depreciation	<u>28,115,292</u>	<u>27,061,558</u>
Net Property and Equipment	<u>12,582,029</u>	<u>7,292,320</u>
<b>Deferred Outflows of Resources - Pension</b>		
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>648,606</u>	<u>642,051</u>
Total Deferred Outflows of Resources - Pension	<u>1,567,814</u>	<u>1,155,740</u>
<b>TOTAL ASSETS</b>	<u><u>\$20,875,427</u></u>	<u><u>\$18,643,212</u></u>

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

**LIABILITIES AND NET POSITION**

	<u>2017</u>	<u>2016</u>
<b>Current Liabilities:</b>		
<u><b>Payable from Unrestricted Assets</b></u>		
Accrued Interest	18,842	19,840
Accounts Payable	798,612	705,960
Health & Dental Insurance Provision	49,280	53,060
Retained Percentage on Contracts	86,656	999
Accrued Payroll	105,390	82,120
Accrued Vacation	188,915	181,776
Accrued Property Taxes	5,427	5,949
Unearned Revenue - Dark Fiber Lease	17,500	17,500
Miscellaneous Accrued Expenses	97,043	113,118
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	1,367,665	1,180,322
	<hr/>	<hr/>
<u><b>Payable from Restricted Assets</b></u>		
Notes Payable:		
Electric Utility	481,443	479,048
	<hr/>	<hr/>
Total Payable from Restricted Assets	481,443	479,048
	<hr/>	<hr/>
Total Current Liabilities	1,849,108	1,659,370
	<hr/>	<hr/>
<b>Non-Current Liabilities:</b>		
Health & Dental Insurance Provision	110,317	107,356
Post-Employment Health Benefit Provision	73,505	69,339
Unearned Revenue - Dark Fiber Lease	213,438	230,938
Net Pension Liability	2,348,341	1,783,292
Notes Payable:		
Electric Utility	8,562,844	9,044,287
	<hr/>	<hr/>
Total Non-Current Liabilities	11,308,445	11,235,212
	<hr/>	<hr/>
<b>Deferred Inflows of Resources - Pension</b>	97,343	101,366
	<hr/>	<hr/>
<b>Net Position:</b>		
Net Investment in Capital Assets	12,100,586	6,813,272
Unrestricted	(4,480,055)	(1,166,008)
	<hr/>	<hr/>
Total Net Position	7,620,531	5,647,264
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$20,875,427</u></u>	<u><u>\$18,643,212</u></u>

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

	<b><u>Current</u></b> <b><u>Month</u></b>	<b><u>Year-</u></b> <b><u>To-Date</u></b>
Cash flows from operating activities:		
Cash received from:		
Communications sales	\$1,045,443	\$12,021,231
Advertising sales	35,149	308,715
Miscellaneous sources	9,133	116,903
Cash paid to/for:		
Suppliers	(505,951)	(5,180,674)
Employees payroll, taxes and benefits	(426,599)	(3,675,243)
Net cash flows from operating activities	<u>157,175</u>	<u>3,590,932</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(837,159)	(6,804,248)
Loan interest payments	---	(22,611)
Net cash flows from capital and related financing activities	<u>(837,159)</u>	<u>(6,826,859)</u>
Cash flows from investing activities:		
Interest received on investments	<u>3,540</u>	<u>33,416</u>
Net cash flows from investing activities	<u>3,540</u>	<u>33,416</u>
Net decrease in cash and investments	<u>(676,444)</u>	<u>(3,202,511)</u>
Cash and investments at beginning of period	<u>5,731,400</u>	<u>8,257,467</u>
Cash and investments at end of period	<u><u>\$5,054,956</u></u>	<u><u>\$5,054,956</u></u>

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

	<b><u>Current</u></b> <b><u>Month</u></b>	<b><u>Year-</u></b> <b><u>To-Date</u></b>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$127,475	\$1,951,639
Noncash items in operating income:		
Converter/modem write-off	578	17,340
Depreciation of utility plant	134,926	1,484,186
Change in deferred outflows of resources - pension	(109,275)	(298,425)
Changes in assets and liabilities:		
Consumer accounts receivable	(63,468)	38,524
Inventories	(8,127)	(1,258)
Prepaid and deferred expenses	(7,144)	(102,469)
Accounts payable	(1,163)	129,314
Net pension liability	30,474	335,216
Health & dental insurance provision	2,107	10,257
Other post-employment benefit provision	391	3,746
Unearned revenue	(1,458)	(23,649)
Retained percentage on contracts	11,743	85,315
Accrued payroll	15,457	49
Accrued vacation	3,020	13,951
Accrued property taxes	494	(1,063)
Miscellaneous accrued expenses	21,145	(51,741)
	<u>\$157,175</u>	<u>\$3,590,932</u>
Net cash flows from operating activities	<u>\$157,175</u>	<u>\$3,590,932</u>

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

	<b><u>Budget</u></b> <b><u>Estimate</u></b>	<b><u>This Year</u></b>	<b><u>Last Year</u></b>
<b><u>CATV</u></b>			
Program Acquisition Expense (751-758)	\$377,731	\$357,689	\$348,188
Promotional Expense (960)	5,838	5,201	743
Electricity Expense (736)	2,235	2,619	2,364
Pole Attachment Expense (715)	1,967	1,967	1,967
Changes of Service (742)	1,169	865	1,596
Underground Line Expense (743)	9,153	5,030	2,343
Ad Insertion - Marketing/Production (964, 965)	8,851	12,247	11,895
Miscellaneous CATV Expense (710, 738, 739)	14,550	17,622	20,639
Vehicle Expense (760)	4,808	6,990	4,622
Maintenance:			
Fiber (711)	722	6,995	118
Coax (712)	1,262	235	1,390
Drops (713)	3,354	2,660	1,624
Conduit System (714)	1,674	711	3,013
Headend (721-725)	21,506	38,120	30,750
Line Equipment (731-735)	2,522	1,534	3,333
Converters (741)	3,858	2,641	2,061
Ad Insertion (966)	3,450	4,301	4,149
Vacation, Holiday, Sick Leave (799)	8,432	8,837	7,728
Property Taxes (794)	731	286	314
Depreciation (793)	84,951	76,631	82,721
Total CATV	<u>558,764</u>	<u>553,181</u>	<u>531,558</u>
<b><u>Data/Internet</u></b>			
Data/Internet Access Charges (851-853)	27,969	26,424	26,629
Promotional Expense (961)	5,838	4,481	779
Electricity Expense (836)	394	339	318
Pole Attachment Expense (837)	346	346	346
Changes of Service (842)	206	288	282
Customer Wireless Equipment Expense (846)	---	---	---
Underground Line Expense (843)	393	1,677	413
Miscellaneous Data/Internet Expense (839, 844, 848)	5,273	7,251	6,627
Vehicle Expense (860)	803	851	559
Maintenance:			
Fiber (811)	125	2,915	21
Coax (813)	223	79	245
Drops (814)	2,308	887	287
Conduit System (816)	225	296	530
Headend (820, 821)	22,230	42,253	27,867
Line Equipment (831-835)	409	403	588
Modems (841)	4,462	2,192	2,121
Vacation, Holiday, Sick Leave (879)	4,329	5,266	3,510
Property Taxes (894)	129	50	55
Depreciation (893)	27,909	26,898	25,111
Total Data/Internet	<u>103,571</u>	<u>122,896</u>	<u>96,288</u>

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>CATV</u></b>			
Program Acquisition Expense (751-758)	\$4,217,631	\$3,976,314	\$3,892,575
Promotional Expense (960)	70,312	21,514	7,911
Electricity Expense (736)	24,585	27,788	26,654
Pole Attachment Expense (715)	21,641	21,641	21,637
Changes of Service (742)	12,346	12,294	15,691
Underground Line Expense (743)	80,099	42,107	25,893
Ad Insertion - Marketing/Production (964, 965)	90,000	93,718	80,286
Miscellaneous CATV Expense (710, 738, 739)	158,278	208,523	180,369
Vehicle Expense (760)	53,798	49,330	59,059
Maintenance:			
Fiber (711)	7,821	14,422	10,172
Coax (712)	13,524	8,663	10,670
Drops (713)	37,068	26,444	23,765
Conduit System (714)	17,055	10,189	12,266
Headend (721-725)	234,737	234,542	205,250
Line Equipment (731-735)	30,499	32,631	50,565
Converters (741)	42,321	28,607	21,227
Ad Insertion (966)	37,919	52,505	51,522
Vacation, Holiday, Sick Leave (799)	61,821	70,207	58,217
Property Taxes (794)	8,039	2,982	3,138
Depreciation (793)	934,460	842,941	909,931
Total CATV	<u>6,153,954</u>	<u>5,777,362</u>	<u>5,666,798</u>
<b><u>Data/Internet</u></b>			
Data/Internet Access Charges (851-853)	292,411	289,806	286,248
Promotional Expense (961)	70,312	20,933	8,360
Electricity Expense (836)	4,334	3,742	4,100
Pole Attachment Expense (837)	3,806	3,806	3,806
Changes of Service (842)	2,179	4,098	2,769
Customer Wireless Equipment Expense (846)	---	240	---
Underground Line Expense (843)	3,623	13,585	4,569
Miscellaneous Data/Internet Expense (839, 844, 848)	58,288	87,901	72,896
Vehicle Expense (860)	8,828	5,950	7,166
Maintenance:			
Fiber (811)	1,350	6,009	1,789
Coax (813)	2,387	2,887	1,883
Drops (814)	25,413	8,767	4,194
Conduit System (816)	2,351	4,246	2,129
Headend (820, 821)	308,065	351,952	320,194
Line Equipment (831-835)	4,778	9,036	8,641
Modems (841)	48,931	35,479	51,720
Vacation, Holiday, Sick Leave (879)	31,373	31,772	28,799
Property Taxes (894)	1,414	524	555
Depreciation (893)	307,004	295,878	276,221
Total Data/Internet	<u>1,176,847</u>	<u>1,176,611</u>	<u>1,086,039</u>

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

	<u>Budget Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>MAN</u></b>			
Pole Attachment Expense (838)	\$1,079	\$1,179	\$1,179
Tools Expense (845)	208	47	85
Maintenance:			
Fiber (812)	398	4,664	64
Conduit System (817)	891	474	1,652
MAN Equipment (818, 819)	30,917	2,373	2,643
Vacation, Holiday, Sick Leave (899)	655	474	487
Property Taxes (896)	400	157	172
Depreciation (840)	22,135	22,038	21,854
Total MAN	56,683	31,406	28,136
<b><u>Customer Service Expense</u></b>			
Customer Information Expense (909)	3,646	8,101	2,370
<b><u>Consumer Accounts</u></b>			
Supervision (901)	2,778	2,811	2,951
Consumer Records and Collections (903)	47,655	48,867	40,924
Uncollectible Accounts Expense (904)	1,574	1,574	1,519
Vacation, Holiday, Sick Leave (906)	8,425	7,706	7,428
Total Consumer Accounts	60,432	60,958	52,822
<b><u>Administrative and General</u></b>			
Administrative and General Salaries (920)	80,537	68,577	74,546
Office Supplies and Expense (921)	4,291	5,778	3,470
Outside Services Employed (923)	11,120	8,233	10,270
Property Insurance (924)	1,206	1,173	1,132
Casualty Ins, Injuries & Damages (925)	7,632	8,808	3,142
Employee Pensions and Benefits (926)	94,697	90,742	82,797
Fringe Benefits Charges to Construction (927)	(5,841)	(6,621)	(6,079)
Rents (931)	9,656	9,656	9,375
Miscellaneous General Expense (930)	10,020	27,653	8,910
Maintenance of General Plant (932)	5,836	10,837	4,772
Vacation, Holiday, Sick Leave (936)	20,195	19,312	15,725
Depreciation (933)	10,205	9,359	9,643
Total Administrative and General	249,554	253,507	217,703
Total Operating Expenses	\$1,032,650	\$1,030,049	\$928,877

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

	<b><u>Budget</u></b> <b><u>Estimate</u></b>	<b><u>This Year</u></b>	<b><u>Last Year</u></b>
<b><u>MAN</u></b>			
Pole Attachment Expense (838)	\$11,865	\$12,965	\$12,769
Tools Expense (845)	2,292	2,149	767
Maintenance:			
Fiber (812)	4,313	11,711	5,577
Conduit System (817)	9,111	6,793	6,638
MAN Equipment (818, 819)	73,224	34,980	41,400
Vacation, Holiday, Sick Leave (899)	4,680	3,095	3,248
Property Taxes (896)	4,407	1,635	1,721
Depreciation (840)	243,482	242,418	240,394
Total MAN	353,374	315,746	312,514
<b><u>Customer Service Expense</u></b>			
Customer Information Expense (909)	49,852	27,444	19,315
<b><u>Consumer Accounts</u></b>			
Supervision (901)	30,071	29,949	30,152
Consumer Records and Collections (903)	520,930	532,597	482,651
Uncollectible Accounts Expense (904)	17,314	17,314	16,709
Vacation, Holiday, Sick Leave (906)	60,391	57,993	63,397
Total Consumer Accounts	628,706	637,853	592,909
<b><u>Administrative and General</u></b>			
Administrative and General Salaries (920)	872,172	862,048	849,846
Office Supplies and Expense (921)	50,216	46,835	39,645
Outside Services Employed (923)	138,380	110,504	106,464
Property Insurance (924)	13,042	12,781	12,573
Casualty Ins, Injuries & Damages (925)	84,791	78,584	117,590
Employee Pensions and Benefits (926)	1,045,847	1,012,783	951,290
Fringe Benefits Charges to Construction (927)	(63,506)	(72,459)	(61,851)
Rents (931)	106,219	106,219	103,125
Miscellaneous General Expense (930)	171,224	159,432	135,106
Maintenance of General Plant (932)	64,856	58,969	40,722
Vacation, Holiday, Sick Leave (936)	147,119	142,594	128,544
Depreciation (933)	112,250	102,949	106,073
Total Administrative and General	2,742,610	2,621,239	2,529,127
Total Operating Expenses	\$11,105,343	\$10,556,255	\$10,206,702



**Muscatine Power and Water - Communications Utility**  
**Statistical Data**  
**November 2017**

	<b>Budget Estimate</b>	<b>% Increase (Decrease) From Budget</b>	<b>This Year <sup>fn1</sup></b>	<b>% Increase (Decrease) Fr. Last Yr.</b>	<b>Last Year <sup>fn1</sup></b>
<b><u>Services</u></b>					
<b><u>CATV</u></b>					
Residential	5,258	(2.9)	5,105	(6.6)	5,466
Commercial/Hospitality	<u>149</u>	6.7	<u>159</u>	0.6	<u>158</u>
Total CATV	<u>5,407</u>	(2.6)	<u>5,264</u>	(6.4)	<u>5,624</u>
Bulk Equivalent Services	<u>368</u>	(13.3)	<u>319</u>	(10.6)	<u>357</u>
Bulk Master Services	<u>24</u>	---	<u>24</u>	(4.0)	<u>25</u>
<b><u>Internet</u></b>					
Residential	7,866	1.9	8,015	3.9	7,711
Commercial	<u>512</u>	4.9	<u>537</u>	5.5	<u>509</u>
Total Internet	<u>8,378</u>	2.1	<u>8,552</u>	4.0	<u>8,220</u>
<b><u>MAN</u></b>	<u>80</u>	7.5	<u>86</u>	2.4	<u>84</u>

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

**Communications Utility**  
**Review of Operating Results**  
**November 2017**

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

		(Unfavorable)/ Favorable Compared to Budget
<b>Operating Revenue</b>		
CATV Revenue	\$ (705,838)	Lower CATV revenues due to fewer subscribers (5,264 actual vs. 5,407 budget), incorrect prices in budget, broadcast fee has been pulled out of packages and different rate increase than budget
	(169,680)	Bulk lower because budgeted upgrades are recorded in basic and select, broadcast fee has been pulled out and different rate increase than budget
	470,075	New broadcast fee pulled out of packages
	89,856	Lower marketing promotional discounts (\$338,488 vs. \$248,632) due to fewer overall subscribers and fewer promotional discounts
	(14,643)	Lower VOD/PPV sales due to fewer subscribers and less buys
	(31,837)	Lower ad sales
	(36,671)	Lower converter rentals due to less subscribers
	6,195	Other miscellaneous variances - net
	<u>(392,543)</u>	
Data/Internet Revenue	587,755	Higher cable modem revenues due to higher subscribers (8,552 actual vs. 8,378 budget ) and more subscribers taking a higher level of service
	(413,200)	Fiber service has not yet become available
	(28,898)	VoIP service has not yet become available
	(6,339)	Lower Wimax revenues than budgeted
	(5,229)	Higher promotional discounts due to higher subscribers (\$93,200 actual vs. \$87,971 budget)
	29,638	Higher modem rentals due to more subscribers
	36,178	Higher Wi-fi @ Home due to more subscribers
	6,844	Other miscellaneous variances - net
	<u>206,749</u>	
MAN	<u>154,662</u>	More subscribers than budgeted and new contracts
Miscellaneous Revenue	(4,633)	Job sales lower than budgeted
	<u>(350)</u>	Other miscellaneous variances - net
	<u>(4,983)</u>	
<b>Operating Expense</b>		
Operation	241,317	Lower programming due to fewer subscribers and lower negotiated contracts
	31,480	Lower labor than budgeted
	(13,086)	Miscellaneous CATV materials are over budget
	5,062	Lower promotional/education than budgeted
	7,901	Giveaways have not been spent
	3,734	Memberships and subscriptions lower than budgeted
	8,953	More labor charged to capital projects than budgeted
	6,920	Lower fuel expense
	3,970	Organizational development expenses not fully expended
	13,521	Lower legal costs
	14,410	FTTH graphic design expense not fully expended
	59,133	FTTH promotional expense not incurred, vehicle wraps etc.
	5,500	Employee search services not yet needed
	16,200	Succession planning expenses, not yet incurred
	13,757	Lower FICA than budgeted
	22,145	Health care expenses lower than budgeted
	2,458	Miscellaneous customer records and collections supplies greater than budgeted
	(6,250)	Temp labor over budget
	(21,828)	Travel and training over budget, including FTTH training budgeted in 2016
	<u>(6,110)</u>	Other miscellaneous variances - net
	<u>409,187</u>	
Maintenance	(14,840)	Higher maintenance agreements, for bandwidth monitoring equipment , CMTS and IS (timing)
	28,685	Lower labor
	44,094	Fewer drop repairs
	(3,853)	Fiber repairs are over budget
	(6,261)	Maintenance of CATV converters higher than budget
	7,449	Credit for headend equipment returned in 2016
	(15,125)	Other headend repairs are over budget due to custom programming
	3,320	Memberships and subscription under budget
	(9,438)	Miscellaneous small upgrades to business applications are over budget
	(6,210)	Costs for maintenance of MAN equipment is greater than budget
	<u>(930)</u>	Other miscellaneous variances - net
	<u>26,891</u>	
Depreciation	<u>113,010</u>	Lower depreciation due to fewer fixed assets purchases in 2016 than anticipated

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

<b>Nonoperating Revenue (Expense)</b>		
Interest Income/Expense	<u>28,023</u>	More interest income due to higher cash balances
<b>Change in Net Position before Capital Contributions</b>	<u>540,996</u>	
Capital Contributions	<u>(4,948)</u>	
<b>Change in Net Position</b>	<u>\$ 536,048</u>	Total Variance from Budgeted Net Position

**Statement of Revenues, Expenses and Changes in Net Position**

**Operating Revenues**

**CATV**

	<u>2018 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
Customers	5,407	5,264	5,624
Revenue:			
Basic	\$ 195,491	\$ 154,188	\$ 189,432
Select	4,043,932	3,456,082	3,824,511
Preferred	632,760	624,416	687,470
Premium	290,202	221,861	273,751
Bulk	389,191	219,511	249,227
Broadcast fee	-	470,075	-
PPV	26,782	29,480	26,913
VOD	<u>113,116</u>	<u>95,775</u>	<u>120,564</u>
Subtotal	\$ 5,691,474	\$ 5,271,388	\$ 5,371,868
Set top box rentals	912,257	875,586	926,480
Ad insertion revenue	358,000	326,163	456,460
Other CATV revenues	<u>46,541</u>	<u>52,735</u>	<u>57,304</u>
Gross CATV revenue	\$ 7,008,272	\$ 6,525,872	\$ 6,812,112
Discounts	<u>(338,488)</u>	<u>(248,632)</u>	<u>(286,570)</u>
Net CATV Revenue	<u>\$ 6,669,784</u>	<u>\$ 6,277,240</u>	<u>\$ 6,525,542</u>
Net Monthly Revenue per Subscriber	\$ 154.19	\$ 149.06	\$ 145.04

- Basic, Select and Bulk revenues are under budget because the broadcast fee has been reallocated to a separate revenue account and the overall rate increase is lower than budget.
- Select revenue was budgeted at an incorrect price and service upgrades for bulk customers were budgeted in bulk revenue instead of select or preferred.
- Broadcast fee revenue was not budgeted because it was added in lieu of the full budgeted rate increase.
- VOD movie revenues are lower due to fewer CATV subscribers and a lower buy rate.
- Set-top box rentals are lower than budget due to fewer CATV subscribers.
- Ad insertion revenues are lower due to fewer ads sold.
- Discounts are less than budgeted due to fewer overall subscribers and fewer promotional discounts.

Internet Revenue

	<u>2018 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
Customers	8,378	8,552	8,220
Revenue:			
Cable modem	\$ 4,274,590	\$ 4,862,345	\$ 4,535,103
Fiber service	413,200	-	-
Voice service	28,898	-	-
Wi-fi @ Home	208,820	244,998	202,348
Wimax	91,617	85,278	92,159
Modem rentals	244,094	273,732	262,536
Other internet revenues	<u>35,877</u>	<u>42,721</u>	<u>42,244</u>
Gross internet revenues	\$ 5,297,096	\$ 5,509,074	\$ 5,134,390
Discounts	<u>(87,971)</u>	<u>(93,200)</u>	<u>(77,868)</u>
Net internet revenues	<u>\$ 5,209,125</u>	<u>\$ 5,415,874</u>	<u>\$ 5,056,522</u>
Net monthly revenue per subscriber	\$ 77.72	\$ 79.16	\$ 76.89

- Cable modem revenues are higher due to more subscribers and more subscribers taking a higher level of service.
- Wi-fi @ home is higher due to more subscribers.
- Fiber and voice service were anticipated to be available in August. However, fiber will not be available until later this year and voice will not be available until early next year.

MAN

Revenue is \$154,661 higher than budget mostly due to more subscribers and new contracts.

Miscellaneous Revenues

Miscellaneous revenues are under budget \$4,983, primarily due to lower than budgeted job sales revenue.

Nonoperating Revenue (Expense)

Interest income is over budget \$28,023 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 Expenses****CATV****Program Acquisition Expense – (751 to 758)**

Programming is lower due to lower subscribers than budgeted.

	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
Basic	\$ 782,495	\$ 759,887	\$ 672,672
Select	2,418,125	2,277,877	2,239,986
Preferred	393,649	370,818	364,650
Premium	208,489	171,502	218,078
Digital	319,599	310,611	299,622
Pay-per-View	18,231	21,501	18,443
Video on Demand	<u>77,042</u>	<u>64,117</u>	<u>79,124</u>
Total	<u>\$4,217,630</u>	<u>\$3,976,313</u>	<u>\$3,892,575</u>

Basic, select, preferred and premium programming are lower than budget due to negotiated contracts coming in lower than budgeted and fewer subscribers.

**Promotional Expense – (960)**

- Temp services, mileage and phone expenses for DSRs are under budget \$23,721 due to delay in FTTH project. Expenses for these items began in September when two DSRs were hired.
- Vehicle rewraps budgeted for \$9,250 have not yet been completed.
- FTTH promotional expenses of \$18,343 were budgeted but have not been incurred.

**Underground Line Expense - (743)**

- Labor is under budget \$39,010 due to more hours budgeted for FTTH locates but not actually utilized yet due to a delay in the timing of the project.

**Miscellaneous CATV Expense – (740)**

- Labor is over budget \$20,471.
- Temp services of \$20,586 were not budgeted.
- Remotes are under budget \$3,488.
- Tools are over budget \$4,202.
- Write-off of net book value of boxes are under budget by \$4,612.
- Other miscellaneous materials are over budget \$13,086.

**Vehicle Expense – (760)**

- Labor is below budget \$2,158.
- Fuel expense is lower than budget by \$4,335.
- Other miscellaneous materials are over budget \$2,026.

CATV (cont'd)Maintenance of Fiber - (711)

- Materials are under budget \$6,826.

Maintenance of Coax - (712)

- Labor is under budget \$3,303.
- Materials are under budget \$1,558.

Maintenance of Drops - (713)

- Labor is over budget \$11,045.
- Materials are under budget \$21,668.

Maintenance of Conduit – (714)

- Labor is under budget \$6,417.

Maintenance of Headend – (721-725)

- Total labor is under budget by \$51,032.
- Maintenance agreements are over budget \$35,712. The video encryption and VOD equipment maintenance agreements were not budgeted.
- Miscellaneous materials are over budget \$15,125 for custom programming related to add and activate services and boxes in the field.

Maintenance of Converters – (741)

- Labor is under budget \$19,975.
- Materials over budget \$6,261 due to the cost of equipment repairs exceeding budget.

Maintenance of Ad Insertion- (966)

- Labor is over budget \$12,393.
- Maintenance agreements are over budget \$2,193.

Vacation, Holiday, Sick Leave – (799)

- Sick, personal, and vacation is over budget \$8,386, due to an employee's extended absence.

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.



InternetPromotional Expense – (961)

- Labor is over budget \$2,516.
- Temp services, mileage and phone expenses for DSRs are under budget \$23,721 due to delay in FTTH project. Expenses for these items began in September when two DSRs were hired.
- Vehicle rewraps budgeted for \$9,250 have not yet been done.
- FTTH promotional expenses of 18,924 were budgeted but have not been incurred.

Underground Line Expense - (843)

- Labor is over budget \$9,093.

Miscellaneous Data/Internet Expense – (847)

- Labor is over budget \$18,351.
- Temp services of \$6,862 were not budgeted.
- Other miscellaneous materials are over budget \$4,400.

Maintenance of Drops – (814)

- Labor is over budget \$5,779.
- Materials are under budget \$22,426.

Maintenance of Headend – (820, 821)

- Labor is over budget \$47,789.
- Maintenance agreements are over budget by \$3,586.
- A credit for a piece of equipment purchased in 2016 was received in 2017 for \$7,449.

Maintenance of Line Equipment – (831-835)

- Labor is over budget \$4,186.

Maintenance of Modems – (841)

- Labor is under budget \$13,452.

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 – (818, 819)

- Labor is under budget \$25,477.
- Maintenance agreements are under budget \$18,978.
- Other miscellaneous materials are over budget \$6,210.

Customer Service ExpenseCustomer Information Expense – (909-Marketing)

	2017	2017	2016
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Promotion/Education Expense	\$ 18,280	\$ 13,218	\$ 3,990
Giveaways	7,901	-	-
Media Advertising	10,259	10,053	9,960
Newsletter	2,929	2,607	2,565
Postage	9,395	-	2,022
Other	1,088	1,566	778
	<u>\$ 49,852</u>	<u>\$ 27,444</u>	<u>\$ 19,315</u>

Customer Records and Collections – (903)

- Labor is under budget \$15,632.
- Temp services are over budget \$14,125.
- Postage is under budget \$2,331.
- Travel and training is over budget \$13,671, due to FTTH training which was budgeted in 2016 but not done until 2017.
- Miscellaneous supplies are over budget \$1,834.

Administrative & GeneralA&G Salaries – (920)

- Salaries in the Information Systems and Data Tech departments are under budget by a combined \$27,000 due to vacancies.
- Salaries in the Marketing and Cable Tech departments are over budget by a combined \$17,000 due to dual incumbents and overtime, respectively.

Office Supplies and Expense – (921)

- Memberships and subscriptions are lower than budget by \$1,793.
- Miscellaneous computer hardware/software and other IS purchases are lower than budget by \$1,073.
- Miscellaneous communications departments expenses are lower than budget by \$759.

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

	Responsibility	2017	2017	2016
	Code	Budget	Actual	Actual
Succession Planning	110-Sal	16,200	-	-
Organizational Development	120-Sal	9,000	5,030	5,115
Consulting Services	120-Sal	-	873	-
Legal Fees	140-Brandy	9,360	716	2,862
Employment Legal Fees	140-Brandy	1,100	-	-
Communications Legal Fees	140-Brandy	10,000	6,223	8,331
MCC Public Access	224-Rick	51,942	51,785	51,515
Web/Graphics Services	224-Rick	1,026	4,929	438
FTTH Design	224-Rick	19,000	4,590	-
Training	224-Rick	-	11,260	-
Insurance Advisor	310-Jerry	5,544	5,544	5,544
Audit Fees	320-Cassie	5,040	4,418	5,520
GASB 45 Actuarial Update	320-Cassie	960	900	-
IS Department Review	350-Greg	-	2,353	3,184
IS Outside Professional Services	350-Greg	-	3,673	-
Pension Study	410-Erika	-	-	4,925
Benefits Consulting	410-Erika	3,576	3,048	3,576
Employee Search Services	410-Erika	5,500	-	-
509A Actuary	410-Erika	132	117	120
Other Misc HR Expenses	410-Erika	-	405	-
Communications Consulting - IUB/FCC	920-Beecher		2,700	
Security Assessment	920-Beecher	-	-	5,300
Transport Network Study	920-Beecher	-	-	3,983
Organizational Development	920-Beecher	-	2,113	6,051
		<u>\$138,380</u>	<u>\$110,677</u>	<u>\$106,464</u>

Administrative & General (cont'd)Employee Pensions & Benefits – (926)

			2016
	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>Actual</u>
Health care cost	\$ 417,512	\$ 395,367	\$ 375,768
Pension	335,216	335,216	309,132
FICA	206,311	192,554	182,156
Deferred compensation	37,560	36,396	32,785
Dental	16,940	15,857	16,449
Life, LTD & ADD	15,316	17,549	14,397
OPEB	4,632	3,745	4,632
Other expenses	<u>12,360</u>	<u>16,099</u>	<u>15,971</u>
	<u>\$ 1,045,847</u>	<u>\$ 1,012,783</u>	<u>\$ 951,290</u>

Fringe Benefits Charged to Construction – (927)

More labor has been charged to capital projects than budgeted.

Miscellaneous General Expense – (930)

- Labor is under budget \$19,592.
- Memberships and subscriptions are below budget \$1,942.
- Travel & training are over budget by \$8,157.
- Temp services are over budget by \$3,721.

Maintenance of General Plant – (932)

- Maintenance agreements in information systems are under budget \$11,680.
- Memberships & subscriptions are below budget \$3,320.
- Miscellaneous small upgrades to business applications are over budget \$9,438.

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 a five-year life.

**Communications Utility**  
**Statement of Net Position Review**  
**November 2017**

<u><b>Current Assets</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>
<u>Receivables - Consumer Accounts</u>		
Customer Communications Accounts	\$1,173,500	\$1,148,579
Unbilled Revenue	85,167	86,239
Merchandise Accounts	71,191	147,766
Allowance for Doubtful Accounts	(15,964)	(7,653)
	<u>\$1,313,894</u>	<u>\$1,374,931</u>
<u>Inventories</u>		
Inventory	\$143,116	\$143,300
Stores Expense (a/c 163)	1,654	(957)
	<u>\$144,770</u>	<u>\$142,343</u>
<u>Prepaid Expenses</u>		
Prepaid Insurance	\$9,646	\$10,025
Prepaid Maintenance Contracts	111,056	58,686
E-rate customers	84,117	74,664
Griffin Media Research	6,150	---
Travel advances	---	2,305
Other Prepaid Expenses	(1,750)	10,025
	<u>\$209,219</u>	<u>\$155,705</u>
<u><b>Current Liabilities</b></u>		
<u>Accounts Payable (amounts over \$2,500 itemized)</u>		
Pole Rental	\$37,312	\$37,312
Adtran - FTTH training	15,600	---
Associated Computer Systems - Network Supv augmentation	2,543	---
Atlantic Engineering Group - FTTH	49,739	---
Big 10 - programming fee	9,955	9,694
BillTrust - bill processing	---	3,113
CDW-G - wireless equip	4,721	---
Centurylink - tel/access fees	5,671	5,579
Cogsdale - business system implementation	19,320	14,739
Comcast Sportsnet Chicago - programming fee	24,018	23,814
Dascom Systems Group - encoder modules	21,991	---
Fox Sports Net Midwest - programming fee	22,469	22,813
Gray Television - programming fee	14,288	---
Graybar Electric - patch cables/fiber jumper	4,471	---
Harris - programming	4,077	---
Innovative Systems - hard drives	8,035	---
KGCW - programming fee	175,455	61,207
LIN Television - programming fee	---	13,611
MCC - public access	9,483	9,352
Megahertz - module adapters	46,709	---
Natl Cable TV Coop - programming fee	210,997	313,565
NewComTech GIS - FTTH consulting	---	79,198
Nexstar - programming fee	29,743	28,460
Opennms Group	---	6,000
Rovi Guides - programming fee	8,611	8,818
Showtime Networks - programming fee	---	2,440
Telco Systems - console cable demo	---	7,449
Telcom - yrly maintenance	2,640	---
Terry-Durin - conduit	2,829	---
Tower Distribution - programming fee	18,274	14,556
Univision - programming fee	6,680	6,743
Vubiquity - programming fee	6,624	9,236
Other	36,357	28,261
	<u>\$798,612</u>	<u>\$705,960</u>
<u>Miscellaneous Accrued Expenses</u>		
Sales/Use Tax Collections Payable	\$1,186	\$20,765
Franchise Fees Payable	27,635	31,009
Payroll Tax Collections Payable	22,204	19,868
Workers' Comp Self Insurance Reserves	46,018	41,476
	<u>\$97,043</u>	<u>\$113,118</u>