

**Muscatine Power and Water**

**Electric Utility**

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

**February 2018**

**Muscatine Power and Water  
Electric Utility**

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**Muscatine Power and Water - Electric Utility**  
**Classification of Electric Energy/Steam Sales**  
**Current Month - February 2018**

	<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	77,337,590	6.0	81,944,124	4.2X	15,705,600
Less: Plant Use	8,602,944	12.1	9,645,429	2.7X	2,596,018
Net Generation/Wholesale Sales	68,734,646	5.2	72,298,695	4.5X	13,109,582
Wholesale Sales - Wind	5,990,000	(27.0)	4,373,214	(27.0)	5,987,837
Total Wholesale Sales	74,724,646	2.6	76,671,909	3.0X	19,097,419
<b><u>Net Capacity Factors</u></b>					
Unit 9	55.00	5.5	58.02	---	---
Unit 8/8A	93.00	(59.7)	37.51	(15.6)	44.45
Unit 7	10.00	---	---	---	---
Total Plant	52.92	(8.0)	48.71	4.6X	8.76
<b><u>KWH Distribution</u></b>					
Residential	7,833,844	9.3	8,565,541	10.1	7,781,707
Commercial I	3,007,624	(6.7)	2,807,514	(6.1)	2,989,092
Commercial II	6,850,138	11.7	7,652,940	12.5	6,802,520
Industrial I	9,268,791	4.8	9,718,320	1.6	9,564,020
Industrial II	42,840,958	(14.9)	36,445,299	0.8	36,169,156
City Enterprise Funds	461,955	(17.6)	380,762	(13.1)	438,410
Water & Communications Utilities	1,352,059	(4.1)	1,296,486	(6.9)	1,392,589
Native System Sales	71,615,369	(6.6)	66,866,862	2.7	65,137,494
City Lighting	139,675	(4.6)	133,315	(6.5)	142,525
City Buildings	631,701	4.9	662,908	6.0	625,447
Offline Power Plant Usage	53,760	5.2	56,538	(95.1)	1,157,845
Losses & Cycle Billing	1,059,771	(13.4)	917,411	10.9X	77,199
Total Native System KWH					
Distributed	73,500,276	(6.6)	68,637,034	2.2	67,140,510
Wind KWH Purchases	5,990,000	(27.0)	4,373,214	(27.0)	5,987,837
Total Purchased Power KWH	79,490,276	(8.2)	73,010,248	(0.2)	73,128,347
<b><u>STEAM SALES - 1,000 lbs</u></b>					
	235,200	2.7	241,523	(1.8)	245,892

**Muscatine Power and Water - Electric Utility**  
**Classification of Electric Energy/Steam Sales**  
**Calendar Year-to-Date - February 2018**

	<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	169,409,971	11.2	188,372,306	69.4	111,230,459
Less: Plant Use	18,709,440	11.4	20,847,982	60.9	12,957,443
Net Generation/Wholesale Sales	150,700,531	11.2	167,524,324	70.5	98,273,016
Wholesale Sales - Wind	9,535,000	6.0	10,106,900	6.0	9,534,534
Total Wholesales Sales	160,235,531	10.9	177,631,224	64.8	107,807,550
<b><u>Net Capacity Factors</u></b>					
Unit 9	57.63	6.8	61.56	1.0X	30.51
Unit 8/8A	93.00	(57.2)	39.82	(6.7)	42.70
Unit 7	10.00	1.0X	20.36	75.1	11.63
Total Plant	55.06	(2.8)	53.52	72.0	31.12
<b><u>KWH Distribution</u></b>					
Residential	17,218,104	8.3	18,648,460	9.0	17,103,511
Commercial I	6,335,270	(3.1)	6,137,918	(2.5)	6,296,234
Commercial II	14,752,369	9.7	16,187,800	10.5	14,649,820
Industrial I	19,110,543	4.1	19,890,780	0.6	19,781,540
Industrial II	86,207,662	(11.4)	76,396,573	1.9	74,996,642
City Enterprise Funds	962,972	(20.1)	769,340	(14.0)	894,926
Water & Communications Utilities	2,785,802	(3.2)	2,696,293	(5.9)	2,865,218
Native System Sales	147,372,722	(4.5)	140,727,164	3.0	136,587,891
City Lighting	374,107	(27.8)	270,014	(29.3)	381,741
City Buildings	1,257,766	14.1	1,435,286	15.3	1,245,313
Offline Power Plant Usage	113,280	1.1X	236,093	(85.0)	1,573,927
Losses & Cycle Billing	3,100,753	(21.3)	2,440,885	40.0	1,743,145
Total Native System KWH					
Distributed	152,218,628	(4.7)	145,109,442	2.5	141,532,017
Wind KWH Purchases	9,535,000	6.0	10,106,900	6.0	9,534,534
Total Purchased Power KWH	161,753,628	(4.0)	155,216,342	2.7	151,066,551
<b><u>STEAM SALES - 1,000 lbs</u></b>					
	495,600	(6.0)	466,104	(11.8)	528,273

**Muscataine Power and Water - Electric Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Current Month - February 2018**

	<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	\$892,938	\$ 0.11398	5.6	\$942,760	\$ 0.11006	9.4	\$862,134	\$ 0.11079
Commercial I	315,356	0.10485	(8.1)	289,845	0.10324	(4.6)	303,931	0.10168
Commercial II	592,198	0.08645	3.5	613,004	0.08010	10.4	555,145	0.08161
Industrial I	625,090	0.06744	2.1	637,969	0.06565	2.6	621,622	0.06500
Industrial II	2,221,151	0.05185	(12.6)	1,940,539	0.05325	1.1	1,919,585	0.05307
City Enterprise Funds	35,773	0.07744	(16.2)	29,975	0.07872	(7.8)	32,518	0.07417
Water & Communication Utilities	86,274	0.06381	(3.8)	82,989	0.06401	(6.6)	88,895	0.06383
Native System Sales	4,768,780	0.06659	(4.9)	4,537,081	0.06785	3.5	4,383,830	0.06730
Wholesale Sales	2,128,433	0.02848	(2.8)	2,067,844	0.02697	1.4X	860,945	0.04508
Energy Sales	6,897,213		(4.2)	6,604,925		25.9	5,244,775	
Steam Sales	894,875	3.80	2.6	918,134	3.80	(2.1)	937,398	3.81
<b><u>Other Revenue</u></b>								
By-Product Revenue	23,699		(11.6)	20,956		-477.3X	(44)	
Miscellaneous Revenue	53,726		(6.0)	50,525		12.7	44,846	
Total Other Revenue	77,425		(7.7)	71,481		59.5	44,802	
Operating Revenue	7,869,513		(3.5)	7,594,540		22.0	6,226,975	
<b><u>Operating Expense</u></b>								
Purchased Power	2,143,683	0.02697	(16.0)	1,800,330	0.02466	(9.5)	1,988,578	0.02962
Production Fuel	1,855,727		(1.6)	1,826,184		1.3X	804,848	
Emissions Allowance	1,114		(60.7)	438		(65.7)	1,276	
Operation	2,040,828		(5.4)	1,930,161		3.1	1,872,274	
Maintenance	769,829		(11.9)	677,879		(56.8)	1,568,480	
Depreciation	1,018,679		(5.9)	958,834		6.5	900,004	
Total Operating Expense	7,829,860		(8.1)	7,193,826		0.8	7,135,460	
Operating Income (Loss)	39,653		9.1X	400,714		-1.4X	(908,485)	
<b><u>Nonoperating Revenue (Expense)</u></b>								
Interest Income	18,323		2.2X	58,312		2.5X	16,854	
Interest Expense	(716)		21.8	(872)		1.1X	(411)	
Total Nonoperating Revenue (Expense)	17,607		2.3X	57,440		2.5X	16,443	
Net Income (Loss) Before Revenue Adjustment	57,260		7.0X	458,154		-1.5X	(892,042)	
Capital Contributions	---		---	---		---	---	
Change in Net Position	57,260		7.0X	458,154		-1.5X	(892,042)	
Beginning Net Position	113,117,400			113,567,999			128,523,733	
Ending Net Position	\$113,174,660			\$114,026,153			\$127,631,691	
Net Income (Loss) Before Rev Adj to Op Revenue	0.7			6.0			(14.3)	
Change in Net Position to Operating Revenue	0.7			6.0			(14.3)	

**Muscatine Power and Water - Electric Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Calendar Year-to-Date - February 2018**

	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	\$1,931,589	\$ 0.11218	4.8	\$2,024,380	\$ 0.10855	8.6	\$1,863,939	\$ 0.10898
Commercial I	661,541	0.10442	(4.7)	630,610	0.10274	(1.2)	638,562	0.10142
Commercial II	1,232,773	0.08356	2.9	1,268,793	0.07838	8.6	1,168,789	0.07978
Industrial I	1,271,406	0.06653	1.9	1,295,550	0.06513	2.0	1,270,745	0.06424
Industrial II	4,451,907	0.05164	(9.4)	4,034,255	0.05281	2.4	3,941,112	0.05255
City Enterprise Funds	72,181	0.07496	(17.1)	59,851	0.07780	(9.9)	66,397	0.07419
Water & Communications Utilities	177,231	0.06362	(4.9)	168,536	0.06251	(6.9)	181,052	0.06319
Native System Sales	9,798,628	0.06649	(3.2)	9,481,975	0.06738	3.8	9,130,596	0.06685
Wholesale Sales	4,637,025	0.02894	24.7	5,784,258	0.03256	42.9	4,046,921	0.03754
Energy Sales	14,435,653		5.8	15,266,233		15.9	13,177,517	
<b><u>Steam Sales</u></b>	1,885,628	3.80	(6.0)	1,771,881	3.80	(12.4)	2,023,052	3.83
<b><u>Other Revenue</u></b>								
By-Product Revenue	52,282		(5.8)	49,227		1.7X	18,130	
Miscellaneous Revenue	101,271		(7.8)	93,329		(7.9)	101,351	
Total Other Revenue	153,553		(7.2)	142,556		19.3	119,481	
Operating Revenue	16,474,834		4.3	17,180,670		12.1	15,320,050	
<b><u>Operating Expense</u></b>								
Purchased Power	4,355,629	0.02693	3.2	4,494,168	0.02895	(0.4)	4,512,259	0.03188
Production Fuel	3,965,192		5.3	4,175,197		35.3	3,086,730	
Emissions Allowance	2,348		(60.4)	929		(71.6)	3,272	
Operation	4,302,856		(3.0)	4,173,766		6.3	3,927,875	
Maintenance	1,566,753		(10.5)	1,402,191		(38.6)	2,282,946	
Depreciation	2,037,359		(5.9)	1,917,669		6.5	1,800,009	
Total Operating Expense	16,230,137		(0.4)	16,163,920		3.5	15,613,091	
Operating Income (Loss)	244,697		3.2X	1,016,750		-4.5X	(293,041)	
<b><u>Nonoperating Revenue (Expense)</u></b>								
Interest Income	36,433		2.2X	116,251		2.3X	34,850	
Interest Expense	(1,431)		26.4	(1,809)		91.4	(945)	
Total Nonoperating Revenue (Expense)	35,002		2.3X	114,442		2.4X	33,905	
<b>Net Income (Loss) Before Revenue Adjustment and Capital Contributions</b>	279,699		3.0X	1,131,192		-5.4X	(259,136)	
Capital Contributions	---		---	---		---	2,863	
<b>Change in Net Position</b>	279,699		3.0X	1,131,192		-5.4X	(256,273)	
<b>Beginning Net Position</b>	112,894,961			112,894,961			127,887,964	
<b>Ending Net Position</b>	\$113,174,660			\$114,026,153			\$127,631,691	
Net Income (Loss) Before Rev Adj to Op Revenue	1.7			6.6			(1.7)	
Change in Net Position to Operating Revenue	1.7			6.6			(1.7)	

**Muscatine Power and Water - Electric Utility**  
**Statements of Net Position**  
**February 2018**

**ASSETS**

	<u><b>2018</b></u>	<u><b>2017</b></u>
<b>Current Assets:</b>		
Cash - interest bearing	\$31,625,066	\$31,900,376
Investments	26,300,000	10,250,000
Receivables:		
Consumer Accounts	6,005,780	5,516,892
Refined Coal	3,253,754	1,241,799
Wholesale	338,762	2,916
Steam Sales	918,455	937,726
Interest	174,249	62,991
Inventories	5,178,943	5,721,543
Fuel	8,825,597	10,929,328
Prepaid Expenses	709,259	768,590
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Total Current Assets	83,329,865	67,332,161
	<hr/>	<hr/>
<b>Property and Equipment:</b>		
At Cost	429,516,085	425,960,250
Less Accumulated Depreciation	360,849,507	351,512,388
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Net Property and Equipment	68,666,578	74,447,862
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<b>Other Assets:</b>		
Note Receivable - Communications Utility	8,562,844	9,044,287
Note Receivable - Water Utility	---	5,500,000
Joint Venture Rights	102,674	98,858
	<hr/>	<hr/>
Total Other Assets	8,665,518	14,643,145
	<hr/>	<hr/>
<b>Deferred Outflows of Resources</b>		
Pension	10,419,754	8,177,423
OPEB	79,019	---
	<hr/>	<hr/>
Total Deferred Outflows of Resources	10,498,773	8,177,423
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<u><u>\$171,160,734</u></u>	<u><u>\$164,600,591</u></u>

**Muscatine Power and Water - Electric Utility**  
**Statements of Net Position**  
**February 2018**

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

	<u><b>2018</b></u>	<u><b>2017</b></u>
<b>Current Liabilities:</b>		
<b><u>Unrestricted</u></b>		
Accounts Payable	\$5,805,833	\$4,445,449
Health & Dental Insurance Provision	248,520	271,040
Accrued Payroll	180,068	127,894
Accrued Vacation	1,251,670	1,278,490
Accrued Emission Allowance Expense	8,811	227,670
Consumers' Deposits	790,493	760,053
Retained Percentage on Contracts	30,281	63,097
Accrued Property Taxes	110,705	118,072
Miscellaneous Accrued Expenses	933,380	1,073,835
Unearned Revenue	6,828	68,489
	<hr/>	<hr/>
Total Unrestricted Current Liabilities	9,366,589	8,434,089
	<hr/>	<hr/>
<b>Non-Current Liabilities:</b>		
Health & Dental Insurance Provision	1,302,982	1,062,521
Post-Employment Health Benefit Provision	658,650	414,290
Net Pension Liability	16,519,365	13,391,975
	<hr/>	<hr/>
Total Non-Current Liabilities	18,480,997	14,868,786
	<hr/>	<hr/>
<b>Deferred Inflows of Resources</b>		
Extraordinary O&M	28,032,866	13,032,866
Pension	1,163,568	633,159
OPEB	90,561	---
	<hr/>	<hr/>
Total Deferred Inflows of Resources	29,286,995	13,666,025
	<hr/>	<hr/>
<b>Net Position:</b>		
Net Investment in Capital Assets	68,666,578	74,447,862
Unrestricted	45,359,575	53,183,829
	<hr/>	<hr/>
Total Net Position	114,026,153	127,631,691
	<hr/>	<hr/>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u><u>\$171,160,734</u></u>	<u><u>\$164,600,591</u></u>



**Muscatine Power and Water - Electric Utility**  
**Statements of Cash Flows**  
**February 2018**

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$4,644,522	\$9,557,665
MISO sales	2,762,999	6,376,576
Steam sales	853,707	1,863,810
Coal sales	3,971,235	7,462,705
Railcar/facilities leasing	5,849	11,699
By-product sales	10,369	36,728
Miscellaneous sources	13,641	569,863
Cash paid to/for:		
Suppliers	(525,395)	(1,441,715)
MISO purchases/administration fees	(1,958,940)	(4,557,897)
South Fork Wind purchases	(152,344)	(299,461)
Coal purchases	(5,881,711)	(10,857,462)
Employees payroll, taxes and benefits	(1,609,019)	(3,767,462)
Net cash flows from operating activities	<u>2,134,913</u>	<u>4,955,049</u>
Cash flows from capital financing activities:		
Capital expenditures, net	<u>(280,087)</u>	<u>(621,430)</u>
Net cash flows from capital and related financing activities	<u>(280,087)</u>	<u>(621,430)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	---	(25,835)
Reimbursement of Resco stock	---	---
Interest received on investments	<u>51,732</u>	<u>78,002</u>
Net cash flows from investing activities	<u>51,732</u>	<u>52,167</u>
Net increase in cash and investments	<u>1,906,558</u>	<u>4,385,786</u>
Cash and investments at beginning of period	<u>56,018,508</u>	<u>53,539,280</u>
Cash and investments at end of period	<u><u>\$57,925,066</u></u>	<u><u>\$57,925,066</u></u>

**Muscatine Power and Water - Electric Utility**  
**Statements of Cash Flows**  
**February 2018**

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$400,714	\$1,016,750
Noncash items in operating income:		
Depreciation of electric utility plant	958,834	1,917,669
Amortization of joint venture rights	8,265	21,710
Changes in assets and liabilities:		
Consumer accounts receivable	(913)	435,261
Refined coal	723,330	243,565
Wholesale receivable	426,345	155,904
Steam sales receivable	(64,408)	92,340
Inventories	(4,587)	5,016
Fuel	(306,231)	262,237
Prepaid expenses	34,000	148,443
Accounts payable	(377,461)	310,923
Net pension liability	251,170	502,340
Health & dental insurance provision	58,916	22,292
Other post-employment benefit provision	2,607	5,215
Accrued payroll	2,671	(471,445)
Accrued vacation	45,435	97,175
Accrued emission allowance expense	438	929
Consumers' deposits	(8,593)	400
Retained Percentage	244	6,299
Accrued property taxes	6,745	13,490
Unearned revenue	(3,528)	1,136
Miscellaneous accrued expenses	(19,080)	167,400
Net cash flows from operating activities	<u>\$2,134,913</u>	<u>\$4,955,049</u>

**Muscatine Power and Water - Electric Utility  
Funds Appropriated for Specific Purposes  
February 2018**

	<u><b>This Year</b></u>	<u><b>Last Year</b></u>
Extraordinary Operation & Maintenance Account	<u>\$28,181,155</u>	<u>\$13,121,883</u>
Total Cash and Investments Appropriated for Specific Purposes	<u><u>\$28,181,155</u></u>	<u><u>\$13,121,883</u></u>

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Current Month - February 2018**

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Purchased Power</u></b>	<u>\$2,143,683</u>	27.2	<u>\$1,800,330</u>	23.7	<u>\$1,988,578</u>	31.9
Average price per kWh	\$0.0292		\$0.0262		\$0.0296	
<b><u>Generation</u></b>						
Operation Supervision (500)	73,385		73,805		77,366	
Fuel: (501)						
Coal	1,801,327		1,778,739		737,912	
Fuel Oil	---		1,100		101	
Gas	18,571		4,283		13,501	
Coal Handling Expense (501-003)	29,947		30,854		39,355	
Landfill Operation Expense (501-925)	5,882		11,208		13,979	
Emissions Allowance Expense (509)	1,114		438		1,276	
Steam Expense:						
Boiler (502-004)	87,546		91,299		51,976	
Pollution Control (502-005)	29,913		24,441		4,763	
Electric Expense (505)	82,779		93,386		76,941	
Miscellaneous Steam Power Expense (506)	200,355		138,348		173,376	
Maintenance:						
Supervision (510)	66,058		70,781		98,145	
Structures (511)	45,600		38,405		26,934	
Boiler Plant:						
Boiler (512-006)	215,058		99,894		431,727	
Pollution Control (512-007)	49,119		46,581		144,529	
Electric Plant (513-008)	33,422		87,325		530,382	
System Control (513-009)	19,669		19,463		20,715	
Miscellaneous Steam Plant (514)	69,966		45,830		56,231	
Coal Handling Equipment (516)	63,279		95,502		72,106	
System Control and Load Dispatch (556)	27,308		24,165		19,473	
Vacation, Holiday, Sick Leave (557)	66,119		71,408		73,592	
Depreciation (558)	<u>637,616</u>		<u>641,039</u>		<u>648,814</u>	
Total Generation Expense	<u>\$3,624,033</u>	46.1	<u>\$3,488,294</u>	45.9	<u>\$3,313,194</u>	53.2

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - February 2018**

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Purchased Power</u></b>	<u>\$4,355,629</u>	26.4	<u>\$4,494,168</u>	26.2	<u>\$4,512,259</u>	29.5
Average price per kWh	\$0.0286		\$0.0310		\$0.0319	
<b><u>Generation</u></b>						
Operation Supervision (500)	149,528		161,297		164,108	
Fuel: (501)						
Coal	3,811,014		4,003,766		2,943,141	
Fuel Oil	40,000		2,381		919	
Gas	40,142		55,949		20,613	
Coal Handling Expense (501-003)	63,037		81,913		99,778	
Landfill Operation Expense (501-925)	10,999		31,188		22,279	
Emissions Allowance Expense (509)	2,348		929		3,272	
Steam Expense:						
Boiler (502-004)	185,178		196,538		182,280	
Pollution Control (502-005)	139,542		87,930		77,356	
Electric Expense (505)	177,637		196,608		183,269	
Miscellaneous Steam Power Expense (506)	362,776		305,773		346,819	
Maintenance:						
Supervision (510)	132,809		155,265		173,398	
Structures (511)	91,415		80,371		55,422	
Boiler Plant:						
Boiler (512-006)	383,446		235,230		608,166	
Pollution Control (512-007)	108,359		122,130		195,039	
Electric Plant (513-008)	134,800		109,926		587,589	
System Control (513-009)	39,879		38,357		38,819	
Miscellaneous Steam Plant (514)	114,985		89,358		120,078	
Coal Handling Equipment (516)	111,034		186,934		122,305	
System Control and Load Dispatch (556)	55,797		52,613		42,747	
Vacation, Holiday, Sick Leave (557)	161,275		182,323		191,990	
Depreciation (558)	<u>1,275,231</u>		<u>1,282,079</u>		<u>1,297,629</u>	
<b>Total Generation Expense</b>	<u>\$7,591,231</u>	46.1	<u>\$7,658,858</u>	44.6	<u>\$7,477,016</u>	48.8

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Current Month - February 2018**

	<u>Budget</u>		<u>This Year</u>		<u>Last Year</u>	
	<u>Estimate</u>					
<b><u>Transmission</u></b>						
Operation Supervision (560)	\$7,658		\$5,976		\$6,312	
Load Dispatching (561)	77,776		67,831		63,000	
Station Expense (562)	11,539		9,247		8,749	
Overhead Line Expense (563)	136		842		---	
Transmission of Electricity by Others (565)	125,864		92,179		90,107	
Miscellaneous Transmission Expense (566)	14,276		9,186		11,489	
Maintenance:						
Supervision (568)	2,794		1,843		2,650	
Structures (569)	33		---		---	
Station Equipment (570)	6,997		8,046		15,063	
Overhead Lines (571)	14,987		9,909		5,678	
Vacation, Holiday, Sick Leave (575)	8,987		9,075		7,940	
Depreciation (576)	44,387		43,047		31,072	
Tax on Rural Property (577)	5,690		5,690		9,681	
Total Transmission Expense	321,124	4.1	262,871	3.5	251,741	4.0
<b><u>Distribution</u></b>						
Operation Supervision (580)	14,337		9,975		13,720	
Load Dispatching (581)	29,759		32,422		29,715	
Station Expense (582)	12,106		5,959		7,357	
Overhead Line Expense (583)	2,739		218		793	
Vehicle Expense (589)	15,409		11,037		12,426	
Underground Line Expense (584)	3,963		2,373		2,600	
Street Lighting (585-418)	2,610		---		785	
Signal Expense (585-419)	876		---		298	
Meter Expense (586)	9,033		17,380		10,649	
Consumer Installation Expense (587)	542		1,491		698	
Miscellaneous Distribution Expense (588)	52,992		59,969		72,488	
Maintenance:						
Supervision (590)	10,563		6,701		10,275	
Structures (591)	505		---		---	
Station Equipment (592)	8,839		7,171		11,079	
Overhead Lines (593)	53,924		45,726		47,576	
Underground Lines (594)	20,812		14,801		18,163	
Line Transformers (595)	3,153		375		2,385	
Street Lighting (596-418)	10,186		9,139		18,580	
Signal System (596-419)	3,045		(298)		2,058	
Meters (597)	2,584		2,230		2,118	
Miscellaneous Distribution Plant (598)	2,708		2,025		5,506	
Vacation, Holiday, Sick Leave (599)	25,696		28,972		30,413	
Depreciation (578)	177,226		175,558		172,352	
Tax on Rural Property (579)	1,700		1,700		(2,291)	
Total Distribution Expense	\$465,307	5.9	\$434,924	5.7	\$469,743	7.5

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - February 2018**

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Transmission</u></b>						
Operation Supervision (560)	\$15,317		\$13,559		\$13,948	
Load Dispatching (561)	151,088		142,822		127,299	
Station Expense (562)	26,179		26,614		15,446	
Overhead Line Expense (563)	136		1,162		281	
Transmission of Electricity by Others (565)	251,728		195,603		145,121	
Miscellaneous Transmission Expense (566)	34,576		26,759		23,570	
Maintenance:						
Supervision (568)	5,587		3,868		5,398	
Structures (569)	165		---		---	
Station Equipment (570)	15,546		11,192		36,678	
Overhead Lines (571)	29,975		20,552		6,824	
Vacation, Holiday, Sick Leave (575)	22,247		23,013		19,426	
Depreciation (576)	88,775		86,095		62,144	
Tax on Rural Property (577)	11,379		11,380		11,379	
Total Transmission Expense	<u>652,698</u>	4.0	<u>562,619</u>	3.3	<u>467,514</u>	3.1
<b><u>Distribution</u></b>						
Operation Supervision (580)	28,720		21,780		29,538	
Load Dispatching (581)	59,519		69,104		64,055	
Station Expense (582)	24,257		13,087		13,812	
Overhead Line Expense (583)	14,078		841		819	
Vehicle Expense (589)	30,818		26,123		27,380	
Underground Line Expense (584)	9,261		5,696		5,344	
Street Lighting (585-418)	5,219		1,207		1,206	
Signal Expense (585-419)	1,851		295		325	
Meter Expense (586)	18,794		29,202		22,932	
Consumer Installation Expense (587)	1,185		2,865		1,041	
Miscellaneous Distribution Expense (588)	109,878		132,016		137,445	
Maintenance:						
Supervision (590)	21,577		14,002		21,555	
Structures (591)	977		---		---	
Station Equipment (592)	24,690		10,144		19,478	
Overhead Lines (593)	109,922		87,795		95,290	
Underground Lines (594)	42,308		42,189		24,601	
Line Transformers (595)	6,488		2,559		3,298	
Street Lighting (596-418)	21,573		27,999		27,766	
Signal System (596-419)	5,915		2,785		3,263	
Meters (597)	6,247		4,725		5,011	
Miscellaneous Distribution Plant (598)	5,417		3,961		7,955	
Vacation, Holiday, Sick Leave (599)	63,043		78,076		80,732	
Depreciation (578)	354,453		351,115		344,704	
Tax on Rural Property (579)	3,399		3,400		3,399	
Total Distribution Expense	<u>\$969,589</u>	5.9	<u>\$930,966</u>	5.4	<u>\$940,949</u>	6.1

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Current Month - February 2018**

	<u>Budget Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense (909)	\$4,184		\$408		\$1,536	
Energy Efficiency Rebates (912)	15,560		5,236		11,211	
Electric Ranges/Dryers Maintenance (910)	435		288		(8)	
Electric Water Heaters Maintenance (911)	156		100		32	
Total Customer Service Expense	20,335	0.3	6,032	0.1	12,771	0.2
<b><u>Consumer Accounts</u></b>						
Supervision (901)	5,591		4,281		2,325	
Meter Reading Expense (902)	9,420		9,386		9,802	
Consumer Records and Collection (903)	39,947		44,620		36,796	
Uncollectible Accounts Expense (904)	4,253		4,253		5,623	
Vacation, Holiday, Sick Leave (906)	4,386		3,887		5,337	
Total Consumer Accounts Expense	63,597	0.8	66,427	0.9	59,883	1.0
<b><u>Administrative and General</u></b>						
Administrative and General Salaries (920)	184,242		171,563		166,800	
Office Supplies and Expenses (921)	15,136		11,591		14,438	
Outside Services Employed (923)	45,916		51,902		82,610	
Property Insurance (924)	55,722		55,722		53,778	
Casualty Ins, Injuries & Damages (925)	47,267		54,672		36,317	
Employee Pensions and Benefits (926)	551,549		593,057		543,060	
Fringe Benefits Charged to Constr. (927)	(19,261)		(32,783)		(20,447)	
Regulatory Commission (928)	8,615		7,560		8,080	
Miscellaneous General Expense (930)	52,794		28,554		34,178	
Maintenance of General Plant (932)	37,138		35,631		16,606	
Maintenance of A/O Center (934)	29,390		30,799		29,974	
Vacation, Holiday, Sick Leave (936)	23,823		27,490		26,390	
Depreciation (933)	159,450		99,190		47,766	
Total Administrative and General	1,191,781	15.1	1,134,948	14.9	1,039,550	16.7
Total Operating Expense	<u>\$7,829,860</u>		<u>\$7,193,826</u>		<u>\$7,135,460</u>	
Percent to Operating Revenue		99.5		94.7		114.6



**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - February 2018**

	<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)	\$19,789		\$3,556		\$2,292	
Energy Efficiency Rebates (912)	31,120		55,781		38,025	
Electric Ranges/Dryers Maintenance (910)	970		471		56	
Electric Water Heaters Maintenance (911)	411		366		194	
Total Customer Service Expense	<u>\$52,290</u>	0.3	<u>\$60,174</u>	0.4	<u>\$40,567</u>	0.3
<b><u>Consumer Accounts</u></b>						
Supervision (901)	11,181		8,167		6,008	
Meter Reading Expense (902)	18,937		19,448		19,289	
Consumer Records and Collection (903)	79,844		81,803		70,603	
Uncollectible Accounts Expense (904)	8,506		8,506		11,246	
Vacation, Holiday, Sick Leave (906)	10,871		9,896		12,201	
Total Consumer Accounts Expense	<u>129,339</u>	0.8	<u>127,820</u>	0.7	<u>119,347</u>	0.8
<b><u>Administrative and General</u></b>						
Administrative and General Salaries (920)	368,483		362,205		349,961	
Office Supplies and Expenses (921)	32,909		28,234		29,210	
Outside Services Employed (923)	121,477		96,385		98,983	
Property Insurance (924)	111,443		111,443		107,556	
Casualty Ins, Injuries & Damages (925)	95,534		88,042		84,566	
Employee Pensions and Benefits (926)	1,115,374		1,229,997		1,067,795	
Fringe Benefits Charged to Constr. (927)	(38,874)		(80,889)		(49,225)	
Regulatory Commission (928)	17,230		16,349		11,039	
Miscellaneous General Expense (930)	124,772		65,496		73,867	
Maintenance of General Plant (932)	94,546		85,813		66,081	
Maintenance of A/O Center (934)	59,093		67,036		58,932	
Vacation, Holiday, Sick Leave (936)	58,474		60,824		61,142	
Depreciation (933)	318,900		198,380		95,532	
Total Administrative and General	<u>2,479,361</u>	15.0	<u>2,329,315</u>	13.6	<u>2,055,439</u>	13.4
Total Operating Expense	<u>\$16,230,137</u>		<u>\$16,163,920</u>		<u>\$15,613,091</u>	
Percent to Operating Revenue		98.5		94.1		101.9

**Muscatine Power and Water - Electric Utility**  
**Statistical Data**  
**February 2018**

**Total Fuel Cost**

(To & Including Ash Handling, Gas & Oil)

	<b><u>Current Month</u></b>	
	<b><u>2018</u></b>	<b><u>2017</u></b>
Per Million Btu.	\$1.689	\$1.937
Per Net MW Generated	\$19.17	\$20.47
Net Peak Monthly Demand-KW	117,050	115,230
Date of Peak	2/7	2/2
Hour of Peak	800	800

**Calendar Year-To-Date**

	<b><u>2018</u></b>	<b><u>2017</u></b>
Per Million Btu.	\$1.727	\$1.809
Per Net MW Generated	\$19.85	\$20.21
Net Peak Monthly Demand-KW	121,470	115,400
Date of Peak	1/4	1/27
Hour of Peak	1000	1200
Average Temperature	25.5°	36.8°

<b><u>Services</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Residential	9,936	9,864
Commercial I	1,356	1,380
Commercial II	134	111
Industrial I	11	11
Industrial II	2	2
City Enterprise Funds	24	23
Water & Communications Utility	35	34
Total	<u>11,498</u>	<u>11,425</u>

**Muscataine Power and Water - Electric Utility**  
**Wholesale Sales Analysis - Excluding Wind**  
**Current Month - February 2018**

	<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>68,734,646</u>		<u>72,298,695</u>		<u>13,109,582</u>	
<b>Wholesale Sales*</b>	<u>\$2,047,568</u>	<u>\$0.02979</u>	<u>\$1,991,624</u>	<u>\$0.02755</u>	<u>\$780,433</u>	<u>\$0.05953</u>
<b>Variable Costs</b>						
Fuel (Coal, Gas & Fuel Oil)	1,308,410	0.01904	2,226,932	0.03080	210,925	0.01609
Emissions:						
SO <sup>2</sup> Allowances-ARP <sup>fn1</sup>	208	---	20	---	31	---
SO <sup>2</sup> Allowances-CSAPR <sup>fn2</sup>	209	---	26	---	78	---
NO <sub>x</sub> Allowances <sup>fn3</sup>	699	---	133	---	291	0.00002
Other <sup>fn4</sup>	<u>166,158</u>	<u>0.00242</u>	<u>166,971</u>	<u>0.00231</u>	<u>167,186</u>	<u>0.01275</u>
Total Variable Costs	<u>1,475,684</u>	<u>0.02147</u>	<u>2,394,082</u>	<u>0.03311</u>	<u>378,511</u>	<u>0.02887</u>
<b>Gross Margin</b>	<u>\$571,884</u>	<u>\$0.00832</u>	<u>(\$402,458)</u>	<u>(\$0.00557)</u>	<u>\$401,922</u>	<u>\$0.03066</u>
Percent Gross Margin	27.9%		-20.2%		51.5%	

\*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>150,700,531</u>		<u>167,524,324</u>		<u>98,273,016</u>	
<b>Wholesale Sales*</b>	<u>\$4,496,958</u>	<u>\$0.02984</u>	<u>\$5,586,203</u>	<u>\$0.03335</u>	<u>\$3,908,468</u>	<u>\$0.03977</u>
<b>Variable Costs</b>						
Fuel (Coal, Gas & Fuel Oil)	2,895,800	0.01922	4,077,672	0.02434	1,847,270	0.01880
Emissions:						
SO <sup>2</sup> Allowances-ARP <sup>fn1</sup>	438	---	54	---	65	---
SO <sup>2</sup> Allowances-CSAPR <sup>fn2</sup>	439	---	68	---	163	---
NO <sub>x</sub> Allowances <sup>fn3</sup>	1,473	0.00001	316	0.00000	1,229	0.00001
Other <sup>fn4</sup>	<u>332,315</u>	<u>0.00221</u>	<u>333,942</u>	<u>0.00199</u>	<u>334,372</u>	<u>0.00340</u>
Total Variable Costs	<u>3,230,465</u>	<u>0.02144</u>	<u>4,412,052</u>	<u>0.02634</u>	<u>2,183,099</u>	<u>0.02221</u>
<b>Gross Margin</b>	<u>\$1,266,493</u>	<u>\$0.00840</u>	<u>\$1,174,151</u>	<u>\$0.00701</u>	<u>\$1,725,369</u>	<u>\$0.01756</u>
Percent Gross Margin	28.2%		21.0%		44.1%	

\*Wholesale analysis excludes wind. (see next page)

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

	<u>Budget</u>	<u>2018</u>	<u>2017</u>
<b>fn1</b> SO <sup>2</sup> ARP	\$2.00	\$0.70	\$0.80
YTD SO <sup>2</sup> ARP	2.00	0.70	0.80
<b>fn2</b> SO <sup>2</sup> CSAPR	2.00	0.88	2.00
YTD SO <sup>2</sup> CSAPR	0.00	0.88	2.00
<b>fn3</b> NO <sub>x</sub> annual	5.00	1.50	6.00
YTD NO <sub>x</sub> annual	500.00	1.50	8.05

**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 - February 2018**

	<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>	5,990,000		4,373,214		5,987,837	
<b><u>Wholesale Sales</u></b>	\$80,865	\$0.01350	\$76,220	\$0.01743	\$80,512	\$0.01345
<b><u>Expense</u></b>						
<b><u>Purchased Power kWh</u></b>	5,990,000		4,373,214		5,987,837	
<b><u>Purchased Power</u></b>	\$159,154	0.02657	\$116,196	0.02657	\$155,722	0.02601
<b><u>Gross Margin/(Loss)</u></b>	<u>(\$78,289)</u>	<u>(\$0.01307)</u>	<u>(\$39,976)</u>	<u>(\$0.00914)</u>	<u>(\$75,210)</u>	<u>(\$0.01256)</u>
Percent Gross Margin	-96.8%		-52.4%		-93.4%	
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>(\$78,289)</u></b>		<b><u>(\$39,976)</u></b>		<b><u>(\$75,210)</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>	9,535,000		10,106,900		9,534,534	
<b><u>Wholesale Sales</u></b>	\$140,067	\$0.01469	\$198,055	\$0.01960	\$138,453	---
<b><u>Expense</u></b>						
<b><u>Purchased Power kWh</u></b>	9,535,000		10,106,900		9,534,534	
<b><u>Purchased Power</u></b>	\$253,345	0.02657	\$268,540	0.02657	\$247,918	---
<b><u>Gross Margin/(Loss)</u></b>	<u>(\$113,278)</u>	<u>(\$0.01188)</u>	<u>(\$70,485)</u>	<u>(\$0.00697)</u>	<u>(\$109,465)</u>	---
Percent Gross Margin	-80.9%		-35.6%		-79.1%	
RECs Sold	---		1,000		---	
REC Net Proceeds	\$0	---	\$750	0.75	\$0	---
Misc Wind Revenues/Charges	\$0		\$0		\$0	
<b><u>Wind Net Margin/(Loss)</u></b>	<b><u>(\$113,278)</u></b>		<b><u>(\$69,735)</u></b>		<b><u>(\$109,465)</u></b>	

	<u>Budget</u>	<u>This Year</u>	<u>Last Year</u>
RECs at end of Prior Period	0	27,012	3,438
RECs Added This Period	0	0	48,574
RECs Sold This Period	0	1,000	25,000
Number of RECs on hand	0	26,012	27,012
Market Value per REC	\$0.00	\$0.75	\$0.75
Value of RECs on Hand	\$0.00	\$19,509.00	\$20,259.00

**Muscatine Power and Water - Electric Utility**  
**SUPPLEMENTAL STATISTICAL DATA - FOR INTERNAL PURPOSES ONLY**  
**February 2018**

**Delivered to Wholesale Customers**

	<u>Current Month 2018 Budget</u>	<u>Current Month 2018 Actual</u>	<u>Current Month 2017 Actual</u>	<u>Year-To-Date 2018 Budget</u>	<u>Year-To-Date 2018 Actual</u>	<u>Year-To-Date 2017 Actual</u>
Wholesale Sales KWHs	74,724,646	76,671,909	19,097,419	160,235,531	177,631,224	107,807,550
Wholesale Sales	\$2,128,433	\$2,067,844	\$860,945	\$4,637,025	\$5,784,258	\$4,046,921
Less:						
Production Fuel	1,350,274	1,377,399	267,996	2,982,932	3,305,775	1,976,489
Generation-Other	1,730,329	1,617,569	2,476,122	3,573,754	3,405,124	4,325,134
Transmission	321,124	262,871	251,741	652,698	562,619	467,514
Subtotal	3,401,727	3,257,839	2,995,859	7,209,384	7,273,518	6,769,137
Wholesale Margin	<u>(\$1,273,294)</u>	<u>(\$1,189,995)</u>	<u>(\$2,134,914)</u>	<u>(\$2,572,359)</u>	<u>(\$1,489,260)</u>	<u>(\$2,722,216)</u>

**Delivered to Steam Customer**

	<u>Current Month 2018 Budget</u>	<u>Current Month 2018 Actual</u>	<u>Current Month 2017 Actual</u>	<u>Year-To-Date 2018 Budget</u>	<u>Year-To-Date 2018 Actual</u>	<u>Year-To-Date 2017 Actual</u>
Steam Sales - 1,000 lbs.	235,200	241,523	245,892	495,600	466,104	528,273
Steam Sales	894,875	918,134	\$937,398	\$1,885,628	\$1,771,881	\$2,023,052
Less:						
Production Fuel	505,453	448,785	536,852	982,260	869,422	1,110,241
Generation-Other	37,977	44,542	32,225	52,285	78,537	65,152
Steam Sales Margin	<u>\$351,445</u>	<u>\$424,808</u>	<u>\$368,322</u>	<u>\$851,083</u>	<u>\$823,922</u>	<u>\$847,659</u>

**Delivered to Paying Native System Customers**

	<u>Current Month 2018 Budget</u>	<u>Current Month 2018 Actual</u>	<u>Current Month 2017 Actual</u>	<u>Year-To-Date 2018 Budget</u>	<u>Year-To-Date 2018 Actual</u>	<u>Year-To-Date 2017 Actual</u>
Native System Sales KWHs	71,615,369	66,866,862	65,137,494	147,372,722	140,727,164	136,587,891
Native System Sales	\$4,768,780	\$4,537,081	\$4,383,830	\$9,798,628	\$9,481,975	\$9,130,596
Less:						
Purchased Power	2,143,683	1,800,330	1,988,578	4,355,629	4,494,168	4,512,259
Distribution	465,307	434,924	469,743	969,589	930,966	940,949
Customer Service	20,335	6,032	12,771	52,290	60,174	40,567
Consumers Accounts	63,597	66,427	59,883	129,339	127,820	119,347
Administrative & General	1,191,781	1,134,948	1,039,550	2,479,361	2,329,315	2,055,439
Subtotal	3,884,703	3,442,661	3,570,525	7,986,208	7,942,443	7,668,561
Native System Margin	884,077	1,094,420	813,305	1,812,420	1,539,532	1,462,035
Steam Sales Margin	351,445	424,808	368,322	851,083	823,922	847,659
Wholesale Margin	<u>(1,273,294)</u>	<u>(1,189,995)</u>	<u>(2,134,914)</u>	<u>(2,572,359)</u>	<u>(1,489,260)</u>	<u>(2,722,216)</u>
Net Electric Margin	(37,772)	329,233	(953,287)	91,144	874,194	(412,522)
Other Revenue	77,425	71,481	44,802	153,553	142,556	119,481
Nonoperating Revenue (Expense)	17,607	57,440	16,443	35,002	114,442	33,905
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	<u>\$57,260</u>	<u>\$458,154</u>	<u>(\$892,042)</u>	<u>\$279,699</u>	<u>\$1,131,192</u>	<u>(\$259,136)</u>

**Electric Utility**  
**Review of Operating Results**  
**February 2018**

**MUSCATINE POWER AND WATER - ELECTRIC UTILITY**  
**VARIANCES FROM BUDGETED NET POSITION - FEBRUARY 28, 2018**

Page 1

	(Unfavorable)/ Favorable Compared to Budget	
<b>Sales of Electricity</b>		
Native System Sales	\$ (316,653)	4.5% lower kWh's, offset by a 1.3% higher average sales price (\$.06738/kWh versus \$.06649/kWh budgeted)
Wholesale Sales	1,147,233	12.5% higher average sale price (\$.03256/kWh versus \$.02894/kWh), plus 10.9% higher kWhs sold
	<u>830,580</u>	
<b>Steam Sales</b>	<u>(113,747)</u>	6.0% lower pounds of steam sold
<b>Other Revenue</b>		
By-Product Revenue	(6,124)	Fly ash sales
	5,545	Gypsum sales
	(2,476)	Slag sales
Miscellaneous Revenue	(6,221)	Lower job sales, net of expenses
	(3,135)	Lower transmission-related revenue
	3,040	Higher penalty revenue
	<u>(1,626)</u>	Other miscellaneous variances - net
	<u>(10,997)</u>	
<b>Operating Expense</b>		
Purchased Power - Native System	(123,344)	Average purchase price is 8.1% higher (\$.02912/kwh vs \$.02695/kwh), offset by 4.7% lower kWhs purchased
Purchased Power - Wind	(15,195)	6.0% higher kWhs purchased
	<u>(138,539)</u>	
Production Fuel	(192,752)	8.3% or 10,993 higher number of coal tons burned, offset by a 2.9% lower price/ton
	37,619	Unit 9's lower fuel oil usage
	(15,807)	Higher Unit 8's natural gas usage
	(14,890)	CCR compliance costs were not budgeted
	<u>(24,175)</u>	Other miscellaneous variances - net
	<u>(210,005)</u>	
Emissions Allowance	<u>1,419</u>	Market price lower than assumed
Operation	9,478	Lower gas usage for auxiliary boiler
	(4,987)	Unit 9 caustic soda expense, budgeted in July
	48,457	Lower PAC injection system costs
	(1,890)	Higher limestone usage
	(21,478)	Higher cost for IDNR Title V permit fee
	3,797	Lower cost for PM2.5 modeling
	22,600	Stack testing, not performed
	10,394	Lower cost for 316(b) Impingement/entrainment study
	(2,949)	Higher cost for plant safety materials
	4,620	Lower cost for rail car storage and administration fees
	53,864	Lower cost for MISO's multi-value transmission and market efficiency projects
	3,362	Midwest Municipal Transmission Group dues, expense timing from budget differs
	10,436	Electric line workers' tools not needed
	2,500	Lean supplies, not expended
	(8,560)	AMR licenses, budgeted in March
	(4,701)	Higher cost for share in MAGIC's operating expenses
	13,000	Trees Forever, not expended
	(24,661)	Higher cost for energy efficiency rebates, primarily relating to motor rebates
	(9,802)	Higher cost for organizational development consulting
	3,836	Board legal services not expended
	5,000	Transmission/reliability standards legal services, not expended
	3,487	Lower cost for web design service
	4,204	Financial audit services, not expended
	(2,430)	Higher cost for IS department professional services

**MUSCATINE POWER AND WATER - ELECTRIC UTILITY  
VARIANCES FROM BUDGETED NET POSITION - FEBRUARY 28, 2018**

Page 2

(Unfavorable)/  
Favorable Compared  
to Budget

3,443	Benefits consulting, not expended
11,769	Employee search services, not utilized
7,492	Lower cost for workers compensation claims and insurance
(101,940)	Higher pension cost
21,278	Lower healthcare costs
(13,091)	Higher FICA expense
(24,502)	Higher cost of deferred comp's utility match
3,864	Lower cost for educational reimbursements
42,015	Higher fringe benefits charged to capital projects
8,100	GMCCI joint community branding project, not expended
12,908	Lower cost for employee team expenses
61,504	Less training/travel
(5,080)	Higher cost for temporary labor services
5,431	Lower cost for memberships/subscriptions
(74,061)	Higher labor cost
52,383	Other miscellaneous variances - net
<u>129,090</u>	

**Maintenance**

21,373	Lower bottom ash system materials expense
(11,496)	Higher fly ash system materials expense
12,361	Inspection Unit 7 boiler feed pump motor, not completed
(5,179)	Unit 7 traveling grate repair, not budgeted
(7,378)	Higher cost for Unit 8 miscellaneous piping repairs
80,000	Unit 9 pulverizer journal rebuild, not completed
14,000	9A Pulverizer motor inspection, not completed
(18,154)	Higher cost for Unit 9 routine pulverizer maintenance
5,250	Rebuild of Unit 9 sootblowers, not completed
(5,073)	Higher cost for Unit 9 boiler vent, drain and blowdown valve repairs
3,476	Lower cost for Unit 9 miscellaneous valve repairs
8,000	Replacement of Unit 9 condensate control valve with DVC valve controller, not
(4,368)	Higher cost for software/plant controls maintenance agreements
2,500	FGD hydroclone repairs/replacements, not performed
14,000	Absorber spray pump inspection/repair, not completed
(21,948)	T901 WFC pump inspection, not budgeted
(10,164)	Replace recirculating control valve for makeup water tank, not budgeted
(8,576)	Replace regulating valve for makeup water tank, not budgeted
5,041	Lower cost of miscellaneous FGD equipment repairs
8,172	Lower cost to rebuild two Unit 9 traveling screens
(11,333)	8A steam turbine control & stop valve overhaul, budgeted in July
6,000	Unit 8 UPS battery replacement, not expended
3,500	Unit 8 MV contactor inspection and test, not done
13,500	Hoist and chainfall inspection/repairs, not completed
(20,567)	Higher cost for rail car maintenance
10,096	Lower cost for dozer maintenance
(48,937)	Higher cost for coal conveyor repairs
(16,641)	Inspection of Unit 8 coal crusher hammers, not budgeted
7,866	Lower cost for the jointly-owned transmission line maintenance performed by MEC
7,600	Load tests on substation batteries, not performed
(8,076)	Higher cost of street lighting repairs
3,500	Radio equipment maintenance, not expended
12,089	Lower cost of vehicle maintenance
(6,698)	Higher cost for A/O Center maintenance
36,033	Lower labor cost
94,793	Other miscellaneous variances - net
<u>164,562</u>	

**Depreciation**

<u>119,690</u>	Net value of the A&G assets were overestimated for the budget
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**MUSCATINE POWER AND WATER - ELECTRIC UTILITY**  
**VARIANCES FROM BUDGETED NET POSITION - FEBRUARY 28, 2018**

Page 3

	(Unfavorable)/ Favorable Compared to Budget	
<b>Nonoperating Revenue (Expense)</b>		
Interest Income	79,818	Higher average cash balances
Interest Expense	(378)	
	<u>79,440</u>	
<b>Change in Net Position</b>	<u>\$ 851,493</u>	Total Variance from Budgeted Net Position

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

### **Sales of Electricity**

#### **Native System Sales**

4.5% lower kWh's sold, offset by a 1.3% higher average sales price per kWh (\$.06738/kWh versus \$.06649/kWh budgeted), resulted in \$316,653 lower revenue.

#### **Wholesale Sales**

10.9% higher kWhs sold; plus, a 12.5% higher average sales price (\$.03256/kWh versus \$.02894/kWh budgeted), resulted in \$1,147,233 higher revenue than projected.

### **Steam Sales**

6.0% lower pounds of steam sold, resulted in \$113,747 lower revenue than projected.

### **Other Revenue**

#### **Miscellaneous Revenue**

Net job sales and transmission-related revenue are \$6,221 and \$3,135 lower than budget, respectively; penalty revenue is \$3,040 higher than budgeted.

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

#### **Interest Income**

Interest income is \$79,818 higher than budgeted due to higher average cash balances.

## **Statement of Net Position**

### **Liabilities**

#### **Health and Dental Insurance Provision**

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

## **Summary of Expenses**

### **Purchased Power – (555)**

An 8.1% higher average purchase price (\$.02912/kWh versus \$.02695/kWh budgeted), offset by 4.7% lower kWhs purchased for native system sales, resulted in \$123,344 higher cost. Wind energy kWh purchases were 6.0% or \$15,195 higher than budgeted.

### **Generation**

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

Plant operations labor expense is \$5,492 or 6.6% higher than budgeted.

#### **Fuel – Coal – (501-001)**

8.3% or 10,993 higher tons of coal burned, offset by a 2.9% lower price/ton, resulted in \$192,752 higher coal expense.

Generation (cont'd)Fuel – Fuel Oil – (501-921)

There were no Unit 9 start-ups in January as budgeted, which resulted in \$37,619 lower fuel oil expense.

Fuel – Gas – (501-002)

Higher Unit 8 natural gas usage resulted in \$15,807 higher natural gas expense.

Coal Handling Expense - (501-003)

Material handling labor expense is \$21,661 higher than budgeted.

Landfill Operation Expense - (501-925)

Actual expenses include \$14,890 for engineering services relating to CCR compliance, not budgeted, plus, labor expense is \$3,796 higher than budgeted.

Steam Expense – Boiler – (502-004)

Labor expenses are \$15,642 higher than budgeted. Unit 9's caustic soda \$4,987 expense was budgeted in July. Gas usage for the auxiliary boiler is \$9,478 lower than budgeted.

Steam Expense – Pollution Control – (502-005)

PAC (powdered activated carbon) injection system costs and labor expenses are \$48,457 and \$3,497 lower than budgeted, respectively. Limestone expense is \$1,890 higher than budgeted.

Electric Expense – (505)

Labor expense is \$19,472 higher than budget. Power plant water expense is \$1,770 lower than budgeted, and hydrogen and other material expenses are \$1,269 higher than budgeted.

<u>Miscellaneous Steam Power Expense - (506)</u>	2018	2018
	<u>Budget</u>	<u>Actual</u>
Labor	\$135,405	\$146,013
IDNR Title V permit fee	46,600	68,078
PM2.5 modeling	4,000	203
Stack testing	22,600	-
Engineering services for CCR rule compliance	4,584	-
316(b) cooling water impingement/entrainment study	30,000	19,606
Universal waste recycling/hazardous waste disposal	2,334	1,741
Coal and byproduct analysis	2,000	-
ESC software engineering time/maintenance	2,900	4,115
Plant safety material expenses	17,529	20,478
Rail car storage/switching costs/admin fees	22,657	18,037
Travel/training	28,783	7,695
Temporary labor services	-	4,959
Ground maintenance	2,100	1,684
Membership/subscriptions	7,150	3,540
Gasoline/diesel fuel	2,333	3,796
Other expenses	<u>31,801</u>	<u>5,828</u>
	<u>\$362,776</u>	<u>\$305,773</u>

Generation (cont'd)Maintenance Supervision – (510)

Plant maintenance and technical departments' labor expenses are \$11,320 and \$8,079 higher than budgeted, respectively.

<u>Maintenance of Structures - (511)</u>	2018	2018
	<u>Budget</u>	<u>Actual</u>
Labor	\$44,838	\$47,309
Elevator maintenance	10,120	10,043
Contracted insulation replacement/repair	4,328	3,280
Overhead door maintenance	1,500	-
Hoist and crane repairs	-	3,146
Backflow preventer valve repair	4,000	1,764
Cental Stores building maintenance	1,500	-
Other expenses	25,129	14,829
	<u>\$91,415</u>	<u>\$80,371</u>

<u>Maintenance of Boiler Plant - Boiler - (512-006)</u>	2018	2018
	<u>Budget</u>	<u>Actual</u>
Labor	\$118,001	\$108,650
Bottom ash system materials	23,561	2,188
Fly ash system materials	9,818	21,314
Reverse osmosis system	1,732	183
8A reboiler repairs	3,443	879
Inspect & clean Unit 7 boiler feed pump motor	14,000	1,639
Unit 7 traveling grate repair	-	5,179
8A stock feeder belt replacement	-	2,693
Unit 8 miscellaneous piping repairs	-	7,378
Unit 8 sootblower repairs	1,530	-
Unit 9 pulverizer journal rebuild	80,000	-
9A Pulverizer motor inspection	14,000	-
Unit 9 routine pulverizer maintenance	20,834	38,988
Grit blast Unit 9 ID fans	3,240	-
9A & 9B forced draft fan lubrication	-	2,202
Rebuild Unit 9 sootblowers	5,250	-
Unit 9 boiler vent, drain and blowdown valve repairs	3,750	8,823
Unit 9 miscellaneous valve repairs	7,000	3,524
Replace Unit 9 condensate control valve with DVC valve controller	8,000	-
Software/plant controls maintenance agreements	9,147	13,515
Other expenses	60,140	18,075
	<u>\$383,446</u>	<u>\$235,230</u>

Generation (cont'd)

<u>Maintenance of Boiler Plant – Pollution Control - (512-007)</u>	2018	2018
	<u>Budget</u>	<u>Actual</u>
Labor	\$44,287	\$47,797
Continuous emission monitoring expenses	20,452	21,368
PAC (powdered activated carbon) injection system costs	2,248	1,968
Miscellaneous precipitator repairs	2,510	2,774
Miscellaneous limestone handling equipment repairs	1,898	-
Wastewater equipment maintenance	2,317	107
Scrubber waste equipment repairs	1,966	487
FGD hydroclone repairs/replacements	2,500	-
Absorber spray pump inspection/repair	14,000	-
T901 WFC pump inspection	-	21,948
Replace recirculating control valve for makeup water tank	-	10,164
Replace regulating valve for makeup water tank	-	8,576
Miscellaneous FGD equipment repairs	11,982	6,941
Other expenses	<u>4,199</u>	<u>-</u>
	<u>\$108,359</u>	<u>\$122,130</u>

<u>Maintenance of Electric Plant - (513-008)</u>	2018	2018
	<u>Budget</u>	<u>Actual</u>
Labor	\$38,250	\$32,475
Rebuild two Unit 9 traveling screens	55,000	46,828
Unit 9 traveling screen repair	-	2,615
Unit 9 transformer oil samples	2,500	-
Unit 9 circulating water booster pump check valve repair	-	2,496
Rebuild Unit 9 chlorine vacuum regulator	-	3,083
Unit 9 miscellaneous plant maintenance	11,448	4,638
8A steam turbine control & stop valve overhaul	-	11,333
8A turbine/generator repairs	4,388	1,404
Unit 8 UPS battery replacement	6,000	-
Unit 8 MV contactor inspection and test	3,500	-
Unit 8 station battery annual inspection	2,500	-
Unit 8 miscellaneous plant maintenance	3,267	942
Unit 7 miscellaneous plant maintenance	3,614	140
GE, EX-2000, and Mark V service agreement	4,167	3,818
Other expenses	<u>167</u>	<u>154</u>
	<u>\$134,800</u>	<u>\$109,926</u>

Maintenance of Miscellaneous Steam Plant – (514)

Labor expense is \$13,439 lower than budgeted. Hoist and chainfall inspection and repairs, budgeted at \$13,500, have not been expended.

Generation (cont'd)

<u>Maintenance of Coal Handling Equipment - (516)</u>	2018	2018
	<u>Budget</u>	<u>Actual</u>
Labor	\$43,915	\$56,210
Rail car maintenance	14,000	34,567
Dozer maintenance	17,517	7,421
Coal conveyor maintenance	11,132	60,069
Unit 8 control room PC	3,200	-
Track maintenance	-	2,519
Unit 9 DC-14A heat blanket	5,000	-
Inspect Unit 8 coal crusher hammers	-	16,641
Rail unloader maintenance	2,532	3,573
Other expenses	13,738	5,934
	<u>\$111,034</u>	<u>\$186,934</u>

TransmissionLoad Dispatching – (561)

Travel and training expenses, budgeted at \$7,100, have not been expended.

Transmission of Electricity by Others – (565)

The cost of MISO's multi-value transmission and market efficiency projects are \$53,864 lower than budgeted.

Miscellaneous Transmission Expense – (566)

The Midwest Municipal Transmission Group membership is \$3,362 lower than budgeted, due to actual costs being allocated monthly. Local balancing authority investigation expenses, budgeted at \$1,667, have not been expended. Project engineering labor expense is \$1,257 lower than the budget.

Maintenance of Station Equipment – (570)

Substation electricians' labor expense is \$3,024 lower than budgeted. The budget includes \$1,900 to load test the Cedar St substation batteries, which was not completed.

Maintenance of Overhead Lines – (571)

Line maintenance performed by MEC for the joint section of Line 104 is \$7,866 lower than budgeted.

DistributionOperation Supervision – (580)

Labor expense is \$6,940 lower than budgeted due to the Manager, T&D position opening.

Load Dispatching – (581)

System control labor expense is \$10,237 higher than budgeted.

Distribution (cont'd)Station Expense – (582)

Substation electricians' labor expense is \$7,507 lower than budgeted; project engineering budgeted \$2,225 labor expense that has not been expended. Tools and grease, budgeted at \$11,350, has not been expended.

Overhead Line Expense – (583)

The budget includes \$10,436 for electric line workers' tools and tool repairs, plus \$2,500 for Lean initiative expenses that have not been needed.

Underground Line Expense – (584)

Dollies for URD cable pulling, budgeted at \$2,000, has not been needed. Outside servicemen labor expense is \$2,257 lower than the budget.

Street Lighting – (585-STL)

Less time has been spent on street light repairs, resulting in \$2,963 lower labor expense, and \$1,049 lower material expense.

Signal Expense – (585-419)

Labor expense is \$1,243 lower than the budget; budgeted material expenses of \$313 have not been expended.

Meter Expense – (586)

Labor expense is \$1,987 higher than budgeted. Actual expense includes \$8,560 for AMR license fees that are budgeted in March.

Miscellaneous Distribution Expense – (588)

Labor expense is \$15,488 higher than budgeted; the electric line workers' labor makes up \$8,019 or 52% of this total. The share in MAGIC's operating expenses is \$4,701 higher than budgeted due to the implementation of GASB 75, which increased OPEB expense significantly.

Maintenance Supervision – (590)

Labor expense is \$7,575 lower than budget primarily due to the Manager, T&D position opening.

Maintenance of Station Equipment – (592)

Expenses include \$5,700 to load test substation batteries that has not been performed. Substation electricians' labor expense is \$7,404 lower than budgeted.

Maintenance of Overhead Lines – (593)

Electric line workers' labor expense is \$18,744 lower than budgeted; a higher percentage of time was charged to sick leave, and capital projects.

Maintenance of Line Transformers – (595)

Less times was spent on line transformer maintenance, resulting in \$3,929 lower labor expense.

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

Material expense is higher than budgeted by \$8,076; labor expense is \$1,650 lower than budgeted.

Maintenance of Signal Expense – (596-419)

Labor and material expenses are lower than budget by \$1,637 and \$1,493, respectively.

Maintenance of Meters – (597)

Calibration of meters and other material expenses are \$1,546 lower than budgeted.

Maintenance of Miscellaneous Distribution Plant – (598)

Vehicle maintenance is lower than budgeted by \$1,456.

Vacation, Holiday, Sick Leave – (599)

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

Customer Service Expense

<u>Customer Information Expense - (909)</u>	2018 <u>Budget</u>	2018 <u>Actual</u>	2017 <u>Actual</u>
<b><u>Marketing</u></b>			
Media advertising	\$2,332	\$2,084	\$1,311
Customer newsletter/bill inserts	619	-	-
Postage	216	-	-
Promotional materials	960	108	182
Photo library	508	162	324
<b>Subtotal - Marketing</b>	<u>4,635</u>	<u>2,354</u>	<u>1,817</u>
<b><u>Energy Services</u></b>			
Trees Forever	13,000	-	-
Customized energy efficiencies	200	-	-
Compact fluorescent exchange program	1,000	781	474
Customer awareness programs	334	-	-
Presentation materials	620	-	-
Science fair/poster contest			
<b>Subtotal - Energy Services</b>	<u>15,154</u>	<u>781</u>	<u>474</u>
Miscellaneous	-	422	-
	<u>\$19,789</u>	<u>\$3,557</u>	<u>\$2,291</u>



Customer Service Expense (cont'd)

<u>Energy Efficiency Rebates - (912)</u>	2018	2018	2017
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Commercial lighting	\$6,800	\$7,120	\$26,774
Compact fluorescent lighting	500	861	76
Air conditioning	4,250	4,280	3,145
Refrigerator	770	800	655
City building improvement	1,800	-	-
Washing machine	667	1,050	400
Customized energy efficiency	-	20	1,625
Water heater	1,200	1,300	600
Geo-thermal	1,200	1,850	2,100
Motor	13,600	38,150	2,250
Dishwasher	333	350	400
	<u>\$31,120</u>	<u>\$55,781</u>	<u>\$38,025</u>

Consumer AccountsSupervision – (901)

Labor expense is \$3,015 higher due to budgeting for an additional temporary manager position.

Administrative and General

<u>Office Supplies - (921)</u>	2018	2018	2017
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Phone expense	\$6,204	\$5,171	\$6,055
Memberships/subscriptions	7,503	7,128	9,107
Internet/MME	2,770	2,762	2,598
Office furniture	1,765	1,920	1,405
Computer hardware/software	4,922	3,411	3,043
Vehicle allowance	2,377	2,377	2,077
Vehicle maintenance	1,567	916	341
Gasoline/diesel fuel	667	446	279
General office supplies	1,918	1,581	2,117
Other	<u>3,217</u>	<u>2,522</u>	<u>2,188</u>
	<u>\$32,910</u>	<u>\$28,234</u>	<u>\$29,210</u>

Administrative and General (cont'd)

<u>Outside Services Employed - (923)</u>	<u>Resp</u>	<u>2018</u>	<u>2018</u>	<u>2017</u>
	<u>Code</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Organizational development consulting	120-Sal	\$8,100	\$17,902	\$ -
Legal services	140-Brandy	6,250	2,414	15,806
Transmission/reliability standards legal services	140-Brandy	5,000	-	-
Coal & transportation attorney	140-Brandy	832	-	-
Bond counsel	140-Brandy	375	-	1,232
Labor attorney	140-Brandy	840	-	-
CIP compliance consulting	145-Seth	-	253	-
NERC compliance consulting	145-Seth	1,875	-	-
Web design service	224-Rick	4,192	705	705
Insurance advisor	310-Jerry	6,804	6,804	6,804
Financial audit services	320-Cassie	29,160	24,956	20,250
Cost of service study	320-Cassie	-	-	12,522
Coal & transportation consulting	331-Brad	13,000	13,000	10,000
Fuel procurement committee consulting	331-Brad	1,500	-	-
IS department professional services	350-Greg	-	4,050	3,355
IS department review	350-Greg	-	-	15,138
ACS services	350-Greg	1,620	-	-
Benefits consulting	410-Erika	9,113	5,670	6,035
Employee search services	410-Erika	32,400	20,631	-
MISO consultant	610-Gage	416	-	-
Engineering services	760-Mark	-	-	7,136
		<u>\$121,477</u>	<u>\$96,385</u>	<u>\$98,983</u>

Injuries and Damages – (925)

Workers compensation claims are \$3,629 lower than anticipated; insurance costs are also \$3,863 lower than budget.

Administrative and General (cont'd)

<u>Employee Pensions and Benefits (926)</u>	2018	2018	2017
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Pension	\$400,400	\$502,340	\$391,307
Healthcare costs	418,898	397,620	394,448
FICA	198,877	211,968	166,440
Deferred comp utility match	48,980	73,482	69,153
Dental	15,980	15,304	15,809
Educational reimbursements	4,725	861	2,344
LTD insurance	10,056	9,519	9,776
Life insurance	7,841	7,399	7,633
Post-employment health benefit	5,216	5,216	4,572
Recognition dinner	-	1,176	-
Unemployment expenses	-	1,788	2,369
Other expenses	4,401	3,324	3,944
	<u>\$1,115,374</u>	<u>\$1,229,997</u>	<u>\$1,067,795</u>

Fringe Benefits Charged to Construction – (927)

More time has been charged to capital projects than projected.

<u>Miscellaneous General Expense (930)</u>	2018	2018	2017
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Employment expenses	\$3,592	\$5,767	\$3,923
APPA dues	4,066	4,472	4,066
IUB Iowa Energy Center	8,766	8,948	8,767
IAMU membership	5,924	6,517	5,924
GMCCI joint community branding project	8,100	-	4,725
Legal publications	878	-	640
Continuous Improvement	3,321	-	1,102
Subscriptions/memberships	5,066	6,965	5,515
Employee team expenses	15,616	2,708	2,500
Training/travel	34,523	2,176	10,915
Safety-related expenses	519	843	1,023
Labor	8,814	5,884	5,880
Temporary labor services	9,973	8,123	11,321
Board trustee fees	1,215	1,215	1,215
Freight	2,170	4,246	3,163
Other expenses	12,229	7,632	3,188
	<u>\$124,772</u>	<u>\$65,496</u>	<u>\$73,867</u>

Maintenance of General Plant – (932)

Radio equipment, and vehicle maintenance costs are \$3,500, and \$5,161, lower than budgeted, respectively.

Administrative and General (cont'd)Maintenance of A/O Center – (934)

Material expenses, including \$2,354 for an oil storage tank, are higher than budget by \$6,698. Labor expense is \$3,347 higher than budget; temporary labor services are lower than budget by \$2,102.

Depreciation – (933)

The budget did not take into consideration that the composite net A&G assets value would be nearly fully depreciated by the end of 2017.

**Electric Utility  
Statement of Net Position Review  
February 2018**

	<u>2018</u>	<u>2017</u>
<b><u>Current Assets</u></b>		
<u>Consumer Accounts</u>		
Customer Electric Accounts	\$5,233,834	\$4,977,432
Unbilled Revenue	506,558	479,274
Utility loan program	3,181	7,308
Merchandise Accounts	266,988	65,935
Allowance for Doubtful Accounts	(4,781)	(13,057)
	<u>\$6,005,780</u>	<u>\$5,516,892</u>
<u>Inventories</u>		
Inventory	\$4,733,626	\$5,072,959
Emission Allowance - SO2	120,954	124,266
Emission Allowance - Nox	4,966	220,723
Stores Expense	61,046	(7,583)
Gas and Diesel Fuel	127,340	168,962
Limestone	131,011	142,216
	<u>\$5,178,943</u>	<u>\$5,721,543</u>
<u>Prepaid Expenses</u>		
Prepaid Insurance	\$369,019	\$368,895
APPA dues	4,472	4,066
IA Dept Comm Global Warming	31,318	30,683
IDNR lease	---	3,850
IUB commerce commission assessment	---	14,048
MMTG membership	3,275	---
NERC assessment	14,822	3,695
OATI digial certificates	8,288	2,280
SOS International	11,876	---
Prepaid Maintenance Contracts	187,282	318,212
Prepaid Travel	28,493	26,078
Other Prepaid Expenses	54,886	55,405
	<u>\$709,259</u>	<u>\$768,590</u>
<b><u>Current Liabilities</u></b>		
<u>Accounts Payable (amounts over \$10,000 itemized)</u>		
Water bills	\$31,729	\$30,469
Communications bills	14,144	13,812
Alliant Energy - gas	---	21,055
Allied Valve - valve repair	---	19,148
Altec Industries - aerial truck	---	117,408
American Electric Power - railcar repairs	---	24,985
Anixter - wire	22,455	---
Argo Turboserve Corp - oil deflectors	---	28,397
Atlas Manufacturing - assembly	43,125	---
Babbitting Service - #9 bearing repair	---	20,887
Baker Tilly - audit svc	24,956	20,250
Bank of America - supplies	20,137	22,256
Bi-State Rubber - conveyor belts	25,496	---
Black & Veatch - engineering services	---	85,803
BNSF Railway - coal transport	731,902	---

Buckskin - coal	269,149	---
Canadian Pacific Railway - coal transport	189,692	---
Carmen Industries - bushings	---	10,420
CDW-G - computers	20,603	---
City of Muscatine - wastewater/sanitation/Mississippi Dr project	190,002	129,001
Cogsdale - business system implementation	25,029	200,674
Dave Berg Consulting - Electric COS study	---	12,523
Electrical Engineering & Equipment - LED lights	---	92,348
GE Energy Control Solutions - software upgrades	---	18,054
Hibbard Inshore - #9 piping inspection	---	20,290
Howden - #9 FD/ID fan inspections	---	19,445
Hubill - batteries	---	105,256
Hull Enterprises - coal transportation	---	44,428
IA DNR - Title V Fee	263,300	370,111
IAMU - membership	41,055	---
Iowa Chicago & Eastern RR - coal transportation	38,930	38,930
Iowa Utilities Board - assessment	28,302	---
Jefferies Refined Coal - refined coal	3,199,186	1,217,632
Linwood - limestone	---	10,509
Magellan Advisors - IS dept consulting	---	12,701
MAGIC - operating expenses/ESRI maintenance/license	25,835	---
Meylan Enterprises - air preheater wash	---	30,833
MISO - purch power/trans svc/admin fee	116,483	759,517
Mostardi Platt - emission testing	---	29,781
Motive Rail - railcar storage	---	28,463
NERC - quarterly assessment	11,117	---
Ottson - oil	---	43,965
Plibrico - ash hopper refractory repair	---	83,038
Power Plant Services - #9 turbine overhaul	---	47,771
Resco - luminaires	9,263	16,224
RS Stover - parts	---	16,786
S&K Air Power - wearing compound	---	12,432
Siemens Industry - licenses	38,000	---
South Fork Wind - energy	116,196	155,704
Tekran - CEM maintenance	11,875	16,725
Tenaska - monthly fee	17,500	---
Terry & Sons - #9 boiler cleaning	---	18,060
Turbine Master - #9 turbine water blast/NDE	---	62,713
Visa - travel	11,572	20,911
Weir Slurry - shell liners	13,784	---
Wesco - junction box/foundation	---	11,693
W-S Specialty Industrial - grit blast precip/deslag boiler/vacuuming svc	---	96,805
Wonderware - yearly maintenance agreement	14,033	---
Other	240,983	287,236
	<u>\$5,805,833</u>	<u>\$4,445,449</u>

Miscellaneous Accrued Expenses

Interest on Customer Deposits	\$83,734	\$86,237
Sales/Use Tax Collections Payable	65,752	84,580
Payroll Tax Collections Payable	348,086	359,089
Employee Payroll Deductions	13,313	13,061
Workers' Comp Self Insurance Reserves	325,066	418,632
Comp Time Payable	40,401	52,292
Employee team bank	57,028	59,944
	<u>\$933,380</u>	<u>\$1,073,835</u>

**Muscatine Power and Water**

**Water Utility**

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

**February 2018**

**Muscatine Power and Water  
Water Utility**

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**Muscatine Power and Water - Water Utility**  
**Classification of Water Distribution**  
**Current Month - February 2018**

	<b><u>Budget</u></b> <b><u>Estimate</u></b>	<b><u>%Increase</u></b> <b><u>(Decrease)</u></b> <b><u>From Budget</u></b>	<b><u>This</u></b> <b><u>Year</u></b>	<b><u>%Increase</u></b> <b><u>(Decrease)</u></b> <b><u>Fr. Last Yr.</u></b>	<b><u>Last</u></b> <b><u>Year</u></b>
<b><u>Water Distribution - 1,000 Gallons</u></b>					
Contract Customers	626,824	(0.3)	625,102	(3.8)	649,739
Power Plants	62,622	4.7	65,543	11.0	59,069
Residential	33,229	(0.1)	33,211	3.1	32,219
Commercial	<u>25,192</u>	0.2	<u>25,255</u>	2.0	<u>24,767</u>
Total Metered Customers	747,867	0.2	749,111	(2.2)	765,794
Rated Customers - Estimate	---	---	7	(53.3)	15
City Use, Line Loss, Cycle Billing	<u>44,872</u>	0.2	<u>44,947</u>	(2.2)	<u>45,948</u>
Total Water Pumped	<u><u>792,739</u></u>	0.2	<u><u>794,065</u></u>	(2.2)	<u><u>811,757</u></u>

**Calendar Year-to-Date**

	<b><u>Budget</u></b> <b><u>Estimate</u></b>	<b><u>%Increase</u></b> <b><u>(Decrease)</u></b> <b><u>From Budget</u></b>	<b><u>This</u></b> <b><u>Year</u></b>	<b><u>%Increase</u></b> <b><u>(Decrease)</u></b> <b><u>Fr. Last Yr.</u></b>	<b><u>Last</u></b> <b><u>Year</u></b>
<b><u>Water Distribution - 1,000 Gallons</u></b>					
Contract Customers	1,285,064	1.2	1,300,763	(1.4)	1,319,566
Power Plants	147,496	(0.2)	147,211	0.8	146,060
Residential	70,170	(0.6)	69,746	2.5	68,037
Commercial	<u>51,662</u>	2.7	<u>53,032</u>	4.4	<u>50,791</u>
Total Metered Customers	1,554,392	1.1	1,570,752	(0.9)	1,584,454
Rated Customers - Estimate	---	---	15	(50.0)	30
City Use, Line Loss, Cycle Billing	<u>93,264</u>	1.1	<u>94,245</u>	(0.9)	<u>95,067</u>
Total Water Pumped	<u><u>1,647,656</u></u>	1.1	<u><u>1,665,012</u></u>	(0.9)	<u><u>1,679,551</u></u>

**Muscatine Power and Water - Water Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Current Month - February 2018**

	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	\$270,721	\$ 0.43189	0.4	\$271,909	\$ 0.43498	3.5	\$262,804	\$ 0.40448
Power Plants	31,946	0.51014	(0.7)	31,729	0.48410	4.5	30,350	0.51381
Residential	159,588	4.80267	(0.4)	158,958	4.78628	5.4	150,853	4.68211
Commercial	44,305	1.75869	10.7	49,026	1.94126	6.8	45,898	1.85319
Water Sales	506,560	0.67734	1.0	511,622	0.68297	4.4	489,905	0.63973
<b><u>Other Revenue</u></b>								
Penalty Revenue	855		---	1,098		58.4	693	
Merchandise & Job Sales-Net	833		(20.2)	665		70.5	390	
Miscellaneous Revenue	1,143		16.7	1,334		(51.9)	2,775	
Total Other Revenue	2,831		9.4	3,097		(19.7)	3,858	
Operating Revenue	509,391		1.0	514,719		4.2	493,763	
<b><u>Operating Expense</u></b>								
Operation	331,815		(2.3)	324,095		3.7	312,571	
Maintenance	48,903		(19.5)	39,344		(14.2)	45,874	
Depreciation	73,912		(3.2)	71,558		11.0	64,466	
Total Operating Expense	454,630		(4.3)	434,997		2.9	422,911	
Operating Income	54,761		45.6	79,722		12.5	70,852	
<b><u>Nonoperating Revenues (Expenses)</u></b>								
Interest Income	981		6.9X	7,702		147.1X	52	
Interest Expense	(39,754)		(3.8)	(38,254)		27.9X	(1,325)	
Net Nonoperating Revenues (Expenses)	(38,773)		(21.2)	(30,552)		23.0X	(1,273)	
<b>Net Income (Loss) before Capital Contributions</b>	15,988		2.1X	49,170		(29.3)	69,579	
Capital Contributions	---		---	---		---	---	
<b>Change in Net Position</b>	15,988		2.1X	49,170		(29.3)	69,579	
<b>Beginning Net Position</b>	16,605,157			16,641,150			16,426,466	
<b>Ending Net Position</b>	\$16,621,145			\$16,690,320			\$16,496,045	
Net Income (Loss) to Operating Revenue	3.1			9.6			14.1	
Debt Service Coverage	1.58			1.94			34.64	

**Muscatine Power and Water - Water Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Calendar Year-to-Date - February 2018**

	<u>Budget</u>	<u>Avg. Price</u>	<u>% Increase</u>		<u>Avg. Price</u>	<u>% Increase</u>		<u>Avg. Price</u>
	<u>Estimate</u>		<u>(Decrease)</u>	<u>This Year</u>		<u>(Decrease)</u>	<u>from Last</u>	
			<u>from Budget</u>			<u>Year</u>	<u>Last Year</u>	
<b><u>Sales of Water</u></b>								
Contract Customers	\$547,953	\$ 0.42640	1.2	\$554,412	\$ 0.42622	4.7	\$529,697	\$ 0.40142
Power Plants	68,860	0.46686	(2.6)	67,090	0.45574	0.6	66,689	0.45659
Residential	323,961	4.61680	(0.4)	322,537	4.62447	5.3	306,203	4.50054
Commercial	90,858	1.75870	10.6	100,496	1.89499	8.1	92,944	1.82993
Water Sales	1,031,632	0.66369	1.3	1,044,535	0.66499	4.9	995,533	0.62831
<b><u>Other Revenue</u></b>								
Penalty Revenue	855		52.4	1,303		88.3	692	
Merchandise & Job Sales-Net	1,666		1.2X	3,724		4.2X	717	
Miscellaneous Revenue	2,535		18.4	3,001		(26.2)	4,065	
Total Other Revenue	5,056		58.8	8,028		46.7	5,474	
Operating Revenue	1,036,688		1.5	1,052,563		5.2	1,001,007	
<b><u>Operating Expense</u></b>								
Operation	682,347		(0.8)	676,571		5.3	642,498	
Maintenance	99,438		(28.1)	71,461		(64.1)	199,131	
Depreciation	147,822		(3.2)	143,114		11.1	128,851	
Total Operating Expense	929,607		(4.1)	891,146		(8.2)	970,480	
Operating Income	107,081		50.7	161,417		4.3X	30,527	
<b><u>Nonoperating Revenues (Expenses)</u></b>								
Interest Income	1,984		6.7X	15,323		116.9X	130	
Interest Expense	(79,509)		(1.9)	(78,009)		27.8X	(2,705)	
Net Nonoperating Revenues (Expenses)	(77,525)		(19.1)	(62,686)		23.3X	(2,575)	
<b><u>Net Income (Loss) before Capital Contributions</u></b>	29,556		2.3X	98,731		2.5X	27,952	
Capital Contributions	---		---	---		---	---	
<b><u>Change in Net Position</u></b>	29,556		2.3X	98,731		2.5X	27,952	
<b><u>Beginning Net Position</u></b>	16,591,589			16,591,589			16,468,093	
<b><u>Ending Net Position</u></b>	\$16,621,145			\$16,690,320			\$16,496,045	
Net Income (Loss) to Operating Revenue	2.9			9.4			2.8	
Debt Service Coverage	1.57			1.95			20.26	

**Muscatine Power and Water - Water Utility**  
**Statements of Net Position**  
**February 2018**

**ASSETS**

	<u><b>2018</b></u>	<u><b>2017</b></u>
<b>Current Assets:</b>		
<u><b>Unrestricted Assets</b></u>		
Cash - interest bearing	\$798,617	\$686,324
Receivables:		
Consumer Accounts	723,280	673,164
Interest	40	11
Inventories	343,791	321,135
Prepaid Expenses	43,894	50,958
	<u>1,909,622</u>	<u>1,731,592</u>
<b>Total Unrestricted Current Assets</b>		
<u><b>Restricted Assets</b></u>		
Cash - interest bearing	7,433,178	35,292
	<u>7,433,178</u>	<u>35,292</u>
<b>Total Restricted Current Assets</b>		
<b>Total Current Assets</b>	<u>9,342,800</u>	<u>1,766,884</u>
<b>Non-Current Assets:</b>		
Unamortized debt issuance costs	55,882	---
<b>Property and Equipment:</b>		
At Cost	36,938,827	32,797,914
Less Accumulated Depreciation	11,139,585	10,753,716
	<u>25,799,242</u>	<u>22,044,198</u>
<b>Net Property and Equipment</b>		
<b>Deferred Outflows of Resources</b>		
Pension	734,363	610,291
IPERS	197,472	114,030
OPEB	10,397	---
	<u>942,232</u>	<u>724,321</u>
<b>Total Deferred Outflows of Resources</b>		
<b>TOTAL ASSETS</b>	<u><u>\$36,140,156</u></u>	<u><u>\$24,535,403</u></u>

**Muscatine Power and Water - Water Utility**  
**Statements of Net Position**  
**February 2018**

**LIABILITIES AND NET POSITION**

	<u>2018</u>	<u>2017</u>
<b>Current Liabilities:</b>		
<b><u>Payable from Unrestricted Assets</u></b>		
Accounts Payable	\$832,171	\$230,136
Health & Dental Insurance Provision	32,700	31,680
Retained Percentage on Contracts	88,256	1,383
Consumer Advances for Construction	600	91,105
Accrued Payroll	24,640	14,251
Accrued Vacation	146,838	138,940
Accrued Property Taxes	3,332	1,585
Miscellaneous Accrued Expenses	76,368	67,329
	<u>1,204,905</u>	<u>576,409</u>
<b><u>Payable from Restricted Assets</u></b>		
State Revolving Loan	32,000	31,000
Accrued Interest	144,450	3,224
	<u>176,450</u>	<u>34,224</u>
Total Payable from Restricted Assets	<u>176,450</u>	<u>34,224</u>
Total Current Liabilities	<u>1,381,355</u>	<u>610,633</u>
<b>Non-Current Liabilities:</b>		
State Revolving Loan	68,000	100,000
Notes Payable to Electric Utility	---	5,500,000
Water Revenue Bond Series 2017	15,802,664	---
Health & Dental Insurance Provision	81,293	41,141
Post-Employment Health Benefit Provision	86,674	40,423
Net Pension Liability	1,637,181	1,286,093
Consumer Advances for Construction	198,259	198,772
	<u>17,874,071</u>	<u>7,166,429</u>
Total Non-Current Liabilities	<u>17,874,071</u>	<u>7,166,429</u>
<b>Deferred Inflows of Resources</b>		
Pension	79,730	42,321
IPERS	102,764	219,975
OPEB	11,916	---
	<u>194,410</u>	<u>262,296</u>
Total Deferred Inflows of Resources	<u>194,410</u>	<u>262,296</u>
<b>Net Position:</b>		
Net Investment in Capital Assets	25,500,383	21,623,321
Restricted	7,288,728	32,068
Unrestricted	(16,098,791)	(5,159,344)
	<u>16,690,320</u>	<u>16,496,045</u>
Total Net Position	<u>16,690,320</u>	<u>16,496,045</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$36,140,156</u></u>	<u><u>\$24,535,403</u></u>

**Muscatine Power and Water - Water Utility**  
**Statements of Cash Flows**  
**February 2018**

	<b><u>Current Month</u></b>	<b><u>Year- To-Date</u></b>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$498,552	\$1,056,016
Miscellaneous sources	6,469	16,707
Cash paid to/for:		
Suppliers	(111,234)	265,272
Employees payroll, taxes and benefits	(202,237)	(485,019)
Net cash flows from operating activities	<u>191,550</u>	<u>852,976</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	<u>(84,582)</u>	<u>(816,347)</u>
Net cash flows from capital and related financing activities	<u>(84,582)</u>	<u>(816,347)</u>
Cash flows from investing activities:		
Interest received on investments	<u>7,721</u>	<u>15,321</u>
Net cash flows from investing activities	<u>7,721</u>	<u>15,321</u>
Net increase in cash and investments	<u>114,689</u>	<u>51,950</u>
Cash and investments at beginning of period	<u>8,117,106</u>	<u>8,179,845</u>
Cash and investments at end of period	<u><u>\$8,231,795</u></u>	<u><u>\$8,231,795</u></u>

**Muscatine Power and Water - Water Utility**  
**Statements of Cash Flows**  
**February 2018**

	<b><u>Current Month</u></b>	<b><u>Year- To-Date</u></b>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$79,722	\$161,417
Noncash item in operating income:		
Depreciation of utility plant	71,558	143,114
Amorization of Debt Discount	1,500	1,500
Changes in assets and liabilities:		
Consumer accounts receivable	(7,410)	27,759
Inventories	7,979	11,209
Prepaid and deferred expenses	4,794	12,128
Accounts payable	(9,133)	485,612
Net pension liability	17,715	35,430
Health & dental insurance provision	6,142	(823)
Other post-employment benefit provision	348	696
Retained percentage	4,740	4,740
Accrued payroll	112	(52,495)
Accrued vacation	3,770	9,156
Accrued property taxes	113	226
Unearned revenue	---	(2,800)
Miscellaneous accrued expenses	9,600	16,107
	<u>\$191,550</u>	<u>\$852,976</u>
Net cash flows from operating activities	<u>\$191,550</u>	<u>\$852,976</u>

**Muscatine Power and Water - Water Utility**  
**Summary of Expenses**  
**Current Month - February 2018**

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision (600)	\$3,460		\$3,273		\$3,183	
Operation Labor and Expenses (601)	1,951		969		688	
Miscellaneous Expense (603)	80		---		---	
Maintenance of Wells (614)	---		---		---	
Maintenance of Supply Mains (616)	382		---		---	
Depreciation (618)	11,563		9,449		9,525	
<b>Total Source of Supply Expense</b>	<b>17,436</b>	<b>3.4</b>	<b>13,691</b>	<b>2.7</b>	<b>13,396</b>	<b>2.7</b>
<b><u>Pumping</u></b>						
Operation Supervision (620)	3,810		3,613		3,628	
Fuel or Power Purchased (623)	76,073		72,447		79,866	
Pumping Labor and Expenses (624)	5,203		5,512		4,543	
Miscellaneous Expense (626)	316		469		295	
Maintenance of Structures (631)	450		---		---	
Maintenance of Pumping Equipment (632/633)	4,654		6,219		1,440	
Depreciation (634)	6,690		6,240		6,294	
<b>Total Pumping Expense</b>	<b>97,196</b>	<b>19.1</b>	<b>94,500</b>	<b>18.4</b>	<b>96,066</b>	<b>19.5</b>
<b><u>Water Treatment</u></b>						
Operation Supervision (640)	3,517		3,379		3,416	
Chemicals (641)	16,914		21,047		15,604	
Operation Labor and Expenses (642)	16,570		15,277		14,703	
Miscellaneous Expense (643)	4,141		1,922		8,592	
Maintenance of Structures (651)	1,003		993		48	
Maintenance of Purification Equip. (652)	1,468		1,633		4,982	
Depreciation (654)	3,443		3,262		3,262	
<b>Total Water Treatment Expense</b>	<b>47,056</b>	<b>9.2</b>	<b>47,513</b>	<b>9.2</b>	<b>50,607</b>	<b>10.2</b>
<b><u>Distribution</u></b>						
Operation Supervision (660)	3,574		3,574		3,543	
Storage Facilities Expense (661)	4,947		5,600		4,626	
Trans. & Distr. Lines Expense (662)	2,258		3,068		2,648	
Meter Expense (663)	9,477		10,540		8,627	
Consumer Installation Expense (664)	4,880		5,765		3,013	
Miscellaneous Expense (665)	18,550		16,510		15,176	
Vehicle Expense (667)	4,625		4,253		4,563	
Maintenance:						
Supervision (670)	5,030		4,724		4,948	
Structures (671)	332		8		24	
Reservoirs and Standpipes (672)	249		144		1,664	
Mains (673)	18,272		11,952		4,679	
Valves (674)	6,156		3,091		17,675	
Meters (676)	2,215		3,783		772	
Hydrants (677)	937		152		3,998	
Miscellaneous Plant (678)	3,242		3,365		3,549	
Vacation, Holiday, Sick Leave (679)	12,065		12,245		12,021	
Depreciation (680)	40,815		39,456		36,184	
<b>Total Distribution Expense</b>	<b>\$137,624</b>	<b>27.0</b>	<b>\$128,230</b>	<b>24.9</b>	<b>\$127,710</b>	<b>25.9</b>



**Muscatine Power and Water - Water Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - February 2018**

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision (600)	\$6,970		\$7,249		\$6,686	
Operation Labor and Expenses (601)	2,902		1,927		1,419	
Miscellaneous Expense (603)	160		---		---	
Maintenance of Wells (614)	---		---		42,374	
Maintenance of Supply Mains (616)	764		---		---	
Depreciation (618)	23,125		18,897		19,051	
<b>Total Source of Supply Expense</b>	<b>33,921</b>	<b>3.3</b>	<b>28,073</b>	<b>2.7</b>	<b>69,530</b>	<b>6.9</b>
<b><u>Pumping</u></b>						
Operation Supervision (620)	7,620		7,963		7,644	
Fuel or Power Purchased (623)	156,135		146,370		161,627	
Pumping Labor and Expenses (624)	10,442		12,264		9,375	
Miscellaneous Expense (626)	632		763		590	
Maintenance of Structures (631)	899		---		232	
Maintenance of Pumping Equipment (632/633)	10,096		10,095		67,593	
Depreciation (634)	13,380		12,481		12,588	
<b>Total Pumping Expense</b>	<b>199,204</b>	<b>19.2</b>	<b>189,936</b>	<b>18.0</b>	<b>259,649</b>	<b>25.9</b>
<b><u>Water Treatment</u></b>						
Operation Supervision (640)	7,033		7,320		7,060	
Chemicals (641)	35,641		43,213		33,950	
Operation Labor and Expenses (642)	33,394		35,535		30,734	
Miscellaneous Expense (643)	8,282		7,492		9,976	
Maintenance of Structures (651)	2,167		1,410		4,123	
Maintenance of Purification Equip. (652)	2,856		4,030		7,844	
Depreciation (654)	6,886		6,523		6,523	
<b>Total Water Treatment Expense</b>	<b>96,259</b>	<b>9.3</b>	<b>105,523</b>	<b>10.0</b>	<b>100,210</b>	<b>10.0</b>
<b><u>Distribution</u></b>						
Operation Supervision (660)	7,265		7,772		7,255	
Storage Facilities Expense (661)	10,081		11,503		9,707	
Trans. & Distr. Lines Expense (662)	3,516		11,478		4,576	
Meter Expense (663)	19,565		23,797		19,422	
Consumer Installation Expense (664)	9,803		10,797		6,832	
Miscellaneous Expense (665)	37,188		29,460		39,487	
Vehicle Expense (667)	9,158		11,326		9,517	
Maintenance:						
Supervision (670)	10,060		10,077		10,222	
Structures (671)	664		46		87	
Reservoirs and Standpipes (672)	498		316		1,680	
Mains (673)	35,610		16,741		23,717	
Valves (674)	12,312		7,551		19,454	
Meters (676)	4,364		6,071		1,015	
Hydrants (677)	2,017		539		4,527	
Miscellaneous Plant (678)	6,484		7,291		9,701	
Vacation, Holiday, Sick Leave (679)	29,621		32,013		31,799	
Depreciation (680)	81,630		78,912		72,287	
<b>Total Distribution Expense</b>	<b>\$279,836</b>	<b>27.0</b>	<b>\$265,690</b>	<b>25.2</b>	<b>\$271,285</b>	<b>27.1</b>

**Muscatine Power and Water - Water Utility**  
**Summary of Expenses**  
**Current Month - February 2018**

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense (909)	<u>\$1,140</u>	0.2	<u>\$280</u>	0.1	<u>\$501</u>	0.1
<b><u>Consumer Accounts</u></b>						
Supervision (901)	2,470		1,892		1,004	
Meter Reading Expense (902)	3,913		3,949		4,106	
Consumer Records and Collection (903)	16,440		18,627		15,140	
Uncollectible Accounts Expense (904)	811		811		1,104	
Vacation, Holiday, Sick Leave (906)	<u>1,829</u>		<u>1,595</u>		<u>2,156</u>	
Total Consumer Accounts Expense	<u>25,463</u>	5.0	<u>26,874</u>	5.2	<u>23,510</u>	4.8
<b><u>Administrative and General</u></b>						
Administrative and General Salaries (920)	22,118		20,825		19,930	
Office Supplies and Expenses (921)	1,702		2,133		2,310	
Outside Services Employed (923)	2,984		3,393		3,642	
Property Insurance (924)	1,760		1,760		1,698	
Casualty Ins, Injuries & Damages (925)	5,011		5,569		3,200	
Employee Pensions and Benefits (926)	65,677		66,868		59,869	
Fringe Benefits Charged to Constr. (927)	(6,980)		(10,193)		(7,070)	
Miscellaneous General Expense (930)	11,115		7,741		6,690	
Rents (931)	6,207		6,207		6,279	
Maintenance of General Plant (932)	4,513		3,280		2,095	
Vacation, Holiday, Sick Leave (936)	3,207		3,175		3,277	
Depreciation (933)	<u>11,401</u>		<u>13,151</u>		<u>9,201</u>	
Total Administrative and General	<u>128,715</u>	25.3	<u>123,909</u>	24.1	<u>111,121</u>	22.5
Total Operating Expense	<u>\$454,630</u>		<u>\$434,997</u>		<u>\$422,911</u>	
Percent to Operating Revenue		89.2		84.5		85.7

**Muscatine Power and Water - Water Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - February 2018**

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense (909)	<u>\$1,627</u>	0.2	<u>\$478</u>	0.0	<u>\$644</u>	0.1
<b><u>Consumer Accounts</u></b>						
Supervision (901)	4,941		3,609		2,595	
Meter Reading Expense (902)	7,932		8,358		7,966	
Consumer Records and Collection (903)	32,852		33,887		28,611	
Uncollectible Accounts Expense (904)	1,622		1,622		2,208	
Vacation, Holiday, Sick Leave (906)	<u>4,525</u>		<u>4,007</u>		<u>5,094</u>	
Total Consumer Accounts Expense	<u>51,872</u>	5.0	<u>51,483</u>	4.9	<u>46,474</u>	4.6
<b><u>Administrative and General</u></b>						
Administrative and General Salaries (920)	44,236		43,685		41,688	
Office Supplies and Expenses (921)	3,692		3,828		3,978	
Outside Services Employed (923)	8,098		5,432		4,519	
Property Insurance (924)	3,519		3,519		3,396	
Casualty Ins, Injuries & Damages (925)	10,180		8,692		7,562	
Employee Pensions and Benefits (926)	132,943		136,204		116,801	
Fringe Benefits Charged to Constr. (927)	(13,659)		(19,949)		(15,246)	
Miscellaneous General Expense (930)	24,212		15,075		14,358	
Rents (931)	12,414		12,414		12,559	
Maintenance of General Plant (932)	10,647		7,294		6,562	
Vacation, Holiday, Sick Leave (936)	7,805		7,468		8,109	
Depreciation (933)	<u>22,801</u>		<u>26,301</u>		<u>18,402</u>	
Total Administrative and General	<u>266,888</u>	25.7	<u>249,963</u>	23.7	<u>222,688</u>	22.2
Total Operating Expense	<u>\$929,607</u>		<u>\$891,146</u>		<u>\$970,480</u>	
Percent to Operating Revenue		89.7		84.7		97.0

**Muscatine Power and Water - Water Utility**  
**Statistical Data**  
**Current Month - February 2018**

	<u>2018</u>		<u>2017</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.644	0.683	0.604	0.640
Cost Per 1,000 Gallons	<u>0.548</u>	<u>0.581</u>	<u>0.521</u>	<u>0.552</u>
Margin	<u>0.096</u>	<u>0.102</u>	<u>0.083</u>	<u>0.087</u>

	<u>2018</u>	<u>2017</u>
Maximum Daily Water Pumped (1,000 gallons)	29,400	30,383
Date of Maximum	02/02	02/14

**Calendar Year-to-Date**

	<u>2018</u>		<u>2017</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.627	0.665	0.593	0.628
Cost Per 1,000 Gallons	<u>0.535</u>	<u>0.567</u>	<u>0.578</u>	<u>0.613</u>
Margin	<u>0.092</u>	<u>0.098</u>	<u>0.015</u>	<u>0.016</u>

	<u>2018</u>	<u>2017</u>
Maximum Daily Water Pumped (1,000 gallons)	29,406	30,872
Date of Maximum	01/04	01/11

**Services**

Contract Customers	2	2
Power Plants	2	2
Residential	8,756	8,730
Commercial	<u>1,070</u>	<u>1,068</u>
Total	<u>9,830</u>	<u>9,802</u>

**Water Utility**  
**Review of Operating Results**  
**February 2018**

**MUSCATINE POWER AND WATER - WATER UTILITY**  
**VARIANCES FROM BUDGETED NET POSITION - February 28, 2018**

(Unfavorable)/  
Favorable  
Compared to  
Budget

**Sales of Water**

Contract Customers	\$ 8,343	GPC consumption is 2.0% higher than budget, offset by a 0.3% lower billing rate
	(1,884)	Heinz's consumption is 7.7% lower than budgeted, offset by a 4.0% higher billing rate
	(1,770)	Power plants' consumption is 0.2% lower than budgeted with a 2.4% lower billing rate
	(1,424)	Residential consumption is 0.6% lower than budgeted, partially offset by 0.2% higher billing rate
	<u>9,638</u>	Commercial consumption is 2.7% higher than budgeted with a 7.7% higher billing rate
	<u>12,903</u>	

**Other Revenue**

Merchandise & Job Sales-Net	2,058	Higher job sales revenue
Miscellaneous Revenue	<u>914</u>	Other miscellaneous variances
	<u>2,972</u>	

**Operating Expense**

Operation	9,765	Lower fuel/power purchased due to 2.8% lower kWh consumed and 3.6% lower cost per kWh, partially offset by 1.1% more gallons pumped
	(7,572)	Higher chemicals expense than budgeted due to more gallons pumped and higher cost of fluoride
	(4,714)	T&D engineering consultant expense not budgeted
	2,800	Employee search services not incurred yet
	(1,894)	Meter expense materials over budget
	(4,715)	Miscellaneous engineering consultant expense not budgeted
	2,837	Lower health care cost
	(2,791)	Higher cost of deferred comp utility match
	5,036	Travel and training lower than budgeted
	9,177	Lower labor, sick, personal and vacation expense
	<u>(2,153)</u>	Other miscellaneous variances - net
	<u>5,776</u>	

## Maintenance

682	Maintenance labor under budget
18,917	Lower cost of mains maintenance
2,627	Lower cost of valves maintenance
2,183	Lower cost of maintenance agreements
<u>3,568</u>	Other miscellaneous variances - net
<u>27,977</u>	

## Depreciation

4,708

**Nonoperating Revenue (Expense)**

Interest Income	13,339	Water bond project fund interest rate higher than budgeted
Interest Expense	<u>1,500</u>	Refund of bond issuance cost overpayment
	<u>14,839</u>	

**Change in Net Position**

\$ 69,175 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 offset slightly by lower contract rates resulting in \$6,459 more revenue. GPC's usage was 2.0% higher than budget offset by a 0.3% lower billing rate, resulting in \$8,343 more revenue. Heinz's usage was 7.7% lower than budget, offset by a 4.0% higher billing rate, resulting in \$1,883 less revenue. Power plants' revenue was \$1,770 or 2.6% lower than budget due to 0.2% lower usage with a 2.4% lower billing rate. Residential customers' water usage is 0.6% lower than budgeted, offset by a 0.2% higher billing rate, resulting in \$1,424 lower revenue. Commercial customers' water usage is 2.7% higher than budgeted with a 7.7% higher billing rate, resulting in \$9,638 more revenue.

### Nonoperating Revenue (Expense)

Interest income is higher than budgeted \$13,339 due to higher rate of return on water bond project fund.

## Year-To-Date Summary of Expenses

### Pumping

#### Fuel or Purchased Power – (623)

The cost per kWh was 3.6% lower than budget, partially offset by 1.1% more gallons pumped than budget, resulting in \$9,765 lower expense.

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Fuel or Power Purchased	\$ 156,135	\$ 146,370	\$ 161,627
1,000 Gallons Pumped	<u>1,647,656</u>	<u>1,665,012</u>	<u>1,679,551</u>
Cost per 1,000 Gal. Pumped	0.0948	0.0879	0.0962
kWhs Consumed	2,520,347	2,451,000	2,636,840
kWh per 1,000 Gal. Pumped	1.53	1.47	1.57

### Water Treatment

#### Chemicals Expense – (641)

Chemical purchases are \$7,572 more than budgeted primarily due to higher gallons pumped than budgeted.

	<u>2018 Budget</u>			<u>2018 Actual</u>			<u>2017 Actual</u>		
1,000 Gal. Pumped	1,647,656			1,665,012			1,679,551		
(lbs)	Units	\$	Per Unit	Units	\$	Per Unit	Units	\$	Per Unit
Chlorine	24,233	\$ 7,580	\$0.313	26,650	\$ 7,995	\$0.300	26,260	\$ 7,878	\$0.300
Hydrofluoro-silic Acid	34,894	\$ 11,166	\$0.320	37,466	\$ 15,560	\$0.415	31,336	\$ 10,341	\$0.330
Phosphate	17,784	\$ 16,895	\$0.950	20,440	\$ 19,550	\$0.956	16,550	\$ 15,731	\$0.951

Water Treatment cont'dDistributionTransmission & Distribution Lines Expense (662)

- Distribution department labor over budget \$2,063
- Engineering consultant expense not budgeted \$4,714
- Material expenses over budget by \$970

Meter Expense (663)

- Outside services department labor over budget \$2,587
- Outside services materials over budget \$1,894

Miscellaneous Expense – (665)

- Engineering tech labor under budget \$7,693
- Project engineering labor under budget \$4,422
- CAD labor under budget \$3,149
- Supply chain services labor over budget \$2,885
- Engineering consultant expense not budgeted \$4,715

Maintenance of Mains – (673)

- Materials expense under budget \$18,917 due to fewer repairs

Maintenance of Valves – (674)

- Distribution department labor under budget \$2,471
- Materials expense under budget \$2,627 due to fewer repairs

Customer Information Expense – (909)

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Billtrust	\$ 60	\$ 32	\$ 7
Postage	96	---	---
Promotional Material/Education	380	257	78
Media Advertising	720	175	530
Newsletter	273	---	---
Presentation Materials	54	---	---
Photo Library	<u>44</u>	<u>14</u>	<u>29</u>
	\$ 1,627	\$ 478	\$ 644



Consumer Accounts – (903)

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Labor	\$ 23,894	\$ 24,169	\$ 20,566
Credit Card Processing	2,058	2,499	1,982
Bill Trust Expense	950	1,399	833
Postage	2,082	3,081	1,940
Temp Services	1,003	831	1,315
Fuel	300	45	126
Invoice Cloud	386	419	357
Collection Expense	855	396	490
IVR	133	130	118
Other Expenses	<u>1,191</u>	<u>918</u>	<u>884</u>
	\$ 32,852	\$ 33,887	\$ 28,611

Administrative and GeneralOutside Services Employed – (923)

	<u>Resp Code</u>	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Organizational Development	120-Sal	\$ 700	\$ 1,547	\$---
Labor Legal Services	140-Brandy	200	---	---
General Legal Services	140-Brandy	---	239	---
Web Graphics	224-Rick	362	61	61
Insurance Advisor	310-Jerry	588	588	588
Audit Services	320-Cassie	2,520	2,157	1,750
IS Professional Services	350-Greg	---	350	290
IS Review	350-Greg	---	---	1,308
ACS Services	350-Greg	140	---	---
Employee Search	410-Erika	2,800	---	---
Benefits Consulting	410-Erika	<u>788</u>	<u>490</u>	<u>522</u>
		\$ 8,098	\$ 5,432	\$ 4,519

Administrative and General cont'dEmployee Pensions and Benefits – (926)

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Health Care Cost	\$ 55,853	\$ 53,016	\$ 51,901
Pension*	31,700	35,429	27,598
FICA	25,576	26,313	18,190
IPERS	8,454	7,521	6,365
Deferred comp utility match	5,580	8,371	6,915
Life, LTD & ADD	2,109	1,993	1,798
Dental	2,131	2,041	2,080
OPEB	695	695	602
Other Expenses	845	825	1,352
	<u>\$ 132,943</u>	<u>\$ 136,204</u>	<u>\$ 116,801</u>

\*Pension expense is higher than budgeted due to recording expense to be more in-line with prior years' experience.

Fringe Benefits Charged to Construction – (927)

- More time was charged to capital projects in February than projected.

Miscellaneous General Expense – (930)

- Travel expenses under budget \$5,036
- Memberships & subscriptions under budget \$1,457
- Wellness Team expenses under budget \$1,098
- GMCCI Joint Community Branding Project not expended yet \$700
- Employee handbook printing not done yet \$245

Maintenance of General Plant – (932)

- Maintenance agreements under budget \$2,739
- Memberships and subscriptions under budget \$467

**Water Utility**  
**Statement of Net Position Review**  
**February 2018**

	<u>2018</u>	<u>2017</u>
<b><u>Current Assets</u></b>		
<u>Receivables - Consumer Accounts</u>		
Customer Water Accounts	\$644,264	\$601,234
Unbilled Revenue	71,717	68,790
Utility loan program	3,750	---
Merchandise Accounts	7,819	7,020
Allowance for Doubtful Accounts	(4,270)	(3,880)
	<u>\$723,280</u>	<u>\$673,164</u>
<u>Inventories</u>		
Inventory	\$340,311	\$321,537
Stores Expense (a/c 163)	3,480	(402)
	<u>\$343,791</u>	<u>\$321,135</u>
<u>Prepaid Expenses</u>		
Prepaid Insurance	\$31,357	\$30,235
Prepaid Maintenance Contracts	10,513	21,594
Other Prepaid Expenses	2,024	(871)
	<u>\$43,894</u>	<u>\$50,958</u>
<b><u>Current Liabilities</u></b>		
<u>Accounts Payable (amounts over \$2,500 itemized)</u>		
Electric bills	\$82,068	\$87,114
Alexander Chemical Corp - chlorine	---	4,824
Billtrust - bill processing	2,930	1,449
Brown Supply - valves/gaskets	---	5,735
Cahoy Pump Service - well construction	89,658	---
City of Muscatine - Mississippi Dr project	52,873	---
Cogsdale - business system implementation	2,163	17,342
Core & Main - valves & hydrants	20,856	---
Hagerty Earthworks - main replacements	490,171	---
HD Supply - hydrants	---	3,802
HR Green - engineering service	4,871	8,500
IPERS - pension	5,461	4,255
Metering & Tech Solutions - encoders/meters	4,934	10,345
Municipal Pipe Services - large valve replacements	18,000	---
Pollard Water - auto flusher	---	10,229
River Products Company - mansand	---	8,190
Stanley Consultants InfoWater model & training	4,714	---
USA Blue Book - backflow preventer	3,511	---
United Rentals - trench box rental	4,036	---
Utility Equipment Co - couplings	---	11,745
Vector Construction - concrete repairs	---	23,770
Wendling Quarries - main replacement	---	8,180
Wilkinson Precast - concrete box	6,638	---
Other	39,287	24,656
	<u>\$832,171</u>	<u>\$230,136</u>
<u>Customer Advances for Construction</u>		
Aspen Villas		
Curry Trucking	---	\$30,815
Lutheran Homes	---	59,640
R.L. Fridley Theaters, Inc	600	650
	<u>\$600</u>	<u>\$91,105</u>
<u>Miscellaneous Accrued Expenses</u>		
Sales/Use Tax Collections Payable	\$9,014	\$8,205
Payroll Tax Collections Payable	19,939	11,960
Employee Payroll Deductions	4,581	3,890
Workers' Comp Self Insurance Reserves	30,886	40,121
Comp Time Payable	11,948	3,153
	<u>\$76,368</u>	<u>\$67,329</u>

**Muscatine Power and Water**

**Communications Utility**

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

**February 2018**

**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 - February 2018**

	<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	\$569,363	(4.0)	\$546,590	(1.1)	\$552,784
Data/Internet	490,702	4.2	511,251	7.4	475,826
VoIP	2,297	---	---	---	---
MAN	60,500	8.0	65,367	33.2	49,085
Miscellaneous	9,340	20.1	11,214	(12.4)	12,795
Total Operating Revenues	<u>1,132,202</u>	0.2	<u>1,134,422</u>	4.0	<u>1,090,490</u>
<b><u>Operating Expense</u></b>					
Operation	795,648	(7.3)	737,264	3.5	711,994
Maintenance	87,536	(2.6)	85,237	20.6	70,698
Depreciation	134,849	(6.0)	126,791	(6.0)	134,926
Total Operating Expenses	<u>1,018,033</u>	(6.8)	<u>949,292</u>	3.5	<u>917,618</u>
Operating Income	<u>114,169</u>	62.2	<u>185,130</u>	7.1	<u>172,872</u>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	1,636	6.2X	11,723	5.7X	1,745
Interest Expense	<u>(28,151)</u>	62.2	<u>(45,651)</u>	11.1X	<u>(3,768)</u>
Net Nonoperating Expense	<u>(26,515)</u>	28.0	<u>(33,928)</u>	15.8X	<u>(2,023)</u>
Net Income before Capital Contributions	87,654	72.5	151,202	(11.5)	170,849
Capital Contributions	<u>1,365</u>	(48.5)	<u>703</u>	(90.5)	<u>7,404</u>
Change in Net Position	89,019		151,905		178,253
Beginning Net Position	<u>7,553,979</u>		<u>7,632,148</u>		<u>5,835,263</u>
Ending Net Position	<u>\$7,642,998</u>		<u>\$7,784,053</u>		<u>\$6,013,516</u>
Net Income (Loss) to Operating Revenue	7.7		13.3		15.7
Debt Service Coverage on Bank Debt	1.39		1.80		---
Debt Service Coverage on Electric Utility Debt	1.60		3.27		7.09

**Muscatine Power and Water - Communications Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Calendar Year-to-Date - February 2018**

	<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	\$1,137,882	(3.1)	\$1,103,114	(1.6)	\$1,120,717
Data/Internet	973,817	4.8	1,020,587	7.7	948,048
VoIP	2,297	---	---	---	---
MAN	121,000	8.0	130,733	16.2	112,508
Miscellaneous	20,978	5.6	22,148	8.5	20,408
Total Operating Revenues	<u>2,255,974</u>	0.9	<u>2,276,582</u>	3.4	<u>2,201,681</u>
<b><u>Operating Expense</u></b>					
Operation	1,597,323	(5.5)	1,509,192	4.6	1,443,215
Maintenance	184,950	(8.0)	170,076	20.2	141,496
Depreciation	269,698	(6.0)	253,582	(6.0)	269,852
Total Operating Expenses	<u>2,051,971</u>	(5.8)	<u>1,932,850</u>	4.2	<u>1,854,563</u>
Operating Income	<u>204,003</u>	68.5	<u>343,732</u>	(1.0)	<u>347,118</u>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	3,338	6.0X	23,487	5.5X	3,633
Interest Expense	<u>(56,302)</u>	31.1	<u>(73,802)</u>	8.8X	<u>(7,537)</u>
Net Nonoperating Expense	<u>(52,964)</u>	(5.0)	<u>(50,315)</u>	11.9X	<u>(3,904)</u>
<b>Net Income before Capital Contributions</b>	151,039	94.3	293,417	(14.5)	343,214
Capital Contributions	<u>2,730</u>	(48.5)	<u>1,407</u>	(84.0)	<u>8,767</u>
<b>Change in Net Position</b>	153,769		294,824		351,981
<b>Beginning Net Position</b>	<u>7,489,229</u>		<u>7,489,229</u>		<u>5,661,535</u>
<b>Ending Net Position</b>	<u>\$7,642,998</u>		<u>\$7,784,053</u>		<u>\$6,013,516</u>
Net Income (Loss) to Operating Revenue	6.7		12.9		15.6
Debt Service Coverage on Bank Debt	1.32		1.7		---
Debt Service Coverage on Electric Utility Debt	1.33		2.96		7.10

**Muscatine Power and Water - Communications Utility**  
**Statements of Net Position**  
**February 2018**

**ASSETS**

	<u><b>2018</b></u>	<u><b>2017</b></u>
<b>Current Assets:</b>		
Cash - interest bearing	\$11,178,962	\$8,402,100
Investments	3,000,991	---
Receivables:		
Consumer Accounts	1,362,911	1,337,675
Interest	10,589	1,662
Inventories	189,664	140,255
Prepaid Expenses	<u>420,739</u>	<u>309,166</u>
Total Current Assets	<u>16,163,856</u>	<u>10,190,858</u>
<b>Property and Equipment:</b>		
At Cost	41,639,616	34,497,169
Less Accumulated Depreciation	<u>28,485,251</u>	<u>27,306,999</u>
Net Property and Equipment	<u>13,154,365</u>	<u>7,190,170</u>
<b>Deferred Outflows of Resources</b>		
Pension	1,617,642	1,269,389
OPEB	<u>14,555</u>	<u>---</u>
Total Deferred Outflows of Resources	<u>1,632,197</u>	<u>1,269,389</u>
<b>TOTAL ASSETS</b>	<u><u>\$30,950,418</u></u>	<u><u>\$18,650,417</u></u>



**Muscatine Power and Water - Communications Utility**  
**Statements of Net Position**  
**February 2018**

**LIABILITIES AND NET POSITION**

	<u>2018</u>	<u>2017</u>
<b>Current Liabilities:</b>		
<b><u>Payable from Unrestricted Assets</u></b>		
Accrued Interest	\$70,233	\$7,537
Accounts Payable	842,629	602,254
Health & Dental Insurance Provision	45,780	49,280
Retained Percentage on Contracts	96,140	2,371
Accrued Payroll	30,044	21,506
Accrued Vacation	168,822	184,555
Accrued Property Taxes	7,002	7,572
Unearned Revenue - Dark Fiber Lease	17,500	17,500
Miscellaneous Accrued Expenses	114,953	126,116
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	1,393,103	1,018,691
	<hr/>	<hr/>
<b><u>Payable from Restricted Assets</u></b>		
Notes Payable:		
Banks	1,875,198	---
Electric Utility	483,850	481,443
	<hr/>	<hr/>
Total Payable from Restricted Assets	2,359,048	481,443
	<hr/>	<hr/>
Total Current Liabilities	3,752,151	1,500,134
	<hr/>	<hr/>
<b>Non-Current Liabilities:</b>		
Health & Dental Insurance Provision	123,123	105,342
Post-Employment Health Benefit Provision	121,413	70,602
Unearned Revenue - Dark Fiber Lease	209,063	226,563
Net Pension Liability	2,560,180	2,074,073
Notes Payable:		
Banks	8,124,802	---
Electric Utility	8,078,994	8,562,844
	<hr/>	<hr/>
Total Non-Current Liabilities	19,217,575	11,039,424
	<hr/>	<hr/>
<b>Deferred Inflows of Resources</b>		
Pension	179,957	97,343
OPEB	16,682	---
	<hr/>	<hr/>
Total Deferred Inflows of Resources	196,639	97,343
	<hr/>	<hr/>
<b>Net Position:</b>		
Net Investment in Capital Assets	2,670,515	6,708,727
Unrestricted	5,113,538	(695,211)
	<hr/>	<hr/>
Total Net Position	7,784,053	6,013,516
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$30,950,418</u></u>	<u><u>\$18,650,417</u></u>

**Muscatine Power and Water - Communications Utility**  
**Statements of Cash Flows**  
**February 2018**

	<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	\$1,040,266	\$2,203,790
Advertising sales	21,792	58,882
Miscellaneous sources	9,075	17,745
Cash paid to/for:		
Suppliers	(580,939)	(1,143,218)
Employees payroll, taxes and benefits	<u>(273,870)</u>	<u>(706,288)</u>
Net cash flows from operating activities	<u>216,324</u>	<u>430,911</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(194,191)	(600,997)
Bank loan closing costs	<u>(17,500)</u>	<u>(17,500)</u>
Net cash flows from capital and related financing activities	<u>(211,691)</u>	<u>(618,497)</u>
Cash flows from investing activities:		
Interest received on investments	<u>11,851</u>	<u>21,958</u>
Net cash flows from investing activities	<u>11,851</u>	<u>21,958</u>
Net increase (decrease) in cash and investments	<u>16,484</u>	<u>(165,628)</u>
Cash and investments at beginning of period	<u>14,163,469</u>	<u>14,345,581</u>
Cash and investments at end of period	<u><u>\$14,179,953</u></u>	<u><u>\$14,179,953</u></u>

**Muscatine Power and Water - Communications Utility**  
**Statements of Cash Flows**  
**February 2018**

	<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	\$185,130	\$343,732
Noncash items in operating income:		
Depreciation of utility plant	126,791	253,582
Change in deferred inflows of resources	---	---
Change in deferred outflows of resources	---	---
Changes in assets and liabilities:		
Consumer accounts receivable	(59,094)	108,077
Inventories	(41,655)	(42,135)
Prepaid and deferred expenses	7,632	(272,715)
Accounts payable	(72,780)	61,923
Net pension liability	39,121	78,243
Health & dental insurance provision	9,197	(988)
Other post-employment benefit provision	522	1,043
Unearned revenue	(1,458)	(3,916)
Retained percentage on contracts	2,605	7,319
Accrued payroll	(2,507)	(91,675)
Accrued vacation	5,800	(6,768)
Accrued property taxes	541	1,082
Miscellaneous accrued expenses	16,479	(5,893)
	<hr/>	<hr/>
Net cash flows from operating activities	<u>\$216,324</u>	<u>\$430,911</u>

**Muscatine Power and Water - Communications Utility**  
**Summary of Expenses**  
**Current Month - February 2018**

	<b><u>Budget 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)	\$383,394	\$357,778	\$342,223
Promotional Expense (960)	4,697	2,723	728
Electricity Expense (736)	1,385	2,614	2,560
Pole Attachment Expense (715)	2,043	2,043	1,967
Changes of Service (742)	1,783	1,203	1,167
Underground Line Expense (743)	2,425	1,488	1,425
Ad Insertion - Marketing/Production (964, 965)	6,972	5,897	5,925
Miscellaneous CATV Expense (710, 738, 739)	23,526	19,202	18,842
Vehicle Expense (760)	5,262	4,148	4,426
Maintenance:			
Fiber (711)	511	1,491	802
Coax (712)	1,346	654	282
Drops (713)	2,072	2,898	1,036
Conduit System (714)	1,424	81	112
Headend (721-725)	28,334	25,548	13,124
Line Equipment (731-735)	1,343	2,656	2,219
Converters (741)	3,603	1,772	2,585
Ad Insertion (966)	4,850	4,889	6,236
Vacation, Holiday, Sick Leave (799)	4,768	4,422	8,766
Property Taxes (794)	314	314	314
Depreciation (793)	69,399	70,512	76,631
Total CATV	549,451	512,333	491,370
<b><u>Data/Internet</u></b>			
Data/Internet Access Charges (851-853)	25,112	26,718	27,387
Promotional Expense (961)	4,697	2,759	764
Electricity Expense (836)	244	293	327
Pole Attachment Expense (837)	359	359	346
Changes of Service (842)	595	401	389
Customer Wireless Equipment Expense (846)	---	---	---
Underground Line Expense (843)	421	496	475
Miscellaneous Data/Internet Expense (839, 844, 848)	9,872	7,922	6,984
Vehicle Expense (860)	844	560	534
Maintenance:			
Fiber (811)	213	621	334
Coax (813)	449	218	94
Drops (814)	691	966	345
Conduit System (816)	593	34	47
Headend (820, 821)	28,206	28,779	34,736
Line Equipment (831-835)	361	856	578
Modems (841)	4,997	2,794	2,565
Vacation, Holiday, Sick Leave (879)	2,249	1,711	2,549
Property Taxes (894)	55	55	55
Depreciation (893)	31,528	28,720	26,898
Total Data/Internet	111,486	104,262	105,407

**Muscatine Power and Water - Communications Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - February 2018**

	<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)	\$768,138	\$740,396	\$710,206
Promotional Expense (960)	10,969	5,533	2,229
Electricity Expense (736)	3,045	5,151	4,254
Pole Attachment Expense (715)	4,085	4,085	3,935
Changes of Service (742)	3,628	2,823	2,610
Underground Line Expense (743)	4,850	2,721	2,416
Ad Insertion - Marketing/Production (964, 965)	13,859	15,938	13,083
Miscellaneous CATV Expense (710, 738, 739)	47,049	42,046	35,354
Vehicle Expense (760)	10,567	8,231	7,385
Maintenance:			
Fiber (711)	1,022	1,617	1,526
Coax (712)	2,721	1,502	973
Drops (713)	4,193	6,838	1,756
Conduit System (714)	2,886	298	620
Headend (721-725)	58,242	53,149	27,014
Line Equipment (731-735)	3,647	4,940	5,431
Converters (741)	7,326	4,713	7,490
Ad Insertion (966)	9,829	9,548	10,151
Vacation, Holiday, Sick Leave (799)	11,728	10,570	19,097
Property Taxes (794)	628	628	627
Depreciation (793)	138,798	141,024	153,262
Total CATV	<u>1,107,210</u>	<u>1,061,751</u>	<u>1,009,419</u>
<b><u>Data/Internet</u></b>			
Data/Internet Access Charges (851-853)	50,224	53,121	52,267
Promotional Expense (961)	10,969	5,605	2,321
Electricity Expense (836)	537	623	626
Pole Attachment Expense (837)	718	719	692
Changes of Service (842)	1,209	941	870
Customer Wireless Equipment Expense (846)	---	---	---
Underground Line Expense (843)	842	907	806
Miscellaneous Data/Internet Expense (839, 844, 848)	19,880	14,838	16,138
Vehicle Expense (860)	1,689	1,186	886
Maintenance:			
Fiber (811)	426	674	636
Coax (813)	907	501	324
Drops (814)	1,398	2,279	585
Conduit System (816)	1,202	124	258
Headend (820, 821)	59,518	57,546	63,087
Line Equipment (831-835)	723	1,586	1,344
Modems (841)	10,233	5,485	4,971
Vacation, Holiday, Sick Leave (879)	5,601	4,658	6,511
Property Taxes (894)	111	110	110
Depreciation (893)	63,055	57,440	53,796
Total Data/Internet	<u>229,242</u>	<u>208,343</u>	<u>206,228</u>

**Muscatine Power and Water - Communications Utility**  
**Summary of Expenses**  
**Current Month - February 2018**

	<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)	\$1,120	\$1,220	\$1,179
Tools Expense (845)	208	775	601
Maintenance:			
Fiber (812)	341	994	534
Conduit System (817)	949	54	75
MAN Equipment (818, 819)	2,310	2,280	2,560
Vacation, Holiday, Sick Leave (899)	196	157	275
Property Taxes (896)	172	172	172
Depreciation (840)	20,579	18,747	22,038
Total MAN	25,875	24,399	27,434
 <b>VoIP Expenses (880)</b>	 4,835	 83	 0
 <b><u>Customer Service Expense</u></b>			
Customer Information Expense (909)	3,004	4,404	970
 <b><u>Consumer Accounts</u></b>			
Supervision (901)	4,940	3,784	1,955
Consumer Records and Collections (903)	50,280	54,815	48,643
Uncollectible Accounts Expense (904)	1,170	1,170	1,574
Vacation, Holiday, Sick Leave (906)	4,491	3,710	5,733
Total Consumer Accounts	60,881	63,479	57,905
 <b><u>Administrative and General</u></b>			
Administrative and General Salaries (920)	83,068	65,021	71,741
Office Supplies and Expense (921)	3,970	3,900	4,291
Outside Services Employed (923)	9,766	11,545	10,920
Property Insurance (924)	1,173	1,173	1,132
Casualty Ins, Injuries & Damages (925)	7,484	8,157	5,209
Employee Pensions and Benefits (926)	99,625	101,897	89,801
Fringe Benefits Charges to Construction (927)	(5,740)	(5,377)	(4,877)
Rents (931)	9,844	9,844	9,656
Miscellaneous General Expense (930)	24,800	17,977	22,685
Maintenance of General Plant (932)	4,943	7,652	2,434
Vacation, Holiday, Sick Leave (936)	10,225	9,731	12,181
Depreciation (933)	13,343	8,812	9,359
Total Administrative and General	262,501	240,332	234,532
 Total Operating Expenses	 1,018,033	 949,292	 917,618

**Muscatine Power and Water - Communications Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - February 2018**

	<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)	\$2,240	\$2,440	\$2,357
Tools Expense (845)	517	1,365	625
Maintenance:			
Fiber (812)	681	1,078	1,018
Conduit System (817)	1,924	199	413
MAN Equipment (818, 819)	5,408	4,450	4,715
Vacation, Holiday, Sick Leave (899)	506	610	542
Property Taxes (896)	344	344	344
Depreciation (840)	41,159	37,494	44,076
Total MAN	52,779	47,980	54,090
 <b>VoIP Expenses (880)</b>	 4,835	 83	 0
 <b><u>Customer Service Expense</u></b>			
Customer Information Expense (909)	4,701	4,763	1,246
 <b><u>Consumer Accounts</u></b>			
Supervision (901)	9,881	7,217	5,053
Consumer Records and Collections (903)	99,948	101,547	90,147
Uncollectible Accounts Expense (904)	2,340	2,340	3,148
Vacation, Holiday, Sick Leave (906)	11,160	9,691	12,674
Total Consumer Accounts	123,329	120,795	111,022
 <b><u>Administrative and General</u></b>			
Administrative and General Salaries (920)	166,243	140,991	152,581
Office Supplies and Expense (921)	8,495	7,801	7,579
Outside Services Employed (923)	23,183	20,698	17,098
Property Insurance (924)	2,346	2,346	2,264
Casualty Ins, Injuries & Damages (925)	15,179	13,098	12,192
Employee Pensions and Benefits (926)	201,462	211,986	178,621
Fringe Benefits Charges to Construction (927)	(11,548)	(12,535)	(10,676)
Rents (931)	19,688	19,688	19,313
Miscellaneous General Expense (930)	40,238	26,888	37,638
Maintenance of General Plant (932)	12,664	13,549	9,184
Vacation, Holiday, Sick Leave (936)	25,239	27,001	28,046
Depreciation (933)	26,686	17,624	18,718
Total Administrative and General	529,875	489,135	472,558
 Total Operating Expenses	 2,051,971	 1,932,850	 1,854,563

**Muscatine Power and Water - Communications Utility**  
**Statistical Data**  
**February 2018**

<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	5,094	(2.0)	4,994	(5.8)	5,303
Commercial/Hospitality	<u>154</u>	3.9	<u>160</u>	(0.6)	<u>161</u>
Total CATV	<u>5,248</u>	(1.8)	<u>5,154</u>	(5.7)	<u>5,464</u>
Bulk Equivalent Services	<u>319</u>	0.3	<u>320</u>	(10.1)	<u>356</u>
Bulk Master Services	<u>24</u>	4.2	<u>25</u>	---	<u>25</u>
<u>Internet</u>					
Residential	8,049	(0.3)	8,026	3.0	7,796
Commercial	<u>525</u>	3.8	<u>545</u>	4.4	<u>522</u>
Total Internet	<u>8,574</u>	---	<u>8,571</u>	3.0	<u>8,318</u>
<u>VoIP</u>					
Residential	76	---	---	---	---
Commercial	<u>5</u>	---	<u>---</u>	---	<u>---</u>
Total VoIP	<u>81</u>	---	<u>---</u>	---	<u>---</u>
<u>MAN</u>	<u>82</u>	4.9	<u>86</u>	---	<u>86</u>

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



**Communications Utility**  
**Review of Operating Results**  
**February 2018**

**MUSCATINE POWER AND WATER - COMMUNICATIONS UTILITY  
VARIANCES FROM BUDGETED NET POSITION - JANUARY 31, 2018**

	(Unfavorable)/ Favorable Compared to Budget	
<b>Operating Revenue</b>		
CATV Revenue	\$ 1,615	Higher CATV revenues due to fewer subscribers (5,154 actual vs. 5,248 budget), with subscriber mix changing
	10,121	Broadcast fee greater than budget, due to bulk subs omitted from budget calculation
	(9,532)	Higher marketing promotional discounts (\$40,150 actual vs. \$30,618 budget) due to new promotional programs offered
	(12,126)	Lower VOD/PPV sales due to fewer subscribers and less buys
	(11,321)	Lower ad sales
	(7,941)	Lower converter rentals due to less subscribers
	(5,584)	Other miscellaneous variances - net
	<u>(34,768)</u>	
Data/Internet Revenue	257,184	Higher cable modem revenues due to higher subscribers (8,571 actual vs. 8,574 budget ) and customers migrating to a higher level of service
	(236,864)	Fiber services are just being installed to the first customers
	23,344	Lower promotional discounts due to higher subscribers (\$16,283 actual vs. \$39,627 budget)
	4,844	Higher Wi-fi @ Home due to more subscribers
	(1,738)	Other miscellaneous variances - net
	<u>46,770</u>	
VoIP	(2,297)	Service availability has not yet begun
MAN	9,733	More subscribers than budgeted
Miscellaneous Revenue	1,170	Other miscellaneous variances - net
<b>Operating Expense</b>		
Operation	13,193	Lower temp labor than budgeted, primarily due to DSRs and cable tech areas
	7,596	Miscellaneous data/internet expense materials are under budget
	1,992	Lower credit card processing fees
	3,290	Help desk expenses for knowledge base and FTTH hardware haven't been expended
	(1,452)	Organizational development expenses higher than budget
	15,694	Labor & vacation under budget
	27,741	Programming expense under budget
	4,800	Employee search services not needed
	2,966	Lower FICA than budgeted
	4,256	Health care expenses lower than budgeted
	4,752	VoIP management fee and service expenses are lower than budget due to delay in installing service
	(4,689)	Tools over budget
	(14,192)	Pension expense is over budget due to accruing expense at a higher rate to approximate GASB 68 effects
	21,267	Net book value of retired set-top boxes is lower than budget
	8,755	Travel and training under budget
	(7,836)	Other miscellaneous variances - net
	<u>88,133</u>	
Maintenance	8,299	Headend maintenance agreements are lower than budget
	7,646	Lower labor
	(1,072)	Other miscellaneous variances - net
	<u>14,873</u>	
Depreciation	16,116	Lower depreciation due to fewer fixed assets purchases in 2017 than anticipated
<b>Nonoperating Revenue (Expense)</b>		
Interest Income	20,149	More interest income due to higher cash balances
Interest Expense	(17,500)	Loan fees expensed in 2018
<b>Change in Net Position before Capital Contributions</b>	<u>142,379</u>	
Capital Contributions	(1,323)	
<b>Change in Net Position</b>	<u>\$ 141,056</u>	Total Variance from Budgeted Net Position

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

**Operating Revenues**

**CATV**

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Customers	5,248	5,154	5,464
Revenue:			
Basic	\$ 26,175	\$ 25,781	\$ 35,180
Select	588,303	594,378	671,572
Preferred	110,102	107,681	120,394
Premium	38,975	36,997	44,235
Bulk	38,100	38,433	46,109
Broadcast fee	105,020	115,141	-
PPV	5,960	2,629	4,743
VOD	<u>23,934</u>	<u>15,139</u>	<u>20,799</u>
Subtotal	\$ 936,569	\$ 936,179	\$ 943,032
Set top box rentals	165,033	157,092	162,950
Ad insertion revenue	56,000	44,679	52,225
Other CATV revenues	<u>10,898</u>	<u>5,314</u>	<u>7,481</u>
Gross CATV revenue	\$ 1,168,500	\$ 1,143,264	\$ 1,165,688
Discounts	<u>(30,618)</u>	<u>(40,150)</u>	<u>(44,971)</u>
Net CATV Revenue	<u>\$ 1,137,882</u>	<u>\$ 1,103,114</u>	<u>\$ 1,120,717</u>
Net Monthly Revenue per Subscriber	\$ 27.10	\$ 26.75	\$ 25.64

- Broadcast fee revenue is higher than budgeted because bulk equivalents were not included in the budgeted calculation.
- Discounts are more than budgeted due to new promotional programs offered.

Internet Revenue

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Customers	8,574	8,571	8,318
Revenue:			
Cable modem	\$ 646,019	\$ 903,203	\$ 858,167
Fiber service	249,455	12,591	-
Wi-fi @ Home	43,242	48,086	42,007
Wimax	14,995	15,701	17,028
Modem rentals	50,376	50,383	48,848
Other internet revenues	<u>9,357</u>	<u>6,906</u>	<u>5,714</u>
Gross internet revenues	\$ 1,013,444	\$ 1,036,870	\$ 971,764
Discounts	<u>(39,627)</u>	<u>(16,283)</u>	<u>(23,716)</u>
Net internet revenues	<u>\$ 973,817</u>	<u>\$ 1,020,587</u>	<u>\$ 948,048</u>
Net monthly revenue per subscriber	\$ 14.20	\$ 14.88	\$ 14.25

- Cable modem revenues are higher; although overall residential subs are below budget, there has been a lot of migration from lower speed services (Lite and Turbo) into higher speed services (Nitro, Xtreme50 and Xtreme100) and not as many customers have been converted to Fiber than budgeted.
- There were no discounts for bundled services year-to-date due to the late implementation of Fiber and voice services.
- Fiber and voice service were anticipated to be available in August, 2017. However, these services are just being installed on the first customers.

MAN

Revenue is \$9,733 higher than budget due to more contracts.

Nonoperating Revenue (Expense)

- Interest income is over budget \$20,149 due to higher than projected cash balances and a higher rate of return.
- Interest expense is higher than budget due to additional loan fees expensed in 2018.

**Year-To-Date Summary of Expenses****CATV****Program Acquisition Expense (751-758)**

Programming is lower due to lower subscribers than budgeted.

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Basic	\$ 163,568	\$ 152,639	\$ 112,564
Select	498,042	489,231	492,861
Premium	34,684	28,739	32,733
Digital	53,300	57,307	54,265
Pay-per-View	3,615	1,911	3,319
Video on Demand	<u>14,928</u>	<u>10,569</u>	<u>14,464</u>
Total	<u>\$768,137</u>	<u>\$740,396</u>	<u>\$710,206</u>

**Promotional Expense – (960)**

- Temp services, mileage and phone expenses for DSRs are under budget \$4,059.
- Incentives for the Customer Service and Help Desk departments are below budget by \$1,021.

**Ad Insertion – Marketing/Production (964, 965)**

- Labor is over budget \$1,363.
- Phone & mileage under budget \$700.
- Griffin research materials were not budget for \$1,367.

**Miscellaneous CATV Expense (710, 738, 739)**

- Remotes are under budget by \$741.
- Tools are over budget by \$4,689.
- Labor is over budget \$14,112.
- Temp services have not been expended for \$2,500.
- Fewer boxes have been retired of \$21,267.

**Maintenance of Conduit System (713)**

- Labor is over budget \$2,957.

**Maintenance of Headend (721-725)**

- Labor is under budget \$3,801.

**Maintenance of Converters (741)**

- Labor is under budget \$2,448.

InternetPromotional Expense – (961)

- Incentives for the Customer Service and Help Desk departments are below budget by \$1,021.
- Temp services, mileage and phone expenses for DSRs are under budget \$4,160.

Miscellaneous Data/Internet Expense – (847)

- Labor is over budget \$5,055.
- Temp services of \$2,500 have not been utilized.
- Other miscellaneous materials are under budget \$7,596.

Maintenance of Headend – (820, 821)

- Labor is over budget \$3,634.
- Maintenance agreements are under budget by \$5,315.

Maintenance of Modems – (841)

- Labor is under budget \$4,748.

Depreciation – (893)

Depreciation is lower than budget due to lower than expected expenditures for modems, equipment and customer drops prior to year-end 2017. This type of equipment has five- and ten-year lives.

Voice over Internet Protocol Expenses – (880)

Due to the delay in VoIP installs, the monthly administrative fee to the service provider and fees for services provided have not yet been incurred.

Customer Service ExpenseCustomer Records and Collections – (903)

- Labor is over budget \$2,756.
- Credit card processing fees are \$1,992 higher than budget.
- Collection service fees are below budget \$918.
- Higher postage of \$1,947 than budget was incurred.
- Temp services are below budget \$344.
- Help desk expenses for Novo knowledge base and FTTH OTT hardware haven't been expended yet. These total \$3,290.

Administrative & GeneralA&G Salaries – (920)

- Salaries in the Marketing, Data Tech and Telecommunications departments are under budget by \$5,349, \$13,502, and \$6,642, respectively.

Outside Services – (923)

	Responsibility Code	2018 Budget	2018 Actual	2017 Actual
Organizational Development	120-Sal	\$ 1,200	\$ 2,652	\$ -
General Legal Services	140-Brandy	-	431	-
Employment Legal Fees	140-Brandy	200	-	-
MCC Public Access	224-Rick	9,444	9,483	9,352
Web/Graphics Services	224-Rick	621	187	104
Insurance Advisor	310-Jerry	1,008	1,008	1,008
Audit Fees	320-Cassie	4,320	3,697	3,000
IS Outside Professional Services	350-Greg	240	600	2,740
Benefits Consulting	410-Erika	1,350	840	894
Employee Search Services	410-Erika	4,800	-	-
Communications Consulting - IUB/FCC	920-Brad	-	1,800	-
		<u>\$ 23,183</u>	<u>\$ 20,698</u>	<u>\$ 17,098</u>

Employee Pensions & Benefits – (926)

	2018 Budget	2018 Actual	2017 Actual
Health care cost	\$ 83,780	\$ 79,524	\$ 72,662
Pension	64,050	78,242	60,948
FICA	37,764	34,798	25,668
Deferred compensation	7,440	11,162	10,373
Dental	3,196	3,061	2,912
Life, LTD & ADD	2,812	2,657	2,699
OPEB	1,043	1,043	842
Unemployment expense	-	-	1,992
Other expenses	1,377	1,499	525
	<u>\$ 201,462</u>	<u>\$ 211,986</u>	<u>\$ 178,621</u>

- Pension expense is higher than budgeted due to recording expense to be more in-line with prior years' experience.

Miscellaneous General Expense – (930)

- Labor is under budget \$3,564.
- Travel & training are under budget by \$8,755.

Administrative & General (cont'd)

Depreciation – (933)

Depreciation is lower than budget due to lower than expected expenditures for equipment prior to year-end 2017. This type of equipment has a five-year life.



Communications Utility  
Statement of Net Position Review  
February 2018

<u>Current Assets</u>	<u>2018</u>	<u>2017</u>
<u>Receivables - Consumer Accounts</u>		
Customer Communications Accounts	\$1,223,252	\$1,192,829
Unbilled Revenue	87,178	85,167
Merchandise Accounts	58,474	70,114
Allowance for Doubtful Accounts	(5,993)	(10,435)
	<u>\$1,362,911</u>	<u>\$1,337,675</u>
<u>Inventories</u>		
Inventory	\$186,981	\$140,528
Stores Expense (a/c 163)	2,683	(273)
	<u>\$189,664</u>	<u>\$140,255</u>
<u>Prepaid Expenses</u>		
Prepaid Insurance	\$47,931	\$47,994
Prepaid Maintenance Contracts	226,292	226,292
Muscatine Schools - E-rate customer	119,159	37,205
Other Prepaid Expenses	27,357	(2,325)
	<u>\$420,739</u>	<u>\$309,166</u>
<u>Current Liabilities</u>		
<u>Accounts Payable (amounts over \$2,500 itemized)</u>		
Pole Rental	\$7,043	\$6,784
Advanced Media Technologies - modems	\$2,568	—
Atlantic Engineering Group - FTTH	18,761	—
Baker Tilly - audit svc	3,697	—
Bankcard - credit card processing fee	4,242	—
Big 10 - programming fee	9,730	9,765
BillTrust - bill processing	5,860	2,821
Butler Communications - fiber	4,683	—
CDW-G - wireless equip	3,008	—
Centurylink - tel/access fees	5,811	5,545
Cogsdale - business system implementation	3,708	29,730
Comcast Sportsnet Chicago - programming fee	23,457	23,082
Confluent Group - meter	—	2,799
Dascom Systems Group - integration svc	—	10,149
Dorsey & Whitney - loan closing	17,500	—
Finley Engineering - prof services	2,776	—
Fox Sports Net Midwest - programming fee	23,578	23,314
Gray Television - programming fee	21,399	7,164
Graybar Electric - fiber	30,223	—
Inca Networks - yearly maintenance	4,432	—
Insight Direct - wireless routers	37,012	—
IAMU - membership	3,388	—
KGCW - programming fee	192,122	116,594
Library of Congress - copyright fee	15,653	—
Megahertz - chassis	32,162	4,153
MP Nexlevel	7,660	—
Murphy Tower Service - install antennas	—	13,033
Muscatine Community College - public access	9,483	9,352
Natl Cable TV Coop - programming fee	214,076	215,952
Nexstar - programming fee	35,095	30,702
Opterna AM Inc - yrly mnt	—	4,371
PC Connection Sales Corp - Macbook Pro	—	3,219
Pivot Group - training	—	5,375
Power & Tel - prof services	19,810	—
Rovi Guides - programming fee	8,552	8,818
Sycamore Printing - forms	3,338	—
Telco Systems - console cable	—	7,449
Temp Associates - temp svcs	3,033	—
Tower Distribution - programming fee	20,345	15,434
Univision - programming fee	6,906	6,946
Veex - digital analyzer repair	2,973	—
Vubiquity - programming fee	4,584	7,188
Other	33,961	32,515
	<u>\$842,629</u>	<u>\$602,254</u>
<u>Miscellaneous Accrued Expenses</u>		
Sales/Use Tax Collections Payable	\$19,058	\$22,191
Franchise Fees Payable	27,074	28,731
Payroll Tax Collections Payable	23,410	15,764
Workers' Comp Self Insurance Reserves	45,411	59,430
	<u>\$114,953</u>	<u>\$126,116</u>