

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

	Budget Estimate	% Increase (Decrease) From Budget	This Year	% Increase (Decrease) Fr. Last Yr.	Last Year
<u>KWH Generated and Sold</u>					
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	<u>68,734,646</u>	5.2	<u>72,298,695</u>	4.5X	13,109,582
Wholesale Sales - Wind	5,990,000	(27.0)	4,373,214	(27.0)	5,987,837
Total Wholesales Sales	<u>74,724,646</u>	2.6	<u>76,671,909</u>	3.0X	<u>19,097,419</u>
<u>Net Capacity Factors</u>					
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
<u>KWH Distribution</u>					
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	<u>1,352,059</u>	(4.1)	<u>1,296,486</u>	(6.9)	<u>1,392,589</u>
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	<u>1,059,771</u>	(13.4)	<u>917,411</u>	10.9X	<u>77,199</u>
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	<u>79,490,276</u>	(8.2)	<u>73,010,248</u>	(0.2)	<u>73,128,347</u>
 <u>STEAM SALES - 1,000 lbs</u>	 <u>235,200</u>	 2.7	 <u>241,523</u>	 (1.8)	 <u>245,892</u>

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

	Budget Estimate	% Increase (Decrease) From Budget	This Year	% Increase (Decrease) Fr. Last Yr.	Last Year
<u>KWH Generated and Sold</u>					
Gross Generation	169,409,971	11.2	188,372,306	69.4	111,230,459
Less: Plant Use	<u>18,709,440</u>	11.4	<u>20,847,982</u>	60.9	<u>12,957,443</u>
Net Generation/Wholesale Sales	<u>150,700,531</u>	11.2	<u>167,524,324</u>	70.5	<u>98,273,016</u>
Wholesale Sales - Wind	<u>9,535,000</u>	6.0	<u>10,106,900</u>	6.0	<u>9,534,534</u>
Total Wholesale Sales	<u>160,235,531</u>	10.9	<u>177,631,224</u>	64.8	<u>107,807,550</u>
<u>Net Capacity Factors</u>					
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
<u>KWH Distribution</u>					
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	<u>2,785,802</u>	<u>(3.2)</u>	<u>2,696,293</u>	<u>(5.9)</u>	<u>2,865,218</u>
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	<u>3,100,753</u>	<u>(21.3)</u>	<u>2,440,885</u>	<u>40.0</u>	<u>1,743,145</u>
Total Native System KWH					
Distributed	152,218,628	(4.7)	145,109,442	2.5	141,532,017
Wind KWH Purchases	<u>9,535,000</u>	<u>6.0</u>	<u>10,106,900</u>	<u>6.0</u>	<u>9,534,534</u>
Total Purchased Power KWH	<u>161,753,628</u>	<u>(4.0)</u>	<u>155,216,342</u>	<u>2.7</u>	<u>151,066,551</u>
 STEAM SALES - 1,000 lbs	 <u>495,600</u>	 <u>(6.0)</u>	 <u>466,104</u>	 <u>(11.8)</u>	 <u>528,273</u>

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

	Budget		% Increase (Decrease) from Budget			% Increase (Decrease) from Last Year		
	Estimate	Avg. Price		This Year	Avg. Price		Year	Last Year
<u>Sales of Electricity</u>								
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
<u>Other Revenue</u>								
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	
<u>Operating Expense</u>								
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)	
<u>Nonoperating Revenue (Expense)</u>								
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

	% Increase (Decrease) from Budget			% Increase (Decrease) from Last			<u>Last Year</u>	<u>Avg. Price</u>
	<u>Budget</u>	<u>Estimate</u>	<u>Avg. Price</u>	<u>This Year</u>	<u>Avg. Price</u>	<u>Year</u>		
<u>Sales of Electricity</u>								
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	
<u>Steam Sales</u>	1,885,628	3.80	(6.0)	1,771,881	3.80	(12.4)	2,023,052	3.83
<u>Other Revenue</u>								
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	
<u>Operating Expense</u>								
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)	
<u>Nonoperating Revenue (Expense)</u>								
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	
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	279,699	3.0X		1,131,192		-5.4X	(259,136)	
Capital Contributions	---		---	---		---	2,863	
Change in Net Position	279,699	3.0X		1,131,192		-5.4X	(256,273)	
Beginning Net Position	112,894,961			112,894,961			127,887,964	
Ending Net Position	\$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>2018</u>	<u>2017</u>
Current Assets:		
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
	<hr/>	<hr/>
Total Current Assets	<hr/>	<hr/>
	83,329,865	67,332,161
Property and Equipment:		
At Cost	429,516,085	425,960,250
Less Accumulated Depreciation	360,849,507	351,512,388
	<hr/>	<hr/>
Net Property and Equipment	<hr/>	<hr/>
	68,666,578	74,447,862
Other Assets:		
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	<hr/>	<hr/>
	8,665,518	14,643,145
Deferred Outflows of Resources		
Pension	10,419,754	8,177,423
OPEB	79,019	---
	<hr/>	<hr/>
Total Deferred Outflows of Resources	<hr/>	<hr/>
	10,498,773	8,177,423
TOTAL ASSETS	<hr/>	<hr/>
	\$171,160,734	\$164,600,591

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

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	<u>2018</u>	<u>2017</u>
Current Liabilities:		
Unrestricted		
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	<u>6,828</u>	<u>68,489</u>
Total Unrestricted Current Liabilities	<u>9,366,589</u>	<u>8,434,089</u>
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,302,982	1,062,521
Post-Employment Health Benefit Provision	658,650	414,290
Net Pension Liability	<u>16,519,365</u>	<u>13,391,975</u>
Total Non-Current Liabilities	<u>18,480,997</u>	<u>14,868,786</u>
Deferred Inflows of Resources		
Extraordinary O&M	28,032,866	13,032,866
Pension	1,163,568	633,159
OPEB	<u>90,561</u>	---
Total Deferred Inflows of Resources	<u>29,286,995</u>	<u>13,666,025</u>
Net Position:		
Net Investment in Capital Assets	68,666,578	74,447,862
Unrestricted	<u>45,359,575</u>	<u>53,183,829</u>
Total Net Position	<u>114,026,153</u>	<u>127,631,691</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$171,160,734</u>	<u>\$164,600,591</u>

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

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$4,644,522	\$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	<u>(1,609,019)</u>	<u>(3,767,462)</u>
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>\$57,925,066</u>	<u>\$57,925,066</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	<u>(19,080)</u>	<u>167,400</u>
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>This Year</u>	<u>Last Year</u>
Extraordinary Operation & Maintenance Account	<u>\$28,181,155</u>	<u>\$13,121,883</u>
Total Cash and Investments Appropriated for Specific Purposes	<u>\$28,181,155</u>	<u>\$13,121,883</u>

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>				
Purchased Power	\$2,143,683	27.2	\$1,800,330	23.7	\$1,988,578
Average price per kWh	\$0.0292		\$0.0262		\$0.0296
Generation					
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>
Purchased Power	\$4,355,629	26.4	\$4,494,168
Average price per kWh	\$0.0286	26.2	\$0.0310
			\$4,512,259
			29.5
Generation			
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>
Total Generation Expense	<u>\$7,591,231</u>	<u>46.1</u>	<u>\$7,658,858</u>
			44.6
			\$7,477,016
			48.8

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

	Budget <u>Estimate</u>	This Year	Last Year
<u>Transmission</u>			
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)	<u>5,690</u>	<u>5,690</u>	<u>9,681</u>
Total Transmission Expense	<u>321,124</u>	4.1	<u>262,871</u>
		3.5	251,741
			4.0
<u>Distribution</u>			
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)	<u>52,992</u>	<u>59,969</u>	<u>72,488</u>
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)	<u>177,226</u>	<u>175,558</u>	<u>172,352</u>
Tax on Rural Property (579)	<u>1,700</u>	<u>1,700</u>	<u>(2,291)</u>
Total Distribution Expense	<u>\$465,307</u>	5.9	<u>\$434,924</u>
		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>
<u>Transmission</u>			
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)	<u>11,379</u>	<u>11,380</u>	<u>11,379</u>
Total Transmission Expense	<u>652,698</u>	4.0	<u>467,514</u>
		562,619	3.3
		467,514	3.1
<u>Distribution</u>			
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)	<u>109,878</u>	<u>132,016</u>	<u>137,445</u>
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)	<u>3,399</u>	<u>3,400</u>	<u>3,399</u>
Total Distribution Expense	<u>\$969,589</u>	5.9	<u>\$940,949</u>
		\$930,966	5.4
		\$940,949	6.1

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

	Budget <u>Estimate</u>	This Year	Last Year
<u>Customer Service Expense</u>			
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	 12,771
	 6,032	 0.1	 0.2
 <u>Consumer Accounts</u>			
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	 59,883
	 66,427	 0.9	 1.0
 <u>Administrative and General</u>			
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	 1,039,550
	 1,134,948	 14.9	 16.7
 Total Operating Expense	 \$7,829,860	 \$7,193,826	 \$7,135,460
 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

	Budget Estimate	This Year	Last Year
<u>Customer Service Expense</u>			
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	 \$52,290	 0.3	 \$40,567 0.3
 <u>Consumer Accounts</u>			
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	 129,339	 0.8	 119,347 0.8
 <u>Administrative and General</u>			
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	 2,479,361	 15.0	 2,329,315 13.6
 Total Operating Expense	 \$16,230,137	 \$16,163,920	 \$15,613,091
 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)

	<u>Current Month</u>	
	<u>2018</u>	<u>2017</u>
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

	<u>Calendar Year-To-Date</u>	
	<u>2018</u>	<u>2017</u>
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°
---------------------	-------	-------

<u>Services</u>	<u>2018</u>	<u>2017</u>
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	11,498	11,425

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

	Modified <u>Budget</u>		This <u>Year</u>		Last <u>Year</u>	
		\$/kWh		\$/kWh		\$/kWh
Wholesale kWh Sales*	68,734,646		72,298,695		13,109,582	
Wholesale Sales*	\$2,047,568	\$0.02979	\$1,991,624	\$0.02755	\$780,433	\$0.05953
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	1,308,410	0.01904	2,226,932	0.03080	210,925	0.01609
Emissions:						
SO ² Allowances-ARP ^{fn1}	208	---	20	---	31	---
SO ² Allowances-CSAPR ^{fn2}	209	---	26	---	78	---
NO _x Allowances ^{fn3}	699	---	133	---	291	0.00002
Other ^{fn4}	<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>
Gross Margin	\$571,884	\$0.00832	(\$402,458)	(\$0.00557)	\$401,922	\$0.03066
Percent Gross Margin	27.9%		-20.2%		51.5%	

*Wholesale analysis excludes wind. (see next page)

Calendar Year To Date

	Modified <u>Budget</u>		This <u>Year</u>		Last <u>Year</u>	
		\$/kWh		\$/kWh		\$/kWh
Wholesale kWh Sales*	150,700,531		167,524,324		98,273,016	
Wholesale Sales*	\$4,496,958	\$0.02984	\$5,586,203	\$0.03335	\$3,908,468	\$0.03977
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	2,895,800	0.01922	4,077,672	0.02434	1,847,270	0.01880
Emissions:						
SO ² Allowances-ARP ^{fn1}	438	---	54	---	65	---
SO ² Allowances-CSAPR ^{fn2}	439	---	68	---	163	---
NO _x Allowances ^{fn3}	1,473	0.00001	316	0.00000	1,229	0.00001
Other ^{fn4}	<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>
Gross Margin	\$1,266,493	\$0.00840	\$1,174,151	\$0.00701	\$1,725,369	\$0.01756
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:

	Budget	2018	2017
fn1 SO ² ARP	\$2.00	\$0.70	\$0.80
YTD SO ² ARP	2.00	0.70	0.80
fn2 SO ² CSAPR	2.00	0.88	2.00
YTD SO ² CSAPR	0.00	0.88	2.00
fn3 NO _x annual	5.00	1.50	6.00
YTD NO _x 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>
<u>Revenue</u>						
<u>Wholesale kWh Sales</u>	<u>5,990,000</u>		<u>4,373,214</u>		<u>5,987,837</u>	
<u>Wholesale Sales</u>	<u>\$80,865</u>	<u>\$0.01350</u>	<u>\$76,220</u>	<u>\$0.01743</u>	<u>\$80,512</u>	<u>\$0.01345</u>
<u>Expense</u>						
<u>Purchased Power kWh</u>	5,990,000		4,373,214		5,987,837	
<u>Purchased Power</u>	\$159,154	0.02657	\$116,196	0.02657	\$155,722	0.02601
<u>Gross Margin/(Loss)</u>	<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	
<u>Wind Net Margin/(Loss)</u>	<u>(\$78,289)</u>		<u>(\$39,976)</u>		<u>(\$75,210)</u>	

Calendar Year To Date

	<u>Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<u>Revenue</u>						
<u>Wholesale kWh Sales</u>	<u>9,535,000</u>		<u>10,106,900</u>		<u>9,534,534</u>	
<u>Wholesale Sales</u>	<u>\$140,067</u>	<u>\$0.01469</u>	<u>\$198,055</u>	<u>\$0.01960</u>	<u>\$138,453</u>	<u>---</u>
<u>Expense</u>						
<u>Purchased Power kWh</u>	9,535,000		10,106,900		9,534,534	
<u>Purchased Power</u>	\$253,345	0.02657	\$268,540	0.02657	\$247,918	---
<u>Gross Margin/(Loss)</u>	<u>(\$113,278)</u>	<u>(\$0.01188)</u>	<u>(\$70,485)</u>	<u>(\$0.00697)</u>	<u>(\$109,465)</u>	<u>---</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	
<u>Wind Net Margin/(Loss)</u>	<u>(\$113,278)</u>		<u>(\$69,735)</u>		<u>(\$109,465)</u>	

	<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

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

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

	Current Month <u>2018 Budget</u>	Current Month <u>2018 Actual</u>	Current Month <u>2017 Actual</u>	Year-To-Date <u>2018 Budget</u>	Year-To-Date <u>2018 Actual</u>	Year-To-Date <u>2017 Actual</u>
Native System Sales KWHs	<u>71,615,369</u>	<u>66,866,862</u>	<u>65,137,494</u>	<u>147,372,722</u>	<u>140,727,164</u>	<u>136,587,891</u>
Native System Sales	<u>\$4,768,780</u>	<u>\$4,537,081</u>	<u>\$4,383,830</u>	<u>\$9,798,628</u>	<u>\$9,481,975</u>	<u>\$9,130,596</u>
Less:						
Purchased Power	<u>2,143,683</u>	<u>1,800,330</u>	<u>1,988,578</u>	<u>4,355,629</u>	<u>4,494,168</u>	<u>4,512,259</u>
Distribution	<u>465,307</u>	<u>434,924</u>	<u>469,743</u>	<u>969,589</u>	<u>930,966</u>	<u>940,949</u>
Customer Service	<u>20,335</u>	<u>6,032</u>	<u>12,771</u>	<u>52,290</u>	<u>60,174</u>	<u>40,567</u>
Consumers Accounts	<u>63,597</u>	<u>66,427</u>	<u>59,883</u>	<u>129,339</u>	<u>127,820</u>	<u>119,347</u>
Administrative & General	<u>1,191,781</u>	<u>1,134,948</u>	<u>1,039,550</u>	<u>2,479,361</u>	<u>2,329,315</u>	<u>2,055,439</u>
Subtotal	<u>3,884,703</u>	<u>3,442,661</u>	<u>3,570,525</u>	<u>7,986,208</u>	<u>7,942,443</u>	<u>7,668,561</u>
Native System Margin	<u>884,077</u>	<u>1,094,420</u>	<u>813,305</u>	<u>1,812,420</u>	<u>1,539,532</u>	<u>1,462,035</u>
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>
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	<u>(37,772)</u>	<u>329,233</u>	<u>(953,287)</u>	<u>91,144</u>	<u>874,194</u>	<u>(412,522)</u>
Other Revenue	<u>77,425</u>	<u>71,481</u>	<u>44,802</u>	<u>153,553</u>	<u>142,556</u>	<u>119,481</u>
Nonoperating Revenue (Expense)	<u>17,607</u>	<u>57,440</u>	<u>16,443</u>	<u>35,002</u>	<u>114,442</u>	<u>33,905</u>
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		
Sales of Electricity		
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>	
Steam Sales		<u>(113,747)</u> 6.0% lower pounds of steam sold
Other Revenue		
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>	
Operating Expense		
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	<u>(15,195)</u>	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
<u>52,383</u>	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
<u>94,793</u>	Other miscellaneous variances - net
<u>164,562</u>	

Depreciation

119,690	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
Nonoperating Revenue (Expense)	
Interest Income	79,818 Higher average cash balances
Interest Expense	<u>(378)</u>
	<u>79,440</u>
Change in Net Position	<u><u>\$ 851,493 Total Variance from Budgeted Net Position</u></u>

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	31,801	5,828
	\$362,776	\$305,773

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

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

Maintenance of Structures - (511)	2018	2018
	Budget	Actual
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
Central Stores building maintenance	1,500	-
Other expenses	25,129	14,829
	\$91,415	\$80,371

Maintenance of Boiler Plant - Boiler - (512-006)	2018	2018
	Budget	Actual
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
	\$383,446	\$235,230

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	4,199	-
	\$108,359	\$122,130

<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	167	154
	\$134,800	\$109,926

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	<u>13,738</u>	<u>5,934</u>	
	<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 time 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>	<u>2018</u>	<u>2018</u>	<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<u>Marketing</u>			
Media advertising	\$2,332	\$2,084	\$1,311
Customer newsletter/bill inserts	619	-	-
Postage	216	-	-
Promotional materials	960	108	182
Photo library	<u>508</u>	<u>162</u>	<u>324</u>
Subtotal - Marketing	<u>4,635</u>	<u>2,354</u>	<u>1,817</u>
<u>Energy Services</u>			
Trees Forever	13,000	-	-
Customized energy efficiencies	200	-	-
Compact fluorescent exchange program	1,000	781	474
Customer awareness programs	334	-	-
Presentation materials	<u>620</u>	-	-
Science fair/poster contest			
Subtotal - Energy Services	<u>15,154</u>	<u>781</u>	<u>474</u>
Miscellaneous	-	<u>422</u>	-
	<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
	\$31,120	\$55,781	\$38,025

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
		\$121,477	\$96,385	\$98,983

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
	\$1,115,374	\$1,229,997	\$1,067,795

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
	\$124,772	\$65,496	\$73,867

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>
<u>Current Assets</u>		
<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 - S02	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 digital 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>
<u>Current Liabilities</u>		
<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/Misissippi 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	---
Ottsen - 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

	<u>Budget Estimate</u>	<u>%Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>%Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<u>Water Distribution - 1,000 Gallons</u>					
Contract Customers	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>792,739</u>	0.2	<u>794,065</u>	(2.2)	<u>811,757</u>

Calendar Year-to-Date

	<u>Budget Estimate</u>	<u>%Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>%Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<u>Water Distribution - 1,000 Gallons</u>					
Contract Customers	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>1,647,656</u>	1.1	<u>1,665,012</u>	(0.9)	<u>1,679,551</u>

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

	Budget			% Increase (Decrease)			% Increase (Decrease)		<u>Last Year</u>	<u>Avg. Price</u>
	<u>Estimate</u>	<u>Avg. Price</u>	<u>from Budget</u>	<u>This Year</u>	<u>Avg. Price</u>	<u>Year</u>	<u>from Last</u>			
<u>Sales of Water</u>										
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	<u>506,560</u>	<u>0.67734</u>	<u>1.0</u>	<u>511,622</u>	<u>0.68297</u>	<u>4.4</u>			<u>489,905</u>	<u>0.63973</u>
<u>Other Revenue</u>										
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	<u>2,831</u>	<u>9.4</u>		<u>3,097</u>		<u>(19.7)</u>			<u>3,858</u>	
Operating Revenue	<u>509,391</u>	<u>1.0</u>		<u>514,719</u>		<u>4.2</u>			<u>493,763</u>	
<u>Operating Expense</u>										
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	<u>454,630</u>	<u>(4.3)</u>		<u>434,997</u>		<u>2.9</u>			<u>422,911</u>	
Operating Income	<u>54,761</u>	<u>45.6</u>		<u>79,722</u>		<u>12.5</u>			<u>70,852</u>	
<u>Nonoperating Revenues (Expenses)</u>										
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)	<u>(38,773)</u>	<u>(21.2)</u>		<u>(30,552)</u>		<u>23.0X</u>			<u>(1,273)</u>	
Net Income (Loss) before Capital Contributions	15,988	2.1X		49,170		(29.3)			69,579	
Capital Contributions	---	---		---		---			---	
Change in Net Position	15,988	2.1X		49,170		(29.3)			69,579	
Beginning Net Position	16,605,157			16,641,150					16,426,466	
Ending Net Position	\$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

	Budget Estimate	Avg. Price	% Increase (Decrease) from Budget	% Increase (Decrease) from Last Year			Last Year	Avg. Price
				This Year	Avg. Price	Year		
Sales of Water								
Contract Customers	\$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	<u>1,031,632</u>	<u>0.66369</u>	<u>1.3</u>	<u>1,044,535</u>	<u>0.66499</u>	<u>4.9</u>	<u>995,533</u>	<u>0.62831</u>
Other Revenue								
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	<u>5,056</u>		<u>58.8</u>	<u>8,028</u>		<u>46.7</u>	<u>5,474</u>	
Operating Revenue	<u>1,036,688</u>		<u>1.5</u>	<u>1,052,563</u>		<u>5.2</u>	<u>1,001,007</u>	
Operating Expense								
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	<u>929,607</u>		<u>(4.1)</u>	<u>891,146</u>		<u>(8.2)</u>	<u>970,480</u>	
Operating Income	<u>107,081</u>		<u>50.7</u>	<u>161,417</u>		<u>4.3X</u>	<u>30,527</u>	
Nonoperating Revenues (Expenses)								
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)	<u>(77,525)</u>		<u>(19.1)</u>	<u>(62,686)</u>		<u>23.3X</u>	<u>(2,575)</u>	
Net Income (Loss) before Capital Contributions	29,556		2.3X	98,731		2.5X	27,952	
Capital Contributions	---		---	---		---	---	
Change in Net Position	29,556		2.3X	98,731		2.5X	27,952	
Beginning Net Position	16,591,589			16,591,589			16,468,093	
Ending Net Position	\$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>2018</u>	<u>2017</u>
Current Assets:		
<u>Unrestricted Assets</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	<u>43,894</u>	<u>50,958</u>
Total Unrestricted Current Assets	<u>1,909,622</u>	<u>1,731,592</u>
<u>Restricted Assets</u>		
Cash - interest bearing	<u>7,433,178</u>	<u>35,292</u>
Total Restricted Current Assets	<u>7,433,178</u>	<u>35,292</u>
Total Current Assets	<u>9,342,800</u>	<u>1,766,884</u>
Non-Current Assets:		
Unamortized debt issuance costs	55,882	---
Property and Equipment:		
At Cost	36,938,827	32,797,914
Less Accumulated Depreciation	<u>11,139,585</u>	<u>10,753,716</u>
Net Property and Equipment	<u>25,799,242</u>	<u>22,044,198</u>
Deferred Outflows of Resources		
Pension	734,363	610,291
IPERS	197,472	114,030
OPEB	<u>10,397</u>	---
Total Deferred Outflows of Resources	<u>942,232</u>	<u>724,321</u>
TOTAL ASSETS	<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>
Current Liabilities:		
<u>Payable from Unrestricted Assets</u>		
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	<u>76,368</u>	<u>67,329</u>
Total Payable from Unrestricted Assets	<u>1,204,905</u>	<u>576,409</u>
<u>Payable from Restricted Assets</u>		
State Revolving Loan	32,000	31,000
Accrued Interest	<u>144,450</u>	<u>3,224</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>
Non-Current Liabilities:		
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	<u>198,259</u>	<u>198,772</u>
Total Non-Current Liabilities	<u>17,874,071</u>	<u>7,166,429</u>
Deferred Inflows of Resources		
Pension	79,730	42,321
IPERS	102,764	219,975
OPEB	<u>11,916</u>	<u>---</u>
Total Deferred Inflows of Resources	<u>194,410</u>	<u>262,296</u>
Net Position:		
Net Investment in Capital Assets	25,500,383	21,623,321
Restricted	7,288,728	32,068
Unrestricted	<u>(16,098,791)</u>	<u>(5,159,344)</u>
Total Net Position	<u>16,690,320</u>	<u>16,496,045</u>
TOTAL LIABILITIES AND NET POSITION	<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

	<u>Current Month</u>	<u>Year- To-Date</u>
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	<u>(202,237)</u>	<u>(485,019)</u>
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>\$8,231,795</u>	<u>\$8,231,795</u>

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

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$79,722	\$161,417
Noncash item in operating income:		
Depreciation of utility plant	71,558	143,114
Amoritization 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	<u>9,600</u>	<u>16,107</u>
Net cash flows from operating activities	<u><u>\$191,550</u></u>	<u><u>\$852,976</u></u>

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>
<u>Source of Supply</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)	<u>11,563</u>	<u>9,449</u>	<u>9,525</u>
 Total Source of Supply Expense	 <u>17,436</u>	 3.4	 2.7
<u>Pumping</u>			
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)	<u>6,690</u>	<u>6,240</u>	<u>6,294</u>
 Total Pumping Expense	 <u>97,196</u>	 19.1	 18.4
<u>Water Treatment</u>			
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)	<u>3,443</u>	<u>3,262</u>	<u>3,262</u>
 Total Water Treatment Expense	 <u>47,056</u>	 9.2	 9.2
<u>Distribution</u>			
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)	<u>40,815</u>	<u>39,456</u>	<u>36,184</u>
 Total Distribution Expense	 <u>\$137,624</u>	 27.0	 24.9
		 \$128,230	 25.9
		 \$127,710	

**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>
<u>Source of Supply</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)	<u>23,125</u>		<u>18,897</u>		<u>19,051</u>
 Total Source of Supply Expense	 <u>33,921</u>	 3.3	 <u>28,073</u>	 2.7	 <u>69,530</u>
<u>Pumping</u>					
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)	<u>13,380</u>		<u>12,481</u>		<u>12,588</u>
 Total Pumping Expense	 <u>199,204</u>	 19.2	 <u>189,936</u>	 18.0	 <u>259,649</u>
<u>Water Treatment</u>					
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)	<u>6,886</u>		<u>6,523</u>		<u>6,523</u>
 Total Water Treatment Expense	 <u>96,259</u>	 9.3	 <u>105,523</u>	 10.0	 <u>100,210</u>
<u>Distribution</u>					
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)	<u>81,630</u>		<u>78,912</u>		<u>72,287</u>
 Total Distribution Expense	 \$279,836	 27.0	 \$265,690	 25.2	 \$271,285
					27.1

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>
<u>Customer Service Expense</u>			
Customer Information Expense (909)	<u>\$1,140</u>	0.2	<u>\$280</u> 0.1
<u>Consumer Accounts</u>			
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>Administrative and General</u>			
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
Total Operating Expense	<u><u>\$454,630</u></u>	<u><u>\$434,997</u></u>	<u><u>\$422,911</u></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>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	<u>\$1,627</u>	0.2	<u>\$478</u>	0.0	<u>\$644</u>	0.1
<u>Consumer Accounts</u>						
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
<u>Administrative and General</u>						
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><u>\$929,607</u></u>		<u><u>\$891,146</u></u>		<u><u>\$970,480</u></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
	9,638	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	914	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
	(2,153)	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
	3,568	Other miscellaneous variances - net
	<u>27,977</u>	
Depreciation	<u>4,708</u>	
Nonoperating Revenue (Expense)		
Interest Income	13,339	Water bond project fund interest rate higher than budgeted
Interest Expense	1,500	Refund of bond issuance cost overpayment
	<u>14,839</u>	
Change in Net Position	<u>\$ 69,175</u>	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.

	2018 Budget	2018 Actual	2017 Actual
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.

	2018 Budget		2018 Actual		2017 Actual				
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)

	2018 Budget	2018 Actual	2017 Actual
Billtrust	\$ 60	\$ 32	\$ 7
Postage	96	---	---
Promotional Material/Education	380	257	78
Media Advertising	720	175	530
Newsletter	273	---	---
Presentation Materials	54	---	---
Photo Library	44	14	29
	\$ 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)

	Resp Code	<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
	\$ 132,943	\$ 136,204	\$ 116,801

*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

	2018	2017
Current Assets		
Receivables - Consumer Accounts		
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	<u>(4,270)</u>	<u>(3,880)</u>
	<u>\$723,280</u>	<u>\$673,164</u>
Inventories		
Inventory	\$340,311	\$321,537
Stores Expense (a/c 163)	<u>3,480</u>	<u>(402)</u>
	<u>\$343,791</u>	<u>\$321,135</u>
Prepaid Expenses		
Prepaid Insurance	\$31,357	\$30,235
Prepaid Maintenance Contracts	10,513	21,594
Other Prepaid Expenses	<u>2,024</u>	<u>(871)</u>
	<u>\$43,894</u>	<u>\$50,958</u>
Current Liabilities		
Accounts Payable (amounts over \$2,500 itemized)		
Electric bills	\$82,068	\$87,114
Alexander Chemical Corp - chlorine	—	4,824
Bililtrust - 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	<u>39,287</u>	<u>24,656</u>
	<u>\$832,171</u>	<u>\$230,136</u>
Customer Advances for Construction		
Aspen Villas	—	\$30,815
Curry Trucking	—	59,640
Lutheran Homes	—	650
R.L. Fridley Theaters, Inc	<u>600</u>	<u>650</u>
	<u>\$600</u>	<u>\$91,105</u>
Miscellaneous Accrued Expenses		
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	<u>11,948</u>	<u>3,153</u>
	<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

	Budget Estimate	% Increase (Decrease) From Budget	This Year	% Increase (Decrease) Fr. Last Yr.	Last Year
<u>Operating Revenue</u>					
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	<u>9,340</u>	20.1	<u>11,214</u>	(12.4)	<u>12,795</u>
Total Operating Revenues	<u>1,132,202</u>	0.2	<u>1,134,422</u>	4.0	<u>1,090,490</u>
<u>Operating Expense</u>					
Operation	795,648	(7.3)	737,264	3.5	711,994
Maintenance	87,536	(2.6)	85,237	20.6	70,698
Depreciation	<u>134,849</u>	(6.0)	<u>126,791</u>	(6.0)	<u>134,926</u>
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>
<u>Nonoperating Revenue (Expense)</u>					
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

	Budget Estimate	% Increase (Decrease) From Budget	This Year	% Increase (Decrease) Fr. Last Yr.	Last Year
<u>Operating Revenue</u>					
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	<u>20,978</u>	5.6	<u>22,148</u>	8.5	<u>20,408</u>
Total Operating Revenues	<u>2,255,974</u>	0.9	<u>2,276,582</u>	3.4	<u>2,201,681</u>
<u>Operating Expense</u>					
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	<u>269,698</u>	(6.0)	<u>253,582</u>	(6.0)	<u>269,852</u>
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>
<u>Nonoperating Revenue (Expense)</u>					
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>
Net Income before Capital Contributions	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>
Change in Net Position	153,769		294,824		351,981
Beginning Net Position	<u>7,489,229</u>		<u>7,489,229</u>		<u>5,661,535</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	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>2018</u>	<u>2017</u>
Current Assets:		
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>
Property and Equipment:		
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>
Deferred Outflows of Resources		
Pension	1,617,642	1,269,389
OPEB	<u>14,555</u>	---
Total Deferred Outflows of Resources	<u>1,632,197</u>	<u>1,269,389</u>
TOTAL ASSETS	<u>\$30,950,418</u>	<u>\$18,650,417</u>

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

LIABILITIES AND NET POSITION

	<u>2018</u>	<u>2017</u>
Current Liabilities:		
<u>Payable from Unrestricted Assets</u>		
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	<u>114,953</u>	<u>126,116</u>
Total Payable from Unrestricted Assets	<u>1,393,103</u>	<u>1,018,691</u>
<u>Payable from Restricted Assets</u>		
Notes Payable:		
Banks	1,875,198	---
Electric Utility	<u>483,850</u>	<u>481,443</u>
Total Payable from Restricted Assets	<u>2,359,048</u>	<u>481,443</u>
Total Current Liabilities	<u>3,752,151</u>	<u>1,500,134</u>
Non-Current Liabilities:		
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	<u>8,078,994</u>	<u>8,562,844</u>
Total Non-Current Liabilities	<u>19,217,575</u>	<u>11,039,424</u>
Deferred Inflows of Resources		
Pension	179,957	97,343
OPEB	<u>16,682</u>	---
Total Deferred Inflows of Resources	<u>196,639</u>	<u>97,343</u>
Net Position:		
Net Investment in Capital Assets	2,670,515	6,708,727
Unrestricted	<u>5,113,538</u>	<u>(695,211)</u>
Total Net Position	<u>7,784,053</u>	<u>6,013,516</u>
TOTAL LIABILITIES AND NET POSITION	<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

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
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

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$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	<u>16,479</u>	<u>(5,893)</u>
Net cash flows from operating activities	<u><u>\$216,324</u></u>	<u><u>\$430,911</u></u>

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

	Budget Estimate	This Year	Last Year
CATV			
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	<u>549,451</u>	<u>512,333</u>	<u>491,370</u>
Data/Internet			
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	<u>111,486</u>	<u>104,262</u>	<u>105,407</u>

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

	Budget Estimate	This Year	Last Year
CATV			
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)	<u>138,798</u>	<u>141,024</u>	<u>153,262</u>
Total CATV	<u>1,107,210</u>	<u>1,061,751</u>	<u>1,009,419</u>
Data/Internet			
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)	<u>63,055</u>	<u>57,440</u>	<u>53,796</u>
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

	<u>Budget Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>MAN</u>			
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)	<u>20,579</u>	<u>18,747</u>	<u>22,038</u>
Total MAN	<u>25,875</u>	<u>24,399</u>	<u>27,434</u>
 VoIP Expenses (880)	 <u>4,835</u>	 <u>83</u>	 <u>0</u>
 <u>Customer Service Expense</u>			
Customer Information Expense (909)	3,004	4,404	970
 <u>Consumer Accounts</u>			
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)	<u>4,491</u>	<u>3,710</u>	<u>5,733</u>
Total Consumer Accounts	<u>60,881</u>	<u>63,479</u>	<u>57,905</u>
 <u>Administrative and General</u>			
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)	<u>13,343</u>	<u>8,812</u>	<u>9,359</u>
Total Administrative and General	<u>262,501</u>	<u>240,332</u>	<u>234,532</u>
 Total Operating Expenses	 <u>1,018,033</u>	 <u>949,292</u>	 <u>917,618</u>

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

	<u>Budget Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>MAN</u>			
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)	<u>41,159</u>	<u>37,494</u>	<u>44,076</u>
Total MAN	<u>52,779</u>	<u>47,980</u>	<u>54,090</u>
 VoIP Expenses (880)	 <u>4,835</u>	 <u>83</u>	 <u>0</u>
 <u>Customer Service Expense</u>			
Customer Information Expense (909)	4,701	4,763	1,246
 <u>Consumer Accounts</u>			
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)	<u>11,160</u>	<u>9,691</u>	<u>12,674</u>
Total Consumer Accounts	<u>123,329</u>	<u>120,795</u>	<u>111,022</u>
 <u>Administrative and General</u>			
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)	<u>26,686</u>	<u>17,624</u>	<u>18,718</u>
Total Administrative and General	<u>529,875</u>	<u>489,135</u>	<u>472,558</u>
 Total Operating Expenses	 <u>2,051,971</u>	 <u>1,932,850</u>	 <u>1,854,563</u>

Muscatine Power and Water - Communications Utility
Statistical Data
February 2018

<u>Services</u>	<u>Budget</u>	<u>% Increase (Decrease)</u>	<u>This Year</u> ^{fn1}	<u>% Increase (Decrease)</u>	<u>Last Year</u> ^{fn1}
	<u>Estimate</u>	<u>From Budget</u>		<u>Fr. Last Yr.</u>	
CATV					
Residential	5,094	(2.0)	4,994	(5.8)	5,303
Commercial/Hospitality	154	3.9	160	(0.6)	161
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>
Internet					
Residential	8,049	(0.3)	8,026	3.0	7,796
Commercial	525	3.8	545	4.4	522
Total Internet	<u>8,574</u>	---	<u>8,571</u>	3.0	<u>8,318</u>
VoIP					
Residential	76	---	---	---	---
Commercial	5	---	---	---	---
Total VoIP	<u>81</u>	---	<u>81</u>	---	<u>81</u>
MAN	<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

Operating Revenue	\$	
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	<u>1,170</u>	Other miscellaneous variances - net
Operating Expense	\$	
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	<u>16,116</u>	Lower depreciation due to fewer fixed assets purchases in 2017 than anticipated
Nonoperating Revenue (Expense)	\$	
Interest Income	20,149	More interest income due to higher cash balances
Interest Expense	(17,500)	Loan fees expensed in 2018
Change in Net Position before Capital Contributions	<u>142,379</u>	
Capital Contributions	<u>(1,323)</u>	
Change in Net Position	<u>\$ 141,056</u>	Total Variance from Budgeted Net Position

Statement of Revenues, Expenses and Changes in Net Position

Operating Revenues

CATV

	2018 Budget	2018 Actual	2017 Actual
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	23,934	15,139	20,799
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	10,898	5,314	7,481
Gross CATV revenue	\$ 1,168,500	\$ 1,143,264	\$ 1,165,688
Discounts	(30,618)	(40,150)	(44,971)
Net CATV Revenue	\$ 1,137,882	\$ 1,103,114	\$ 1,120,717
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	9,357	6,906	5,714
Gross internet revenues	\$ 1,013,444	\$ 1,036,870	\$ 971,764
Discounts	(39,627)	(16,283)	(23,716)
Net internet revenues	\$ 973,817	\$ 1,020,587	\$ 948,048
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.

Internet

Promotional 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 Expense

Customer 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	2018	2017
		Budget	Actual	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	<u>1,377</u>	<u>1,499</u>	<u>525</u>
	<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>
Receivables - Consumer Accounts		
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><u>\$1,362,911</u></u>	<u><u>\$1,337,675</u></u>
Inventories		
Inventory	\$186,981	\$140,528
Stores Expense (a/c 163)	2,683	(273)
	<u><u>\$189,664</u></u>	<u><u>\$140,255</u></u>
Prepaid Expenses		
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><u>\$420,739</u></u>	<u><u>\$309,166</u></u>
Current Liabilities		
Accounts Payable (amounts over \$2,500 itemized)		
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 Nextlevel	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><u>\$842,629</u></u>	<u><u>\$602,254</u></u>
Miscellaneous Accrued Expenses		
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><u>\$114,953</u></u>	<u><u>\$126,116</u></u>