

**Muscatine Power and Water**

**Electric Utility**

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

**March 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 - March 2018**

	<u>Budget</u> <u>Estimate</u>	<u>% Increase</u> <u>(Decrease)</u> <u>From Budget</u>	<u>This</u> <u>Year</u>	<u>% Increase</u> <u>(Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last</u> <u>Year</u>
<b><u>KWH Generated and Sold</u></b>					
Gross Generation	59,465,837	58.5	94,224,144	56.3	60,267,348
Less: Plant Use	7,233,466	44.6	10,462,632	46.0	7,165,648
Net Generation/Wholesale Sales	52,232,371	60.4	83,761,512	57.7	53,101,700
Wholesale Sales - Wind	5,590,000	(8.6)	5,108,669	(8.6)	5,586,736
Total Wholesale Sales	57,822,371	53.7	88,870,181	51.4	58,688,436
<b><u>Net Capacity Factors</u></b>					
Unit 9	36.13	74.5	63.03	91.0	33.00
Unit 8/8A	30.60	1.3	31.00	(15.5)	36.68
Unit 7	---	---	---	---	15.20
Total Plant	31.78	60.4	50.99	59.2	32.03
<b><u>KWH Distribution</u></b>					
Residential	6,701,403	7.6	7,207,439	8.3	6,656,802
Commercial I	2,748,888	(3.4)	2,655,441	(2.8)	2,731,950
Commercial II	7,120,860	3.1	7,338,620	3.8	7,071,360
Industrial I	9,958,020	4.6	10,411,880	(3.6)	10,805,420
Industrial II	42,390,640	(3.8)	40,792,793	3.9	39,273,800
City Enterprise Funds	474,776	(12.3)	416,320	(8.6)	455,595
Water & Communications Utilities	1,443,273	(0.2)	1,439,673	(3.4)	1,490,576
Native System Sales	70,837,860	(0.8)	70,262,166	2.6	68,485,503
City Lighting	138,419	(11.9)	121,978	(13.6)	141,244
City Buildings	554,231	2.5	567,855	3.5	548,744
Offline Power Plant Usage	59,520	1.4X	141,991	(79.0)	676,261
Losses & Cycle Billing	1,856,880	70.5	3,166,309	4.6	3,027,452
Total Native System KWH					
Distributed	73,446,910	1.1	74,260,299	1.9	72,879,204
Wind KWH Purchases	5,590,000	(8.6)	5,108,669	(8.6)	5,586,736
Total Purchased Power KWH	79,036,910	0.4	79,368,968	1.2	78,465,940
<b><u>STEAM SALES - 1,000 lbs</u></b>	<u>260,400</u>	1.0	<u>262,957</u>	(0.4)	<u>263,920</u>

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

	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<b><u>KWH Generated and Sold</u></b>					
Gross Generation	228,875,808	23.5	282,596,449	64.8	171,497,807
Less: Plant Use	25,942,906	20.7	31,310,612	55.6	20,123,091
Net Generation/Wholesale Sales	202,932,902	23.8	251,285,837	66.0	151,374,716
Wholesale Sales - Wind	15,125,000	0.6	15,215,569	0.6	15,121,270
Total Wholesale Sales	218,057,902	22.2	266,501,406	60.1	166,495,986
<b><u>Net Capacity Factors</u></b>					
Unit 9	50.36	23.2	62.06	97.9	31.36
Unit 8/8A	30.60	20.2	36.78	(9.5)	40.63
Unit 7	6.96	91.8	13.35	3.8	12.86
Total Plant	42.52	23.8	52.65	67.5	31.43
<b><u>KWH Distribution</u></b>					
Residential	23,919,507	8.1	25,855,899	8.8	23,760,313
Commercial I	9,084,158	(3.2)	8,793,359	(2.6)	9,028,184
Commercial II	21,873,229	7.6	23,526,420	8.3	21,721,180
Industrial I	29,068,563	4.2	30,302,660	(0.9)	30,586,960
Industrial II	128,598,302	(8.9)	117,189,366	2.6	114,270,442
City Enterprise Funds	1,437,748	(17.5)	1,185,660	(12.2)	1,350,521
Water & Communications Utilities	4,229,075	(2.2)	4,135,966	(5.0)	4,355,794
Native System Sales	218,210,582	(3.3)	210,989,330	2.9	205,073,394
City Lighting	512,526	(23.5)	391,992	(25.0)	522,985
City Buildings	1,811,997	10.5	2,003,141	11.7	1,794,057
Offline Power Plant Usage	172,800	1.2X	378,085	(83.2)	2,250,188
Losses & Cycle Billing	4,957,633	13.1	5,607,193	17.5	4,770,597
Total Native System KWH Distributed	225,665,538	(2.8)	219,369,741	2.3	214,411,221
Wind KWH Purchases	15,125,000	0.6	15,215,569	0.6	15,121,270
Total Purchased Power KWH	240,790,538	(2.6)	234,585,310	2.2	229,532,491
<b>STEAM SALES - 1,000 lbs</b>	756,000	(3.6)	729,061	(8.0)	792,193

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

	<u>Budget</u>	<u>Avg. Price</u>	<u>% Increase</u> <u>(Decrease)</u> <u>from Budget</u>	<u>This Year</u>	<u>Avg. Price</u>	<u>% Increase</u> <u>(Decrease)</u> <u>from Last</u> <u>Year</u>	<u>Last Year</u>	<u>Avg. Price</u>
<b><u>Sales of Electricity</u></b>								
Residential	\$788,379	\$ 0.11764	3.9	\$818,820	\$ 0.11361	6.3	\$769,965	\$ 0.11567
Commercial I	290,571	0.10570	(5.5)	274,474	0.10336	(3.0)	283,005	0.10359
Commercial II	592,633	0.08322	(1.0)	586,922	0.07998	2.5	572,799	0.08100
Industrial I	651,387	0.06541	(0.3)	649,153	0.06235	(5.0)	683,094	0.06322
Industrial II	2,198,135	0.05185	(5.8)	2,070,171	0.05075	0.6	2,057,109	0.05238
City Enterprise Funds	36,273	0.07640	(15.3)	30,727	0.07381	(7.1)	33,073	0.07259
Water & Communication Utilities	91,443	0.06336	(5.9)	86,061	0.05978	(10.2)	95,862	0.06431
Native System Sales	4,648,821	0.06563	(2.9)	4,516,328	0.06428	0.5	4,494,907	0.06563
Wholesale Sales	1,451,721	0.02511	84.8	2,682,985	0.03019	25.4	2,140,079	0.03647
Energy Sales	6,100,542		18.0	7,199,313		8.5	6,634,986	
<b><u>Steam Sales</u></b>	990,754	3.80	0.9	999,647	3.80	(1.1)	1,010,354	3.83
<b><u>Other Revenue</u></b>								
By-Product Revenue	17,306		27.2	22,005		7.1X	2,731	
Miscellaneous Revenue	54,099		(3.9)	52,000		0.7	51,660	
Total Other Revenue	71,405		3.6	74,005		36.1	54,391	
Operating Revenue	7,162,701		15.5	8,272,965		7.4	7,699,731	
<b><u>Operating Expense</u></b>								
Purchased Power	1,816,220	0.02298	21.4	2,204,050	0.02777	(9.7)	2,440,637	0.03349
Production Fuel	1,575,955		33.2	2,099,147		27.5	1,646,872	
Emissions Allowance	1,234		(59.8)	496		(52.8)	1,051	
Operation	2,217,781		(7.0)	2,063,152		(3.2)	2,130,709	
Maintenance	744,886		(25.1)	557,962		(75.6)	2,286,266	
Depreciation	1,018,680		(5.9)	958,835		6.5	900,004	
Total Operating Expense	7,374,756		6.9	7,883,642		(16.2)	9,405,539	
Operating Income (Loss)	(212,055)		-2.8X	389,323		-1.2X	(1,705,808)	
<b><u>Nonoperating Revenue (Expense)</u></b>								
Interest Income	19,057		2.6X	69,494		2.2X	21,931	
Interest Expense	(716)		34.5	(963)		1.1X	(458)	
Total Nonoperating Revenue (Expense)	18,341		2.7X	68,531		2.2X	21,473	
<b>Net Income (Loss) Before Revenue Adjustment</b>	(193,714)		-3.4X	457,854		-1.3X	(1,684,335)	
Capital Contributions	---		---	---		---	---	
<b>Change in Net Position</b>	(193,714)		-3.4X	457,854		-1.3X	(1,684,335)	
<b>Beginning Net Position</b>	113,174,660			114,026,153			127,631,691	
<b>Ending Net Position</b>	\$112,980,946			\$114,484,007			\$125,947,356	
Net Income (Loss) Before Rev Adj to Op Revenue	(2.7)			5.5			(21.9)	
Change in Net Position to Operating Revenue	(2.7)			5.5			(21.9)	

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

	Budget		% Increase (Decrease) from Budget	This Year	Avg. Price		% Increase (Decrease) from Last Year	Last Year	Avg. Price
	Estimate	Avg. Price			Avg. Price	Year			
<b>Sales of Electricity</b>									
Residential	\$2,719,968	\$ 0.11371	4.5	\$2,843,200	\$ 0.10996	7.9	\$2,633,903	\$ 0.11085	
Commercial I	952,112	0.10481	(4.9)	905,084	0.10293	(1.8)	921,567	0.10208	
Commercial II	1,825,406	0.08345	1.7	1,855,715	0.07888	6.6	1,741,588	0.08018	
Industrial I	1,922,793	0.06615	1.1	1,944,703	0.06418	(0.5)	1,953,840	0.06388	
Industrial II	6,650,041	0.05171	(8.2)	6,104,426	0.05209	1.8	5,998,221	0.05249	
City Enterprise Funds	108,454	0.07543	(16.5)	90,578	0.07639	(8.9)	99,470	0.07365	
Water & Communications Utilities	268,675	0.06353	(5.2)	254,597	0.06156	(8.1)	276,914	0.06357	
Native System Sales	14,447,449	0.06621	(3.1)	13,998,303	0.06635	2.7	13,625,503	0.06644	
Wholesale Sales	6,088,747	0.02792	39.1	8,467,243	0.03177	36.9	6,187,001	0.03716	
Energy Sales	20,536,196		9.4	22,465,546		13.4	19,812,504		
<b>Steam Sales</b>	<b>2,876,382</b>	<b>3.80</b>	<b>(3.6)</b>	<b>2,771,529</b>	<b>3.80</b>	<b>(8.6)</b>	<b>3,033,405</b>	<b>3.83</b>	
<b>Other Revenue</b>									
By-Product Revenue	69,588		2.4	71,232		2.4X	20,861		
Miscellaneous Revenue	155,370		(6.5)	145,329		(5.0)	153,011		
Total Other Revenue	224,958		(3.7)	216,561		24.6	173,872		
Operating Revenue	23,637,536		7.7	25,453,636		10.6	23,019,781		
<b>Operating Expense</b>									
Purchased Power	6,171,849	0.02563	8.5	6,698,218	0.02855	(3.7)	6,952,896	0.03243	
Production Fuel	5,541,146		13.2	6,274,344		32.5	4,733,601		
Emissions Allowance	3,582		(60.2)	1,425		(67.0)	4,323		
Operation	6,520,640		(4.4)	6,236,923		2.9	6,058,582		
Maintenance	2,311,638		(15.2)	1,960,151		(57.1)	4,569,214		
Depreciation	3,056,039		(5.9)	2,876,502		6.5	2,700,014		
Total Operating Expense	23,604,894		1.9	24,047,563		(3.9)	25,018,630		
Operating Income (Loss)	32,642		42.1X	1,406,073		-1.7X	(1,998,849)		
<b>Nonoperating Revenue (Expense)</b>									
Interest Income	55,490		2.3X	185,745		2.3X	56,781		
Interest Expense	(2,147)		29.1	(2,772)		97.6	(1,403)		
Total Nonoperating Revenue (Expense)	53,343		2.4X	182,973		2.3X	55,378		
<b>Net Income (Loss) Before Revenue Adjustment and Capital Contributions</b>	<b>85,985</b>		<b>17.5X</b>	<b>1,589,046</b>		<b>-1.8X</b>	<b>(1,943,471)</b>		
Capital Contributions	---		---	---		---	2,863		
<b>Change in Net Position</b>	<b>85,985</b>		<b>17.5X</b>	<b>1,589,046</b>		<b>-1.8X</b>	<b>(1,940,608)</b>		
<b>Beginning Net Position</b>	<b>112,894,961</b>			<b>112,894,961</b>			<b>127,887,964</b>		
<b>Ending Net Position</b>	<b>\$112,980,946</b>			<b>\$114,484,007</b>			<b>\$125,947,356</b>		
Net Income (Loss) Before Rev Adj to Op Revenue	0.4			6.2			(8.4)		
Change in Net Position to Operating Revenue	0.4			6.2			(8.4)		

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

**ASSETS**

	<u>2018</u>	<u>2017</u>
<b>Current Assets:</b>		
Cash - interest bearing	\$31,270,645	\$34,393,674
Investments	26,300,000	7,750,000
Receivables:		
Consumer Accounts	6,037,052	5,508,431
Refined Coal	3,708,519	2,759,784
Wholesale	326,483	375,899
Steam Sales	999,997	1,010,707
Interest	192,432	50,612
Inventories	5,219,787	5,675,599
Fuel	8,454,788	9,374,680
Prepaid Expenses	1,423,810	693,968
	<hr/>	<hr/>
Total Current Assets	83,933,513	67,593,354
	<hr/>	<hr/>
<b>Property and Equipment:</b>		
At Cost	429,969,620	426,412,890
Less Accumulated Depreciation	361,814,604	352,417,939
	<hr/>	<hr/>
Net Property and Equipment	68,155,016	73,994,951
	<hr/>	<hr/>
<b>Other Assets:</b>		
Note Receivable - Communications Utility	8,562,844	9,044,287
Note Receivable - Water Utility	---	5,500,000
Joint Venture Rights	119,831	89,185
	<hr/>	<hr/>
Total Other Assets	8,682,675	14,633,472
	<hr/>	<hr/>
<b>Deferred Outflows of Resources</b>		
Pension	10,659,993	8,177,423
OPEB	79,019	---
	<hr/>	<hr/>
Total Deferred Outflows of Resources	10,739,012	8,177,423
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<u>\$171,510,216</u>	<u>\$164,399,200</u>

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

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

	<u>2018</u>	<u>2017</u>
<b>Current Liabilities:</b>		
<b><u>Unrestricted</u></b>		
Accounts Payable	\$5,580,622	\$5,829,777
Health & Dental Insurance Provision	248,520	271,040
Accrued Payroll	280,423	299,136
Accrued Vacation	1,253,824	1,273,593
Accrued Emission Allowance Expense	9,307	228,721
Consumers' Deposits	800,379	758,241
Retained Percentage on Contracts	30,281	75,940
Accrued Property Taxes	72,150	79,344
Miscellaneous Accrued Expenses	726,154	875,870
Unearned Revenue	37,449	47,206
	<hr/>	<hr/>
Total Unrestricted Current Liabilities	9,039,109	9,738,868
	<hr/>	<hr/>
<b>Non-Current Liabilities:</b>		
Health & Dental Insurance Provision	1,268,312	1,042,746
Post-Employment Health Benefit Provision	661,258	416,576
Net Pension Liability	16,770,535	13,587,629
	<hr/>	<hr/>
Total Non-Current Liabilities	18,700,105	15,046,951
	<hr/>	<hr/>
<b>Deferred Inflows of Resources</b>		
Extraordinary O&M	28,032,866	13,032,866
Pension	1,163,568	633,159
OPEB	90,561	---
	<hr/>	<hr/>
Total Deferred Inflows of Resources	29,286,995	13,666,025
	<hr/>	<hr/>
<b>Net Position:</b>		
Net Investment in Capital Assets	68,155,016	73,994,951
Unrestricted	46,328,991	51,952,405
	<hr/>	<hr/>
Total Net Position	114,484,007	125,947,356
	<hr/>	<hr/>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$171,510,216</u>	<u>\$164,399,200</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$4,362,033	\$13,919,698
MISO sales	2,221,142	8,597,717
Steam sales	918,108	2,781,919
Coal sales	3,247,905	10,710,610
Railcar/facilities leasing	5,849	17,548
By-product sales	2,091	38,819
Miscellaneous sources	38,240	608,104
Cash paid to/for:		
Suppliers	(1,195,366)	(2,637,081)
MISO purchases/administration fees	(1,720,633)	(6,278,530)
South Fork Wind purchases	(116,196)	(415,657)
Coal purchases	(5,537,887)	(16,395,349)
Employees payroll, taxes and benefits	(2,102,733)	(5,870,195)
Net cash flows from operating activities	<u>122,553</u>	<u>5,077,603</u>
Cash flows from capital financing activities:		
Capital expenditures, net	<u>(502,450)</u>	<u>(1,123,881)</u>
Net cash flows from capital and related financing activities	<u>(502,450)</u>	<u>(1,123,881)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	(25,835)	(51,670)
Reimbursement of Resco stock	---	---
Interest received on investments	<u>51,311</u>	<u>129,313</u>
Net cash flows from investing activities	<u>25,476</u>	<u>77,643</u>
Net increase (decrease) in cash and investments	<u>(354,421)</u>	<u>4,031,365</u>
Cash and investments at beginning of period	<u>57,925,066</u>	<u>53,539,280</u>
Cash and investments at end of period	<u>\$57,570,645</u>	<u>\$57,570,645</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$389,323	\$1,406,073
Noncash items in operating income:		
Depreciation of electric utility plant	958,835	2,876,502
Amortization of joint venture rights	8,679	30,389
Change in deferred outflows of resources - pension	(240,240)	(240,240)
Changes in assets and liabilities:		
Consumer accounts receivable	(31,272)	403,989
Refined coal	(454,765)	(211,200)
Wholesale receivable	12,279	168,183
Steam sales receivable	(81,542)	10,798
Inventories	(40,844)	(35,828)
Fuel	370,809	633,046
Prepaid expenses	(715,514)	(567,071)
Accounts payable	(170,034)	140,890
Net pension liability	251,170	753,510
Health & dental insurance provision	(34,670)	(12,378)
Other post-employment benefit provision	2,608	7,823
Accrued payroll	100,355	(371,090)
Accrued vacation	2,154	99,329
Accrued emission allowance expense	496	1,425
Consumers' deposits	9,886	10,286
Retained Percentage	---	6,299
Accrued property taxes	(38,555)	(25,065)
Unearned revenue	30,621	31,757
Miscellaneous accrued expenses	(207,226)	(39,824)
	<u>\$122,553</u>	<u>\$5,077,603</u>
Net cash flows from operating activities	<u>\$122,553</u>	<u>\$5,077,603</u>

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

	<u>This Year</u>	<u>Last Year</u>
Extraordinary Operation & Maintenance Account	<u>\$28,181,155</u>	<u>\$13,143,183</u>
Total Cash and Investments Appropriated for Specific Purposes	<u>\$28,181,155</u>	<u>\$13,143,183</u>

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

	<u>Budget</u>		<u>This Year</u>		<u>Last Year</u>	
	<u>Estimate</u>					
<b><u>Purchased Power</u></b>	<u>\$1,816,220</u>	25.4	<u>\$2,204,050</u>	26.6	<u>\$2,440,637</u>	31.7
Average price per kWh	\$0.0247		\$0.0297		\$0.0335	
 <b><u>Generation</u></b>						
Operation Supervision (500)	73,852		73,413		80,645	
Fuel: (501)						
Coal	1,517,328		2,023,487		1,530,525	
Fuel Oil	139		11,478		24,744	
Gas	18,571		4,216		27,017	
Coal Handling Expense (501-003)	32,612		42,710		54,046	
Landfill Operation Expense (501-925)	7,305		17,256		10,540	
Emissions Allowance Expense (509)	1,234		496		1,051	
Steam Expense:						
Boiler (502-004)	134,504		144,767		86,236	
Pollution Control (502-005)	64,357		27,601		26,197	
Electric Expense (505)	86,375		101,946		95,508	
Miscellaneous Steam Power Expense (506)	215,258		155,131		179,188	
Maintenance:						
Supervision (510)	66,929		64,490		88,190	
Structures (511)	46,703		64,011		41,207	
Boiler Plant:						
Boiler (512-006)	166,532		45,312		123,832	
Pollution Control (512-007)	73,697		42,572		59,356	
Electric Plant (513-008)	47,645		34,880		1,484,068	
System Control (513-009)	20,285		17,917		19,808	
Miscellaneous Steam Plant (514)	48,125		43,890		53,073	
Coal Handling Equipment (516)	54,143		33,909		47,958	
System Control and Load Dispatch (556)	27,358		32,715		28,430	
Vacation, Holiday, Sick Leave (557)	95,172		86,054		75,850	
Depreciation (558)	637,616		641,039		648,814	
 Total Generation Expense	 <u>\$3,435,740</u>	 48.0	 <u>\$3,709,290</u>	 44.8	 <u>\$4,786,283</u>	 62.2

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Purchased Power</u></b>	<u>\$6,171,849</u>	26.1	<u>\$6,698,218</u>	26.3	<u>\$6,952,896</u>	30.2
Average price per kWh	\$0.0273		\$0.0305		\$0.0324	
<b><u>Generation</u></b>						
Operation Supervision (500)	223,381		234,710		244,753	
Fuel: (501)						
Coal	5,328,342		6,027,253		4,473,665	
Fuel Oil	40,139		13,859		25,663	
Gas	58,713		60,165		47,630	
Coal Handling Expense (501-003)	95,648		124,623		153,824	
Landfill Operation Expense (501-925)	18,304		48,444		32,819	
Emissions Allowance Expense (509)	3,582		1,425		4,323	
Steam Expense:						
Boiler (502-004)	319,683		341,305		268,516	
Pollution Control (502-005)	203,899		115,532		103,553	
Electric Expense (505)	264,012		298,554		278,777	
Miscellaneous Steam Power Expense (506)	578,033		460,905		526,007	
Maintenance:						
Supervision (510)	199,738		219,754		261,588	
Structures (511)	138,118		144,382		96,629	
Boiler Plant:						
Boiler (512-006)	549,978		280,542		731,999	
Pollution Control (512-007)	182,055		164,702		254,395	
Electric Plant (513-008)	182,445		144,806		2,071,657	
System Control (513-009)	60,164		56,273		58,628	
Miscellaneous Steam Plant (514)	163,110		133,248		173,150	
Coal Handling Equipment (516)	165,177		220,843		170,264	
System Control and Load Dispatch (556)	83,155		85,328		71,176	
Vacation, Holiday, Sick Leave (557)	256,447		268,378		267,839	
Depreciation (558)	<u>1,912,847</u>		<u>1,923,118</u>		<u>1,946,443</u>	
<b>Total Generation Expense</b>	<u>\$11,026,970</u>	46.7	<u>\$11,368,149</u>	44.7	<u>\$12,263,298</u>	53.3

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

	<b>Budget Estimate</b>		<b>This Year</b>		<b>Last Year</b>	
<b><u>Transmission</u></b>						
Operation Supervision (560)	\$7,658		\$7,070		\$8,501	
Load Dispatching (561)	72,583		76,297		68,457	
Station Expense (562)	12,113		10,387		7,625	
Overhead Line Expense (563)	---		2,525		251	
Transmission of Electricity by Others (565)	125,864		77,920		84,485	
Miscellaneous Transmission Expense (566)	11,384		9,149		18,924	
Maintenance:						
Supervision (568)	2,794		1,922		3,008	
Structures (569)	132		---		---	
Station Equipment (570)	4,796		9,003		12,157	
Overhead Lines (571)	15,330		7,425		11,943	
Vacation, Holiday, Sick Leave (575)	13,217		12,500		8,241	
Depreciation (576)	44,388		43,048		31,072	
Tax on Rural Property (577)	5,690		5,782		5,782	
<b>Total Transmission Expense</b>	<b>315,949</b>	<b>4.4</b>	<b>263,028</b>	<b>3.2</b>	<b>260,446</b>	<b>3.4</b>
<b><u>Distribution</u></b>						
Operation Supervision (580)	14,820		11,272		17,107	
Load Dispatching (581)	29,759		33,630		36,375	
Station Expense (582)	12,775		6,472		9,023	
Overhead Line Expense (583)	2,912		---		5,346	
Vehicle Expense (589)	15,409		12,945		19,614	
Underground Line Expense (584)	3,329		4,506		4,483	
Street Lighting (585-418)	2,610		1,622		369	
Signal Expense (585-419)	1,766		---		5	
Meter Expense (586)	11,762		3,304		10,923	
Consumer Installation Expense (587)	542		350		543	
Miscellaneous Distribution Expense (588)	61,338		69,140		68,976	
Maintenance:						
Supervision (590)	11,561		6,995		12,169	
Structures (591)	439		---		---	
Station Equipment (592)	8,251		5,988		51,718	
Overhead Lines (593)	57,906		57,915		169,729	
Underground Lines (594)	23,470		16,880		5,619	
Line Transformers (595)	4,314		1,380		12,483	
Street Lighting (596-418)	10,186		11,965		9,672	
Signal System (596-419)	4,839		4,253		2,543	
Meters (597)	2,263		1,915		2,480	
Miscellaneous Distribution Plant (598)	2,708		1,472		2,481	
Vacation, Holiday, Sick Leave (599)	37,175		38,352		31,309	
Depreciation (578)	177,226		175,558		172,352	
Tax on Rural Property (579)	1,699		1,727		1,727	
<b>Total Distribution Expense</b>	<b>\$499,059</b>	<b>7.0</b>	<b>\$467,641</b>	<b>5.7</b>	<b>\$647,046</b>	<b>8.4</b>

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

	<b>Budget</b>		<b>This Year</b>		<b>Last Year</b>	
	<b>Estimate</b>					
<b><u>Transmission</u></b>						
Operation Supervision (560)	\$22,975		\$20,629		\$22,448	
Load Dispatching (561)	223,671		219,119		195,756	
Station Expense (562)	38,293		37,002		23,070	
Overhead Line Expense (563)	136		3,686		532	
Transmission of Electricity by Others (565)	377,591		273,523		229,607	
Miscellaneous Transmission Expense (566)	45,960		35,909		42,495	
Maintenance:						
Supervision (568)	8,381		5,790		8,406	
Structures (569)	297		---		---	
Station Equipment (570)	20,343		20,195		48,835	
Overhead Lines (571)	45,305		27,977		18,767	
Vacation, Holiday, Sick Leave (575)	35,464		35,513		27,667	
Depreciation (576)	133,163		129,142		93,216	
Tax on Rural Property (577)	17,069		17,162		17,161	
	<hr/>		<hr/>		<hr/>	
Total Transmission Expense	968,648	4.1	825,647	3.2	727,960	3.2
<b><u>Distribution</u></b>						
Operation Supervision (580)	43,540		33,052		46,645	
Load Dispatching (581)	89,278		102,734		100,430	
Station Expense (582)	37,031		19,559		22,835	
Overhead Line Expense (583)	16,990		841		6,165	
Vehicle Expense (589)	46,227		39,068		46,993	
Underground Line Expense (584)	12,590		10,202		9,827	
Street Lighting (585-418)	7,829		2,829		1,575	
Signal Expense (585-419)	3,618		295		330	
Meter Expense (586)	30,556		32,506		33,856	
Consumer Installation Expense (587)	1,727		3,214		1,584	
Miscellaneous Distribution Expense (588)	171,216		201,157		206,421	
Maintenance:						
Supervision (590)	33,138		20,997		33,724	
Structures (591)	1,416		---		---	
Station Equipment (592)	32,940		16,132		71,196	
Overhead Lines (593)	167,828		145,710		265,019	
Underground Lines (594)	65,778		59,069		30,220	
Line Transformers (595)	10,802		3,939		15,781	
Street Lighting (596-418)	31,759		39,964		37,438	
Signal System (596-419)	10,754		7,038		5,806	
Meters (597)	8,510		6,640		7,490	
Miscellaneous Distribution Plant (598)	8,125		5,433		10,437	
Vacation, Holiday, Sick Leave (599)	100,218		116,428		112,041	
Depreciation (578)	531,679		526,673		517,056	
Tax on Rural Property (579)	5,099		5,127		5,126	
	<hr/>		<hr/>		<hr/>	
Total Distribution Expense	\$1,468,648	6.2	\$1,398,607	5.5	\$1,587,995	6.9

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense (909)	\$2,855		\$16,355		\$2,570	
Energy Efficiency Rebates (912)	15,560		6,442		3,115	
Electric Ranges/Dryers Maintenance (910)	435		274		129	
Electric Water Heaters Maintenance (911)	155		67		---	
	<hr/>		<hr/>		<hr/>	
Total Customer Service Expense	19,005	0.3	23,138	0.3	5,814	0.1
	<hr/>		<hr/>		<hr/>	
<b><u>Consumer Accounts</u></b>						
Supervision (901)	5,591		2,561		3,618	
Meter Reading Expense (902)	9,420		9,272		9,522	
Consumer Records and Collection (903)	40,351		40,924		41,934	
Uncollectible Accounts Expense (904)	4,253		4,253		5,623	
Vacation, Holiday, Sick Leave (906)	6,484		7,147		3,853	
	<hr/>		<hr/>		<hr/>	
Total Consumer Accounts Expense	66,099	0.9	64,157	0.8	64,550	0.8
	<hr/>		<hr/>		<hr/>	
<b><u>Administrative and General</u></b>						
Administrative and General Salaries (920)	184,241		154,075		188,932	
Office Supplies and Expenses (921)	16,463		14,965		11,648	
Outside Services Employed (923)	47,652		26,899		40,088	
Property Insurance (924)	55,721		55,721		53,778	
Casualty Ins, Injuries & Damages (925)	47,267		32,367		93,262	
Employee Pensions and Benefits (926)	568,252		608,835		630,979	
Fringe Benefits Charged to Constr. (927)	(21,498)		(29,391)		(19,115)	
Regulatory Commission (928)	8,615		8,492		8,613	
Miscellaneous General Expense (930)	50,288		58,148		48,075	
Maintenance of General Plant (932)	39,349		48,757		36,778	
Maintenance of A/O Center (934)	32,489		35,111		35,994	
Vacation, Holiday, Sick Leave (936)	34,395		39,169		23,965	
Depreciation (933)	159,450		99,190		47,766	
	<hr/>		<hr/>		<hr/>	
Total Administrative and General	1,222,684	17.1	1,152,338	13.9	1,200,763	15.6
	<hr/>		<hr/>		<hr/>	
Total Operating Expense	<u>\$7,374,756</u>		<u>\$7,883,642</u>		<u>\$9,405,539</u>	
	<hr/>		<hr/>		<hr/>	
Percent to Operating Revenue		103.0		95.3		122.2

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

	<b>Budget</b>		<b>This Year</b>		<b>Last Year</b>	
	<u>Estimate</u>					
<b><u>Customer Service Expense</u></b>						
Customer Information Expense (909)	\$22,644		\$19,912		\$4,862	
Energy Efficiency Rebates (912)	46,680		62,222		41,140	
Electric Ranges/Dryers Maintenance (910)	1,405		745		185	
Electric Water Heaters Maintenance (911)	<u>566</u>		<u>433</u>		<u>194</u>	
Total Customer Service Expense	<u>\$71,295</u>	0.3	<u>\$83,312</u>	0.3	<u>\$46,381</u>	0.2
 <b><u>Consumer Accounts</u></b>						
Supervision (901)	16,772		10,727		9,627	
Meter Reading Expense (902)	28,357		28,721		28,810	
Consumer Records and Collection (903)	120,196		122,727		112,537	
Uncollectible Accounts Expense (904)	12,759		12,759		16,869	
Vacation, Holiday, Sick Leave (906)	<u>17,355</u>		<u>17,043</u>		<u>16,054</u>	
Total Consumer Accounts Expense	<u>195,439</u>	0.8	<u>191,977</u>	0.8	<u>183,897</u>	0.8
 <b><u>Administrative and General</u></b>						
Administrative and General Salaries (920)	552,724		516,280		538,893	
Office Supplies and Expenses (921)	49,373		43,200		40,857	
Outside Services Employed (923)	169,129		123,284		139,071	
Property Insurance (924)	167,164		167,164		161,334	
Casualty Ins, Injuries & Damages (925)	142,801		120,409		177,828	
Employee Pensions and Benefits (926)	1,683,625		1,838,832		1,698,774	
Fringe Benefits Charged to Constr. (927)	(60,372)		(110,280)		(68,340)	
Regulatory Commission (928)	25,845		24,841		19,652	
Miscellaneous General Expense (930)	175,060		123,644		121,942	
Maintenance of General Plant (932)	133,895		134,570		102,859	
Maintenance of A/O Center (934)	91,582		102,147		94,926	
Vacation, Holiday, Sick Leave (936)	92,869		99,993		85,108	
Depreciation (933)	<u>478,350</u>		<u>297,569</u>		<u>143,299</u>	
Total Administrative and General	<u>3,702,045</u>	15.7	<u>3,481,653</u>	13.7	<u>3,256,203</u>	14.1
Total Operating Expense	<u>\$23,604,894</u>		<u>\$24,047,563</u>		<u>\$25,018,630</u>	
Percent to Operating Revenue		99.9		94.5		108.7

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

**Total Fuel Cost**

(To & Including Ash Handling, Gas & Oil)

	<b><u>Current Month</u></b>	
	<b><u>2018</u></b>	<b><u>2017</u></b>
Per Million Btu.	\$1.724	\$1.851
Per Net MW Generated	\$19.33	\$11.63
Net Peak Monthly Demand-KW	114,340	116,240
Date of Peak	3/14	3/15
Hour of Peak	900	800

	<b><u>Calendar Year-To-Date</u></b>	
	<b><u>2018</u></b>	<b><u>2017</u></b>
Per Million Btu.	\$1.726	\$1.824
Per Net MW Generated	\$19.67	\$17.20
Net Peak Monthly Demand-KW	121,470	116,240
Date of Peak	1/4	3/15
Hour of Peak	1000	800

Average Temperature	36.7°	38.9°
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<b><u>Services</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Residential	9,931	9,876
Commercial I	1,359	1,378
Commercial II	134	111
Industrial I	11	11
Industrial II	2	2
City Enterprise Funds	24	23
Water & Communications Utility	35	34
	<hr/>	<hr/>
Total	<u>11,496</u>	<u>11,435</u>

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

	Modified Budget	\$/kWh	This Year	\$/kWh	Last Year	\$/kWh
<b>Wholesale kWh Sales*</b>	<u>52,232,371</u>		<u>83,761,512</u>		<u>53,101,700</u>	
<b>Wholesale Sales*</b>	<u>\$1,401,411</u>	<u>\$0.02683</u>	<u>\$2,599,852</u>	<u>\$0.03104</u>	<u>\$2,096,979</u>	<u>\$0.03949</u>
<b>Variable Costs</b>						
Fuel (Coal, Gas & Fuel Oil)	968,497	0.01854	1,545,483	0.01845	540,499	0.01018
Emissions:						
SO <sup>2</sup> Allowances-ARP <sup>fn1</sup>	230	---	20	---	26	---
SO <sup>2</sup> Allowances-CSAPR <sup>fn2</sup>	231	---	25	---	66	---
NO <sub>x</sub> Allowances <sup>fn3</sup>	774	---	141	---	303	---
Other <sup>fn4</sup>	<u>166,158</u>	<u>0.00318</u>	<u>166,971</u>	<u>0.00199</u>	<u>167,186</u>	<u>0.00315</u>
Total Variable Costs	<u>1,135,890</u>	<u>0.02175</u>	<u>1,712,640</u>	<u>0.02045</u>	<u>708,080</u>	<u>0.01333</u>
<b>Gross Margin</b>	<u>\$265,521</u>	<u>\$0.00508</u>	<u>\$887,212</u>	<u>\$0.01059</u>	<u>\$1,388,899</u>	<u>\$0.02616</u>
Percent Gross Margin	18.9%		34.1%		66.2%	

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

**Calendar Year To Date**

	Modified Budget	\$/kWh	This Year	\$/kWh	Last Year	\$/kWh
<b>Wholesale kWh Sales*</b>	<u>202,932,902</u>		<u>251,285,837</u>		<u>151,374,716</u>	
<b>Wholesale Sales*</b>	<u>\$5,898,370</u>	<u>\$0.02907</u>	<u>\$8,186,055</u>	<u>\$0.03258</u>	<u>\$6,005,449</u>	<u>\$0.03967</u>
<b>Variable Costs</b>						
Fuel (Coal, Gas & Fuel Oil)	3,864,297	0.01904	4,725,585	0.01881	2,387,769	0.01577
Emissions:						
SO <sup>2</sup> Allowances-ARP <sup>fn1</sup>	668	---	74	---	92	---
SO <sup>2</sup> Allowances-CSAPR <sup>fn2</sup>	670	---	93	---	229	---
NO <sub>x</sub> Allowances <sup>fn3</sup>	2,247	---	456	---	1,532	---
Other <sup>fn4</sup>	<u>498,473</u>	<u>0.00246</u>	<u>500,914</u>	<u>0.00199</u>	<u>501,558</u>	<u>0.00331</u>
Total Variable Costs	<u>4,366,355</u>	<u>0.02152</u>	<u>5,227,122</u>	<u>0.02080</u>	<u>2,891,180</u>	<u>0.01910</u>
<b>Gross Margin</b>	<u>\$1,532,015</u>	<u>\$0.00755</u>	<u>\$2,958,933</u>	<u>\$0.01178</u>	<u>\$3,114,269</u>	<u>\$0.02057</u>
Percent Gross Margin	26.0%		36.1%		51.9%	

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

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

	Budget	2018	2017
<b>fn1</b> SO <sup>2</sup> ARP	\$2.00	\$0.70	\$0.80
YTD SO <sup>2</sup> ARP	2.00	0.70	0.80
<b>fn2</b> SO <sup>2</sup> CSAPR	2.00	0.88	2.00
YTD SO <sup>2</sup> CSAPR	0.00	0.88	2.00
<b>fn3</b> NO <sub>x</sub> annual	5.00	1.50	4.25
YTD NO <sub>x</sub> annual	500.00	1.50	6.84

**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 - March 2018**

	<u>Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<b>Revenue</b>						
<b>Wholesale kWh Sales</b>	<u>5,590,000</u>		<u>5,108,669</u>		<u>5,586,736</u>	
<b>Wholesale Sales</b>	<u>\$50,310</u>	<u>\$0.00900</u>	<u>\$83,133</u>	<u>\$0.01627</u>	<u>\$43,100</u>	<u>\$0.00771</u>
<b>Expense</b>						
<b>Purchased Power kWh</b>	5,590,000		5,108,669		5,586,736	
<b>Purchased Power</b>	\$148,526	0.02657	\$135,737	0.02657	\$145,255	0.02600
<b>Gross Margin/(Loss)</b>	<u>(\$98,216)</u>	<u>(\$0.01757)</u>	<u>(\$52,604)</u>	<u>(\$0.01030)</u>	<u>(\$102,155)</u>	<u>(\$0.01829)</u>
Percent Gross Margin	-195.2%		-63.3%		-237.0%	
RECs Sold	---		---		---	
REC Net Proceeds	\$0	---	\$0	---	\$0	---
Misc Wind Revenues/Charges	\$0		\$0		\$0	
<b>Wind Net Margin/(Loss)</b>	<b>(\$98,216)</b>		<b>(\$52,604)</b>		<b>(\$102,155)</b>	

**Calendar Year To Date**

	<u>Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<b>Revenue</b>						
<b>Wholesale kWh Sales</b>	<u>15,125,000</u>		<u>15,215,569</u>		<u>15,121,270</u>	
<b>Wholesale Sales</b>	<u>\$190,377</u>	<u>\$0.01259</u>	<u>\$281,188</u>	<u>\$0.01848</u>	<u>\$181,552</u>	---
<b>Expense</b>						
<b>Purchased Power kWh</b>	15,125,000		15,215,569		15,121,270	
<b>Purchased Power</b>	\$401,871	0.02657	\$404,278	0.02657	\$393,173	---
<b>Gross Margin/(Loss)</b>	<u>(\$211,494)</u>	<u>(\$0.01398)</u>	<u>(\$123,090)</u>	<u>(\$0.00809)</u>	<u>(\$211,621)</u>	---
Percent Gross Margin	-111.1%		-43.8%		-116.6%	
RECs Sold	---		1,000		---	
REC Net Proceeds	\$0	---	\$750	0.75	\$0	---
Misc Wind Revenues/Charges	\$0		\$0		\$0	
<b>Wind Net Margin/(Loss)</b>	<b>(\$211,494)</b>		<b>(\$122,340)</b>		<b>(\$211,621)</b>	

	<u>Budget</u>	<u>This Year</u>	<u>Last Year</u>
RECs at end of Prior Period	0	32,618	3,438
RECs Added This Period	0	5,730	54,180
RECs Sold This Period	0	1,000	25,000
Number of RECs on hand	0	37,348	32,618
Market Value per REC	\$0.00	\$0.75	\$0.75
Value of RECs on Hand	\$0.00	\$28,011.00	\$24,463.50

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

**Delivered to Wholesale Customers**

	<u>Current Month 2018 Budget</u>	<u>Current Month 2018 Actual</u>	<u>Current Month 2017 Actual</u>	<u>Year-To-Date 2018 Budget</u>	<u>Year-To-Date 2018 Actual</u>	<u>Year-To-Date 2017 Actual</u>
Wholesale Sales KWHs	57,822,371	88,870,181	58,688,436	218,057,902	266,501,406	166,495,986
Wholesale Sales	\$1,451,721	\$2,682,985	\$2,140,079	\$6,088,747	\$8,467,243	\$6,187,001
Less:						
Production Fuel	1,015,394	1,608,228	609,867	3,998,325	4,914,002	2,586,356
Generation-Other	1,819,889	1,578,678	3,107,356	5,405,541	4,983,804	7,432,490
Transmission	315,949	263,028	260,446	968,648	825,647	727,960
Subtotal	<u>3,151,232</u>	<u>3,449,934</u>	<u>3,977,669</u>	<u>10,372,514</u>	<u>10,723,453</u>	<u>10,746,806</u>
Wholesale Margin	<u>(\$1,699,511)</u>	<u>(\$766,949)</u>	<u>(\$1,837,590)</u>	<u>(\$4,283,767)</u>	<u>(\$2,256,210)</u>	<u>(\$4,559,805)</u>

**Delivered to Steam Customer**

	<u>Current Month 2018 Budget</u>	<u>Current Month 2018 Actual</u>	<u>Current Month 2017 Actual</u>	<u>Year-To-Date 2018 Budget</u>	<u>Year-To-Date 2018 Actual</u>	<u>Year-To-Date 2017 Actual</u>
Steam Sales - 1,000 lbs.	260,400	262,957	263,920	756,000	729,061	792,193
Steam Sales	990,754	999,647	\$1,010,354	\$2,876,382	\$2,771,529	\$3,033,405
Less:						
Production Fuel	560,561	490,919	1,037,005	1,542,821	1,360,342	2,147,245
Generation-Other	39,896	31,466	32,056	80,283	110,001	97,207
Steam Sales Margin	<u>\$390,297</u>	<u>\$477,263</u>	<u>(\$58,707)</u>	<u>\$1,253,278</u>	<u>\$1,301,186</u>	<u>\$788,953</u>

**Delivered to Paving Native System Customers**

	<u>Current Month 2018 Budget</u>	<u>Current Month 2018 Actual</u>	<u>Current Month 2017 Actual</u>	<u>Year-To-Date 2018 Budget</u>	<u>Year-To-Date 2018 Actual</u>	<u>Year-To-Date 2017 Actual</u>
Native System Sales KWHs	70,837,860	70,262,166	68,485,503	218,210,582	210,989,330	205,073,394
Native System Sales	\$4,648,821	\$4,516,328	\$4,494,907	\$14,447,449	\$13,998,303	\$13,625,503
Less:						
Purchased Power	1,816,220	2,204,050	2,440,637	6,171,849	6,698,218	6,952,896
Distribution	499,059	467,641	647,046	1,468,648	1,398,607	1,587,995
Customer Service	19,005	23,138	5,814	71,295	83,312	46,381
Consumers Accounts	66,099	64,157	64,550	195,439	191,977	183,897
Administrative & General	1,222,684	1,152,338	1,200,763	3,702,045	3,481,653	3,256,203
Subtotal	<u>3,623,067</u>	<u>3,911,324</u>	<u>4,358,810</u>	<u>11,609,276</u>	<u>11,853,767</u>	<u>12,027,372</u>
Native System Margin	1,025,754	605,004	136,097	2,838,173	2,144,536	1,598,131
Steam Sales Margin	390,297	477,263	(58,707)	1,253,278	1,301,186	788,953
Wholesale Margin	<u>(1,699,511)</u>	<u>(766,949)</u>	<u>(1,837,590)</u>	<u>(4,283,767)</u>	<u>(2,256,210)</u>	<u>(4,559,805)</u>
Net Electric Margin	(283,460)	315,318	(1,760,199)	(192,316)	1,189,512	(2,172,721)
Other Revenue	71,405	74,005	54,391	224,958	216,561	173,872
Nonoperating Revenue (Expense)	<u>18,341</u>	<u>68,531</u>	<u>21,473</u>	<u>53,343</u>	<u>182,973</u>	<u>55,378</u>
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	<u>(\$193,714)</u>	<u>\$457,854</u>	<u>(\$1,684,335)</u>	<u>\$85,985</u>	<u>\$1,589,046</u>	<u>(\$1,943,471)</u>

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

**MUSCATINE POWER AND WATER - ELECTRIC UTILITY**  
**VARIANCES FROM BUDGETED NET POSITION - MARCH 31, 2018**

	(Unfavorable)/ Favorable Compared to Budget	
<b>Sales of Electricity</b>		
Native System Sales	\$ (449,146)	3.3% lower kWh's, offset by a 0.2% higher average sales price (\$.06635/kWh versus \$.06621/kWh budgeted)
Wholesale Sales	2,378,496	13.8% higher average sale price (\$.03177/kWh versus \$.02792/kWh), plus 22.2% higher kWhs sold
	<u>1,929,350</u>	
<b>Steam Sales</b>	<u>(104,853)</u>	3.6% lower pounds of steam sold
<b>Other Revenue</b>		
By-Product Revenue	(1,293)	Fly ash sales
	6,371	Gypsum sales
	(3,434)	Slag sales
Miscellaneous Revenue	(11,461)	Lower job sales, net of expenses
	(2,733)	Lower transmission-related revenue
	5,683	Higher penalty revenue
	(1,530)	Other miscellaneous variances - net
	<u>(8,397)</u>	
<b>Operating Expense</b>		
Purchased Power - Native System	(523,963)	Average purchase price is 12.2% higher (\$.02869/kwh vs \$.02557/kwh), offset by 2.8% lower kWhs purchased
Purchased Power - Wind	(2,406)	0.6% higher kWhs purchased
	<u>(526,369)</u>	
Production Fuel	(698,911)	17.4 or 32,021 higher number of coal tons burned, offset by a 3.5% lower price/ton
	26,280	Unit 9's lower fuel oil usage
	(18,307)	CCR compliance costs were not budgeted
	(37,822)	Higher labor cost
	(4,438)	Other miscellaneous variances - net
	<u>(733,198)</u>	
Emissions Allowance	<u>2,157</u>	Market price lower than assumed
Operation	9,288	Lower gas usage for auxiliary boiler
	(4,987)	Unit 9 caustic soda expense, budgeted in July
	78,457	Lower PAC injection system costs
	7,082	Lower cost for wastewater chemicals and analysis
	(4,455)	Higher limestone usage
	(33,067)	Higher cost for IDNR Title V permit fee
	5,088	Lower cost for PM2.5 modeling
	18,524	Stack testing, not performed
	6,876	Engineering services for CCR rule compliance, not expended
	25,394	Lower cost for 316(b) Impingement/entrainment study
	7,558	Lower cost for plant safety materials
	6,214	Lower cost for rail car storage and administration fees
	104,068	Lower cost for MISO's multi-value transmission and market efficiency projects
	2,544	Midwest Municipal Transmission Group dues, expense timing from budget differs
	15,438	Electric line workers' tools & Lean supplies not needed
	7,076	Lower cost for vehicle material expenses
	(4,875)	Higher cost for share in MAGIC's operating expenses
	(15,543)	Higher cost for energy efficiency rebates, primarily relating to motor rebates
	(5,752)	Higher cost for organizational development consulting
	8,100	Succession planning, not expended
	17,622	Board legal services not expended
	5,917	Lower cost for web design service
	12,150	Refund for 2017's pension plan investment consulting services
	3,443	Benefits consulting, not expended

**MUSCATINE POWER AND WATER - ELECTRIC UTILITY  
 VARIANCES FROM BUDGETED NET POSITION - MARCH 31, 2018**

(Unfavorable)/  
 Favorable Compared  
 to Budget

	4,881	Employee search services, not utilized
	22,392	Lower cost for workers compensation claims and insurance
	(152,910)	Higher pension cost
	34,934	Lower healthcare costs
	(11,563)	Higher FICA expense
	(24,533)	Higher cost of deferred comp's utility match
	4,489	Lower cost for educational reimbursements
	(12,391)	Higher cost for recognition dinner, due to timing
	6,312	Lower unemployment expenses
	49,908	Higher fringe benefits charged to capital projects
	(11,835)	Higher cost for employment expenses
	7,185	Lower cost of GMCCI joint community branding project, due to timing
	17,211	Lower cost for employee team expenses
	82,095	Less training/travel
	(12,553)	Higher cost for temporary labor services
	5,022	Lower cost for vacation expense
	(45,137)	Higher labor cost
	48,050	Other miscellaneous variances - net
	<u>283,717</u>	

Maintenance

	3,212	Lower cost for contracted insulation replacement & repairs
	(22,531)	Extension of Unit 9's vacuum header to the superheater level, not budgeted
	33,448	Lower bottom ash system materials expense
	15,518	Lower fly ash system materials expense
	4,286	Lower cost for 8A reboiler repairs
	12,361	Inspection Unit 7 boiler feed pump motor, not completed
	(5,179)	Unit 7 traveling grate repair, not budgeted
	(7,378)	Cost for Unit 8 miscellaneous piping repairs, not budgeted
	(4,267)	Higher cost for Unit 8 miscellaneous valve repairs
	80,000	Unit 9 pulverizer journal rebuild, not completed
	14,000	9A Pulverizer motor inspection, not completed
	19,241	Lower cost for Unit 9 routine pulverizer maintenance
	7,875	Rebuild of Unit 9 sootblowers, not begun
	(3,198)	Higher cost for Unit 9 boiler vent, drain and blowdown valve repairs
	3,488	Lower cost for Unit 9 miscellaneous valve repairs
	8,000	Replacement of Unit 9 condensate control valve with DVC valve controller, not
	(4,322)	Higher cost for software/plant controls maintenance agreements
	2,973	Lower cost for continuous emission monitoring expenses
	18,000	Repair of the limestone silo 901 south wall, not begun
	3,368	Lower cost of wastewater equipment maintenance
	3,750	FGD hydroclone repairs/replacements, not performed
	11,154	Absorber spray pump inspection/repair, not completed
	6,000	Absorber spray implellar replacement, not expended
	(29,796)	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
	9,543	Lower cost of miscellaneous FGD equipment repairs
	3,382	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
	6,086	Hoist and chainfall inspection/repairs, not completed
	(24,630)	Higher cost for rail car maintenance
	15,938	Lower cost for dozer maintenance
	(27,822)	Higher cost for coal conveyor repairs
	(16,641)	Inspection of Unit 8 coal crusher hammers, not budgeted
	11,799	Lower cost for the jointly-owned transmission line maintenance performed by MEC
	5,700	Load tests on substation batteries, not performed
	(7,968)	Higher cost for underground lines material expenses

**MUSCATINE POWER AND WATER - ELECTRIC UTILITY  
 VARIANCES FROM BUDGETED NET POSITION - MARCH 31, 2018**

	(Unfavorable)/ Favorable Compared to Budget	
	(8,875)	Higher cost of street lighting repairs
	3,309	Fewer traffic signal repairs
	10,213	Lower cost of vehicle maintenance
	(7,211)	Higher cost for A/O Center maintenance
	4,090	Lower cost for temporary labor services
	81,412	Lower labor cost
	<u>143,732</u>	Other miscellaneous variances - net
	<u>351,487</u>	
Depreciation	<u>179,537</u>	Net value of the A&G assets were overestimated for the budget
 <b>Nonoperating Revenue (Expense)</b>		
Interest Income	130,255	Higher average cash balances
Interest Expense	<u>(625)</u>	
	<u>129,630</u>	
 <b>Change in Net Position</b>	 <u>\$ 1,503,061</u>	 Total Variance from Budgeted Net Position

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

### Sales of Electricity

#### Native System Sales

3.3% lower kWh's sold, offset by a 0.2% higher average sales price per kWh (\$.06635/kWh versus \$.06621/kWh budgeted), resulted in \$449,146 lower revenue.

#### Wholesale Sales

22.2% higher kWhs sold; plus, a 13.8% higher average sales price (\$.03177/kWh versus \$.02792/kWh budgeted), resulted in \$2,378,496 higher revenue than projected.

### Steam Sales

3.6% lower pounds of steam sold, resulted in \$104,853 lower revenue than projected.

### Other Revenue

#### Miscellaneous Revenue

Net job sales and transmission-related revenue are \$11,461 and \$2,733 lower than budget, respectively; penalty revenue is \$5,683 higher than budgeted.

### Nonoperating Revenue (Expense)

#### Interest Income

Interest income is \$130,255 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 12.2% higher average purchase price (\$.02869/kWh versus \$.02557/kWh budgeted), offset by 2.8% lower kWhs purchased for native system sales, resulted in \$523,963 higher cost. Wind energy kWh purchases were 0.6% or \$2,406 higher than budgeted.

### Generation

#### Operation Supervision – (500)

Plant operations labor expense is \$6,653 or 5.4% higher than budgeted.

#### Fuel – Coal – (501-001)

17.4% or 32,021 higher tons of coal burned, offset by a 3.5% lower price/ton, resulted in \$698,911 higher coal expense.

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

Fewer Unit 9 start-ups than budgeted resulted in \$26,280 lower fuel oil expense.

Coal Handling Expense - (501-003)

Material handling labor expense is \$29,707 higher than budgeted.

Landfill Operation Expense - (501-925)

Actual expenses include \$18,307 for engineering services relating to CCR compliance, which were not budgeted, plus, labor expense is \$7,175 higher than budgeted.

Steam Expense – Boiler – (502-004)

Labor expenses are \$24,196 higher than budgeted. Unit 9's caustic soda \$4,987 expense was budgeted in July. Gas usage for the auxiliary boiler is \$9,288 lower than budgeted.

Steam Expense – Pollution Control – (502-005)

PAC (powdered activated carbon) injection system costs, wastewater chemicals/analysis, and labor expenses are \$78,457, \$7,082, and \$6,247 lower than budgeted, respectively. Limestone expense is \$4,455 higher than budgeted.

Electric Expense – (505)

Labor expense is \$32,742 higher than budget.

<u>Miscellaneous Steam Power Expense - (506)</u>	<u>2018</u>	<u>2018</u>
	<u>Budget</u>	<u>Actual</u>
Labor	\$204,361	\$210,202
IDNR Title V permit fee	69,050	102,117
PM2.5 modeling	6,000	912
Stack testing	36,600	18,076
Engineering services for CCR rule compliance	6,876	-
316(b) cooling water impingement/entrainment study	45,000	19,606
Universal waste recycling/hazardous waste disposal	3,501	2,792
Coal and byproduct analysis	2,000	-
ESC software engineering time/maintenance	4,400	6,172
Plant safety material expenses	37,039	29,481
Rail car storage/switching costs/admin fees	33,114	26,900
Travel/training	52,705	12,846
Temporary labor services	-	6,933
Ground maintenance	3,150	1,799
Membership/subscriptions	7,375	3,570
Gasoline/diesel fuel	3,500	5,129
Other expenses	63,362	14,370
	<u>\$578,033</u>	<u>\$460,905</u>

Maintenance Supervision – (510)

Plant maintenance and technical departments' labor expenses are \$13,257 and \$10,752 higher than budgeted, respectively.

Generation (cont'd)

<u>Maintenance of Structures - (511)</u>	2018 <u>Budget</u>	2018 <u>Actual</u>
Labor	\$69,362	\$77,717
Elevator maintenance	14,180	13,379
Contracted insulation replacement/repair	6,492	3,280
Overhead door maintenance	2,250	-
Extend Unit 9 vacuum header to the SH level	-	22,531
Hoist and crane repairs	-	4,630
Backflow preventer valve repair	5,800	1,764
Cental Stores building maintenance	2,250	-
Other expenses	<u>37,784</u>	<u>21,081</u>
	<u>\$138,118</u>	<u>\$144,382</u>

<u>Maintenance of Boiler Plant - Boiler - (512-006)</u>	2018 <u>Budget</u>	2018 <u>Actual</u>
Labor	\$185,359	\$148,839
Bottom ash system materials	36,092	2,644
Fly ash system materials	38,728	23,210
Reverse osmosis system	2,598	252
8A reboiler repairs	5,165	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	2,295	-
Unit 8 miscellaneous valve repairs	240	4,507
Unit 9 pulverizer journal rebuild	80,000	-
9A Pulverizer motor inspection	14,000	-
Unit 9 routine pulverizer maintenance	31,251	12,010
Unit 9 miscellaneous piping repairs	-	2,410
Grit blast Unit 9 ID fans	3,240	-
9A & 9B forced draft fan lubrication	-	2,202
Unit 9 sootblower repairs	-	2,698
Rebuild Unit 9 sootblowers	7,875	-
Unit 9 boiler vent, drain and blowdown valve repairs	5,625	8,823
Unit 9 miscellaneous valve repairs	10,500	7,012
Replace Unit 9 condensate control valve with DVC valve controller	8,000	-
Software/plant controls maintenance agreements	13,720	18,042
Other expenses	<u>91,290</u>	<u>30,125</u>
	<u>\$549,978</u>	<u>\$280,542</u>

Generation (cont'd)

<u>Maintenance of Boiler Plant – Pollution Control - (512-007)</u>	2018 <u>Budget</u>	2018 <u>Actual</u>
Labor	\$71,102	\$70,652
Continuous emission monitoring expenses	30,624	27,651
PAC (powdered activated carbon) injection system costs	3,372	1,968
Miscellaneous precipitator repairs	3,765	2,840
Repair the limestone silo 901 south wall	18,000	-
Miscellaneous limestone handling equipment repairs	2,847	-
Wastewater equipment maintenance	3,475	107
Scrubber waste equipment repairs	2,949	489
FGD hydroclone repairs/replacements	3,750	-
Absorber spray pump inspection/repair	14,000	2,846
Absorber spray impeller replacement	6,000	-
T901 WFC pump inspection	-	29,796
Quencher pump inspection	-	1,183
Replace recirculating control valve for makeup water tank	-	10,164
Replace regulating valve for makeup water tank	-	8,576
Miscellaneous FGD equipment repairs	17,973	8,430
Other expenses	<u>4,198</u>	<u>-</u>
	<u>\$182,055</u>	<u>\$164,702</u>

<u>Maintenance of Electric Plant - (513-008)</u>	2018 <u>Budget</u>	2018 <u>Actual</u>
Labor	\$66,224	\$58,685
Rebuild two Unit 9 traveling screens	55,000	51,618
Unit 9 transformer & turbine oil samples	3,700	2,920
Unit 9 circulating water booster pump check valve repair	-	2,496
Rebuild Unit 9 chlorine vacuum regulator	5,000	3,083
Unit 9 miscellaneous plant maintenance	16,372	5,858
8A steam turbine control & stop valve overhaul	-	11,333
8A turbine/generator repairs	6,577	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	4,948	1,008
Unit 7 miscellaneous plant maintenance	5,434	152
GE, EX-2000, and Mark V service agreement	6,250	6,075
Other expenses	<u>940</u>	<u>175</u>
	<u>\$182,445</u>	<u>\$144,806</u>

Maintenance of Miscellaneous Steam Plant – (514)

Labor expense is \$17,816 lower than budgeted. Hoist and chainfall inspection and repairs are \$6,086 lower than budgeted.

Generation (cont'd)

<u>Maintenance of Coal Handling Equipment - (516)</u>	2018	2018
	<u>Budget</u>	<u>Actual</u>
Labor	\$66,400	\$82,513
Rail car maintenance	26,000	50,630
Dozer maintenance	26,275	10,337
Coal conveyor maintenance	13,948	41,770
Unit 8 control room PC	3,200	-
Track maintenance	-	2,519
Unit 9 DC-14A heat blanket	5,000	-
RC-2 main drive gear reducer leak repair	-	3,160
Inspect Unit 8 coal crusher hammers	-	16,641
Rail unloader maintenance	3,798	5,356
Other expenses	20,556	7,917
	<u>\$165,177</u>	<u>\$220,843</u>

TransmissionLoad Dispatching – (561)

Travel and training expenses are \$4,148 lower than budgeted.

Overhead Line Expense – (563)

Labor expense is \$3,172 higher than budgeted.

Transmission of Electricity by Others – (565)

The cost of MISO's multi-value transmission and market efficiency projects are \$104,068 lower than budgeted.

Miscellaneous Transmission Expense – (566)

The Midwest Municipal Transmission Group membership is \$2,544 lower than budgeted, due to actual costs being allocated monthly. Local balancing authority investigation expenses, budgeted at \$2,500, have not been expended. Project engineering and safety & training labor expenses are \$1,706 and \$1,260 lower than the budgeted, respectively.

Maintenance Supervision – (568)

Labor expense is \$2,591 lower than budgeted due to the Manager, T&D position opening.

Maintenance of Overhead Lines – (571)

Line maintenance performed by MEC for the joint section of Line 104 is \$11,799 lower than budgeted. Other material expenses are \$2,664 lower than budgeted; plus labor expense is \$2,865 lower than the budget.

DistributionOperation Supervision – (580)

Labor expense is \$10,488 lower than budgeted due to the Manager, T&D position opening.

Load Dispatching – (581)

System control labor expense is \$14,434 higher than budgeted.

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

Substation electricians' labor expense is \$11,453 lower than budgeted; project engineering budgeted \$3,338 labor expense that has not been expended. Tools and grease expenses are \$2,465 lower than budgeted.

Overhead Line Expense – (583)

The budget includes \$12,938 for electric line workers' tools and tool repairs, plus \$2,500 for Lean initiative expenses that have not been needed.

Vehicle Expense – (589)

Vehicle labor and materials expenses are lower than the budget by \$1,527 and \$7,076, respectively. Gasoline and diesel fuel usage is \$1,444 greater than budgeted.

Underground Line Expense – (584)

Dollies for URD cable pulling, budgeted at \$2,000, have not been needed.

Street Lighting – (585-STL)

Less time has been spent on street light repairs, resulting in \$4,255 lower labor expense, and \$745 lower material expense.

Signal Expense – (585-419)

Labor expense is \$2,853 lower than the budget; budgeted material expenses of \$470 have not been expended.

Meter Expense – (586)

Labor expense is \$2,400 higher than budgeted.

Miscellaneous Distribution Expense – (588)

Labor expense is \$20,582 higher than budgeted; the electric line workers' labor makes up \$14,187 or 69% of this total. The share in MAGIC's operating expenses is \$4,875 higher than budgeted due to the implementation of GASB 75, which increased OPEB expense significantly. Engineering services, costing \$4,487, were not budgeted. Temporary labor services are \$4,762 higher than the budget, and travel & training expenses are \$3,452 lower than budgeted.

Maintenance Supervision – (590)

Labor expense is \$12,141 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 \$8,383 lower than budgeted.

Maintenance of Overhead Lines – (593)

Electric line workers' labor expense is \$24,529 lower than budgeted; a higher percentage of time was charged to sick leave, and capital projects.

Maintenance of Underground Lines – (594)

Labor expense is \$14,677 lower, while material expense is \$7,968 higher than budgeted.

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

Less time was spent on line transformer maintenance, resulting in \$6,871 lower labor expense.

Maintenance of Street Lighting – (596-STL)

Material expense is higher than budgeted by \$8,875.

Maintenance of Signal Expense – (596-419)

Fewer signal repairs have been needed, resulting in \$3,309 lower material expenses.

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 \$2,692.

Vacation, Holiday, Sick Leave – (599)

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

Customer Service Expense

<u>Customer Information Expense - (909)</u>	2018	2018	2017
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b><u>Marketing</u></b>			
Media advertising	\$3,498	\$3,955	\$2,254
Customer newsletter/bill inserts	0		
Customer newsletter/bill inserts	619	775	774
Postage	324	-	-
Promotional materials	1,110	154	231
Photo library	762	162	486
<b>Subtotal - Marketing</b>	<b>6,313</b>	<b>5,046</b>	<b>3,745</b>
<b><u>Energy Services</u></b>			
Trees Forever	13,000	13,000	-
IAMU energy efficiency report	-		
City-owned buildings energy efficiencies	-		
Customized energy efficiencies	300	-	-
Compact fluorescent exchange program	1,500	1,095	764
Customer awareness programs	501	-	-
Presentation materials	930	-	-
Science fair/poster contest	100	349	353
<b>Subtotal - Energy Services</b>	<b>16,331</b>	<b>14,444</b>	<b>1,117</b>
Miscellaneous	-	422	-
	<b>\$22,644</b>	<b>\$19,912</b>	<b>\$4,862</b>

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	\$10,200	\$11,048	\$26,774
Compact fluorescent lighting	750	1,055	746
Air conditioning	6,375	5,080	3,920
Refrigerator	1,155	1,270	975
City building improvement	2,700	-	-
Washing machine	1,000	1,500	750
Customized energy efficiency	-	20	1,625
Water heater	1,800	1,700	1,400
Geo-thermal	1,800	1,900	2,100
Motor	20,400	38,150	2,250
Dishwasher	500	500	600
	<u>\$46,680</u>	<u>\$62,223</u>	<u>\$41,140</u>

Consumer AccountsSupervision – (901)

Labor expense is \$6,045 higher due to budgeting for an additional temporary manager position.

Administrative and GeneralAdministrative & General Salaries – (920)

Labor expense is \$36,444 lower than budgeted due to open positions in the IT and Accounting departments.

<u>Office Supplies - (921)</u>	2018	2018	2017
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Phone expense	\$9,306	\$7,725	\$8,535
Memberships/subscriptions	8,384	10,593	9,391
Internet/MME	4,155	4,210	3,896
Office furniture	5,165	3,333	3,059
Computer hardware/software	7,383	5,566	4,595
Vehicle allowance	3,566	3,566	3,116
Vehicle maintenance	2,350	1,231	918
Gasoline/diesel fuel	1,000	705	465
General office supplies	2,876	2,870	2,569
Other	<u>5,187</u>	<u>3,401</u>	<u>4,313</u>
	<u>\$49,372</u>	<u>\$43,200</u>	<u>\$40,857</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	\$12,150	\$17,902	\$ -
Succession planning	110-Board	8,100	-	-
Legal services	140-Brandy	20,600	2,978	29,105
Transmission/reliability standards legal service	140-Brandy	5,000	4,398	-
Coal & transportation attorney	140-Brandy	1,248	-	-
Bond counsel	140-Brandy	375	-	-
Labor attorney	140-Brandy	1,260	-	1,496
CIP compliance consulting	145-Seth	-	758	-
NERC compliance consulting	145-Seth	1,875	-	-
Web design service	224-Rick	6,622	705	705
Insurance advisor	310-Jerry	10,206	10,206	10,206
Financial audit services	320-Cassie	35,235	37,674	29,819
Cost of service study	320-Cassie	-	-	20,812
Coal & transportation consulting	331-Brad	19,500	19,500	15,000
Fuel procurement committee consulting	331-Brad	1,500	-	-
IS department professional services	350-Greg	-	-	3,922
IS department review	350-Greg	-	-	15,139
ACS services	350-Greg	2,430	4,050	-
509A Actuary	410-Brandy	891	790	790
Benefits consulting	410-Brandy	9,113	8,505	6,035
2017 Pension plan study	410-Brandy	-	(12,150)	-
Employee search services	410-Brandy	32,400	27,519	-
MISO consultant	610-Gage	624	-	-
Coal pile survey	612-Neal	-	449	-
Engineering services	760-Mark	-	-	6,042
		<u>\$169,129</u>	<u>\$123,284</u>	<u>\$139,071</u>

Injuries and Damages -- (925)

Workers compensation claims are \$16,598 lower than anticipated; insurance costs are also \$5,794 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	\$600,600	\$753,510	\$586,960
Healthcare costs	625,148	590,214	593,131
FICA	303,574	315,137	328,840
Deferred comp utility match	73,470	98,003	93,066
Dental	23,970	22,933	23,701
Educational reimbursements	7,088	2,599	6,791
LTD insurance	15,083	14,236	14,608
Life insurance	11,761	11,072	11,437
Post-employment health benefit	7,823	7,823	6,858
Recognition dinner	405	12,796	17,286
Unemployment expenses	8,100	1,788	2,369
Other expenses	<u>6,603</u>	<u>8,721</u>	<u>13,727</u>
	<u>\$1,683,625</u>	<u>\$1,838,832</u>	<u>\$1,698,774</u>

Fringe Benefits Charged to Construction – (927)

More time has been charged to capital projects than projected.

<u>Miscellaneous General Expense (930)</u>	2018	2018	2017
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Employment expenses	\$17,537	\$29,372	\$6,859
APPA dues	6,099	6,708	6,098
IUB Iowa Energy Center	13,149	13,422	13,150
IAMU membership	8,886	9,938	8,886
GMCCI joint community branding project	8,100	915	8,505
Legal publications	1,317	1,349	1,146
Continuous Improvement	4,982	-	1,102
Subscriptions/memberships	6,045	7,325	5,950
Employee team expenses	21,657	4,446	11,745
Training/travel	44,669	13,538	9,156
Safety-related expenses	2,297	1,134	1,369
Labor	12,607	7,816	8,466
Temporary labor services	9,973	11,309	19,155
Board trustee fees	1,823	1,823	1,823
Freight	3,255	5,617	5,229
Other expenses	<u>12,664</u>	<u>8,932</u>	<u>13,303</u>
	<u>\$175,060</u>	<u>\$123,644</u>	<u>\$121,942</u>

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 \$7,211. Labor expense is \$7,444 higher than budget; temporary labor services are lower than budget by \$4,089.

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  
March 2018**

	<u>2018</u>	<u>2017</u>
<b><u>Current Assets</u></b>		
<u>Consumer Accounts</u>		
Customer Electric Accounts	\$5,151,383	\$4,960,443
Unbilled Revenue	506,558	479,274
Utility loan program	2,872	6,736
Merchandise Accounts	384,634	75,885
Allowance for Doubtful Accounts	(8,395)	(13,907)
	<u>\$6,037,052</u>	<u>\$5,508,431</u>
 <u>Inventories</u>		
Inventory	\$4,789,857	\$5,048,988
Emission Allowance - SO2	121,109	124,576
Emission Allowance - Nox	5,158	221,551
Stores Expense	69,871	3,076
Gas and Diesel Fuel	100,410	130,785
Limestone	133,382	146,623
	<u>\$5,219,787</u>	<u>\$5,675,599</u>
 <u>Prepaid Expenses</u>		
Prepaid Insurance	\$1,026,703	\$283,802
APPA dues	2,236	---
Economic Development Pledge	---	25,515
GP Strategies	10,313	---
IA Dept Comm Global Warming	26,844	26,300
IAMU annual dues	37,634	---
IUB commerce commission assessment	---	10,536
MMTG membership	2,457	---
NERC assessment	11,117	11,102
OATI digital certificates	7,800	---
SOS International	11,371	---
Prepaid Maintenance Contracts	257,840	318,212
Prepaid Travel	30,826	26,158
Other Prepaid Expenses	(1,331)	(7,657)
	<u>\$1,423,810</u>	<u>\$693,968</u>
 <b><u>Current Liabilities</u></b>		
<u>Accounts Payable (amounts over \$10,000 itemized)</u>		
Water bills	\$31,749	\$32,031
Communications bills	14,182	13,812
Advanced Business Systems - copier service	---	11,769
Alliant Energy - gas	---	28,832
American Industrial Motor - breaker repair	---	14,276
Baker Tilly - audit svc	12,719	---
Bank of America - supplies	22,757	16,052
Black & Veatch - engineering services	9,129	94,932
BNSF Railway - coal transport	248,748	---

Buckskin - coal	275,865	---
Canadian Pacific Railway - coal transport	127,499	---
CDW-G - computers	---	28,085
City of Muscatine - wastewater/sanitation/Misissippi Dr project	71,441	42,944
Cogsdale - business system implementation	41,063	26,571
Cottingham & Butler -workers comp claims	8,539	88,008
Dell Marketing - computer workstations	---	14,935
Detroit Stoker - chain link bars	18,393	---
Ethos - #9 turbine packing	---	129,311
Fletcher-Reinhardt Co - switches/tester kits	---	14,254
GE Energy Services - #9 turbine overhaul	---	601,552
Heery International - professional services	---	15,669
Howden - shaft	---	14,954
Hull Enterprises - coal transportation	---	30,074
IA DNR - Title V Fee	297,339	---
IDNR - Title V Fee	---	392,383
Industrial Bolting Inc - #9 turbine overhaul	---	39,500
Inman Electric Motor - #9 fan motor repair	---	13,941
Iowa-II Taylor insulation - #9 turbine blankets	---	13,947
Iowa Utilities Board - assessment	31,917	---
Jefferies Refined Coal - refined coal	3,647,130	2,712,848
Langham Consulting - business systems implementaiton	---	10,639
Lewis Industrial - steel vacuum line	22,531	---
MAGIC - operating expenses/ESRI maintenance/license	25,835	---
McDowell Crane & Rigging - transformer removal	---	13,052
MISO - purch power/trans svc/admin fee	125,472	113,892
Midamerican Energy - joint line maintenance	11,585	---
Mostardi Platt - emission testing	18,076	12,709
Nalco - antiscalant	54,762	---
Nightwatch - security system	---	27,141
Osmose - pole inspections	---	49,822
Power Plant Services - #9 turbine overhaul	---	553,010
Quanta - south sub expansion	---	84,772
Resco - transformer repair	---	17,321
Robert Half - employment expense	21,689	---
South Fork Wind - energy	135,737	145,255
Tenaska - monthly fee	17,500	---
Trees Forever - program support	13,000	---
Vander Haags Inc - trailer	---	46,737
Visa - travel	17,348	12,204
Weir Slurry - shell liners	10,150	---
Other	248,467	352,543
	<u>\$5,580,622</u>	<u>\$5,829,777</u>

Miscellaneous Accrued Expenses

Interest on Customer Deposits	\$84,454	\$86,057
Sales/Use Tax Collections Payable	66,504	115,030
Payroll Tax Collections Payable	160,617	203,749
Workers' Comp Self Insurance Reserves	311,409	352,364
Comp Time Payable	44,358	57,797
Employee team bank	58,812	60,873
	<u>\$726,154</u>	<u>\$875,870</u>

**Muscatine Power and Water**

**Water Utility**

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

**March 2018**

**Muscatine Power and Water  
Water Utility**

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

	<b><u>Budget</u></b> <b><u>Estimate</u></b>	<b><u>%Increase</u></b> <b><u>(Decrease)</u></b> <b><u>From Budget</u></b>	<b><u>This</u></b> <b><u>Year</u></b>	<b><u>%Increase</u></b> <b><u>(Decrease)</u></b> <b><u>Fr. Last Yr.</u></b>	<b><u>Last</u></b> <b><u>Year</u></b>
<b><u>Water Distribution - 1,000 Gallons</u></b>					
Contract Customers	664,224	5.0	697,571	0.5	694,397
Power Plants	61,604	6.6	65,689	(1.1)	66,428
Residential	31,552	0.3	31,637	3.4	30,593
Commercial	26,894	(8.2)	24,698	(6.6)	26,441
Total Metered Customers	784,274	4.5	819,595	0.2	817,859
Rated Customers - Estimate	---	---	11	(26.7)	15
City Use, Line Loss, Cycle Billing	47,056	4.5	49,176	0.2	49,072
Total Water Pumped	<u>831,330</u>	4.5	<u>868,782</u>	0.2	<u>866,946</u>

**Calendar Year-to-Date**

	<b><u>Budget</u></b> <b><u>Estimate</u></b>	<b><u>%Increase</u></b> <b><u>(Decrease)</u></b> <b><u>From Budget</u></b>	<b><u>This</u></b> <b><u>Year</u></b>	<b><u>%Increase</u></b> <b><u>(Decrease)</u></b> <b><u>Fr. Last Yr.</u></b>	<b><u>Last</u></b> <b><u>Year</u></b>
<b><u>Water Distribution - 1,000 Gallons</u></b>					
Contract Customers	1,949,288	2.5	1,998,334	(0.8)	2,013,964
Power Plants	209,100	1.8	212,900	0.2	212,487
Residential	101,722	(0.3)	101,382	2.8	98,630
Commercial	78,556	(1.1)	77,731	0.6	77,232
Total Metered Customers	2,338,666	2.2	2,390,347	(0.5)	2,402,313
Rated Customers - Estimate	---	---	26	(42.2)	45
City Use, Line Loss, Cycle Billing	140,320	2.2	143,421	(0.5)	144,139
Total Water Pumped	<u>2,478,986</u>	2.2	<u>2,533,794</u>	(0.5)	<u>2,546,497</u>

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

	Budget		% Increase (Decrease) from Budget	This Year	% Increase (Decrease) from Last Year		Last Year	Avg. Price
	Estimate	Avg. Price			Avg. Price	Year		
<b><u>Sales of Water</u></b>								
Contract Customers	\$278,345	\$ 0.41905	3.1	\$286,912	\$ 0.41130	5.6	\$271,770	\$ 0.39138
Power Plants	31,729	0.51505	0.1	31,749	0.48332	(0.5)	31,912	0.48040
Residential	157,426	4.98941	(0.1)	157,221	4.96958	5.4	149,107	4.87389
Commercial	47,299	1.75872	2.8	48,642	1.96945	2.8	47,332	1.79010
Water Sales	514,799	0.65640	1.9	524,524	0.63998	4.9	500,121	0.61150
<b><u>Other Revenue</u></b>								
Penalty Revenue	855		42.0	1,214		44.9	838	
Merchandise & Job Sales-Net	833		1.5X	2,059		5.3X	327	
Miscellaneous Revenue	1,093		2.1X	3,355		1.3X	1,480	
Total Other Revenue	2,781		1.4X	6,628		1.5X	2,645	
Operating Revenue	517,580		2.6	531,152		5.6	502,766	
<b><u>Operating Expense</u></b>								
Operation	346,855		0.2	347,667		1.7	341,920	
Maintenance	67,776		(10.7)	60,510		87.2	32,321	
Depreciation	73,912		(3.2)	71,558		11.0	64,466	
Total Operating Expense	488,543		(1.8)	479,735		9.4	438,707	
Operating Income	29,037		77.1	51,417		(19.7)	64,059	
<b><u>Nonoperating Revenues (Expenses)</u></b>								
Interest Income	960		6.7X	7,368		44.5X	162	
Interest Expense	(39,754)		0.0	(39,754)		26.8X	(1,429)	
Net Nonoperating Revenues (Expenses)	(38,794)		(16.5)	(32,386)		24.6X	(1,267)	
Net Income (Loss) before Capital Contributions	(9,757)		-3.0X	19,031		(69.7)	62,792	
Capital Contributions	---		---	---		---	---	
Change in Net Position	(9,757)		-3.0X	19,031		(69.7)	62,792	
Beginning Net Position	16,621,145			16,690,320			16,496,045	
Ending Net Position	\$16,611,388			\$16,709,351			\$16,558,837	
Net Income (Loss) to Operating Revenue	(1.9)			3.6			12.5	
Debt Service Coverage	1.27			1.59			32.07	

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

	Budget		% Increase (Decrease) from Budget	This Year	% Increase (Decrease) from Last Year		Last Year	Avg. Price
	Estimate	Avg. Price			Avg. Price	Year		
<b>Sales of Water</b>								
Contract Customers	\$826,297	\$ 0.42390	1.8	\$841,324	\$ 0.42101	5.0	\$801,467	\$ 0.39795
Power Plants	100,590	0.48106	(1.7)	98,839	0.46425	0.2	98,601	0.46403
Residential	481,387	4.73238	(0.3)	479,758	4.73216	5.4	455,311	4.61635
Commercial	138,157	1.75871	7.9	149,139	1.91866	6.3	140,275	1.81628
Water Sales	1,546,431	0.66124	1.5	1,569,060	0.65642	4.9	1,495,654	0.62259
<b>Other Revenue</b>								
Penalty Revenue	1,709		47.2	2,516		64.4	1,530	
Merchandise & Job Sales-Net	2,500		1.3X	5,784		4.5X	1,044	
Miscellaneous Revenue	3,628		75.2	6,356		14.6	5,546	
Total Other Revenue	7,837		87.0	14,656		80.5	8,120	
Operating Revenue	1,554,268		1.9	1,583,716		5.3	1,503,774	
<b>Operating Expense</b>								
Operation	1,029,205		(0.5)	1,024,240		4.0	984,415	
Maintenance	167,211		(21.1)	131,971		(43.0)	231,454	
Depreciation	221,734		(3.2)	214,671		11.0	193,318	
Total Operating Expense	1,418,150		(3.3)	1,370,882		(2.7)	1,409,187	
Operating Income	136,118		56.4	212,834		1.3X	94,587	
<b>Nonoperating Revenues (Expenses)</b>								
Interest Income	2,944		6.7X	22,691		77.0X	291	
Interest Expense	(119,263)		(1.3)	(117,763)		27.5X	(4,134)	
Net Nonoperating Revenues (Expenses)	(116,319)		(18.3)	(95,072)		23.7X	(3,843)	
<b>Net Income (Loss) before Capital Contributions</b>								
Contributions	19,799		4.9X	117,762		29.8	90,744	
Capital Contributions	---		---	---		---	---	
Change in Net Position	19,799		4.9X	117,762		29.8	90,744	
Beginning Net Position	16,591,589			16,591,589			16,468,093	
Ending Net Position	\$16,611,388			\$16,709,351			\$16,558,837	
Net Income (Loss) to Operating Revenue	1.3			7.4			6.0	
Debt Service Coverage	1.47			1.83			24.25	

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

**ASSETS**

	<u>2018</u>	<u>2017</u>
<b>Current Assets:</b>		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$357,399	\$632,358
Receivables:		
Consumer Accounts	725,868	659,676
Interest	59	16
Inventories	321,709	378,601
Prepaid Expenses	63,714	46,578
	<hr/>	<hr/>
Total Unrestricted Current Assets	1,468,749	1,717,229
	<hr/>	<hr/>
<u>Restricted Assets</u>		
Cash - interest bearing	7,519,197	35,292
	<hr/>	<hr/>
Total Restricted Current Assets	7,519,197	35,292
	<hr/>	<hr/>
Total Current Assets	8,987,946	1,752,521
	<hr/>	<hr/>
<b>Non-Current Assets:</b>		
Unamortized debt issuance costs	55,532	---
	<hr/>	<hr/>
<b>Property and Equipment:</b>		
At Cost	37,444,476	33,115,096
Less Accumulated Depreciation	11,211,143	10,816,050
	<hr/>	<hr/>
Net Property and Equipment	26,233,333	22,299,046
	<hr/>	<hr/>
<b>Deferred Outflows of Resources</b>		
Pension	753,383	610,291
IPERS	197,472	114,030
OPEB	10,397	---
	<hr/>	<hr/>
Total Deferred Outflows of Resources	961,252	724,321
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<u>\$36,238,063</u>	<u>\$24,775,888</u>

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

**LIABILITIES AND NET POSITION**

	<u>2018</u>	<u>2017</u>
<b>Current Liabilities:</b>		
<b><u>Payable from Unrestricted Assets</u></b>		
Accounts Payable	\$842,128	\$373,216
Health & Dental Insurance Provision	32,700	31,680
Retained Percentage on Contracts	104,573	1,492
Consumer Advances for Construction	600	91,105
Accrued Payroll	34,926	35,480
Accrued Vacation	146,447	141,461
Accrued Property Taxes	1,892	1,019
Miscellaneous Accrued Expenses	<u>69,632</u>	<u>63,764</u>
Total Payable from Unrestricted Assets	<u>1,232,898</u>	<u>739,217</u>
<b><u>Payable from Restricted Assets</u></b>		
State Revolving Loan - Current Portion	32,000	31,000
Water Revenue Bonds - Current Portion	375,000	
Accrued Interest	<u>192,558</u>	<u>4,653</u>
Total Payable from Restricted Assets	<u>599,558</u>	<u>35,653</u>
Total Current Liabilities	<u>1,832,456</u>	<u>774,870</u>
<b>Non-Current Liabilities:</b>		
State Revolving Loan	68,000	100,000
Notes Payable to Electric Utility	---	5,500,000
Water Revenue Bond Series 2017	15,418,960	---
Health & Dental Insurance Provision	74,710	40,497
Post-Employment Health Benefit Provision	87,021	40,724
Net Pension Liability	1,654,896	1,299,892
Consumer Advances for Construction	<u>198,259</u>	<u>198,772</u>
Total Non-Current Liabilities	<u>17,501,846</u>	<u>7,179,885</u>
<b>Deferred Inflows of Resources</b>		
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>
<b>Net Position:</b>		
Net Investment in Capital Assets	10,140,514	21,878,169
Restricted	7,326,639	30,639
Unrestricted	<u>(757,802)</u>	<u>(5,349,971)</u>
Total Net Position	<u>16,709,351</u>	<u>16,558,837</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$36,238,063</u></u>	<u><u>\$24,775,888</u></u>

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

	<b><u>Current Month</u></b>	<b><u>Year- To-Date</u></b>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$519,873	\$1,575,889
Miscellaneous sources	6,693	23,401
Cash paid to/for:		
Suppliers	(119,057)	146,212
Employees payroll, taxes and benefits	(231,114)	(716,133)
Net cash flows from operating activities	<u>176,395</u>	<u>1,029,369</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	<u>(538,941)</u>	<u>(1,355,288)</u>
Net cash flows from capital and related financing activities	<u>(538,941)</u>	<u>(1,355,288)</u>
Cash flows from investing activities:		
Interest received on investments	<u>7,349</u>	<u>22,670</u>
Net cash flows from investing activities	<u>7,349</u>	<u>22,670</u>
Net decrease in cash and investments	<u>(355,197)</u>	<u>(303,249)</u>
Cash and investments at beginning of period	<u>8,231,793</u>	<u>8,179,845</u>
Cash and investments at end of period	<u><u>\$7,876,596</u></u>	<u><u>\$7,876,596</u></u>

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

	<b><u>Current</u></b> <b><u>Month</u></b>	<b><u>Year-</u></b> <b><u>To-Date</u></b>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$51,417	\$212,834
Noncash item in operating income:		
Depreciation of utility plant	71,558	214,671
Amorization of Debt Discount	---	1,500
Change in deferred outflows of resources - pension	(19,020)	(19,020)
Changes in assets and liabilities:		
Consumer accounts receivable	(2,588)	25,171
Inventories	22,082	33,291
Prepaid and deferred expenses	(19,820)	(7,692)
Accounts payable	43,249	528,861
Net pension liability	17,715	53,145
Health & dental insurance provision	(6,583)	(7,406)
Other post-employment benefit provision	347	1,043
Retained percentage	16,317	21,057
Accrued payroll	10,286	(42,209)
Accrued vacation	(391)	8,765
Accrued property taxes	(1,440)	(1,214)
Unearned revenue	---	(2,800)
Miscellaneous accrued expenses	(6,734)	9,372
	<u>\$176,395</u>	<u>\$1,029,369</u>
Net cash flows from operating activities	<u>\$176,395</u>	<u>\$1,029,369</u>

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision (600)	\$3,510		\$3,273		\$3,938	
Operation Labor and Expenses (601)	130		803		581	
Miscellaneous Expense (603)	80		---		52	
Maintenance of Wells (614)	20,000		---		---	
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>35,665</u>	6.9	<u>13,525</u>	2.5	<u>14,096</u>	2.8
<b><u>Pumping</u></b>						
Operation Supervision (620)	3,810		3,601		4,402	
Fuel or Power Purchased (623)	82,617		76,355		86,381	
Pumping Labor and Expenses (624)	5,203		5,143		5,584	
Miscellaneous Expense (626)	316		306		317	
Maintenance of Structures (631)	450		---		---	
Maintenance of Pumping Equipment (632/633)	6,464		7,161		2,890	
Depreciation (634)	<u>6,690</u>		<u>6,240</u>		<u>6,294</u>	
Total Pumping Expense	<u>105,550</u>	20.4	<u>98,806</u>	18.6	<u>105,868</u>	21.1
<b><u>Water Treatment</u></b>						
Operation Supervision (640)	3,517		3,154		4,013	
Chemicals (641)	18,727		20,845		17,827	
Operation Labor and Expenses (642)	15,701		16,288		16,635	
Miscellaneous Expense (643)	4,141		1,745		1,152	
Maintenance of Structures (651)	1,141		16		3,200	
Maintenance of Purification Equip. (652)	1,702		738		3,994	
Depreciation (654)	<u>3,443</u>		<u>3,262</u>		<u>3,262</u>	
Total Water Treatment Expense	<u>48,372</u>	9.3	<u>46,048</u>	8.7	<u>50,083</u>	10.0
<b><u>Distribution</u></b>						
Operation Supervision (660)	3,690		3,489		4,151	
Storage Facilities Expense (661)	4,788		4,579		4,702	
Trans. & Distr. Lines Expense (662)	2,546		6,072		3,892	
Meter Expense (663)	10,814		9,406		10,197	
Consumer Installation Expense (664)	4,892		5,898		4,125	
Miscellaneous Expense (665)	18,480		20,313		15,988	
Vehicle Expense (667)	4,533		6,691		6,507	
Maintenance:						
Supervision (670)	5,030		4,426		5,621	
Structures (671)	382		153		8	
Reservoirs and Standpipes (672)	249		50		189	
Mains (673)	15,570		17,973		12,684	
Valves (674)	4,758		15,517		(7,237)	
Meters (676)	1,916		3,518		1,017	
Hydrants (677)	729		1,305		65	
Miscellaneous Plant (678)	3,242		4,258		5,090	
Vacation, Holiday, Sick Leave (679)	17,553		19,538		12,001	
Depreciation (680)	<u>40,815</u>		<u>39,456</u>		<u>36,184</u>	
Total Distribution Expense	<u>\$139,987</u>	27.0	<u>\$162,642</u>	30.6	<u>\$115,184</u>	22.9

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision (600)	\$10,481		\$10,523		\$10,624	
Operation Labor and Expenses (601)	3,032		2,730		2,000	
Miscellaneous Expense (603)	240		---		52	
Maintenance of Wells (614)	20,000		---		42,374	
Maintenance of Supply Mains (616)	1,145		---		---	
Depreciation (618)	34,688		28,346		28,576	
<b>Total Source of Supply Expense</b>	<b>69,586</b>	<b>4.5</b>	<b>41,599</b>	<b>2.6</b>	<b>83,626</b>	<b>5.6</b>
 <b><u>Pumping</u></b>						
Operation Supervision (620)	11,430		11,563		12,046	
Fuel or Power Purchased (623)	238,752		222,725		248,008	
Pumping Labor and Expenses (624)	15,645		17,408		14,958	
Miscellaneous Expense (626)	948		1,069		907	
Maintenance of Structures (631)	1,349		---		232	
Maintenance of Pumping Equipment (632/633)	16,560		17,256		70,484	
Depreciation (634)	20,070		18,721		18,882	
<b>Total Pumping Expense</b>	<b>304,754</b>	<b>19.6</b>	<b>288,742</b>	<b>18.2</b>	<b>365,517</b>	<b>24.3</b>
 <b><u>Water Treatment</u></b>						
Operation Supervision (640)	10,549		10,474		11,072	
Chemicals (641)	54,368		64,058		51,777	
Operation Labor and Expenses (642)	49,094		51,823		47,369	
Miscellaneous Expense (643)	12,424		9,237		11,128	
Maintenance of Structures (651)	3,309		1,427		7,324	
Maintenance of Purification Equip. (652)	4,558		4,768		11,838	
Depreciation (654)	10,329		9,785		9,785	
<b>Total Water Treatment Expense</b>	<b>144,631</b>	<b>9.3</b>	<b>151,572</b>	<b>9.6</b>	<b>150,293</b>	<b>10.0</b>
 <b><u>Distribution</u></b>						
Operation Supervision (660)	10,955		11,262		11,405	
Storage Facilities Expense (661)	14,869		16,082		14,409	
Trans. & Distr. Lines Expense (662)	6,062		17,550		8,468	
Meter Expense (663)	30,380		33,203		29,618	
Consumer Installation Expense (664)	14,695		16,695		10,958	
Miscellaneous Expense (665)	55,668		49,774		55,475	
Vehicle Expense (667)	13,691		18,017		16,024	
Maintenance:						
Supervision (670)	15,090		14,503		15,843	
Structures (671)	1,046		199		95	
Reservoirs and Standpipes (672)	747		366		1,869	
Mains (673)	51,180		34,714		36,402	
Valves (674)	17,069		23,067		12,217	
Meters (676)	6,280		9,589		2,031	
Hydrants (677)	2,746		1,845		4,592	
Miscellaneous Plant (678)	9,725		11,548		14,791	
Vacation, Holiday, Sick Leave (679)	47,175		51,551		43,800	
Depreciation (680)	122,445		118,367		108,472	
<b>Total Distribution Expense</b>	<b>\$419,823</b>	<b>27.0</b>	<b>\$428,332</b>	<b>27.0</b>	<b>\$386,469</b>	<b>25.7</b>

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense (909)	\$487	0.1	\$1,070	0.2	\$694	0.1
<b><u>Consumer Accounts</u></b>						
Supervision (901)	2,470		1,131		1,563	
Meter Reading Expense (902)	3,913		3,905		4,534	
Consumer Records and Collection (903)	16,568		16,943		16,989	
Uncollectible Accounts Expense (904)	811		811		1,104	
Vacation, Holiday, Sick Leave (906)	2,696		2,983		1,556	
Total Consumer Accounts Expense	<u>26,458</u>	5.1	<u>25,773</u>	4.9	<u>25,746</u>	5.1
<b><u>Administrative and General</u></b>						
Administrative and General Salaries (920)	22,118		18,363		22,497	
Office Supplies and Expenses (921)	1,674		3,031		1,583	
Outside Services Employed (923)	3,026		656		1,390	
Property Insurance (924)	1,760		1,760		1,698	
Casualty Ins, Injuries & Damages (925)	5,011		3,071		8,184	
Employee Pensions and Benefits (926)	67,540		67,408		70,409	
Fringe Benefits Charged to Constr. (927)	(9,626)		(6,347)		(10,404)	
Miscellaneous General Expense (930)	12,554		14,324		8,234	
Rents (931)	6,207		6,207		6,279	
Maintenance of General Plant (932)	5,761		5,395		4,800	
Vacation, Holiday, Sick Leave (936)	4,598		4,852		3,165	
Depreciation (933)	11,401		13,151		9,201	
Total Administrative and General	<u>132,024</u>	25.5	<u>131,871</u>	24.8	<u>127,036</u>	25.3
Total Operating Expense	<u>\$488,543</u>		<u>\$479,735</u>		<u>\$438,707</u>	
Percent to Operating Revenue		94.4		90.3		87.3

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense (909)	\$2,114	0.1	\$1,548	0.1	\$1,339	0.1
<b><u>Consumer Accounts</u></b>						
Supervision (901)	7,411		4,740		4,157	
Meter Reading Expense (902)	11,845		12,263		12,501	
Consumer Records and Collection (903)	49,420		50,830		45,600	
Uncollectible Accounts Expense (904)	2,433		2,433		3,312	
Vacation, Holiday, Sick Leave (906)	7,221		6,990		6,650	
Total Consumer Accounts Expense	78,330	5.0	77,256	4.9	72,220	4.8
<b><u>Administrative and General</u></b>						
Administrative and General Salaries (920)	66,355		62,048		64,185	
Office Supplies and Expenses (921)	5,366		6,858		5,560	
Outside Services Employed (923)	11,124		6,088		5,908	
Property Insurance (924)	5,279		5,279		5,095	
Casualty Ins, Injuries & Damages (925)	15,191		11,763		15,746	
Employee Pensions and Benefits (926)	200,483		203,612		187,210	
Fringe Benefits Charged to Constr. (927)	(23,285)		(26,296)		(25,650)	
Miscellaneous General Expense (930)	36,766		29,399		22,592	
Rents (931)	18,621		18,621		18,838	
Maintenance of General Plant (932)	16,407		12,689		11,362	
Vacation, Holiday, Sick Leave (936)	12,403		12,320		11,274	
Depreciation (933)	34,202		39,452		27,603	
Total Administrative and General	398,912	25.7	381,833	24.1	349,723	23.3
Total Operating Expense	<u>\$1,418,150</u>		<u>\$1,370,882</u>		<u>\$1,409,187</u>	
Percent to Operating Revenue		91.2		86.6		93.7

**Muscatine Power and Water - Water Utility  
Statistical Data  
Current Month - March 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	0.604	0.640	0.577	0.612
Cost Per 1,000 Gallons	<u>0.552</u>	<u>0.585</u>	<u>0.506</u>	<u>0.536</u>
Margin	<u>0.052</u>	<u>0.055</u>	<u>0.071</u>	<u>0.075</u>
	<u>2018</u>		<u>2017</u>	
Maximum Daily Water Pumped (1,000 gallons)	29,331		29,523	
Date of Maximum	03/16		03/29	

**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	0.619	0.656	0.587	0.623
Cost Per 1,000 Gallons	<u>0.541</u>	<u>0.574</u>	<u>0.553</u>	<u>0.587</u>
Margin	<u>0.078</u>	<u>0.083</u>	<u>0.034</u>	<u>0.036</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	
<b><u>Services</u></b>				
Contract Customers	2		2	
Power Plants	2		2	
Residential	8,777		8,750	
Commercial	<u>1,070</u>		<u>1,066</u>	
Total	<u>9,851</u>		<u>9,820</u>	

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

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

	(Unfavorable)/ Favorable	Compared to Budget	
<b>Sales of Water</b>			
Contract Customers	\$ 17,542		GPC consumption is 3.3% higher than budget, offset by a 0.9% lower billing rate
	(2,515)		Heinz's consumption is 6.9% lower than budgeted, offset by a 3.5% higher billing rate
	(1,751)		Power plants' consumption is 1.8% higher than budgeted offset by a 3.5% lower billing rate
	(1,629)		Residential consumption is 0.3% lower than budgeted
	10,982		Commercial consumption is 1.1% lower than budgeted with a 9.1% higher billing rate
	<u>22,629</u>		
<b>Other Revenue</b>			
Merchandise & Job Sales-Net	3,284		Higher job sales revenue
Miscellaneous Revenue	<u>3,535</u>		Other miscellaneous variances
	<u>6,819</u>		
<b>Operating Expense</b>			
Operation	16,027		Lower fuel/power purchased due to 1.9% lower kWh consumed and 4.8% lower cost per kWh, partially offset by 2.2% more gallons pumped
	(9,690)		Higher chemicals expense than budgeted due to more gallons pumped, higher cost of fluoride, and increased application of phosphate compared to budget
	(4,714)		T&D engineering consultant expense not budgeted
	2,800		Employee search services not incurred yet
	(1,894)		Meter expense materials over budget
	(14,296)		Miscellaneous engineering consultant expense not budgeted
	4,658		Lower health care cost
	(5,594)		Higher pension expense
	(2,795)		Higher cost of deferred comp utility match
	2,395		Travel and training lower than budgeted
	18,219		Lower labor, sick, personal and vacation expense
	(151)		Other miscellaneous variances - net
	<u>4,965</u>		
Maintenance	88		Maintenance labor under budget
	20,000		Well cleaning has not begun yet
	13,961		Lower cost of mains materials due to fewer repairs
	(3,877)		Higher cost of valves materials primarily related to Bypass and Bidwell repairs
	1,142		Lower cost of meter materials due to fewer repairs
	2,549		Lower cost of maintenance agreements
	1,377		Other miscellaneous variances - net
	<u>35,240</u>		
Depreciation	<u>7,063</u>		
<b>Nonoperating Revenue (Expense)</b>			
Interest Income	19,747		Water bond project fund interest rate higher than budgeted
Interest Expense	<u>1,500</u>		Refund of bond issuance cost overpayment
	<u>21,247</u>		
<b>Change in Net Position</b>	<u>\$ 97,963</u>		<b>Total Variance in Budgeted Net Position</b>

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

### Sales of Water

Contract customers' water usage is 2.5% higher than budgeted offset slightly by lower contract rates resulting in \$15,027 more revenue. GPC's usage was 3.3% higher than budget offset by a 0.9% lower billing rate, resulting in \$17,542 more revenue. Heinz's usage was 6.9% lower than budget, offset by a 3.5% higher billing rate, resulting in \$2,515 less revenue. Power plants' revenue was \$1,751 or 1.7% lower than budget due to a 3.5% lower billing rate offset slightly by 1.8% higher usage. Residential customers' water usage is 0.3% lower than budgeted resulting in \$1,630 lower revenue. Commercial customers' water usage is 1.1% lower than budgeted with a 9.1% higher billing rate, resulting in \$10,982 more revenue.

### Nonoperating Revenue (Expense)

Interest income is higher than budgeted \$19,747 due to higher rate of return on water bond project fund.

## Year-To-Date Summary of Expenses

### Source of Supply

#### Maintenance of Wells – (614)

- Materials expense under budget \$20,000; well cleaning has not begun yet

#### Depreciation – (618)

- Depreciation under budget primarily due to well 47, 48 and 49 projects not closed at the end of 2017

### Pumping

#### Fuel or Purchased Power – (623)

The cost per kWh was 4.8% lower than budget due to efficiencies recognized by not shutting down the wells and having to restart them; instead they are slowed down and left running. The savings is partially offset by 2.2% more gallons pumped than budget, resulting in \$16,027 lower expense.

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Fuel or Power Purchased	\$ 238,752	\$ 222,725	\$ 248,008
1,000 Gallons Pumped	2,478,986	2,533,794	2,546,497
Cost per 1,000 Gal. Pumped	0.0963	0.0879	0.0974
kWhs Consumed	3,856,990	3,781,420	4,020,880
kWh per 1,000 Gal. Pumped	1.56	1.49	1.58

Water TreatmentChemicals Expense – (641)

Chemical purchases are \$9,690 more than budgeted primarily due to higher gallons pumped, higher price of fluoride, and increased application of phosphate compared to budget.

	<u>2018 Budget</u>			<u>2018 Actual</u>			<u>2017 Actual</u>		
1,000 Gal. Pumped	2,478,986			2,533,794			2,546,497		
(lbs)	Units	\$	Per Unit	Units	\$	Per Unit	Units	\$	Per Unit
Chlorine	36,966	\$ 11,563	\$ 0.313	38,020	\$ 11,406	\$ 0.300	39,135	\$ 11,869	\$ 0.303
Hydrofluoro-silic Acid	53,228	\$ 17,033	\$ 0.320	53,329	\$ 23,967	\$ 0.449	49,440	\$ 16,134	\$ 0.326
Phosphate	27,128	\$ 25,772	\$ 0.950	29,887	\$ 28,577	\$ 0.956	25,050	\$ 23,774	\$ 0.949
Total		\$ 54,368			\$ 63,950			\$ 51,777	

Miscellaneous Expense – (643)

- Distribution department labor under budget \$1,436
- Water production department materials under budget \$1,513

DistributionTransmission & Distribution Lines Expense (662)

- Distribution department labor over budget \$2,280
- Engineering consultant expense not budgeted \$4,714
- Material expenses over budget by \$3,936

Miscellaneous Expense – (665)

- Engineering tech labor under budget \$11,570
- Project engineering labor under budget \$8,127
- CAD labor under budget \$4,753
- Supply chain services labor over budget \$4,228
- Engineering consultant expense not budgeted \$14,296

Vehicle Expense – (667)

- Vehicle Maintenance Supervisor labor over budget \$1,180
- Vehicle Maintenance Supervisor fuel usage over budget \$1,692
- Materials expense over budget \$1,675

Maintenance of Mains – (673)

- Distribution department labor is under budget \$2,921
- Materials expense under budget \$13,961 due to fewer repairs

Distribution (cont'd)Maintenance of Valves – (674)

- Distribution department labor over budget \$1,817
- Materials expense over budget \$3,877 due to more repairs which includes \$2,800 for Bidwell and Bypass valve repairs

Maintenance of Meters – (676)

- Labor over budget \$2,167
- Materials expense over budget \$1,142 due to more repairs

Vacation, Holiday, Sick Leave – (679)

- Sick leave usage was higher than expected

Depreciation – (680)

- Depreciation under budget primarily due to water main transmission line and replacement projects not closed in 2017.

Customer Information Expense – (909)

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Billtrust	\$ 90	\$ 57	\$ 23
Postage	143	---	---
Promotional Material/Education	380	276	80
Media Advertising	1,080	879	859
Newsletter	274	322	334
Presentation Materials	81	---	---
Photo Library	<u>66</u>	<u>14</u>	<u>43</u>
	\$ 2,114	\$ 1,548	\$ 1,339

Consumer Accounts – (903)

<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
\$ 35,834	\$ 35,124	\$ 32,440
3,088	4,799	3,081
1,425	1,862	1,361
3,123	4,043	3,082
1,505	1,293	2,413
450	105	185
580	633	545
1,283	1,271	847
200	205	175
<u>1,932</u>	<u>1,495</u>	<u>1,471</u>
\$ 49,420	\$ 50,830	\$ 45,600

Administrative and GeneralAdministrative and General Salaries – (920)

- Information services department labor under budget \$1,901
- Employee services department labor under budget \$1,283
- Supply chain services department labor under budget by \$1,094

Outside Services Employed – (923)

	Resp Code	2018 Budget	2018 Actual	2017 Actual
Succession Planning	110-Board	\$ 700	\$---	\$---
Organizational				
Development	120-Sal	1,050	1,547	---
Labor Legal Services	140-Brandy	300	---	---
General Legal Services	140-Brandy	700	239	50
Web Graphics	224-Rick	572	61	61
Insurance Advisor	310-Jerry	882	882	882
Audit Services	320-Cassie	3,045	3,256	2,577
IS Professional Services	350-Greg	---	350	338
IS Review	350-Greg	---	---	1,308
ACS Services	350-Greg	210	---	---
Pension Study/ GASB Rpt	410-Brandy	---	(1,050)	---
509A Actuary	410-Brandy	77	68	68
Engineering Comp Review	410-Brandy	---	---	102
Employee Search	410-Brandy	2,800	---	---
Benefits Consulting	410-Brandy	788	735	522
		\$ 11,124	\$ 6,088	\$ 5,908

Injuries & Damages – (925)

- Workers compensation under budget \$2,891

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

	2018 Budget	2018 Actual	2017 Actual
Health Care Cost	\$ 83,353	\$ 78,695	\$ 78,044
Pension*	47,550	53,144	41,398
FICA	38,874	38,536	36,362
IPERS	12,932	12,362	10,977
Deferred comp utility match	8,370	11,165	9,307
Life, LTD & ADD	3,163	2,981	2,692
Dental	3,196	3,058	3,119
OPEB	1,043	1,043	902
Other Expenses	2,002	2,628	4,409
	\$ 200,483	\$ 203,612	\$ 187,210

\*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 through March than projected.

Miscellaneous General Expense – (930)

- Travel expenses under budget \$2,236
- Memberships & subscriptions under budget \$1,469
- Wellness Team expenses under budget \$1,506
- Safety expenses are under budget \$1,412
- GMCCI Joint Community Branding Project not expended yet \$700

Maintenance of General Plant – (932)

- Maintenance agreements under budget \$3,104
- Memberships and subscriptions under budget \$630

Depreciation – (933)

- Depreciation over budget due to budget not reflecting A&G assets net value almost fully depreciated in 2017

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

	<u>2018</u>	<u>2017</u>
<b><u>Current Assets</u></b>		
<u>Receivables - Consumer Accounts</u>		
Customer Water Accounts	\$648,502	\$589,286
Unbilled Revenue	71,717	68,790
Utility loan program	5,454	---
Merchandise Accounts	4,863	5,628
Allowance for Doubtful Accounts	<u>(4,668)</u>	<u>(4,028)</u>
	<u>\$725,868</u>	<u>\$659,676</u>
 <u>Inventories</u>		
Inventory	\$317,976	\$378,413
Stores Expense (a/c 163)	<u>3,733</u>	<u>188</u>
	<u>\$321,709</u>	<u>\$378,601</u>
 <u>Prepaid Expenses</u>		
Prepaid Insurance	\$50,152	\$25,705
Prepaid Maintenance Contracts	16,262	19,458
Other Prepaid Expenses	<u>(2,700)</u>	<u>1,415</u>
	<u>\$63,714</u>	<u>\$46,578</u>
 <b><u>Current Liabilities</u></b>		
<u>Accounts Payable (amounts over \$2,500 itemized)</u>		
Electric/communications bills	\$85,049	\$94,062
Alexander Chemical Corp - chlorine	4,824	---
Brown Supply - hydrants	---	21,422
C&C Contractors - concrete repairs	6,818	---
City of Muscatine - Mississippi Dr project	145,439	---
Cogsdale - business system implementation	3,549	2,506
Contractor Solutions - belly saw	---	4,533
Core & Main - machine parts	5,211	---
Cottingham & Butler -workers comp claims	---	7,966
Hagerty Earthworks - main replacements	490,171	---
Hawkins - yoke and assy	---	2,614
HD Supply - hydrants	---	9,653
HR Green - water treatment plant	---	16,650
Heuer - main repairs	---	5,900
IPERS - pension	5,762	4,954
Metering & Tech Solutions - encoders/meters	8,360	19,196
Municipal Pipe Services - valve actuator	2,800	---
Municipal Supply - valves	3,477	84,213
Stanley Consultants - professional services	12,492	---
Sweetland Trailer Sales - cargo trailer	---	8,323
Team Staffing - temporary services	---	2,906
Utility Equipment - couplings/valves	10,723	41,847
Watersmith Engineering - professional services	9,581	---
Other	<u>47,872</u>	<u>46,471</u>
	<u>\$842,128</u>	<u>\$373,216</u>
 <u>Customer Advances for Construction</u>		
Aspen Villas		
Curry Trucking	---	\$30,815
Lutheran Homes	---	59,640
R.L. Fridley Theaters, Inc	<u>600</u>	<u>650</u>
	<u>\$600</u>	<u>\$91,105</u>
 <u>Miscellaneous Accrued Expenses</u>		
Sales/Use Tax Collections Payable	\$9,672	\$8,606
Payroll Tax Collections Payable	14,734	13,833
Employee Payroll Deductions	4,664	3,951
Workers' Comp Self Insurance Reserves	29,331	33,494
Comp Time Payable	<u>11,231</u>	<u>3,880</u>
	<u>\$69,632</u>	<u>\$63,764</u>

**Muscatine Power and Water**

**Communications Utility**

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

**March 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 - March 2018**

	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<b><u>Operating Revenue</u></b>					
CATV	\$572,896	1.0	\$578,447	4.0	\$555,988
Data/Internet	498,185	(0.5)	495,732	2.8	482,195
VoIP	4,662	---	---	---	---
MAN	60,500	8.0	65,367	(6.6)	70,017
Miscellaneous	6,975	57.8	11,006	(3.8)	11,443
Total Operating Revenues	<u>1,143,218</u>	0.6	<u>1,150,552</u>	2.8	<u>1,119,643</u>
<b><u>Operating Expense</u></b>					
Operation	804,182	(4.2)	770,475	(0.1)	771,554
Maintenance	88,937	(7.6)	82,166	1.2	81,159
Depreciation	134,849	(6.0)	126,791	(6.0)	134,926
Total Operating Expenses	<u>1,027,968</u>	(4.7)	<u>979,432</u>	(0.8)	<u>987,639</u>
Operating Income	<u>115,250</u>	48.5	<u>171,120</u>	29.6	<u>132,004</u>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	1,571	9.2X	16,027	5.1X	2,632
Interest Expense	(28,151)	(2.9)	(27,332)	6.3X	(3,768)
Net Nonoperating Expense	<u>(26,580)</u>	(57.5)	<u>(11,305)</u>	9.0X	<u>(1,136)</u>
<b>Net Income before Capital Contributions</b>	88,670	80.2	159,815	22.1	130,868
Capital Contributions	<u>1,365</u>	(48.5)	<u>703</u>	(44.0)	<u>1,255</u>
<b>Change in Net Position</b>	90,035		160,518		132,123
<b>Beginning Net Position</b>	<u>7,642,998</u>		<u>7,784,053</u>		<u>6,013,516</u>
<b>Ending Net Position</b>	<u>\$7,733,033</u>		<u>\$7,944,571</u>		<u>\$6,145,639</u>
Net Income (Loss) to Operating Revenue	7.8		13.9		11.7
Debt Service Coverage on Bank Debt	1.40		1.74		---
Debt Service Coverage on Electric Utility Debt	1.63		3.04		6.17

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

	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<b><u>Operating Revenue</u></b>					
CATV	\$1,710,779	(1.7)	\$1,681,561	0.3	\$1,676,705
Data/Internet	1,472,002	3.0	1,516,319	6.0	1,430,243
VoIP	6,959	---	---	---	---
MAN	181,500	8.0	196,100	7.4	182,525
Miscellaneous	27,953	18.6	33,153	4.1	31,851
Total Operating Revenues	<u>3,399,193</u>	0.8	<u>3,427,133</u>	3.2	<u>3,321,324</u>
<b><u>Operating Expense</u></b>					
Operation	2,401,506	(5.1)	2,279,666	2.9	2,214,770
Maintenance	273,887	(7.9)	252,242	13.3	222,654
Depreciation	404,547	(6.0)	380,373	(6.0)	404,778
Total Operating Expenses	<u>3,079,940</u>	(5.4)	<u>2,912,281</u>	2.5	<u>2,842,202</u>
Operating Income	<u>319,253</u>	61.3	<u>514,852</u>	7.5	<u>479,122</u>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	4,909	7.0X	39,514	5.3X	6,265
Interest Expense	(84,453)	19.8	(101,134)	7.9X	(11,305)
Net Nonoperating Expense	<u>(79,544)</u>	(22.5)	<u>(61,620)</u>	11.2X	<u>(5,040)</u>
<b>Net Income before Capital Contributions</b>	239,709	89.1	453,232	(4.4)	474,082
Capital Contributions	<u>4,095</u>	(48.5)	<u>2,110</u>	(78.9)	<u>10,022</u>
<b>Change in Net Position</b>	243,804		455,342		484,104
<b>Beginning Net Position</b>	<u>7,489,229</u>		<u>7,489,229</u>		<u>5,661,535</u>
<b>Ending Net Position</b>	<u>\$7,733,033</u>		<u>\$7,944,571</u>		<u>\$6,145,639</u>
Net Income (Loss) to Operating Revenue	7.1		13.2		14.3
Debt Service Coverage on Bank Debt	1.35		1.73		---
Debt Service Coverage on Electric Utility Debt	1.43		2.99		6.79

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

**ASSETS**

	<u>2018</u>	<u>2017</u>
<b>Current Assets:</b>		
Cash - interest bearing	\$9,894,349	\$8,605,923
Investments	3,754,260	---
Receivables:		
Consumer Accounts	1,342,831	1,265,098
Interest	15,071	2,272
Inventories	181,971	143,164
Prepaid Expenses	419,391	297,004
	<u>15,607,873</u>	<u>10,313,461</u>
<b>Property and Equipment:</b>		
At Cost	41,940,766	34,749,460
Less Accumulated Depreciation	28,476,711	27,393,644
	<u>13,464,055</u>	<u>7,355,816</u>
<b>Deferred Outflows of Resources</b>		
Pension	1,656,071	1,269,389
OPEB	14,555	---
	<u>1,670,626</u>	<u>1,269,389</u>
<b>TOTAL ASSETS</b>	<u><u>\$30,742,554</u></u>	<u><u>\$18,938,666</u></u>

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

**LIABILITIES AND NET POSITION**

	<u>2018</u>	<u>2017</u>
<b>Current Liabilities:</b>		
<b><u>Payable from Unrestricted Assets</u></b>		
Accrued Interest	\$10,704	\$11,305
Accounts Payable	928,978	687,864
Health & Dental Insurance Provision	45,780	49,280
Retained Percentage on Contracts	103,546	2,558
Accrued Payroll	48,894	52,199
Accrued Vacation	168,929	185,738
Accrued Property Taxes	4,583	4,868
Unearned Revenue - Dark Fiber Lease	17,500	17,500
Miscellaneous Accrued Expenses	121,492	139,881
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	1,450,406	1,151,193
<b><u>Payable from Restricted Assets</u></b>		
Notes Payable:		
Banks	1,902,958	---
Electric Utility	483,850	481,443
	<hr/>	<hr/>
Total Payable from Restricted Assets	2,386,808	481,443
	<hr/>	<hr/>
Total Current Liabilities	3,837,214	1,632,636
<b>Non-Current Liabilities:</b>		
Health & Dental Insurance Provision	113,310	99,529
Post-Employment Health Benefit Provision	121,934	71,023
Unearned Revenue - Dark Fiber Lease	207,604	225,104
Net Pension Liability	2,599,301	2,104,548
Notes Payable:		
Banks	7,642,987	---
Electric Utility	8,078,994	8,562,844
	<hr/>	<hr/>
Total Non-Current Liabilities	18,764,130	11,063,048
<b>Deferred Inflows of Resources</b>		
Pension	179,957	97,343
OPEB	16,682	---
	<hr/>	<hr/>
Total Deferred Inflows of Resources	196,639	97,343
<b>Net Position:</b>		
Net Investment in Capital Assets	3,434,260	6,874,373
Unrestricted	4,510,311	(728,734)
	<hr/>	<hr/>
Total Net Position	7,944,571	6,145,639
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$30,742,554</u>	<u>\$18,938,666</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Communications sales	\$1,126,840	\$3,330,630
Advertising sales	31,827	90,709
Miscellaneous sources	15,572	33,317
Cash paid to/for:		
Suppliers	(568,167)	(1,710,524)
Employees payroll, taxes and benefits	(331,601)	(1,037,889)
	<u>274,471</u>	<u>706,243</u>
Net cash flows from operating activities		
Cash flows from capital and related financing activities:		
Capital expenditures, net	(276,444)	(878,302)
Bank loan closing costs	---	(17,500)
Loan principal payments	(454,055)	(454,055)
Loan interest payments	(86,861)	(86,861)
	<u>(817,360)</u>	<u>(1,436,718)</u>
Net cash flows from capital and related financing activities		
Cash flows from investing activities:		
Interest received on investments	11,545	33,503
	<u>11,545</u>	<u>33,503</u>
Net cash flows from investing activities		
Net decrease in cash and investments	(531,344)	(696,972)
Cash and investments at beginning of period	<u>14,179,953</u>	<u>14,345,581</u>
Cash and investments at end of period	<u><u>\$13,648,609</u></u>	<u><u>\$13,648,609</u></u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$171,120	\$514,852
Noncash items in operating income:		
Converter/modem write-off	480	1,341
Depreciation of utility plant	126,791	380,373
Change in deferred outflows of resources	(38,430)	(38,430)
Changes in assets and liabilities:		
Consumer accounts receivable	20,080	128,157
Inventories	7,693	(34,442)
Prepaid and deferred expenses	1,348	(271,367)
Accounts payable	(73,465)	(11,542)
Net pension liability	39,121	117,364
Health & dental insurance provision	(9,813)	(10,801)
Other post-employment benefit provision	521	1,564
Unearned revenue	(1,459)	(5,375)
Retained percentage on contracts	7,406	14,725
Accrued payroll	18,850	(72,825)
Accrued vacation	107	(6,661)
Accrued property taxes	(2,419)	(1,337)
Miscellaneous accrued expenses	6,540	647
	<u>\$274,471</u>	<u>\$706,243</u>
Net cash flows from operating activities	<u>\$274,471</u>	<u>\$706,243</u>

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>CATV</u></b>			
Program Acquisition Expense (751-758)	\$384,381	\$397,369	\$373,824
Promotional Expense (960)	4,522	3,741	874
Electricity Expense (736)	1,106	3,213	2,523
Pole Attachment Expense (715)	2,043	2,043	1,967
Changes of Service (742)	1,833	1,474	1,217
Underground Line Expense (743)	2,425	2,395	2,320
Ad Insertion - Marketing/Production (964, 965)	7,126	6,386	6,470
Miscellaneous CATV Expense (710, 738, 739)	23,252	17,398	15,994
Vehicle Expense (760)	5,305	4,239	3,984
Maintenance:			
Fiber (711)	548	2,025	373
Coax (712)	1,375	645	398
Drops (713)	2,121	3,507	1,173
Conduit System (714)	1,496	257	337
Headend (721-725)	28,886	24,036	24,039
Line Equipment (731-735)	1,551	2,459	1,870
Converters (741)	3,776	1,773	1,810
Ad Insertion (966)	5,067	4,265	5,644
Vacation, Holiday, Sick Leave (799)	6,960	6,280	8,444
Property Taxes (794)	314	314	314
Depreciation (793)	69,399	70,512	76,631
<b>Total CATV</b>	<b>553,486</b>	<b>554,331</b>	<b>530,206</b>
<b><u>Data/Internet</u></b>			
Data/Internet Access Charges (851-853)	25,112	20,916	40,522
Promotional Expense (961)	4,522	3,785	910
Electricity Expense (836)	195	497	328
Pole Attachment Expense (837)	359	359	346
Changes of Service (842)	611	491	406
Customer Wireless Equipment Expense (846)	---	---	---
Underground Line Expense (843)	421	798	773
Miscellaneous Data/Internet Expense (839, 844, 848)	9,796	9,377	7,993
Vehicle Expense (860)	844	599	478
Maintenance:			
Fiber (811)	228	844	155
Coax (813)	458	215	133
Drops (814)	707	1,169	391
Conduit System (816)	624	107	140
Headend (820, 821)	28,335	28,623	32,395
Line Equipment (831-835)	430	797	502
Modems (841)	5,278	2,092	3,240
Vacation, Holiday, Sick Leave (879)	3,352	2,974	2,575
Property Taxes (894)	56	55	55
Depreciation (893)	31,528	28,720	26,898
<b>Total Data/Internet</b>	<b>112,856</b>	<b>102,418</b>	<b>118,240</b>

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>CATV</u></b>			
Program Acquisition Expense (751-758)	\$1,152,518	\$1,137,765	\$1,084,030
Promotional Expense (960)	15,491	9,274	3,103
Electricity Expense (736)	4,151	8,364	6,777
Pole Attachment Expense (715)	6,128	6,128	5,902
Changes of Service (742)	5,461	4,296	3,827
Underground Line Expense (743)	7,274	5,116	4,736
Ad Insertion - Marketing/Production (964, 965)	20,985	22,324	19,553
Miscellaneous CATV Expense (710, 738, 739)	70,302	59,444	51,347
Vehicle Expense (760)	15,872	12,470	11,369
Maintenance:			
Fiber (711)	1,570	3,643	1,899
Coax (712)	4,096	2,147	1,371
Drops (713)	6,313	10,345	2,929
Conduit System (714)	4,382	556	957
Headend (721-725)	87,128	77,185	51,053
Line Equipment (731-735)	5,198	7,399	7,301
Converters (741)	11,103	6,485	9,300
Ad Insertion (966)	14,897	13,813	15,795
Vacation, Holiday, Sick Leave (799)	18,688	16,850	27,542
Property Taxes (794)	942	942	941
Depreciation (793)	208,197	211,536	229,893
<b>Total CATV</b>	<b>1,660,696</b>	<b>1,616,082</b>	<b>1,539,625</b>
<b><u>Data/Internet</u></b>			
Data/Internet Access Charges (851-853)	75,336	74,038	92,789
Promotional Expense (961)	15,491	9,390	3,231
Electricity Expense (836)	733	1,120	954
Pole Attachment Expense (837)	1,078	1,078	1,038
Changes of Service (842)	1,820	1,432	1,276
Customer Wireless Equipment Expense (846)	---	---	---
Underground Line Expense (843)	1,264	1,705	1,579
Miscellaneous Data/Internet Expense (839, 844, 848)	29,675	24,215	24,131
Vehicle Expense (860)	2,533	1,785	1,364
Maintenance:			
Fiber (811)	654	1,518	791
Coax (813)	1,365	716	457
Drops (814)	2,105	3,448	976
Conduit System (816)	1,826	231	399
Headend (820, 821)	87,853	86,169	95,481
Line Equipment (831-835)	1,153	2,383	1,846
Modems (841)	15,511	7,577	8,211
Vacation, Holiday, Sick Leave (879)	8,952	7,632	9,086
Property Taxes (894)	166	165	165
Depreciation (893)	94,583	86,160	80,694
<b>Total Data/Internet</b>	<b>342,098</b>	<b>310,762</b>	<b>324,468</b>

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>MAN</u></b>			
Pole Attachment Expense (838)	\$1,120	\$1,220	\$1,278
Tools Expense (845)	208	412	269
Maintenance:			
Fiber (812)	365	1,350	249
Conduit System (817)	997	172	225
MAN Equipment (818, 819)	2,442	2,240	3,449
Vacation, Holiday, Sick Leave (899)	310	405	304
Property Taxes (896)	172	172	172
Depreciation (840)	20,579	18,747	22,038
Total MAN	<u>26,193</u>	<u>24,718</u>	<u>27,984</u>
<b>VoIP Expenses (880)</b>	<u>5,185</u>	---	---
<b><u>Customer Service Expense</u></b>			
Customer Information Expense (909)	<u>5,837</u>	<u>5,090</u>	<u>1,346</u>
<b><u>Consumer Accounts</u></b>			
Supervision (901)	4,940	2,263	3,043
Consumer Records and Collections (903)	48,654	51,086	51,559
Uncollectible Accounts Expense (904)	1,170	1,170	1,574
Vacation, Holiday, Sick Leave (906)	6,670	6,763	4,169
Total Consumer Accounts	<u>61,434</u>	<u>61,282</u>	<u>60,345</u>
<b><u>Administrative and General</u></b>			
Administrative and General Salaries (920)	83,068	57,896	86,207
Office Supplies and Expense (921)	4,105	6,392	4,653
Outside Services Employed (923)	9,838	6,767	8,901
Property Insurance (924)	1,173	1,173	1,132
Casualty Ins, Injuries & Damages (925)	7,484	4,832	10,767
Employee Pensions and Benefits (926)	101,857	104,728	105,412
Fringe Benefits Charges to Construction (927)	(5,921)	(6,201)	(8,764)
Rents (931)	9,844	9,844	9,656
Miscellaneous General Expense (930)	19,317	14,974	8,903
Maintenance of General Plant (932)	4,253	5,590	4,636
Vacation, Holiday, Sick Leave (936)	14,616	16,786	8,656
Depreciation (933)	13,343	8,812	9,359
Total Administrative and General	<u>262,977</u>	<u>231,593</u>	<u>249,518</u>
Total Operating Expenses	<u><u>1,027,968</u></u>	<u><u>979,432</u></u>	<u><u>987,639</u></u>

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>MAN</u></b>			
Pole Attachment Expense (838)	\$3,360	\$3,660	\$3,636
Tools Expense (845)	725	1,777	894
Maintenance:			
Fiber (812)	1,046	2,429	1,266
Conduit System (817)	2,921	370	638
MAN Equipment (818, 819)	7,849	6,690	8,164
Vacation, Holiday, Sick Leave (899)	816	1,015	846
Property Taxes (896)	516	516	516
Depreciation (840)	61,738	56,241	66,114
Total MAN	<u>78,971</u>	<u>72,698</u>	<u>82,074</u>
<b><u>VoIP Expenses (880)</u></b>	<u>10,021</u>	<u>83</u>	<u>0</u>
<b><u>Customer Service Expense</u></b>			
Customer Information Expense (909)	<u>10,538</u>	<u>9,852</u>	<u>2,592</u>
<b><u>Consumer Accounts</u></b>			
Supervision (901)	14,822	9,480	8,096
Consumer Records and Collections (903)	148,601	152,633	141,705
Uncollectible Accounts Expense (904)	3,510	3,510	4,722
Vacation, Holiday, Sick Leave (906)	17,830	16,454	16,844
Total Consumer Accounts	<u>184,763</u>	<u>182,077</u>	<u>171,367</u>
<b><u>Administrative and General</u></b>			
Administrative and General Salaries (920)	249,312	198,887	238,788
Office Supplies and Expense (921)	12,600	14,193	12,232
Outside Services Employed (923)	33,021	27,465	25,999
Property Insurance (924)	3,519	3,519	3,396
Casualty Ins, Injuries & Damages (925)	22,663	17,931	22,959
Employee Pensions and Benefits (926)	303,319	316,714	284,033
Fringe Benefits Charges to Construction (927)	(17,469)	(18,736)	(19,440)
Rents (931)	29,532	29,532	28,969
Miscellaneous General Expense (930)	59,555	41,861	46,541
Maintenance of General Plant (932)	16,917	19,138	13,820
Vacation, Holiday, Sick Leave (936)	39,855	43,787	36,702
Depreciation (933)	40,029	26,436	28,077
Total Administrative and General	<u>792,853</u>	<u>720,727</u>	<u>722,076</u>
Total Operating Expenses	<u><u>3,079,940</u></u>	<u><u>2,912,281</u></u>	<u><u>2,842,202</u></u>

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

<u>Services</u>	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u> <sup>fn1</sup>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u> <sup>fn1</sup>
<u>CATV</u>					
Residential	5,097	(1.7)	5,009	(5.3)	5,292
Commercial/Hospitality	<u>159</u>	0.6	<u>160</u>	0.0	<u>160</u>
Total CATV	<u><u>5,256</u></u>	(1.7)	<u><u>5,169</u></u>	(5.2)	<u><u>5,452</u></u>
Bulk Equivalent Services	<u>319</u>	0.3	<u>320</u>	(10.1)	<u>356</u>
Bulk Master Services	<u>24</u>	4.2	<u>25</u>	---	<u>25</u>
<u>Internet</u>					
Residential	8,112	(0.3)	8,090	2.8	7,867
Commercial	<u>528</u>	4.2	<u>550</u>	5.0	<u>524</u>
Total Internet	<u><u>8,640</u></u>	---	<u><u>8,640</u></u>	3.0	<u><u>8,391</u></u>
<u>VoIP</u>					
Residential	153	---	---	---	---
Commercial	11	---	---	---	---
Total VoIP	<u><u>164</u></u>	---	<u><u>---</u></u>	---	<u><u>---</u></u>
<u>MAN</u>	<u><u>82</u></u>	4.9	<u><u>86</u></u>	---	<u><u>86</u></u>

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

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

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

	(Unfavorable)/ Favorable Compared to Budget	
<b>Operating Revenue</b>		
CATV Revenue	\$ 265	Slightly higher CATV revenues due to fewer subscribers (5,575 actual vs. 5,489 budget) and changes in subscriber mix
	14,868	Broadcast fee greater than budget, due to bulk subs omitted from budget calculation
	10,480	Lower marketing promotional discounts due to fewer promotional programs offered
	(19,204)	Lower VOD/PPV sales due to fewer subscribers and less buys
	(13,445)	Lower ad sales
	(14,834)	Lower converter rentals due to less subscribers
	<u>(7,348)</u>	Other miscellaneous variances - net
	<u>(29,218)</u>	
Data/Internet Revenue	411,945	Higher cable modem revenues due to higher subscribers and customers migrating to a higher level of service (Subscribers = 8,640 actual & budget)
	(382,690)	Fiber services are just being installed to the first customers
	11,523	Lower promotional discounts due to fewer promotional programs offered
	7,812	Higher Wi-fi @ Home due to more subscribers
	<u>2,686</u>	Other miscellaneous variances - net
	<u>51,276</u>	
VoIP	<u>(6,959)</u>	Service availability has not yet begun
MAN	<u>14,600</u>	More customers than budgeted
Miscellaneous Revenue	<u>(1,758)</u>	Other miscellaneous variances - net
<b>Operating Expense</b>		
Operation	18,147	Lower temp labor than budgeted, primarily due to DSRs and cable tech areas
	42,401	Fewer cable modems and set-top boxes have been retired than anticipated
	(3,479)	Higher credit card processing fees
	1,780	Help desk expenses for knowledge base and FTTH hardware haven't been expended
	(852)	Organizational development expenses higher than budget
	36,459	Labor & vacation under budget
	14,753	Programming expense under budget
	6,000	Employee search services not needed
	5,316	Lower FICA than budgeted
	6,987	Health care expenses lower than budgeted
	9,937	VoIP management fee and service expenses are lower than budget due to delay in installing service
	(21,289)	Pension expense is over budget due to accruing expense at a higher rate to approximate GASB 68 effects
	8,859	Travel and training under budget
	<u>(3,180)</u>	Other miscellaneous variances - net
	<u>121,839</u>	
Maintenance	6,783	Maintenance agreements are lower than budget
	12,586	Lower labor
	1,080	Memberships and subscriptions are lower than budget
	<u>1,196</u>	Other miscellaneous variances - net
	<u>21,645</u>	
Depreciation	<u>24,174</u>	Lower depreciation due to fewer fixed assets purchases in 2017 than anticipated
<b>Nonoperating Revenue (Expense)</b>		
Interest Income	34,605	More interest income due to higher cash balances
Interest Expense	<u>(16,681)</u>	Loan fees expensed in 2018
<b>Change in Net Position before Capital Contributions</b>	<u>213,523</u>	
Capital Contributions	<u>(1,985)</u>	
<b>Change in Net Position</b>	<u>\$ 211,538</u>	Total Variance from Budgeted Net Position

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

Operating Revenues

CATV

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Total Subscribers (incl. Bulk)	5,575	5,489	5,808
Revenue:			
Basic	\$ 39,293	\$ 38,633	\$ 52,763
Select	882,398	889,842	1,003,833
Preferred	165,079	161,208	179,951
Premium	58,355	55,337	66,789
Bulk	57,150	57,520	69,120
Broadcast fee	157,530	172,398	-
PPV	10,536	3,059	5,673
VOD	<u>35,986</u>	<u>24,259</u>	<u>30,582</u>
Subtotal	\$ 1,406,327	\$ 1,402,256	\$ 1,408,711
Set top box rentals	250,709	235,875	243,970
Ad insertion revenue	83,000	69,555	79,735
Other CATV revenues	<u>16,751</u>	<u>9,403</u>	<u>11,877</u>
Gross CATV revenue	\$ 1,756,787	\$ 1,717,089	\$ 1,744,293
Discounts	<u>(46,008)</u>	<u>(35,528)</u>	<u>(67,588)</u>
Net CATV Revenue	<u>\$ 1,710,779</u>	<u>\$ 1,681,561</u>	<u>\$ 1,676,705</u>
Net Monthly Revenue per			
Subscriber	\$ 102.29	\$ 102.12	\$ 96.23
Year-over-Year Increase		6.1%	

- Broadcast fee revenue is higher than budgeted because bulk equivalents were not included in the budgeted calculation.
- Discounts are less than budgeted due to fewer promotional discounts offered to date.

Internet Revenue

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Customers	8,640	8,640	8,391
Revenue:			
Cable modem	\$ 934,485	\$ 1,346,430	\$ 1,293,232
Fiber service	415,796	33,106	-
Wi-fi @ Home	64,998	72,810	63,612
Wimax	22,492	23,497	25,505
Modem rentals	75,840	75,791	73,478
Other internet revenues	<u>11,015</u>	<u>12,745</u>	<u>8,890</u>
Gross internet revenues	\$ 1,524,626	\$ 1,564,379	\$ 1,464,717
Discounts	<u>(59,583)</u>	<u>(48,060)</u>	<u>(34,474)</u>
Net internet revenues	<u>\$ 1,465,043</u>	<u>\$ 1,516,319</u>	<u>\$ 1,430,243</u>
Net monthly revenue per subscriber	\$ 56.52	\$ 58.50	\$ 56.82

- Cable modem revenues are higher; although overall residential subs are slightly 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.
- Discounts are less than budgeted due to fewer promotional discounts offered to date. Fiber were anticipated to be available in August, 2017. However, these services are just being installed on the first customers.

VoIP

Voice services were budgeted to be available beginning in February. It is now expected the service will be available near the end of April.

MAN

Revenue is \$14,600 higher than budget due to more contracts.

Nonoperating Revenue (Expense)

- Interest income is over budget \$34,605 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 ExpensesCATVProgram 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	\$ 245,249	\$ 257,998	\$ 191,234
Select	746,627	731,800	736,174
Premium	51,942	43,279	49,476
Digital	79,922	85,491	80,972
Pay-per-View	6,356	2,332	4,840
Video on Demand	<u>22,422</u>	<u>16,865</u>	<u>21,333</u>
Total	<u>\$1,152,518</u>	<u>\$1,137,765</u>	<u>\$1,084,029</u>
Total Subscribers (incl. Bulk)	5,575	5,489	5,808
Per Subscriber	\$ 68.91	\$ 69.09	\$ 62.21
Year over Year Increase		11.1%	

Promotional Expense – (960)

- Temp services for DSRs are under budget \$5,211.

Electricity Expense – (736)

- Electricity expense is over budget due to the fiber project being farther behind than planned, which was anticipated to lower electric consumption.

Miscellaneous CATV Expense (710, 738, 739)

- Labor is over budget \$20,423.
- Fewer boxes have been retired in the amount of \$31,983.

Vehicle Expense (760)

- Miscellaneous materials are under budget \$1,627.
- Labor is under budget \$1,261.
- Fuel is under budget \$514.

Maintenance of Drops (713)

- Labor is over budget \$4,500.

Maintenance of Conduit System (714)

- Labor is under budget \$3,706.

Maintenance of Headend (721-725)

- Labor is under budget \$6,927.
- Maintenance agreements are under budget \$2,232.

Maintenance of Converters (741)

- Labor is under budget \$3,950, mainly due to fewer converters being repaired.

InternetPromotional Expense – (961)

- Temp services for DSRs are under budget \$5,211.

Miscellaneous Data/Internet Expense – (847)

- Labor is over budget \$6,945.
- Temp services of \$3,750 have not been utilized.
- Fewer modems have been retired in the amount of \$10,418.
- Other miscellaneous materials are over budget \$1,763.

Maintenance of Headend – (820, 821)

- Labor is over budget \$6,918.
- Maintenance agreements are under budget by \$10,417.
- Other miscellaneous materials are over budget \$1,815.

Maintenance of Modems – (841)

- Labor is under budget \$7,935.

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.

MANMAN Equipment – (818, 819)

- Labor is under budget \$2,471.

Voice over Internet Protocol Expenses – (880)

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

Customer Service ExpenseSupervision – (901)

- Labor is over budget \$5,342 in the CSR area.

Customer Records and Collections – (903)

- Labor is over budget \$2,475.
- Credit card processing fees are \$3,479 higher than budget.
- Fees for customer billing services are over budget \$849.
- Higher postage of \$1,791 than budget was incurred.
- Temp services are below budget \$423.
- Help desk expenses for Novo knowledge base haven't been expended yet for \$1,780.
- Other miscellaneous materials are under budget \$2,360.

Administrative & GeneralA&G Salaries – (920)

- Salaries in the Marketing, Data Tech and Telecommunications departments are under budget by \$9,659, \$19,232, and \$20,474, respectively.

Outside Services – (923)

	Responsibility Code	2018 Budget	2018 Actual	2017 Actual
Succession Planning	110-Sal	\$ 1,200	\$ -	\$ -
Organizational Development	120-Sal	\$ 1,800	\$ 2,652	\$ -
General Legal Services	140-Brandy	1,200	264	86
Employment Legal Services	140-Brandy	300	-	-
Communications Legal Services	140-Brandy	-	167	-
MCC Public Access	224-Rick	14,166	14,225	14,048
Web/Graphics Services	224-Rick	981	187	104
Insurance Advisor	310-Jerry	1,512	1,512	1,512
Audit Fees	320-Cassie	5,220	5,581	4,418
IS Department Review	350-Greg	-	-	2,243
IS Outside Professional Services	350-Greg	360	600	581
Benefits Consulting	410-Brandy	1,350	1,260	894
Employee Search Services	410-Brandy	4,800	-	-
Pension Study/GASB 67/68	410-Brandy	-	(1,800)	
Engineering Compensation Review	410-Brandy	-	-	174
509A Actuary	410-Brandy	132	117	117
Other Misc HR Expenses	410-Brandy	-	-	-
Communications Consulting - IUB/FCC	920-Brad	-	2,700	1,822
		<u>\$ 33,021</u>	<u>\$ 27,465</u>	<u>\$ 25,999</u>

Employee Pensions & Benefits – (926)

	2018 Budget	2018 Actual	2017 Actual
Health care cost	\$ 125,030	\$ 118,043	\$ 109,261
Pension	96,075	117,364	91,423
FICA	57,151	51,835	51,922
Deferred compensation	11,160	14,887	13,960
Dental	4,794	4,586	4,366
Life, LTD & ADD	4,218	3,975	4,037
OPEB	1,565	1,565	1,263
Unemployment expense	1,200	-	1,992
Other expenses	2,126	4,459	5,809
	<u>\$ 303,319</u>	<u>\$ 316,714</u>	<u>\$ 284,033</u>

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

Administrative & General (cont'd)

Miscellaneous General Expense – (930)

- Labor is under budget \$5,999.
- Travel & training are under budget by \$8,440.
- Memberships and subscriptions are under budget \$1,239.
- Other miscellaneous materials are under budget \$2,016.

Vacation, Holiday, Sick Leave – (936)

- Sick leave and personal leave are over budget \$5,855.
- Vacation is under budget \$1,923.

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**  
**March 2018**

<u>Current Assets</u>	<u>2018</u>	<u>2017</u>
<u>Receivables - Consumer Accounts</u>		
Customer Communications Accounts	\$1,210,865	\$1,118,618
Unbilled Revenue	87,178	85,167
Merchandise Accounts	52,438	72,687
Allowance for Doubtful Accounts	<u>(7,650)</u>	<u>(11,374)</u>
	<u>\$1,342,831</u>	<u>\$1,265,098</u>
<u>Inventories</u>		
Inventory	\$179,006	\$143,051
Stores Expense (a/c 163)	<u>2,965</u>	<u>113</u>
	<u>\$181,971</u>	<u>\$143,164</u>
<u>Prepaid Expenses</u>		
Prepaid Insurance	\$57,753	\$42,205
Prepaid Maintenance Contracts	227,254	205,175
Muscatine Schools - E-rate customer	131,173	49,649
Other Prepaid Expenses	<u>3,211</u>	<u>(25)</u>
	<u>\$419,391</u>	<u>\$297,004</u>
<u>Current Liabilities</u>		
<u>Accounts Payable (amounts over \$2,500 itemized)</u>		
Pole Rental	\$10,565	\$10,176
Argonaut - billing system FTTH integration	21,450	---
Atlantic Engineering Group - FTTH	52,618	73,937
Aureon Network Services - access fee	---	15,005
Bankcard - credit card processing fee	4,599	---
Big 10 - programming fee	9,759	9,758
BillTrust - bill processing	2,900	3,281
Butler Communications - fiber	30,310	---
CDW-G - wireless equip	---	4,104
Centurylink - tel/access fees	---	5,545
City of Muscatine - Mississippi Dr project	5,290	---
Cogsdale - business system implementation	6,083	4,296
Comcast Sportsnet Chicago - programming fee	23,441	23,006
Cottingham & Butler -workers comp claims	---	13,201
Dascom Systems Group - integration svc	86,270	---
Dell/Force 10 - software maintenance	3,479	---
Fox Sports Net Midwest - programming fee	23,722	23,335
Gray Television - programming fee	21,371	14,701
Graybar Electric - fiber	25,313	19,451
Imagine Communications Corp - adv prog mnt	---	3,000
Innovative Systems - licenses	30,000	---
Insight Direct - wireless routers	---	5,649
Iphotonix - brackets	4,802	---
KGCW - programming fee	197,821	116,594
MP Nexlevel - FTTH project	20,472	---
Muscatine Community College - public access	14,225	14,048
Natl Cable TV Coop - programming fee	213,874	215,528
Nexstar - programming fee	35,619	30,603
Power & Tel - test gear FTTH	14,322	---
Robert Half - employment expense	3,213	---
Rovi Guides - programming fee	8,279	8,786
Showtime Networks - programming fee	---	2,290
Team Staffing - temporary labor services	---	2,519
Telco Systems - console cable	---	7,449
Tower Distribution - programming fee	20,317	15,381
Univision - programming fee	6,901	6,923
Vubiquity - programming fee	6,577	8,325
Other	<u>25,386</u>	<u>30,973</u>
	<u>\$928,978</u>	<u>\$687,864</u>
<u>Miscellaneous Accrued Expenses</u>		
Sales/Use Tax Collections Payable	\$20,836	\$29,122
Franchise Fees Payable	40,656	43,067
Payroll Tax Collections Payable	16,663	18,202
Workers' Comp Self Insurance Reserves	<u>43,337</u>	<u>49,490</u>
	<u>\$121,492</u>	<u>\$139,881</u>

**MUSCATINE POWER AND WATER**  
**REVIEW OF YEAR-TO-DATE OPERATING RESULTS**  
**MARCH 31, 2018**

**MUSCATINE POWER AND WATER - ELECTRIC UTILITY  
 VARIANCES FROM BUDGETED NET POSITION - MARCH 31, 2018**

Items equal to or greater than \$25,000

	(Unfavorable)/ Favorable Compared to Budget	
<b>Sales of Electricity</b>		
Native System Sales	\$ (449,146)	3.3% lower kWh's, offset by a 0.2% higher average sales price (\$.06635/kWh versus \$.06621/kWh budgeted)
Wholesale Sales	2,378,496	13.8% higher average sale price (\$.03177/kWh versus \$.02792/kWh), plus 22.2% higher kWhs sold
	<u>1,929,350</u>	
<b>Steam Sales</b>	<u>(104,853)</u>	3.6% lower pounds of steam sold
<b>Other Revenue</b>		
	<u>(8,397)</u>	Other miscellaneous variances - net
	<u>(8,397)</u>	
<b>Operating Expense</b>		
Purchased Power - Native System	(523,963)	Average purchase price is 12.2% higher (\$.02869/kwh vs \$.02557/kwh), offset by 2.8% lower kWhs purchased
Purchased Power - Wind	(2,406)	0.6% higher kWhs purchased
	<u>(526,369)</u>	
Production Fuel	(698,911)	17.4 or 32,021 higher number of coal tons burned, offset by a 3.5% lower price/ton
	26,280	Unit 9's lower fuel oil usage
	(37,822)	Higher labor cost
	<u>(22,745)</u>	Other miscellaneous variances - net
	<u>(733,198)</u>	
Emissions Allowance	<u>2,157</u>	Market price lower than assumed
<b>Operation</b>		
	78,457	Lower PAC injection system costs
	(33,067)	Higher cost for IDNR Title V permit fee
	25,394	Lower cost for 316(b) Impingement/entrainment study
	104,068	Lower cost for MISO's multi-value transmission and market efficiency projects
	(152,910)	Higher pension cost
	34,934	Lower healthcare costs
	49,908	Higher fringe benefits charged to capital projects
	82,095	Less training/travel
	(45,137)	Higher labor cost
	<u>139,975</u>	Other miscellaneous variances - net
	<u>283,717</u>	
<b>Maintenance</b>		
	33,448	Lower bottom ash system materials expense
	80,000	Unit 9 pulverizer journal rebuild, not completed
	(29,796)	T901 WFC pump inspection, not budgeted
	(27,822)	Higher cost for coal conveyor repairs
	81,412	Lower labor cost
	<u>214,245</u>	Other miscellaneous variances - net
	<u>351,487</u>	
Depreciation	<u>179,537</u>	Net value of the A&G assets were overestimated for the budget
<b>Nonoperating Revenue (Expense)</b>		
Interest Income	130,255	Higher average cash balances
Interest Expense	(625)	
	<u>129,630</u>	
<b>Change in Net Position</b>	<u>\$ 1,503,061</u>	Total Variance from Budgeted Net Position

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

Items equal to or greater than \$5,000

	(Unfavorable)/ Favorable	Compared to Budget	
<b>Sales of Water</b>			
Contract Customers	\$ 17,542		GPC consumption is 3.3% higher than budget, offset by a 0.9% lower billing rate
	(2,515)		Heinz's consumption is 6.9% lower than budgeted, offset by a 3.5% higher billing rate
	(1,751)		Power plants' consumption is 1.8% higher than budgeted offset by a 3.5% lower billing rate
	(1,629)		Residential consumption is 0.3% lower than budgeted
	10,982		Commercial consumption is 1.1% lower than budgeted with a 9.1% higher billing rate
	<u>22,629</u>		
<b>Other Revenue</b>			
Merchandise & Job Sales-Net	3,284		Higher job sales revenue
Miscellaneous Revenue	3,535		Other miscellaneous variances
	<u>6,819</u>		
<b>Operating Expense</b>			
Operation	16,027		Lower fuel/power purchased due to 1.9% lower kWh consumed and 4.8% lower cost per kWh, partially offset by 2.2% more gallons pumped
	(9,690)		Higher chemicals expense than budgeted due to more gallons pumped, higher cost of fluoride, and increased application of phosphate compared to budget
	(14,296)		Miscellaneous engineering consultant expense not budgeted
	(5,594)		Higher pension expense
	18,219		Lower labor, sick, personal and vacation expense
	299		Other miscellaneous variances - net
	<u>4,965</u>		
Maintenance	20,000		Well cleaning has not begun yet
	13,961		Lower cost of mains materials due to fewer repairs
	1,279		Other miscellaneous variances - net
	<u>35,240</u>		
Depreciation	<u>7,063</u>		
<b>Nonoperating Revenue (Expense)</b>			
Interest Income	19,747		Water bond project fund interest rate higher than budgeted
Interest Expense	1,500		Refund of bond issuance cost overpayment
	<u>21,247</u>		
<b>Change in Net Position</b>	<u>\$ 97,963</u>		Total Variance in Budgeted Net Position

**MUSCATINE POWER AND WATER - COMMUNICATIONS UTILITY**  
**VARIANCES FROM BUDGETED NET POSITION - MARCH 31, 2018**  
**Items equal or greater than \$5,000**

	(Unfavorable)/ Favorable Compared to Budget	
<b>Operating Revenue</b>		
CATV Revenue	\$ 14,868	Broadcast fee greater than budget, due to bulk subs omitted from budget calculation
	10,480	Lower marketing promotional discounts due to fewer promotional programs offered
	(19,204)	Lower VOD/PPV sales due to fewer subscribers and less buys
	(13,445)	Lower ad sales
	(14,834)	Lower converter rentals due to less subscribers
	(7,083)	Other miscellaneous variances - net
	<u>(29,218)</u>	
Data/Internet Revenue	411,945	Higher cable modem revenues due to higher subscribers and customers migrating to a higher level of service (Subscribers = 8,640 actual & budget)
	(382,690)	Fiber services are just being installed to the first customers
	11,523	Lower promotional discounts due to fewer promotional programs offered
	7,812	Higher Wi-fi @ Home due to more subscribers
	2,686	Other miscellaneous variances - net
	<u>51,276</u>	
VoIP	<u>(6,959)</u>	Service availability has not yet begun
MAN	<u>14,600</u>	More customers than budgeted
Miscellaneous Revenue	<u>(1,758)</u>	Other miscellaneous variances - net
<b>Operating Expense</b>		
Operation	18,147	Lower temp labor than budgeted, primarily due to DSRs and cable tech areas
	42,401	Fewer cable modems and set-top boxes have been retired than anticipated
	36,459	Labor & vacation under budget
	14,753	Programming expense under budget
	6,000	Employee search services not needed
	5,316	Lower FICA than budgeted
	6,987	Health care expenses lower than budgeted
	9,937	VoIP management fee and service expenses are lower than budget due to delay in installing service
	(21,289)	Pension expense is over budget due to accruing expense at a higher rate to approximate GASB 68 effects
	8,859	Travel and training under budget
	(5,731)	Other miscellaneous variances - net
	<u>121,839</u>	
Maintenance	6,783	Maintenance agreements are lower than budget
	12,586	Lower labor
	2,276	Other miscellaneous variances - net
	<u>21,645</u>	
Depreciation	<u>24,174</u>	Lower depreciation due to fewer fixed assets purchases in 2017 than anticipated
<b>Nonoperating Revenue (Expense)</b>		
Interest Income	34,605	More interest income due to higher cash balances
Interest Expense	<u>(16,681)</u>	Loan fees expensed in 2018
<b>Change in Net Position before Capital Contributions</b>	<u>213,523</u>	
Capital Contributions	<u>(1,985)</u>	
<b>Change in Net Position</b>	<u>\$ 211,538</u>	Total Variance from Budgeted Net Position