

Muscatine Power and Water

Electric Utility

Statement of Revenues, Expenses and Changes in Net Position

June, 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 - June 2018

	Budget Estimate	% Increase (Decrease) From Budget	This Year	% Increase (Decrease) Fr. Last Yr.	Last Year
<u>KWH Generated and Sold</u>					
Gross Generation	80,583,120	6.4	85,728,366	10.4	77,665,404
Less: Plant Use	7,137,216	17.5	8,386,329	6.9	7,842,255
Net Generation/Wholesale Sales	73,445,904	5.3	77,342,037	10.8	69,823,149
Wholesale Sales - Wind	3,670,000	11.0	4,072,915	11.0	3,669,753
Total Wholesales Sales	77,115,904	5.6	81,414,952	10.8	73,492,902
<u>Net Capacity Factors</u>					
Unit 9	62.23	2.7	63.94	9.8	58.22
Unit 8/8A	---	---	---	---	---
Unit 7	21.22	---	34.88	43.0	24.39
Total Plant	46.17	5.3	48.62	11.7	43.54
<u>KWH Distribution</u>					
Residential	8,944,967	17.1	10,473,674	13.5	9,230,215
Commercial I	3,123,651	(0.8)	3,097,323	(6.6)	3,317,485
Commercial II	7,991,582	9.2	8,723,620	7.5	8,116,680
Industrial I	11,690,040	8.1	12,640,680	(0.5)	12,702,400
Industrial II	29,576,215	31.2	38,799,389	7.4	36,113,760
City Enterprise Funds	419,885	10.7	464,857	7.1	434,129
Water & Communications Utilities	1,484,514	(5.4)	1,403,847	7.0	1,311,749
Native System Sales	63,230,854	19.6	75,603,390	6.1	71,226,418
City Lighting	168,960	(19.1)	136,713	(14.7)	160,272
City Buildings	596,361	(5.0)	566,674	(15.5)	670,685
Offline Power Plant Usage	387,360	(22.0)	302,162	(3.1)	311,800
Losses & Cycle Billing	4,056,390	(12.4)	3,555,098	(1.8)	3,618,974
Total Native System KWH Distributed	68,439,925	17.1	80,164,037	5.5	75,988,149
Wind KWH Purchases	3,670,000	11.0	4,072,915	11.0	3,669,753
Total Purchased Power KWH	72,109,925	16.8	84,236,952	5.7	79,657,902
<u>STEAM SALES - 1,000 lbs</u>	---	---	---	---	---

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

	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<u>KWH Generated and Sold</u>					
Gross Generation	452,797,800	14.0	516,318,849	22.6	421,134,191
Less: Plant Use	47,474,842	16.4	55,273,399	20.5	45,874,234
Net Generation/Wholesale Sales	405,322,958	13.7	461,045,450	22.9	375,259,957
Wholesale Sales - Wind	28,555,000	(3.4)	27,585,921	(3.4)	28,554,401
Total Wholesale Sales	433,877,958	12.6	488,631,371	21.0	403,814,358
<u>Net Capacity Factors</u>					
Unit 9	52.27	10.8	57.90	28.8	44.96
Unit 8/8A	22.30	15.0	25.65	(9.3)	28.29
Unit 7	6.98	1.8X	19.51	36.5	14.29
Total Plant	42.23	13.7	48.03	23.9	38.77
<u>KWH Distribution</u>					
Residential	46,371,142	9.4	50,747,578	10.5	45,943,035
Commercial I	17,720,450	(4.7)	16,885,767	(5.4)	17,852,432
Commercial II	44,904,566	8.4	48,667,620	9.9	44,276,640
Industrial I	61,380,428	5.4	64,705,540	1.3	63,888,780
Industrial II	239,895,881	(1.9)	235,257,289	3.3	227,725,756
City Enterprise Funds	2,765,351	(9.8)	2,495,013	(5.7)	2,645,407
Water & Communications Utilities	8,585,368	(2.9)	8,337,901	(2.1)	8,514,438
Native System Sales	421,623,186	1.3	427,096,708	4.0	410,846,488
City Lighting	990,902	(19.8)	794,687	(19.1)	981,842
City Buildings	3,423,984	8.2	3,704,384	4.2	3,555,086
Offline Power Plant Usage	1,062,000	87.3	1,988,649	(35.2)	3,070,173
Losses & Cycle Billing	13,653,506	0.9	13,769,927	18.0	11,671,873
Total Native System KWH					
Distributed	440,753,578	1.5	447,354,355	4.0	430,125,462
Wind KWH Purchases	28,555,000	(3.4)	27,585,921	(3.4)	28,554,401
Total Purchased Power KWH	469,308,578	1.2	474,940,276	3.5	458,679,863
<u>STEAM SALES - 1,000 lbs</u>	<u>1,008,000</u>	(2.7)	<u>980,791</u>	(6.3)	<u>1,047,098</u>

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

	Budget		% Increase		% Increase		% Increase	
	Estimate	Avg. Price	(Decrease)	This Year	Avg. Price	from Last	Last Year	Avg. Price
			from Budget			Year		
Sales of Electricity								
Residential	\$1,001,141	\$ 0.11192	10.6	\$1,107,046	\$ 0.10570	7.6	\$1,028,715	\$ 0.11145
Commercial I	328,836	0.10527	(3.6)	316,868	0.10230	(9.4)	349,830	0.10545
Commercial II	653,269	0.08174	3.6	677,059	0.07761	2.3	661,842	0.08154
Industrial I	757,090	0.06476	3.2	781,424	0.06182	(5.8)	829,645	0.06531
Industrial II	1,705,518	0.05767	15.6	1,971,784	0.05082	(2.8)	2,028,949	0.05618
City Enterprise Funds	33,669	0.08019	(1.3)	33,232	0.07149	(5.6)	35,201	0.08108
Water & Communication Utilities	93,927	0.06327	(5.8)	88,458	0.06301	(2.2)	90,431	0.06894
Native System Sales	4,573,450	0.07233	8.8	4,975,871	0.06582	(1.0)	5,024,613	0.07054
Wholesale Sales	2,442,495	0.03167	11.1	2,713,359	0.03333	15.6	2,346,191	0.03192
Energy Sales	7,015,945		9.6	7,689,230		4.3	7,370,804	
Steam Sales	---	---	---	---	---	---	---	---
Other Revenue								
By-Product Revenue	28,179		23.9	34,902		20.1	29,049	
Miscellaneous Revenue	54,327		(5.3)	51,434		(7.9)	55,850	
Total Other Revenue	82,506		4.6	86,336		1.7	84,899	
Operating Revenue	7,098,451		9.5	7,775,566		4.3	7,455,703	
Operating Expense								
Purchased Power	1,917,654	0.02659	32.4	2,538,811	0.03014	8.8	2,333,503	0.02929
Production Fuel	1,545,072		15.3	1,781,092		25.0	1,424,368	
Emissions Allowance	(1)		---	13		(7.1)	14	
Operation	2,159,067		(6.2)	2,026,025		7.0	1,893,451	
Maintenance	936,136		35.6	1,269,510		31.2	967,788	
Depreciation	1,018,680		(5.9)	958,835		6.5	900,004	
Total Operating Expense	7,576,608		13.2	8,574,286		14.0	7,519,128	
Operating Loss	(478,157)		67.0	(798,720)		11.6X	(63,425)	
Nonoperating Revenue (Expense)								
Interest Income	22,166		2.7X	81,961		1.7X	30,292	
Interest Expense	(716)		33.9	(959)		1.1X	(453)	
Total Nonoperating Revenue (Expense)	21,450		2.8X	81,002		1.7X	29,839	
Net Loss Before Revenue Adjustment	(456,707)		57.2	(717,718)		20.4X	(33,586)	
Capital Contributions	---		---	---		---	---	
Change in Net Position	(456,707)		57.2	(717,718)		20.4X	(33,586)	
Beginning Net Position	111,304,503			113,738,482			126,275,164	
Ending Net Position	\$110,847,796			\$113,020,764			\$126,241,578	
Net Income (Loss) Before Rev Adj to Op Revenue	(6.4)			(9.2)			(0.5)	
Change in Net Position to Operating Revenue	(6.4)			(9.2)			(0.5)	

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

	Budget		% Increase (Decrease) from Budget	This Year	Avg. Price	% Increase (Decrease) from Last Year	Last Year	Avg. Price
	Estimate	Avg. Price						
Sales of Electricity								
Residential	\$5,311,648	\$ 0.11455	5.1	\$5,580,882	\$ 0.10997	7.5	\$5,193,274	\$ 0.11304
Commercial I	1,863,910	0.10518	(6.7)	1,738,974	0.10298	(6.0)	1,850,828	0.10367
Commercial II	3,713,451	0.08270	2.5	3,807,567	0.07824	6.2	3,584,955	0.08097
Industrial I	4,036,288	0.06576	1.4	4,094,332	0.06328	(1.4)	4,154,339	0.06502
Industrial II	12,625,312	0.05263	(4.3)	12,077,196	0.05134	(1.3)	12,233,516	0.05372
City Enterprise Funds	212,120	0.07671	(12.7)	185,149	0.07421	(8.4)	202,070	0.07639
Water & Communications Utilities	544,907	0.06347	(6.0)	512,321	0.06144	(7.7)	555,304	0.06522
Native System Sales	28,307,636	0.06714	(1.1)	27,996,421	0.06555	0.8	27,774,286	0.06760
Wholesale Sales	12,194,600	0.02811	27.6	15,555,195	0.03183	8.5	14,337,569	0.03551
Energy Sales	40,502,236		7.5	43,551,616		3.4	42,111,855	
Steam Sales	3,835,176	3.80	(2.8)	3,728,503	3.80	(6.9)	4,005,118	3.82
Other Revenue								
By-Product Revenue	122,412		54.1	188,657		91.0	98,757	
Miscellaneous Revenue	319,539		9.6	350,270		(10.7)	392,406	
Total Other Revenue	441,951		21.9	538,927		9.7	491,163	
Operating Revenue	44,779,363		6.8	47,819,046		2.6	46,608,136	
Operating Expense								
Purchased Power	11,767,321	0.02507	16.5	13,713,086	0.02887	(1.7)	13,952,723	0.03042
Production Fuel	10,265,681		9.9	11,278,762		14.7	9,834,336	
Emissions Allowance	4,776		(58.0)	2,005		(62.5)	5,350	
Operation	13,053,998		(4.7)	12,446,617		3.4	12,040,081	
Maintenance	5,737,031		(14.4)	4,912,209		(32.0)	7,220,030	
Depreciation	6,112,077		(5.9)	5,753,004		6.5	5,400,028	
Total Operating Expense	46,940,884		2.5	48,105,683		(0.7)	48,452,548	
Operating Loss	(2,161,521)		(86.7)	(286,637)		(84.5)	(1,844,412)	
Nonoperating Revenue (Expense)								
Interest Income	118,650		2.5X	418,111		2.0X	137,434	
Interest Expense	(4,294)		32.1	(5,671)		96.2	(2,891)	
Total Nonoperating Revenue (Expense)	114,356		2.6X	412,440		2.1X	134,543	
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	(2,047,165)		-1.1X	125,803		-1.1X	(1,709,869)	
Capital Contributions	---		---	---		---	63,483	
Change in Net Position	(2,047,165)		-1.1X	125,803		-1.1X	(1,646,386)	
Beginning Net Position	112,894,961			112,894,961			127,887,964	
Ending Net Position	\$110,847,796			\$113,020,764			\$126,241,578	
Net Income (Loss) Before Rev Adj to Op Revenue	(4.6)			0.3			(3.7)	
Change in Net Position to Operating Revenue	(4.6)			0.3			(3.5)	

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

ASSETS

	<u>2018</u>	<u>2017</u>
Current Assets:		
Cash - interest bearing	\$25,941,408	\$35,869,227
Investments	32,000,000	14,550,000
Receivables:		
Consumer Accounts	6,141,944	5,956,032
Refined Coal	2,823,124	2,426,609
Wholesale	211,507	48,342
Interest	245,837	67,174
Inventories	5,333,041	5,292,273
Fuel	9,875,092	7,954,822
Prepaid Expenses	928,078	1,033,886
	<hr/>	<hr/>
Total Current Assets	83,500,031	73,198,365
	<hr/>	<hr/>
Property and Equipment:		
At Cost	431,676,030	428,599,632
Less Accumulated Depreciation	364,645,512	355,043,111
	<hr/>	<hr/>
Net Property and Equipment	67,030,518	73,556,521
	<hr/>	<hr/>
Other Assets:		
Note Receivable - Communications Utility	8,562,844	9,044,287
Joint Venture Rights	94,069	86,677
	<hr/>	<hr/>
Total Other Assets	8,656,913	9,130,964
	<hr/>	<hr/>
Deferred Outflows of Resources		
Pension	11,380,713	8,177,423
OPEB	79,019	---
	<hr/>	<hr/>
Total Deferred Outflows of Resources	11,459,732	8,177,423
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$170,647,194</u>	<u>\$164,063,273</u>

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

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	<u>2018</u>	<u>2017</u>
Current Liabilities:		
Unrestricted		
Accounts Payable	\$5,118,889	\$4,648,009
Health & Dental Insurance Provision	248,520	271,040
Accrued Payroll	609,582	611,886
Accrued Vacation	1,246,654	1,232,583
Accrued Emission Allowance Expense	9,887	5,350
Consumers' Deposits	828,231	770,319
Retained Percentage on Contracts	24,225	80,179
Accrued Property Taxes	96,286	97,470
Miscellaneous Accrued Expenses	737,708	867,758
Unearned Revenue	26,863	26,744
	<hr/>	<hr/>
Total Unrestricted Current Liabilities	8,946,845	8,611,338
	<hr/>	<hr/>
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,199,462	946,310
Post-Employment Health Benefit Provision	669,082	423,433
Net Pension Liability	17,524,046	14,174,589
	<hr/>	<hr/>
Total Non-Current Liabilities	19,392,590	15,544,332
	<hr/>	<hr/>
Deferred Inflows of Resources		
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/>
Net Position:		
Net Investment in Capital Assets	67,030,518	73,556,521
Unrestricted	45,990,246	52,685,057
	<hr/>	<hr/>
Total Net Position	113,020,764	126,241,578
	<hr/>	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$170,647,194</u>	<u>\$164,063,273</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating loss to net cash flows from operating activities		
Operating loss	(\$798,720)	(\$286,637)
Noncash items in operating income:		
Depreciation of electric utility plant	958,835	5,753,004
Amortization of joint venture rights	8,442	57,631
Change in deferred outflows of resources - pension	(240,240)	(960,960)
Changes in assets and liabilities:		
Consumer accounts receivable	(483,448)	299,097
Refined coal	(190,245)	674,195
Wholesale receivable	125,323	283,159
Steam sales receivable	0	1,010,795
Inventories	14,491	(149,082)
Fuel	(140,504)	(787,258)
Prepaid expenses	319,716	(68,567)
Accounts payable	(318,929)	(381,467)
Net pension liability	251,170	1,507,021
Health & dental insurance provision	18,370	(81,228)
Other post-employment benefit provision	2,608	15,647
Accrued payroll	60,594	(41,931)
Accrued vacation	(27,571)	92,159
Accrued emission allowance expense	13	2,005
Consumers' deposits	11,539	38,138
Retained Percentage	---	243
Accrued property taxes	8,046	(929)
Unearned revenue	(3,528)	21,171
Miscellaneous accrued expenses	5,202	(28,272)
	<u>(418,836)</u>	<u>6,967,934</u>
Net cash flows from operating activities		
Cash flows from capital financing activities:		
Capital expenditures, net	<u>(906,911)</u>	<u>(3,033,918)</u>
Net cash flows from capital and related financing activities	<u>(906,911)</u>	<u>(3,033,918)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	---	(51,670)
Reimbursement of Resco stock	---	---
Interest received on investments	<u>62,570</u>	<u>308,275</u>
Net cash flows from investing activities	<u>62,570</u>	<u>256,605</u>
Net increase (decrease) in cash and investments	<u>(1,263,177)</u>	<u>4,190,621</u>
Cash and investments at beginning of period	<u>\$58,993,078</u>	<u>\$53,539,280</u>
Cash and investments at end of period	<u><u>\$57,729,901</u></u>	<u><u>\$57,729,901</u></u>

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

	<u>This Year</u>	<u>Last Year</u>
Extraordinary Operation & Maintenance Account	<u>\$28,032,866</u>	<u>\$13,143,183</u>
Total Cash and Investments Appropriated for Specific Purposes	<u><u>\$28,032,866</u></u>	<u><u>\$13,143,183</u></u>

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$1,917,654</u>	27.0	<u>\$2,538,811</u>	32.7	<u>\$2,333,503</u>	31.3
Average price per kWh	\$0.02659		\$0.03014		\$0.02929	
<u>Generation</u>						
Operation Supervision (500)	72,493		75,277		76,667	
Fuel: (501)	---					
Coal	1,491,456		1,725,832		1,367,818	
Fuel Oil	6,500		56		119	
Gas	2,000		8,285		4,639	
Coal Handling Expense (501-003)	30,870		29,256		23,181	
Landfill Operation Expense (501-925)	14,246		17,663		28,611	
Emissions Allowance Expense (509)	(1)		13		14	
Steam Expense:						
Boiler (502-004)	81,037		89,914		74,961	
Pollution Control (502-005)	28,955		47,416		74,146	
Electric Expense (505)	86,011		84,386		80,532	
Miscellaneous Steam Power Expense (506)	355,688		159,495		121,590	
Maintenance:						
Supervision (510)	67,329		74,168		69,319	
Structures (511)	223,299		38,093		243,948	
Boiler Plant:						
Boiler (512-006)	148,975		723,542		177,894	
Pollution Control (512-007)	81,117		29,181		51,424	
Electric Plant (513-008)	39,446		52,788		1,714	
System Control (513-009)	20,156		27,741		17,695	
Miscellaneous Steam Plant (514)	47,061		33,064		47,524	
Coal Handling Equipment (516)	83,014		60,425		110,090	
System Control and Load Dispatch (556)	27,358		30,994		23,681	
Vacation, Holiday, Sick Leave (557)	66,098		59,461		66,778	
Depreciation (558)	<u>637,615</u>		<u>641,039</u>		<u>648,814</u>	
Total Generation Expense	<u>\$3,610,723</u>	50.9	<u>\$4,008,089</u>	51.5	<u>\$3,311,159</u>	44.4

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$11,767,321</u>	26.3	<u>\$13,713,086</u>	28.7	<u>\$13,952,723</u>	29.9
Average price per kWh	\$0.02507		\$0.02887		\$0.03042	
<u>Generation</u>						
Operation Supervision (500)	442,773		470,116		466,594	
Fuel: (501)						
Coal	9,873,177		10,826,885		9,332,716	
Fuel Oil	67,639		46,159		28,540	
Gas	81,284		83,107		116,369	
Coal Handling Expense (501-003)	196,627		229,584		256,560	
Landfill Operation Expense (501-925)	46,954		93,027		100,151	
Emissions Allowance Expense (509)	4,776		2,005		5,350	
Steam Expense:						
Boiler (502-004)	565,124		599,657		507,306	
Pollution Control (502-005)	368,500		299,338		240,725	
Electric Expense (505)	521,399		556,311		531,766	
Miscellaneous Steam Power Expense (506)	1,408,686		992,021		1,104,254	
Maintenance:						
Supervision (510)	399,535		455,442		471,467	
Structures (511)	648,532		282,166		429,760	
Boiler Plant:						
Boiler (512-006)	1,758,750		1,463,082		1,270,198	
Pollution Control (512-007)	418,699		266,677		434,574	
Electric Plant (513-008)	378,528		369,343		2,322,942	
System Control (513-009)	118,342		128,078		106,285	
Miscellaneous Steam Plant (514)	309,109		247,215		309,714	
Coal Handling Equipment (516)	371,280		434,505		412,612	
System Control and Load Dispatch (556)	165,478		183,136		146,500	
Vacation, Holiday, Sick Leave (557)	483,796		477,803		512,835	
Depreciation (558)	<u>3,825,693</u>		<u>3,846,235</u>		<u>3,892,886</u>	
Total Generation Expense	<u>\$22,454,681</u>	50.1	<u>\$22,351,892</u>	46.7	<u>\$23,000,104</u>	49.3

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision (560)	\$7,659		\$8,657		\$8,129	
Load Dispatching (561)	72,104		74,488		74,313	
Station Expense (562)	11,452		14,893		9,543	
Overhead Line Expense (563)	136		811		597	
Transmission of Electricity by Others (565)	125,864		101,564		97,766	
Miscellaneous Transmission Expense (566)	11,288		11,336		11,904	
Maintenance:						
Supervision (568)	2,794		1,950		2,877	
Structures (569)	198		---		---	
Station Equipment (570)	2,751		12,440		8,689	
Overhead Lines (571)	15,206		5,000		4,896	
Vacation, Holiday, Sick Leave (575)	8,986		9,326		5,793	
Depreciation (576)	44,388		43,048		31,072	
Tax on Rural Property (577)	5,690		5,690		5,690	
Total Transmission Expense	<u>308,516</u>	4.3	<u>289,203</u>	3.7	<u>261,269</u>	3.5
<u>Distribution</u>						
Operation Supervision (580)	14,631		11,486		16,648	
Load Dispatching (581)	29,759		23,083		26,174	
Station Expense (582)	12,835		9,587		6,803	
Overhead Line Expense (583)	6,738		---		3,594	
Vehicle Expense (589)	15,459		15,348		14,266	
Underground Line Expense (584)	8,711		5,833		4,449	
Street Lighting (585-418)	2,609		65		59	
Signal Expense (585-419)	1,151		1,923		121	
Meter Expense (586)	9,564		9,406		10,441	
Consumer Installation Expense (587)	542		1,490		279	
Miscellaneous Distribution Expense (588)	53,081		76,253		61,458	
Maintenance:						
Supervision (590)	11,241		7,006		11,995	
Structures (591)	2,355		---		---	
Station Equipment (592)	5,504		4,122		8,516	
Overhead Lines (593)	46,618		70,844		87,110	
Underground Lines (594)	19,945		26,287		10,411	
Line Transformers (595)	4,178		5,368		7,441	
Street Lighting (596-418)	10,202		11,459		10,767	
Signal System (596-419)	3,775		13,314		15,058	
Meters (597)	2,723		1,965		2,170	
Miscellaneous Distribution Plant (598)	2,708		1,562		2,056	
Vacation, Holiday, Sick Leave (599)	25,717		24,354		20,210	
Depreciation (578)	177,227		175,558		172,352	
Tax on Rural Property (579)	1,700		1,700		1,700	
Total Distribution Expense	<u>\$468,973</u>	6.6	<u>\$498,013</u>	6.4	<u>\$494,078</u>	6.6

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision (560)	\$45,950		\$44,351		\$44,409	
Load Dispatching (561)	439,242		432,824		399,092	
Station Expense (562)	99,976		81,473		52,400	
Overhead Line Expense (563)	490		6,155		1,705	
Transmission of Electricity by Others (565)	755,183		543,088		472,977	
Miscellaneous Transmission Expense (566)	80,623		71,084		73,153	
Maintenance:						
Supervision (568)	16,762		11,782		16,546	
Structures (569)	859		---		---	
Station Equipment (570)	34,934		57,686		93,535	
Overhead Lines (571)	90,632		49,884		29,221	
Vacation, Holiday, Sick Leave (575)	66,712		65,534		53,025	
Depreciation (576)	266,325		258,285		186,431	
Tax on Rural Property (577)	34,139		34,232		34,231	
	<u>1,931,827</u>	4.3	<u>1,656,378</u>	3.5	<u>1,456,725</u>	3.1
<u>Distribution</u>						
Operation Supervision (580)	87,338		67,680		91,856	
Load Dispatching (581)	178,556		185,875		189,022	
Station Expense (582)	77,969		43,466		51,500	
Overhead Line Expense (583)	30,956		957		11,577	
Vehicle Expense (589)	92,554		83,740		87,996	
Underground Line Expense (584)	39,440		25,864		22,934	
Street Lighting (585-418)	15,658		7,191		2,398	
Signal Expense (585-419)	6,758		4,641		857	
Meter Expense (586)	59,506		60,064		61,259	
Consumer Installation Expense (587)	3,354		5,521		3,834	
Miscellaneous Distribution Expense (588)	340,799		442,266		413,033	
Maintenance:						
Supervision (590)	65,724		42,460		66,663	
Structures (591)	5,615		---		---	
Station Equipment (592)	57,118		35,730		92,576	
Overhead Lines (593)	311,372		348,784		499,253	
Underground Lines (594)	125,057		121,127		97,288	
Line Transformers (595)	37,213		15,415		31,420	
Street Lighting (596-418)	62,364		77,117		73,246	
Signal System (596-419)	20,682		37,364		27,375	
Meters (597)	16,219		12,736		14,602	
Miscellaneous Distribution Plant (598)	16,250		16,532		17,418	
Vacation, Holiday, Sick Leave (599)	189,232		202,938		207,330	
Depreciation (578)	1,063,359		1,053,346		1,034,113	
Tax on Rural Property (579)	10,197		10,228		10,225	
	<u>\$2,913,290</u>	6.5	<u>\$2,901,042</u>	6.1	<u>\$3,107,775</u>	6.7

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$3,376		\$2,174		\$2,446	
Energy Efficiency Rebates (912)	15,560		1,496		8,361	
Electric Ranges/Dryers Maintenance (910)	435		130		122	
Electric Water Heaters Maintenance (911)	124		287		153	
	<u>19,495</u>	0.3	<u>4,087</u>	0.1	<u>11,082</u>	0.1
<u>Consumer Accounts</u>						
Supervision (901)	5,590		3,598		2,697	
Meter Reading Expense (902)	9,951		9,491		9,314	
Consumer Records and Collection (903)	40,716		40,660		43,251	
Uncollectible Accounts Expense (904)	4,253		4,253		5,623	
Vacation, Holiday, Sick Leave (906)	4,386		3,213		3,555	
	<u>64,896</u>	0.9	<u>61,215</u>	0.8	<u>64,440</u>	0.9
<u>Administrative and General</u>						
Administrative and General Salaries (920)	184,242		183,740		173,924	
Office Supplies and Expenses (921)	13,816		13,853		19,948	
Outside Services Employed (923)	31,777		26,807		17,138	
Property Insurance (924)	58,354		62,067		55,721	
Casualty Ins, Injuries & Damages (925)	47,267		43,644		69,901	
Employee Pensions and Benefits (926)	560,015		575,424		543,096	
Fringe Benefits Charged to Constr. (927)	(36,823)		(25,748)		(23,967)	
Regulatory Commission (928)	8,615		9,566		9,250	
Miscellaneous General Expense (930)	40,274		97,034		30,941	
Maintenance of General Plant (932)	46,198		36,355		41,241	
Maintenance of A/O Center (934)	49,343		32,836		34,953	
Vacation, Holiday, Sick Leave (936)	23,823		20,100		23,685	
Depreciation (933)	159,450		99,190		47,766	
	<u>1,186,351</u>	16.7	<u>1,174,868</u>	15.1	<u>1,043,597</u>	14.0
Total Operating Expense	<u>\$7,576,608</u>		<u>\$8,574,286</u>		<u>\$7,519,128</u>	
Percent to Operating Revenue		106.7		110.3		100.9

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$40,588		\$40,681		\$32,823	
Energy Efficiency Rebates (912)	93,360		76,631		112,427	
Electric Ranges/Dryers Maintenance (910)	2,710		999		732	
Electric Water Heaters Maintenance (911)	<u>1,001</u>		<u>936</u>		<u>380</u>	
Total Customer Service Expense	<u>\$137,659</u>	0.3	<u>\$119,247</u>	0.2	<u>\$146,362</u>	0.3
 <u>Consumer Accounts</u>						
Supervision (901)	33,543		21,455		19,013	
Meter Reading Expense (902)	58,367		60,026		58,194	
Consumer Records and Collection (903)	242,387		245,989		233,975	
Uncollectible Accounts Expense (904)	25,520		25,518		33,738	
Vacation, Holiday, Sick Leave (906)	<u>32,612</u>		<u>28,991</u>		<u>29,471</u>	
Total Consumer Accounts Expense	<u>392,429</u>	0.9	<u>381,979</u>	0.8	<u>374,391</u>	0.8
 <u>Administrative and General</u>						
Administrative and General Salaries (920)	1,105,449		1,090,414		1,055,757	
Office Supplies and Expenses (921)	90,204		94,850		85,061	
Outside Services Employed (923)	304,038		236,321		206,685	
Property Insurance (924)	342,226		353,364		328,498	
Casualty Ins, Injuries & Damages (925)	285,602		245,456		339,335	
Employee Pensions and Benefits (926)	3,373,195		3,606,456		3,385,666	
Fringe Benefits Charged to Constr. (927)	(152,389)		(194,611)		(139,694)	
Regulatory Commission (928)	51,690		52,036		45,756	
Miscellaneous General Expense (930)	338,052		293,183		240,528	
Maintenance of General Plant (932)	258,724		242,304		207,758	
Maintenance of A/O Center (934)	214,731		196,780		195,577	
Vacation, Holiday, Sick Leave (936)	175,455		170,368		176,943	
Depreciation (933)	<u>956,700</u>		<u>595,138</u>		<u>286,598</u>	
Total Administrative and General	<u>7,343,677</u>	16.4	<u>6,982,059</u>	14.6	<u>6,414,468</u>	13.8
Total Operating Expense	<u>\$46,940,884</u>		<u>\$48,105,683</u>		<u>\$48,452,548</u>	
Percent to Operating Revenue		104.8		100.6		104.0

Muscatine Power and Water - Electric Utility
Statistical Data
June, 2018

Total Fuel Cost

(To & Including Ash Handling, Gas & Oil)

	<u>Current Month</u>	
	<u>2018</u>	<u>2017</u>
Per Million Btu.	\$2.000	\$1.773
Per Net MW Generated	\$22.48	\$20.55
Net Peak Monthly Demand-KW	145,010	135,210
Date of Peak	6/18	6/12
Hour of Peak	1800	1600

	<u>Calendar Year-To-Date</u>	
	<u>2018</u>	<u>2017</u>
Per Million Btu.	\$1.795	\$1.811
Per Net MW Generated	\$20.59	\$20.41
Net Peak Monthly Demand-KW	145,010	135,210
Date of Peak	6/18	6/12
Hour of Peak	1800	1600
Average Temperature	73.4°	72.4°

<u>Services</u>	<u>2018</u>	<u>2017</u>
Residential	9,902	9,858
Commercial I	1,363	1,386
Commercial II	136	110
Industrial I	11	11
Industrial II	2	2
City Enterprise Funds	24	23
Water & Communications Utility	36	35
Total	<u>11,474</u>	<u>11,425</u>

Electric Utility
Review of Operating Results
June 2018

**MUSCATINE POWER AND WATER - ELECTRIC UTILITY
VARIANCES FROM BUDGETED NET POSITION - JUNE 30, 2018**

	(Unfavorable)/ Favorable Compared to Budget	
Sales of Electricity		
Native System Sales	\$ (311,215)	A 2.4% lower average sales price (\$.06555/kWh versus \$.06714/kWh budgeted); offset by 1.3% higher kWhs sold
Wholesale Sales	3,360,595	13.2% higher average sale price (\$.03183/kWh versus \$.02811/kWh), plus 12.6% higher kWhs sold
	<u>3,049,380</u>	
Steam Sales	<u>(106,673)</u>	2.7% lower pounds of steam sold
Other Revenue		
By-Product Revenue	60,873	Fly ash sales
	11,661	Gypsum sales
	(6,289)	Slag sales
Miscellaneous Revenue	(14,260)	Lower job sales, net of expenses
	34,473	Alliant Energy easement
	(5,236)	Lower transmission-related revenue
	7,233	Higher recycling revenue
	8,819	Higher penalty revenue
	<u>(298)</u>	Other miscellaneous variances - net
	<u>96,976</u>	
Operating Expense		
Purchased Power - Native System	(1,970,851)	Average purchase price is 16.1% higher (\$.02901/kwh vs \$.02498/kwh), plus 1.5% higher kWhs purchased
Purchased Power - Wind	25,086	3.4% lower kWhs purchased
	<u>(1,945,765)</u>	
Production Fuel	(953,709)	12.0% or 40,629 higher number of coal tons burned, offset by a 1.8% lower price/ton
	15,299	Unit 9's lower cost of fuel oil
	4,361	Lower Unit 8 natural gas usage
	(6,183)	Higher Unit 7 natural gas usage
	(12,754)	CCR compliance costs were not budgeted
	(19,711)	Higher cost for landfill rock, propane, and diesel fuel
	(56,910)	Higher labor cost
	<u>(5,007)</u>	Other miscellaneous variances - net
	<u>(1,013,081)</u>	
Emissions Allowance	<u>2,771</u>	Market price lower than assumed
Operation	8,544	Lower gas usage for auxiliary boiler
	(4,987)	Unit 9 caustic soda expense, budgeted in July
	76,022	Lower PAC injection system costs
	39,449	Lower cost for wastewater chemicals and analysis
	(73,991)	Higher limestone usage
	(43,739)	Higher cost for IDNR Title V permit fee
	11,088	Lower cost for PM2.5 modeling
	162,752	Stack testing, not performed
	33,000	RATA testing, not performed
	13,205	Engineering services for CCR rule compliance, not expended
	34,915	Lower cost for 316(b) Impingement/entrainment study
	20,000	ARC flash study update, not completed
	4,000	Coal and byproduct analysis, not expended
	28,664	IDNR fees
	9,921	Lower cost for plant safety materials
	17,573	Lower cost for rail car storage and administration fees
	4,400	PMA/PEPSI maintenance agreements, not expended
	(22,488)	Higher cost of MISO operating and administrative fees
	12,580	Inspection, replacement, painting of pole breakers, not expended
	212,095	Lower cost for MISO's multi-value transmission and market efficiency projects
	5,000	Local balancing authority investigation expenses, not expended
	7,342	Lower cost for SCADA's dark fiber lease
	5,053	Lower cost of tools, grease, lawn care for substations

**MUSCATINE POWER AND WATER - ELECTRIC UTILITY
 VARIANCES FROM BUDGETED NET POSITION - JUNE 30, 2018**

(Unfavorable)/
 Favorable Compared
 to Budget

28,688	Electric line workers' tools & Lean supplies not needed
10,825	Lower cost for vehicle material expenses
(5,121)	Higher cost for share in MAGIC's operating expenses
(6,609)	Engineering services not budgeted
4,212	Lower marketing costs
(3,883)	Higher cost for energy efficiency services
16,729	Lower cost for energy efficiency rebates
(12,860)	Higher cost for payment processing fees
(4,511)	Higher cost for computer hardware/software
(18,833)	Higher cost for organizational development consulting
32,400	Succession planning, not expended
23,111	Legal services not expended
17,726	CIP compliance consulting not utilized
6,825	Lower cost for web design service
12,150	Refund for 2017's pension plan investment consulting services
(17,400)	Higher cost for employee search services
9,550	Lower cost for coal pile survey
28,576	Workers compensation claims expense is lower than historical data used for budgeting
11,570	Casualty insurance premiums were expected to increase by 5-7%; instead increased only 0.6%
(305,821)	Pension expense is accrued at a higher amount to approximate GASB 68 effect
80,180	Lower healthcare costs
(11,239)	Higher FICA expense
(22,866)	Higher cost of deferred comp's utility match
14,412	Lower unemployment expenses
41,855	Higher fringe benefits charged to capital projects
6,501	Lower cost for employment expenses
(12,150)	Higher cost of GMCCI joint community branding project
(34,020)	Economic development pledge, not budgeted
30,000	General CIP expense, not expended
9,963	Continuous improvement expenses, not incurred
11,885	Financial 2017 Annual Report; Highlights not expended
10,321	Lower cost for employee team expenses
99,727	Less training/travel
(5,732)	Higher cost for gasoline/diesel fuel
(30,014)	Higher cost for temporary labor services
18,760	Lower cost for vacation expense
(66,380)	Higher labor cost
78,456	Other miscellaneous variances - net
<u>607,381</u>	

Maintenance

9,704	Lower cost for contracted insulation replacement & repairs
300,000	Unit 9 roof restoration, to be completed in September
21,000	Other Unit 9 roof repairs, not expended
(22,531)	Extension of Unit 9's vacuum header to the superheater level, not budgeted
26,000	Extend Unit 9 vacuum header to the SH level, not completed
14,061	Fewer fire protection panel inspections/repairs
(20,141)	higher cost for backflow preventer valve repair
19,725	Lower bottom ash system materials expense
10,518	Lower fly ash system materials expense
(13,181)	Higher 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
(30,655)	Unit 8 vacuum services, not budgeted
15,000	Deslag Unit 8 furnace, not expended
4,848	Lower cost to explosive clean Unit 8 boiler
15,000	Unit 8 fly ash vacuum blower rebuild, not completed
56,377	Lower cost for Unit 8 restud/refractory
20,000	Unit 8 cyclone repairs, not expended
(7,378)	Cost for Unit 8 miscellaneous piping repairs, not budgeted
12,000	Unit 8 cyclone tubes NDE, not expended
12,000	Unit 8 deaerator NDE, not expended
35,000	Unit 8 boiler layup, not expended
(75,089)	Unit 8 boiler superheat tube alignment clips, not budgeted
(16,846)	Higher cost for Unit 8 miscellaneous valve repairs

**MUSCATINE POWER AND WATER - ELECTRIC UTILITY
VARIANCES FROM BUDGETED NET POSITION - JUNE 30, 2018**

(Unfavorable)/ Favorable Compared to Budget		
	(18,615)	Replace Unit 9 auxiliary steam line, not budgeted
	80,000	Unit 9 pulverizer journal rebuild, not completed
	6,408	9A Pulverizer motor inspection, not completed
	23,289	Lower cost for Unit 9 routine pulverizer maintenance
	24,991	Lower cost for Unit 9 miscellaneous piping repairs
	(17,729)	Grit blast the finishing superheat on Unit 9 boiler, not budgeted
	12,000	Unit 9 reheat spray valve trim replacement not expended
	7,377	Lower cost to rebuild/repair Unit 9 sootblowers
	(12,896)	Higher cost of Unit 9 boiler tube repairs/NDE
	(50,546)	Higher cost for Unit 9 boiler vent, drain and blowdown valve repairs
	12,160	Lower cost for Unit 9 miscellaneous valve repairs
	8,000	Replacement of Unit 9 condensate control valve with DVC valve controller, not completed
	(4,953)	Higher cost for software/plant controls maintenance agreements
	10,392	Lower cost for continuous emission monitoring expenses
	41,888	Lower cost of miscellaneous precipitator repairs
	18,000	Repair of the limestone silo 901 south wall, not begun
	5,694	Lower cost of miscellaneous limestone handling equipment repairs
	5,159	Lower cost for wastewater equipment maintenance
	7,500	FGD hydroclone repairs/replacements, not performed
	9,518	Absorber spray pump inspection/repair, not completed
	6,000	Absorber spray implellar replacement, not expended
	36,000	Oxidation air compressor 901 rebuild, not performed
	(29,796)	T901 WFC pump inspection, not budgeted
	(7,529)	Higher cost for the Quencher pump inspection
	(10,164)	Replace recirculating control valve for makeup water tank, not budgeted
	(8,576)	Replace regulating valve for makeup water tank, not budgeted
	24,860	Lower cost of miscellaneous FGD equipment repairs
	7,200	Unit 9 heat exchangers cleaning, not performed
	9,243	Unit 8 generator electrical testing, not expended
	(9,702)	Unit 8 lube oil pump motor repair, not budgeted
	35,000	Unit 8 turbine layup, not expended
	(33,741)	8A steam turbine control & stop valve overhaul, budgeted in July
	6,000	Unit 8 UPS battery replacement, not expended
	24,076	Generation plant tool expense not expended
	(37,537)	Higher cost for rail car maintenance
	13,967	Lower cost for dozer maintenance
	(66,983)	Higher cost for coal conveyor repairs
	23,042	Track maintenance not completed
	(16,641)	Inspection of Unit 8 coal crusher hammers, not budgeted
	27,600	Lower cost for the jointly-owned transmission line maintenance performed by MEC
	(17,993)	Higher cost for overhead lines material expenses
	(20,577)	Higher cost for underground lines material expenses
	14,000	Re-gasket and paint 2500 kVA transformers, not completed
	(14,599)	Higher cost of street lighting repairs
	8,369	Higher cost of traffic signal repairs
	25,440	Lower cost of vehicle maintenance
	3,818	Lower cost of gasoline and diesel fuel
	7,327	Lower cost for temporary labor services
	85,051	Lower labor cost
	181,436	Other miscellaneous variances - net
	824,822	
Depreciation	359,073	Net value of the A&G assets were overestimated for the budget
Nonoperating Revenue (Expense)		
Interest Income	299,462	Higher average cash balances
Interest Expense	(1,377)	
	298,085	
Change in Net Position	\$ 2,172,969	Total Variance from Budgeted Net Position

Statements of Revenues, Expenses and Changes in Net Position

Sales of Electricity

Native System Sales

A 2.4% lower average sales price per kWh (\$.06555/kWh versus \$.06714/kWh budgeted), offset by 1.3% higher kWhs sold, resulted in \$311,215 lower revenue.

Wholesale Sales

12.6% higher kWhs sold; plus a 13.2% higher average sales price (\$.03183/kWh versus \$.02811/kWh budgeted), resulted in \$3,360,595 higher revenue than projected.

Steam Sales

2.7% lower pounds of steam sold, resulted in \$106,673 lower revenue than projected.

Other Revenue

By-Product Revenue

Gypsum and fly ash sales are \$11,661 and \$60,873 higher than budgeted, respectively. The budget includes \$6,289 for slag sales that has not occurred.

Miscellaneous Revenue

Net job sales and transmission-related revenue are \$14,260 and \$5,236 lower than budget, respectively; recycling and penalty revenue are \$7,233 and \$8,819 higher than budgeted, respectively. Included in revenue is a payment from Alliant Energy for an easement totaling \$34,473.

Nonoperating Revenue (Expense)

Interest Income

Interest income is \$299,462 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 16.1% higher average purchase price (\$.02901/kWh versus \$.02498/kWh budgeted), plus 1.5% higher kWhs purchased for native system sales, resulted in \$1,970,852 higher cost. Wind energy kWh purchases were 3.4% or \$25,086 lower than budgeted.

Generation

Operation Supervision – (500)

Total labor expense is \$27,344 higher than budget due to more overtime than expected; the operations department makes up 54% or \$14,656 of this variance.

Fuel – Coal – (501-001)

12.0% or 40,629 higher tons of coal burned, offset by a 1.8% lower price/ton, resulted in \$953,709 higher coal expense.

Fuel – Fuel Oil – (501-921)

Cost of fuel oil for Unit 9 start-ups is \$15,299 lower than budgeted.

Fuel – Gas – (501-002)

Unit 8's natural gas usage is lower than budgeted, resulting in \$4,361 lower expense; Unit 7's gas usage is \$6,183 higher.

Coal Handling Expense - (501-003)

Labor expenses are \$46,594 higher than budgeted, respectively; gasoline and diesel fuel expense is \$8,752 lower than budgeted.

Landfill Operation Expense - (501-925)

Actual expenses include \$12,754 for engineering services relating to CCR compliance, which were not budgeted, plus, labor expense is \$13,608 higher than budgeted. Other material costs for rock, propane, and diesel fuel, are \$19,711 higher than the budget.

Steam Expense – Boiler – (502-004)

Labor expenses are \$35,898 higher than budgeted. Unit 9's caustic soda \$4,987 expense was budgeted in July. Gas usage for the auxiliary boiler is \$8,544 lower than budgeted.

Steam Expense – Pollution Control – (502-005)

PAC (powdered activated carbon) injection system costs, wastewater chemicals/analysis, and labor expenses are \$76,022, \$39,449, and \$24,963 lower than budgeted, respectively. Limestone expense is \$73,991 higher than budgeted, due to a survey inventory adjustment that has adjusted the weighted average cost significantly.

Electric Expense – (505)

Labor expense is \$38,875 higher than budget.

Generation (cont'd)

<u>Miscellaneous Steam Power Expense - (506)</u>	2018	2018
	<u>Budget</u>	<u>Actual</u>
Labor	\$415,512	\$437,976
IDNR Title V permit fee	136,400	180,139
PM2.5 modeling	12,000	912
Stack testing	208,600	45,848
RATA testing	33,000	-
Engineering services for CCR rule compliance	13,754	549
316(b) cooling water impingement/entrainment study	90,000	55,085
ARC flash study update	20,000	-
Universal waste recycling/hazardous waste disposal	7,002	4,543
Coal and byproduct analysis	4,000	-
IDNR fees	50,000	21,336
ESC software engineering time/maintenance	7,400	10,287
Plant safety material expenses	54,434	44,513
Plant road and railroad crossing repairs	7,500	6,816
Rail car storage/switching costs/admin fees	53,312	35,739
PMAX/PEPSI maintenance agreements	4,400	-
Travel/training	95,630	41,751
Temporary labor services	3,372	15,889
Ground maintenance	13,050	13,463
Membership/subscriptions	9,075	3,878
Gasoline/diesel fuel	7,000	8,800
Other expenses	162,495	64,497
	<u>\$1,407,936</u>	<u>\$992,021</u>

Maintenance Supervision – (510)

Plant maintenance and technical departments' labor expenses are \$30,114 and \$21,476 higher than budgeted, respectively.

Generation (cont'd)

<u>Maintenance of Structures - (511)</u>	2018	2018
	<u>Budget</u>	<u>Actual</u>
Labor	\$141,321	\$134,776
Elevator maintenance	26,360	28,853
Contracted insulation replacement/repair	12,984	3,280
Overhead door maintenance	4,500	2,080
Unit 9 turbine roof restoration	300,000	-
Unit 9 roof maintenance	21,000	-
Extend Unit 9 vacuum header to the SH level	-	22,531
Unit 9 miscellaneous piping repairs	-	3,438
Hoist and crane repairs	-	5,669
Waste oil material dumpster	4,000	-
Extend Unit 9 vacuum header to the SH level	26,000	-
Fire protection panel inspection/repair	17,100	3,039
Backflow preventer inspection/repairs	7,650	27,791
Building door repairs	4,500	-
Other expenses	83,117	50,709
	<u>\$648,532</u>	<u>\$282,166</u>

Generation (cont'd)

<u>Maintenance of Boiler Plant - Boiler - (512-006)</u>	2018	2018
	<u>Budget</u>	<u>Actual</u>
Labor	\$375,615	\$310,645
Bottom ash system materials	71,434	51,709
Fly ash system materials	53,457	42,939
Reverse osmosis system	5,468	694
8A reboiler repairs	10,329	23,510
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 vacuum services	-	30,655
Deslag Unit 8 furnace	15,000	-
Explosive clean Unit 8 boiler	22,500	17,652
Unit 8 fly ash vacuum blower rebuild	15,000	-
Unit 8 restud/refractory	600,000	543,623
Unit 8 cyclone repairs	20,000	-
Unit 8 miscellaneous piping repairs	-	7,378
Unit 8 sootblower repairs	2,295	-
Unit 8 hydroset boiler & feedwater heater safety valves & repair	3,600	-
Unit 8 cyclone tubes NDE	12,000	-
Unit 8 deaerator NDE	12,000	-
Unit 8 boiler layup	35,000	-
Unit 8 boiler superheat tube alignment clips		75,089
Unit 8 miscellaneous valve repairs	240	17,086
Replace Unit 9 auxiliary steam line	-	18,615
Unit 9 pulverizer journal rebuild	80,000	-
9A Pulverizer motor inspection	14,000	7,592
Unit 9 routine pulverizer maintenance	62,502	39,213
Unit 9 miscellaneous piping repairs	40,000	15,009
Grit blast Unit 9 ID fans	3,240	-
Grit blast the finishing superheat on Unit 9 boiler	-	17,729
9A & 9B forced draft fan lubrication	-	2,202
Unit 9 reheat spray valve trim replacement	12,000	-
Unit 9 sootblower repairs	-	8,373
Rebuild Unit 9 sootblowers	15,750	-
Unit 9 boiler tube repairs/NDE	10,000	22,896
Unit 9 boiler vent, drain and blowdown valve repairs	11,250	61,796
Unit 9 miscellaneous valve repairs	21,000	8,840
Replace Unit 9 condensate control valve with DVC valve controller	8,000	-
Software/plant controls maintenance agreements	27,440	32,393
Other expenses	185,630	97,933
	<u>\$1,758,750</u>	<u>\$1,463,082</u>

Generation (cont'd)

<u>Maintenance of Boiler Plant – Pollution Control - (512-007)</u>	2018	2018
	<u>Budget</u>	<u>Actual</u>
Labor	\$146,900	\$115,816
Continuous emission monitoring expenses	61,139	50,747
PAC (powdered activated carbon) injection system costs	6,744	1,978
Grit blast & vacuum Unit 8 precipitator & ductwork	16,200	14,317
Miscellaneous precipitator repairs	45,025	3,137
Repair the limestone silo 901 south wall	18,000	-
Miscellaneous limestone handling equipment repairs	5,694	-
Wastewater equipment maintenance	6,950	1,791
Scrubber waste equipment repairs	5,898	1,018
FGD hydroclone repairs/replacements	7,500	-
Absorber spray pump inspection/repair	14,000	4,482
Absorber spray impeller replacement	6,000	-
Oxidation air compressor 901 rebuild	36,000	-
T901 WFC pump inspection	-	29,796
Quencher pump inspection/replacement/repair	5,000	12,529
Replace recirculating control valve for makeup water tank	-	10,164
Replace regulating valve for makeup water tank	-	8,576
Miscellaneous FGD equipment repairs	35,946	11,086
Other expenses	<u>1,703</u>	<u>1,240</u>
	<u>\$418,699</u>	<u>\$266,677</u>

Generation (cont'd)

<u>Maintenance of Electric Plant - (513-008)</u>	2018	2018
	<u>Budget</u>	<u>Actual</u>
Labor	\$135,548	\$167,581
Rebuild two Unit 9 traveling screens	55,000	56,430
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 auxiliary transformer repairs, hot oil process	28,000	29,222
Clean Unit 9 heat exchangers	7,200	-
Unit 9 miscellaneous plant maintenance	30,962	28,798
Unit 8 switchgear contactors' testing	-	3,053
Unit 8 generator electrical testing	15,000	5,757
Unit 8 lube oil pump motor repair	-	9,702
Clean Unit 8 condenser	2,800	-
Unit 8 turbine layup	35,000	-
8A steam turbine control & stop valve overhaul	-	33,741
8A turbine/generator repairs	13,144	13,970
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	8,878	3,034
Unit 7 miscellaneous plant maintenance	10,872	-190
GE, EX-2000, and Mark V service agreement	12,500	6,834
Other expenses	2,924	2,912
	<u>\$378,528</u>	<u>\$369,343</u>

Maintenance of Miscellaneous Steam Plant - (514)

Labor expense is \$31,512 lower than budgeted. Tools expenses are \$24,076 lower than budgeted; the Spider annual inspection, budgeted at \$5,775, has not been performed.

Generation (cont'd)

<u>Maintenance of Coal Handling Equipment - (516)</u>	2018	2018
	<u>Budget</u>	<u>Actual</u>
Labor	\$135,938	\$148,445
Rail car maintenance	63,300	100,837
Dozer maintenance	52,805	38,838
Coal conveyor maintenance	24,080	91,063
Lumpbreaker inspection/repair	4,200	2,781
Unit 8 control room PC	3,200	-
Track maintenance	27,000	3,958
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	11,496	10,036
Other expenses	<u>44,261</u>	<u>18,746</u>
	<u>\$371,280</u>	<u>\$434,505</u>

<u>System Control and Load Dispatch - (556)</u>	2018	2018
	<u>Budget</u>	<u>Actual</u>
Labor	\$80,020	\$76,298
SCADA Dark Fiber service & BUCC MME services	9,732	7,972
MISO operating & administrative fees	72,294	94,782
MISO & APDA memberships	1,126	1,126
Travel and training	250	485
Other expenses	<u>2,056</u>	<u>2,473</u>
	<u>\$165,478</u>	<u>\$183,136</u>

Depreciation – (558)

The budget assumed we would sell 36 railcars at the end of 2017, which did not occur.

TransmissionLoad Dispatching – (561)

Labor expenses and travel/training expenses are \$12,958 and \$3,672 lower than budgeted, respectively.

Station Expense – (562)

Labor expense is \$11,105 lower than budget. The budget includes \$24,000 to paint the 161 breakers that has not been expended. Expenses include \$11,420 to inspect and replace pole breakers, and \$2,843 for a GPC satellite clock.

Overhead Line Expense – (563)

Labor expense is \$5,287 higher than budgeted.

Transmission (cont'd)

Transmission of Electricity by Others – (565)

The cost of MISO's multi-value transmission and market efficiency projects are \$212,095 lower than budgeted.

Miscellaneous Transmission Expense – (566)

The Midwest Municipal Transmission Group membership is \$819 lower than budgeted, due to actual costs being allocated monthly. Local balancing authority investigation expenses, budgeted at \$5,000, have not been expended. Safety & training labor expense is \$2,390 lower than the budgeted.

Maintenance Supervision – (568)

Labor expense is \$4,980 lower than budgeted primarily due to the Manager, T&D position opening.

Maintenance of Station Equipment – (570)

Labor expense is \$15,618 higher than budgeted. Battery load testing, costing \$5,375, was not budgeted.

Maintenance of Overhead Lines – (571)

Line maintenance performed by MEC for the joint section of Line 104 is \$27,600 lower than budgeted. Other material expenses are \$2,899 lower than budgeted; plus labor expense is \$10,249 lower than the budget.

Depreciation – (576)

Substation assets were estimated at a higher cost than 2017 year-end actual.

Distribution

Operation Supervision – (580)

Labor expense is \$19,658 lower than budgeted due to the Manager, T&D position opening.

Load Dispatching – (581)

System control labor expense is \$15,256 higher than budgeted. The SCADA system's dark fiber lease is \$7,342 lower than budgeted.

Station Expense – (582)

Substation electricians' labor expense is \$22,521 lower than budgeted; project engineering budgeted \$6,676 labor expense that has not been expended. Material expenses, including lawn care, tools and grease, are \$5,053 lower than budgeted.

Overhead Line Expense – (583)

The budget includes \$26,188 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 \$3,384 and \$10,825 respectively. Gasoline and diesel fuel usage is \$5,395 greater than budgeted.

Distribution (cont'd)

Underground Line Expense – (584)

Dollies for URD cable pulling, budgeted at \$2,000, have not been needed. Outside servicemen have spent less time on locates, resulting in \$12,695 lower labor expense, plus \$2,099 lower material expenses.

Street Lighting – (585-STL)

Less time has been spent on street light repairs, resulting in \$8,370 lower labor expense.

Miscellaneous Distribution Expense – (588)

Labor expense is \$66,322 higher than budgeted; the electric line workers' labor makes up \$32,861 or 50% of this total. The share in MAGIC's operating expenses is \$5,121 higher than budgeted due to the implementation of GASB 75, which increased OPEB expense significantly. Engineering services, costing \$6,609, were not budgeted. Temporary labor services, totaling \$16,301, were not budgeted, and travel & training expenses are \$7,298 lower than budgeted.

Maintenance Supervision – (590)

Labor expense is \$23,264 lower than budget primarily due to the Manager, T&D position opening.

Maintenance of Structures – (591)

Labor and materials, budgeted at \$2,865 and \$2,750, respectively, were not needed.

Maintenance of Station Equipment – (592)

Material expenses, including cost to load test substation batteries, are lower than budget by \$6,408. Substation electricians' labor expense is \$9,840 lower than budgeted. The electric line workers budgeted \$5,140 labor to this account that has not been needed.

Maintenance of Overhead Lines – (593)

Labor and material expenses are \$19,419 and \$17,993 higher than the budget, respectively.

Maintenance of Underground Lines – (594)

Labor expense is \$24,509 lower, while material expense is \$20,577 higher than budgeted.

Maintenance of Line Transformers – (595)

Less time was spent on line transformer maintenance, resulting in \$8,910 lower labor expense. The budget includes \$14,000 to re-gasket and paint 2500 kVA transformers, which has not been completed.

Maintenance of Street Lighting – (596-STL)

Material expense is higher than budgeted by \$14,599.

Maintenance of Signal Expense – (596-419)

More than anticipated signal repairs resulted in \$8,314 higher labor and \$8,369 higher material expenses.

Maintenance of Meters – (597)

Calibration of meters and other material expenses are \$2,454 lower than budgeted.

Distribution (cont'd)Vacation, Holiday, Sick Leave – (599)

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

Depreciation – (578)

Substation assets were estimated at a higher cost than 2017 year-end actual due to capital projects not being completed.

Customer Service Expense

<u>Customer Information Expense - (909)</u>	2018	2018	2017
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<u>Marketing</u>			
Media advertising	\$7,021	\$7,363	\$7,116
Customer newsletter/bill inserts	0		
Customer newsletter/bill inserts	1,858	1,552	1,550
Postage	648	-	-
Promotional materials	2,575	337	342
Photo library	<u>1,524</u>	<u>162</u>	<u>972</u>
Subtotal - Marketing	<u>13,626</u>	<u>9,414</u>	<u>9,980</u>
<u>Energy Services</u>			
Trees Forever	13,000	13,000	13,000
Questline-EE newsletter service	5,000	-	-
City-owned buildings energy efficiencies	-	-	1,916
Customized energy efficiencies	600	-	-
Compact fluorescent exchange program	3,000	2,140	1,263
Customer awareness programs	1,002	13,390	4,786
Presentation materials	1,860	-	-
Science fair/poster contest	<u>2,500</u>	<u>2,315</u>	<u>1,860</u>
Subtotal - Energy Services	<u>26,962</u>	<u>30,845</u>	<u>22,825</u>
Miscellaneous	-	422	18
	<u>\$40,588</u>	<u>\$40,681</u>	<u>\$32,823</u>

Customer Service Expense (cont'd)

<u>Energy Efficiency Rebates - (912)</u>	2018	2018	2017
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Commercial lighting	\$20,400	\$14,319	\$35,497
Compact fluorescent lighting	1,500	1,187	1,042
Air conditioning	12,750	10,865	18,623
Refrigerator	2,310	2,190	1,445
City building improvement	5,400	-	-
Washing machine	2,000	2,350	1,300
Customized energy efficiency	-	20	1,625
Water heater	3,600	2,700	2,400
Geo-thermal	3,600	3,900	7,270
Motor	40,800	38,150	42,250
Dishwasher	1,000	950	975
	<u>\$93,360</u>	<u>\$76,631</u>	<u>\$112,427</u>

Consumer AccountsSupervision – (901)

Labor expense is \$12,088 lower due to budgeting for an additional temporary manager position.

<u>Consumer Records and Collection - (903)</u>	2018	2018	2017
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Labor	\$180,042	\$174,718	\$167,137
Temporary labor services	6,810	6,457	12,022
Postage	14,136	15,812	13,900
Payment processing fees	26,916	39,776	27,927
Collection fees	5,874	5,031	6,258
Integrated voice response service	906	918	947
Travel/training	1,963	71,000	2,146
Gasoline/diesel fuel	1,500	659	981
Other	4,240	2,547	2,656
	<u>\$242,387</u>	<u>\$245,989</u>	<u>\$233,974</u>

Administrative and GeneralAdministrative & General Salaries – (920)

Labor expense is \$15,035 lower than budgeted primarily due to open positions in the IT department.

<u>Office Supplies - (921)</u>	2018	2018	2017
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
General office supplies/phone	\$24,363	\$24,555	\$26,655
Memberships/subscriptions	11,554	12,571	14,329
Internet/MME	8,311	8,554	7,792
Office furniture	7,632	5,098	6,367
Computer hardware/software	17,267	21,778	8,416
Postage	-	4,712	2,424
Vehicle allowance	7,131	7,131	6,231
Vehicle maintenance	4,700	2,440	1,793
Gasoline/diesel fuel	2,000	1,481	932
Other	<u>7,246</u>	<u>6,530</u>	<u>10,122</u>
	<u>\$90,204</u>	<u>\$94,850</u>	<u>\$85,061</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	\$24,300	\$43,133	\$16,453
Succession planning	110-Board	32,400	-	-
Legal services	140-Brandy	20,600	6,296	25,497
Environmental legal services	140-Brandy	12,500	-	-
Transmission/reliability standards legal service	140-Brandy	10,000	18,709	11,985
Coal & transportation attorney	140-Brandy	2,496	-	-
Bond counsel	140-Brandy	750	-	-
Labor attorney	140-Brandy	2,520	-	1,497
CIP compliance consulting	145-Seth	20,000	2,274	1,800
NERC compliance consulting	145-Seth	3,750	7,463	4,200
Web design service	224-Rick	8,234	1,409	1,409
Insurance advisor	310-Jerry	20,412	20,412	20,412
Financial audit services	320-Cassie	35,235	37,675	29,819
Cost of service study	320-Cassie	-	-	20,812
Coal & transportation consulting	331-Brad	39,000	39,000	30,000
Fuel procurement committee consulting	331-Brad	3,000	-	-
IS department professional services	350-Greg	4,860	4,050	7,625
IS department review	350-Greg	-	-	15,882
509A Actuary	410-Brandy	891	790	790
Benefits consulting	410-Brandy	19,440	17,010	12,069
2017 Pension plan study	410-Brandy	-	(12,150)	-
Employee search services	410-Brandy	32,400	49,800	-
MISO consultant	610-Gage	1,250	-	-
Coal pile survey	612-Neal	10,000	450	393
Engineering services	760-Mark	-	-	6,042
		<u>\$304,038</u>	<u>\$236,321</u>	<u>\$206,685</u>

Property Insurance – (924)

The premium for property insurance was budgeted to increase 5%; the increase came to 11.4%.

Injuries and Damages – (925)

Workers compensation claims are \$28,576 lower than the budget, which was calculated using 6-years of historical data. The casualty insurance expense budget assumed 5-7% premium increases; actual premium costs increased only slightly resulting in \$11,570 lower expense.

Administrative and General (cont'd)

<u>Employee Pensions and Benefits (926)</u>	<u>2018</u>	<u>2018</u>	<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Pension	\$1,201,200	\$1,507,021	\$1,173,920
Healthcare costs	1,243,898	1,163,718	1,182,351
FICA	604,984	616,223	627,989
Deferred comp utility match	143,780	166,646	162,010
Dental	47,939	45,790	47,366
Educational reimbursements	14,175	9,807	11,054
LTD insurance	30,167	28,383	28,805
Life insurance	23,522	22,152	22,686
Post-employment health benefit	15,647	15,647	13,715
Recognition dinner	14,426	14,907	14,975
Unemployment expenses	16,200	1,788	81,867
Other expenses	<u>17,257</u>	<u>14,374</u>	<u>18,928</u>
	<u>\$3,373,195</u>	<u>\$3,606,456</u>	<u>\$3,385,666</u>

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

Fringe Benefits Charged to Construction – (927)

More time has been charged to capital projects than projected.

Administrative and General (cont'd)

<u>Miscellaneous General Expense (930)</u>	<u>2018</u>	<u>2018</u>	<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Employment expenses	\$23,127	\$16,626	\$16,371
APPA dues	14,880	16,618	12,603
IUB Iowa Energy Center	26,298	26,844	26,300
IAMU membership	17,772	20,202	18,958
GMCCI joint community branding project	8,100	20,250	-
Economic development pledge	-	34,020	17,010
Legal publications	2,634	2,605	1,785
General CIP Expense	30,000	-	-
Continuous Improvement	9,963	-	1,102
Financial Annual Report	12,555	670	4,528
Subscriptions/memberships	12,214	12,068	16,825
Employee team expenses	26,709	16,388	16,925
Training/travel	75,982	42,819	24,375
Safety-related expenses	3,931	2,536	2,150
Labor	23,542	14,374	13,153
Temporary labor services	14,023	25,030	33,697
Board trustee fees	3,645	3,645	3,645
Freight	6,510	9,304	10,503
Other expenses	<u>26,167</u>	<u>28,424</u>	<u>20,598</u>
	<u>\$338,052</u>	<u>\$292,423</u>	<u>\$240,528</u>

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.

Muscatine Power and Water

Water Utility

Statement of Revenues, Expenses and Changes in Net Position

June 2018

**Muscatine Power and Water
Water Utility**

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

	<u>Budget Estimate</u>	<u>%Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>%Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<u>Water Distribution - 1,000 Gallons</u>					
Contract Customers	710,600	(2.7)	691,278	4.6	660,762
Power Plants	43,108	(32.0)	29,322	(14.8)	34,403
Residential	47,624	(15.2)	40,404	(10.7)	45,225
Commercial	35,060	(1.3)	34,599	(8.5)	37,831
Total Metered Customers	836,392	(4.9)	795,603	2.2	778,221
Rated Customers - Estimate	---	---	---	---	11
City Use, Line Loss, Cycle Billing	50,184	(4.9)	47,737	2.2	46,693
Total Water Pumped	<u>886,576</u>	(4.9)	<u>843,340</u>	2.2	<u>824,925</u>

Calendar Year-to-Date

	<u>Budget Estimate</u>	<u>%Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>%Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<u>Water Distribution - 1,000 Gallons</u>					
Contract Customers	3,995,068	1.5	4,053,788	0.6	4,028,603
Power Plants	350,117	(5.1)	332,410	(3.1)	342,888
Residential	221,673	(6.5)	207,180	(3.0)	213,580
Commercial	171,088	(0.5)	170,288	(1.2)	172,306
Total Metered Customers	4,737,946	0.5	4,763,666	0.1	4,757,377
Rated Customers - Estimate	---	---	41	(50.0)	82
City Use, Line Loss, Cycle Billing	284,277	0.5	285,820	0.1	285,443
Total Water Pumped	<u>5,022,223</u>	0.5	<u>5,049,527</u>	0.1	<u>5,042,902</u>

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

	Budget		% Increase (Decrease) from Budget	This Year	% Increase (Decrease) from Last Year		Last Year	Avg. Price
	Estimate	Avg. Price			Avg. Price	Year		
<u>Sales of Water</u>								
Contract Customers	\$304,902	\$ 0.42908	(1.4)	\$300,691	\$ 0.43498	6.6	\$282,010	\$ 0.42680
Power Plants	28,642	0.66442	(13.2)	24,853	0.84758	(5.0)	26,148	0.76005
Residential	185,057	3.88579	(3.7)	178,183	4.41004	1.7	175,130	3.87242
Commercial	64,768	1.84735	(10.7)	57,864	1.67243	(4.5)	60,593	1.60168
Water Sales	583,369	0.69748	(3.7)	561,591	0.70587	3.3	543,881	0.69888
<u>Other Revenue</u>								
Penalty Revenue	855		15.4	987		0.3	984	
Merchandise & Job Sales-Net	833		(8.2)	765		-7.4X	(119)	
Miscellaneous Revenue	815		(2.2)	797		1.3	787	
Total Other Revenue	2,503		1.8	2,549		54.3	1,652	
Operating Revenue	585,872		(3.7)	564,140		3.4	545,533	
<u>Operating Expense</u>								
Operation	338,236		(2.2)	330,915		2.9	321,524	
Maintenance	102,059		(22.0)	79,651		(28.6)	111,543	
Depreciation	73,912		(3.2)	71,558		11.0	64,466	
Total Operating Expense	514,207		(6.2)	482,124		(3.1)	497,533	
Operating Income	71,665		14.4	82,016		70.9	48,000	
<u>Nonoperating Revenues (Expenses)</u>								
Interest Income	896		10.2X	9,995		33.9X	286	
Interest Expense	(39,668)		0.0	(39,668)		(81.6)	(216,113)	
Net Nonoperating Revenues (Expenses)	(38,772)		(23.5)	(29,673)		(86.3)	(215,827)	
Net Income (Loss) before Capital Contributions	32,893		59.1	52,343		-1.3X	(167,827)	
Capital Contributions	---		---	---		---	---	
Change in Net Position	32,893		59.1	52,343		-1.3X	(167,827)	
Beginning Net Position	16,577,883			16,766,306			16,622,909	
Ending Net Position	\$16,610,776			\$16,818,649			\$16,455,082	
Net Income (Loss) to Operating Revenue	5.6			9.3			(30.8)	
Debt Service Coverage	1.04			1.40			15.75	

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

	Budget		% Increase (Decrease) from Budget	This Year	% Increase (Decrease) from Last Year		Last Year	Avg. Price
	Estimate	Avg. Price			Avg. Price	Year		
<u>Sales of Water</u>								
Contract Customers	\$1,722,060	\$ 0.43105	0.9	\$1,738,370	\$ 0.42883	5.1	\$1,654,660	\$ 0.41073
Power Plants	189,420	0.54102	(4.5)	180,905	0.54422	(1.3)	183,249	0.53443
Residential	1,005,862	4.53759	(1.2)	993,464	4.79518	4.2	953,162	4.46279
Commercial	309,097	1.80666	0.9	311,981	1.83208	2.2	305,145	1.77095
Water Sales	3,226,439	0.68098	(0.1)	3,224,720	0.67694	4.2	3,096,216	0.65082
<u>Other Revenue</u>								
Penalty Revenue	4,273		42.0	6,068		40.8	4,309	
Merchandise & Job Sales-Net	5,000		31.1	6,556		62.3	4,039	
Miscellaneous Revenue	7,433		14.3	8,497		(17.3)	10,279	
Total Other Revenue	16,706		26.4	21,121		13.4	18,627	
Operating Revenue	3,243,145		0.1	3,245,841		4.2	3,114,843	
<u>Operating Expense</u>								
Operation	2,063,997		(0.9)	2,045,025		3.6	1,974,497	
Maintenance	483,751		(25.6)	359,821		(33.9)	544,313	
Depreciation	443,468		(3.2)	429,343		11.0	386,715	
Total Operating Expense	2,991,216		(5.2)	2,834,189		(2.5)	2,905,525	
Operating Income	251,929		63.4	411,652		96.7	209,318	
<u>Nonoperating Revenues (Expenses)</u>								
Interest Income	5,697		8.2X	52,347		69.5X	743	
Interest Expense	(238,439)		(0.6)	(236,939)		6.2	(223,072)	
Net Nonoperating Revenues (Expenses)	(232,742)		(20.7)	(184,592)		(17.0)	(222,329)	
<u>Net Income (Loss) before Capital Contributions</u>								
	19,187		10.8X	227,060		-18.5X	(13,011)	
Capital Contributions	---		---	---		---	---	
Change in Net Position	19,187		10.8X	227,060		-18.5X	(13,011)	
Beginning Net Position	16,591,589			16,591,589			16,468,093	
Ending Net Position	\$16,610,776			\$16,818,649			\$16,455,082	
Net Income (Loss) to Operating Revenue	0.6			7.0			(0.4)	
Debt Service Coverage	1.35			1.78			22.07	

Muscatine Power and Water - Water Utility
Statements of Net Position
June 2018

ASSETS

	<u>2018</u>	<u>2017</u>
Current Assets:		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$571,647	\$693,155
Receivables:		
Consumer Accounts	742,407	703,085
Interest	78	29
Inventories	351,614	349,331
Prepaid Expenses	53,843	57,296
	<hr/>	<hr/>
Total Unrestricted Current Assets	1,719,589	1,802,896
	<hr/>	<hr/>
<u>Restricted Assets</u>		
Cash - interest bearing	6,177,682	9,629,576
	<hr/>	<hr/>
Total Restricted Current Assets	6,177,682	9,629,576
	<hr/>	<hr/>
Total Current Assets	7,897,271	11,432,472
	<hr/>	<hr/>
Non-Current Assets:		
Unamortized debt issuance costs	54,482	58,683
	<hr/>	<hr/>
Property and Equipment:		
At Cost	37,861,847	33,840,271
Less Accumulated Depreciation	11,350,640	10,880,312
	<hr/>	<hr/>
Net Property and Equipment	26,511,207	22,959,959
	<hr/>	<hr/>
Deferred Outflows of Resources		
Pension	810,443	610,291
IPERS	197,472	114,030
OPEB	10,397	---
	<hr/>	<hr/>
Total Deferred Outflows of Resources	1,018,312	724,321
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$35,481,272</u>	<u>\$35,175,435</u>

Muscatine Power and Water - Water Utility
Statements of Net Position
June 2018

LIABILITIES AND NET POSITION

	<u>2018</u>	<u>2017</u>
Current Liabilities:		
<u>Payable from Unrestricted Assets</u>		
Accounts Payable	\$147,867	\$436,728
Health & Dental Insurance Provision	32,700	31,680
Retained Percentage on Contracts	58,270	14,734
Consumer Advances for Construction	600	91,105
Accrued Payroll	75,444	79,321
Accrued Vacation	151,867	141,049
Accrued Property Taxes	2,231	1,358
Miscellaneous Accrued Expenses	62,152	71,218
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	531,131	867,193
<u>Payable from Restricted Assets</u>		
State Revolving Loan - Current Portion	33,000	32,000
Water Revenue Bonds - Current Portion	375,000	---
Accrued Interest	48,022	3,460
	<hr/>	<hr/>
Total Payable from Restricted Assets	456,022	35,460
	<hr/>	<hr/>
Total Current Liabilities	987,153	902,653
Non-Current Liabilities:		
State Revolving Loan	35,000	68,000
Notes Payable to Electric Utility	---	---
Water Revenue Bond Series 2017	15,392,848	15,872,296
Health & Dental Insurance Provision	58,849	33,420
Post-Employment Health Benefit Provision	88,065	41,626
Net Pension Liability	1,708,040	1,341,290
Consumer Advances for Construction	198,259	198,772
	<hr/>	<hr/>
Total Non-Current Liabilities	17,481,061	17,555,404
Deferred Inflows of Resources		
Pension	79,730	42,321
IPERS	102,764	219,975
OPEB	11,916	---
	<hr/>	<hr/>
Total Deferred Inflows of Resources	194,410	262,296
Net Position:		
Net Investment in Capital Assets	10,476,500	22,570,082
Restricted	6,129,660	9,626,116
Unrestricted	212,489	(15,741,116)
	<hr/>	<hr/>
Total Net Position	16,818,649	16,455,082
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET POSITION	<u>\$35,481,272</u>	<u>\$35,175,435</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$82,016	\$411,652
Noncash item in operating income:		
Depreciation of utility plant	71,558	429,343
Amortization of Debt Discount	---	1,500
Change in deferred outflows of resources - pension	(19,020)	(86,476)
Changes in assets and liabilities:		
Consumer accounts receivable	(24,225)	8,632
Inventories	597	3,386
Prepaid and deferred expenses	7,420	2,179
Accounts payable	(227,923)	(729,077)
Net pension liability	17,715	106,288
Health & dental insurance provision	353	(23,267)
Other post-employment benefit provision	348	2,087
Retained percentage	7,601	(25,246)
Accrued payroll	2,224	(1,691)
Accrued vacation	(1,280)	14,185
Accrued property taxes	113	(875)
Unearned revenue	---	(2,800)
Miscellaneous accrued expenses	(4,333)	1,888
Net cash flows from operating activities	<u>(86,836)</u>	<u>111,708</u>
Cash flows from capital and related financing activities:		
State revolving loan fund principal payments	(32,000)	(32,000)
Bond & loan interest payments	(287,025)	(288,775)
Capital expenditures, net	(412,303)	(1,273,759)
Net cash flows from capital and related financing activities	<u>(731,328)</u>	<u>(1,594,534)</u>
Cash flows from investing activities:		
Interest received on investments	9,984	52,307
Net cash flows from investing activities	<u>9,984</u>	<u>52,307</u>
Net decrease in cash and investments	<u>(808,180)</u>	<u>(1,430,519)</u>
Cash and investments at beginning of period	<u>\$7,557,506</u>	<u>\$8,179,845</u>
Cash and investments at end of period	<u><u>\$6,749,326</u></u>	<u><u>\$6,749,326</u></u>

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision (600)	\$3,460		\$3,356		\$3,809	
Operation Labor and Expenses (601)	852		911		1,267	
Miscellaneous Expense (603)	385		1,005		1,013	
Maintenance of Wells (614)	20,000		---		48,315	
Maintenance of Supply Mains (616)	382		51		---	
Depreciation (618)	<u>11,563</u>		<u>9,449</u>		<u>9,525</u>	
Total Source of Supply Expense	<u>36,642</u>	6.3	<u>14,772</u>	2.6	<u>63,929</u>	11.7
 <u>Pumping</u>						
Operation Supervision (620)	3,895		3,734		4,192	
Fuel or Power Purchased (623)	87,220		79,311		81,564	
Pumping Labor and Expenses (624)	5,203		4,197		4,739	
Miscellaneous Expense (626)	316		564		327	
Maintenance of Structures (631)	449		---		---	
Maintenance of Pumping Equipment (632/633)	35,462		2,209		21,347	
Depreciation (634)	<u>6,690</u>		<u>6,240</u>		<u>6,294</u>	
Total Pumping Expense	<u>139,235</u>	23.8	<u>96,255</u>	17.1	<u>118,463</u>	21.7
 <u>Water Treatment</u>						
Operation Supervision (640)	3,517		3,314		3,829	
Chemicals (641)	18,122		17,609		17,197	
Operation Labor and Expenses (642)	14,377		17,110		14,910	
Miscellaneous Expense (643)	1,033		1,332		1,444	
Maintenance of Structures (651)	1,175		2,192		35	
Maintenance of Purification Equip. (652)	2,212		1,382		4,344	
Depreciation (654)	<u>3,443</u>		<u>3,262</u>		<u>3,262</u>	
Total Water Treatment Expense	<u>43,879</u>	7.5	<u>46,201</u>	8.2	<u>45,021</u>	8.3
 <u>Distribution</u>						
Operation Supervision (660)	3,574		3,521		3,965	
Storage Facilities Expense (661)	4,957		5,454		6,402	
Trans. & Distr. Lines Expense (662)	3,348		5,023		1,920	
Meter Expense (663)	9,726		9,495		11,339	
Consumer Installation Expense (664)	10,180		5,712		5,534	
Miscellaneous Expense (665)	15,986		14,983		14,248	
Vehicle Expense (667)	4,625		10,109		5,277	
Maintenance:						
Supervision (670)	5,051		4,752		5,248	
Structures (671)	415		205		1,693	
Reservoirs and Standpipes (672)	249		829		4,723	
Mains (673)	16,828		44,397		6,489	
Valves (674)	4,408		5,457		3,672	
Meters (676)	2,182		2,078		544	
Hydrants (677)	4,729		5,909		8,905	
Miscellaneous Plant (678)	3,242		6,859		2,736	
Vacation, Holiday, Sick Leave (679)	12,065		10,694		10,618	
Depreciation (680)	<u>40,815</u>		<u>39,456</u>		<u>36,184</u>	
Total Distribution Expense	<u>\$142,380</u>	24.3	<u>\$174,933</u>	31.0	<u>\$129,497</u>	23.7

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision (600)	\$20,911		\$21,651		\$20,968	
Operation Labor and Expenses (601)	5,786		5,309		5,147	
Miscellaneous Expense (603)	1,395		2,379		3,092	
Maintenance of Wells (614)	120,000		---		114,711	
Maintenance of Supply Mains (616)	2,291		51		---	
Depreciation (618)	69,376		56,692		57,152	
Total Source of Supply Expense	219,759	6.8	86,082	2.7	201,070	6.5
 <u>Pumping</u>						
Operation Supervision (620)	22,987		23,832		23,696	
Fuel or Power Purchased (623)	492,793		452,469		499,419	
Pumping Labor and Expenses (624)	31,255		34,711		27,498	
Miscellaneous Expense (626)	1,897		2,353		1,823	
Maintenance of Structures (631)	2,697		---		273	
Maintenance of Pumping Equipment (632/633)	103,484		23,261		167,271	
Depreciation (634)	40,140		37,442		37,764	
Total Pumping Expense	695,253	21.4	574,068	17.7	757,744	24.3
 <u>Water Treatment</u>						
Operation Supervision (640)	21,099		21,602		21,831	
Chemicals (641)	109,339		111,566		105,234	
Operation Labor and Expenses (642)	91,707		98,354		92,473	
Miscellaneous Expense (643)	15,523		18,049		13,547	
Maintenance of Structures (651)	6,462		9,175		7,669	
Maintenance of Purification Equip. (652)	10,521		8,280		23,299	
Depreciation (654)	20,658		19,570		19,570	
Total Water Treatment Expense	275,309	8.5	286,596	8.8	283,623	9.1
 <u>Distribution</u>						
Operation Supervision (660)	21,852		22,949		22,427	
Storage Facilities Expense (661)	30,705		32,157		32,078	
Trans. & Distr. Lines Expense (662)	31,198		42,439		31,542	
Meter Expense (663)	59,727		65,134		57,783	
Consumer Installation Expense (664)	45,117		33,614		25,770	
Miscellaneous Expense (665)	103,529		100,800		104,272	
Vehicle Expense (667)	27,474		48,288		30,160	
Maintenance:						
Supervision (670)	30,202		29,997		31,081	
Structures (671)	2,292		478		2,507	
Reservoirs and Standpipes (672)	1,494		2,752		6,833	
Mains (673)	98,388		164,928		97,070	
Valves (674)	30,992		41,404		22,072	
Meters (676)	12,694		23,085		5,687	
Hydrants (677)	12,032		11,220		20,364	
Miscellaneous Plant (678)	19,451		22,829		23,594	
Vacation, Holiday, Sick Leave (679)	88,878		90,757		86,707	
Depreciation (680)	244,890		236,735		217,024	
Total Distribution Expense	\$860,915	26.5	\$969,566	29.9	\$816,971	26.2

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$761	0.1	\$905	0.2	\$1,052	0.2
<u>Consumer Accounts</u>						
Supervision (901)	2,470		1,590		1,165	
Meter Reading Expense (902)	4,072		4,138		3,769	
Consumer Records and Collection (903)	16,712		16,865		17,282	
Uncollectible Accounts Expense (904)	811		811		1,104	
Vacation, Holiday, Sick Leave (906)	1,829		1,312		1,564	
Total Consumer Accounts Expense	25,894	4.4	24,716	4.4	24,884	4.6
<u>Administrative and General</u>						
Administrative and General Salaries (920)	22,118		21,995		20,983	
Office Supplies and Expenses (921)	2,182		2,015		2,793	
Outside Services Employed (923)	1,654		2,017		308	
Property Insurance (924)	1,843		1,960		1,760	
Casualty Ins, Injuries & Damages (925)	5,011		4,198		6,536	
Employee Pensions and Benefits (926)	66,625		64,435		62,034	
Fringe Benefits Charged to Constr. (927)	(10,584)		(11,489)		(11,101)	
Miscellaneous General Expense (930)	10,494		13,932		9,394	
Rents (931)	6,207		6,207		6,279	
Maintenance of General Plant (932)	5,275		3,331		3,492	
Vacation, Holiday, Sick Leave (936)	3,190		2,590		3,008	
Depreciation (933)	11,401		13,151		9,201	
Total Administrative and General	125,416	21.4	124,342	22.0	114,687	21.0
Total Operating Expense	<u>\$514,207</u>		<u>\$482,124</u>		<u>\$497,533</u>	
Percent to Operating Revenue		87.8		85.5		91.2

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$4,581	0.1	\$3,325	0.1	\$3,850	0.1
<u>Consumer Accounts</u>						
Supervision (901)	14,822		9,480		8,210	
Meter Reading Expense (902)	24,300		25,496		24,757	
Consumer Records and Collection (903)	99,647		101,883		94,326	
Uncollectible Accounts Expense (904)	4,866		4,866		6,624	
Vacation, Holiday, Sick Leave (906)	13,575		11,907		12,567	
Total Consumer Accounts Expense	157,210	4.8	153,632	4.7	146,484	4.7
<u>Administrative and General</u>						
Administrative and General Salaries (920)	132,709		130,934		126,452	
Office Supplies and Expenses (921)	10,817		13,451		11,903	
Outside Services Employed (923)	16,698		12,838		9,214	
Property Insurance (924)	10,807		11,159		10,374	
Casualty Ins, Injuries & Damages (925)	30,382		23,817		30,552	
Employee Pensions and Benefits (926)	402,530		405,423		373,712	
Fringe Benefits Charged to Constr. (927)	(52,544)		(56,759)		(52,207)	
Miscellaneous General Expense (930)	66,994		59,881		48,243	
Rents (931)	37,242		37,242		37,676	
Maintenance of General Plant (932)	30,751		22,361		21,882	
Vacation, Holiday, Sick Leave (936)	23,399		21,669		22,777	
Depreciation (933)	68,404		78,904		55,205	
Total Administrative and General	778,189	24.0	760,920	23.4	695,783	22.3
Total Operating Expense	\$2,991,216		\$2,834,189		\$2,905,525	
Percent to Operating Revenue		92.2		87.3		93.3

**Muscatine Power and Water - Water Utility
Statistical Data
Current Month - June 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	0.666	0.706	0.659	0.699
Cost Per 1,000 Gallons	<u>0.572</u>	<u>0.606</u>	<u>0.603</u>	<u>0.639</u>
Margin	<u>0.094</u>	<u>0.100</u>	<u>0.056</u>	<u>0.060</u>

	<u>2018</u>	<u>2017</u>
Maximum Daily Water Pumped (1,000 gallons)	30,669	30,496
Date of Maximum	06/30	06/13

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	0.639	0.677	0.614	0.651
Cost Per 1,000 Gallons	<u>0.561</u>	<u>0.595</u>	<u>0.576</u>	<u>0.611</u>
Margin	<u>0.077</u>	<u>0.082</u>	<u>0.038</u>	<u>0.040</u>

	<u>2018</u>	<u>2017</u>
Maximum Daily Water Pumped (1,000 gallons)	30,669	30,872
Date of Maximum	06/30	01/11

Services

Contract Customers	2	2
Power Plants	2	2
Residential	8,798	8,782
Commercial	<u>1,085</u>	<u>1,083</u>
Total	<u>9,887</u>	<u>9,869</u>

Water Utility
Review of Operating Results
June 2018

**MUSCATINE POWER AND WATER - WATER UTILITY
VARIANCES FROM BUDGETED NET POSITION - JUNE 30, 2018**

	(Unfavorable)/ Favorable Compared to Budget	
Sales of Water		
Contract Customers	\$ 21,026	GPC consumption is 2.1% higher than budget, offset by a 0.7% lower billing rate
	(4,716)	Heinz's consumption is 6.4% lower than budgeted, offset by a 3.3% higher billing rate
	(8,515)	Power plants' consumption is 5.1% lower than budgeted offset by a 0.6% higher billing rate
	(12,398)	Residential consumption is 6.5% lower than budgeted offset by a 5.7% higher billing rate
	2,884	Commercial consumption is 0.5% lower than budgeted offset by a 1.4% higher billing rate
	<u>(1,719)</u>	
Other Revenue		
Penalty Revenue	1,795	Higher penalty revenue
Merchandise & Job Sales-Net	1,556	Higher job sales revenue
Miscellaneous Revenue	1,064	Other miscellaneous variances
	<u>4,415</u>	
Operating Expense		
Operation	40,323	Lower fuel/power purchased due to 3.5% lower kWh consumed and 4.8% lower cost per kWh, partially offset by 0.5% more gallons pumped
	(2,227)	Higher chemicals expense than budgeted due to more gallons pumped and increased application of phosphate compared to budget
	(2,935)	Pumping materials expense higher than budgeted
	(5,433)	T&D lines materials expense higher than budgeted
	(3,908)	Meter material expense higher than budgeted
	(4,557)	Higher vehicle fuel usage expense
	(15,875)	Vehicle materials expense higher than budgeted
	(4,961)	Higher cost of credit card processing fees
	2,800	Succession planning expense less than budgeted
	(1,628)	Organizational development expense more than budgeted
	5,498	Lower cost of workers compensation
	10,689	Lower health care cost
	(11,188)	Higher pension expense
	2,388	Lower FICA expense
	(3,509)	Higher IPERS expense
	(2,605)	Higher cost of deferred comp utility match
	5,451	Lower miscellaneous general travel expenses
	32,446	Lower labor, sick, personal and vacation expense
	(21,797)	Other miscellaneous variances - net
	<u>18,972</u>	
Maintenance	120,000	Well cleaning has not begun yet
	64,731	Lower cost of pumping equipment materials due to fewer repairs
	(74,708)	Higher cost of mains materials due to higher concrete repairs
	(9,644)	Higher cost of valves materials due to more repairs
	(5,663)	Higher cost of meter materials due to more repairs at GPC
	7,154	Lower cost of maintenance agreements
	1,120	Lower cost of memberships and subscriptions
	12,045	Maintenance labor under budget
	8,895	Other miscellaneous variances - net
	<u>123,930</u>	
Depreciation	<u>14,125</u>	
Nonoperating Revenue (Expense)		
Interest Income	46,650	Water bond project fund interest rate higher than budgeted
Interest Expense	1,500	Refund of bond issuance cost overpayment
	<u>48,150</u>	
Change in Net Position	<u>\$ 207,873</u>	Total Variance in Budgeted Net Position

Statements of Revenues, Expenses and Changes in Net Position

Sales of Water

- Contract customers' water usage is 1.5% higher than budgeted offset slightly by lower contract rates resulting in \$16,310 more revenue. GPC's usage was 2.1% higher than budget offset by a 0.7% lower billing rate, resulting in \$21,026 more revenue. Heinz's usage was 6.4% lower than budget, offset by a 3.3% higher billing rate, resulting in \$4,716 less revenue. Power plants' usage was 5.1% lower than budget, offset slightly by a 0.6% higher billing rate, resulting in \$8,515 less revenue. Residential customers' water usage is 6.5% lower than budgeted, offset by a 5.7% higher billing rate resulting in \$12,398 lower revenue. Commercial customers' water usage is 0.5% lower than budgeted, offset by a 1.4% higher billing rate, resulting in \$2,884 more revenue.

Nonoperating Revenue (Expense)

- Interest income is \$46,650 higher than budget 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 \$120,000; well cleaning is not scheduled to begin until the middle of July.

Depreciation – (618)

- Depreciation under budget \$12,684 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 0.5% more gallons pumped than budget, resulting in \$40,323 lower expense.

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Fuel or Power Purchased	\$ 492,792	\$ 452,469	\$ 499,419
1,000 Gallons Pumped	5,022,222	5,049,527	5,042,902
Cost per 1,000 Gal. Pumped	0.0981	0.0896	0.0990
kWhs Consumed	7,975,989	7,693,280	7,903,420
kWh per 1,000 Gal. Pumped	1.59	1.52	1.57

Pumping (cont'd)Pumping Labor and Expenses – (624)

- Materials expense over budget \$2,935 of which \$2,722 is due to purchase of filtration unit.
- Water production labor under budget \$1,979.
- SCADA labor over budget \$1,059.
- Control center labor over budget \$1,428.

Maintenance of Pumping Equipment – (632/633)

- Tech Services labor under budget \$7,364.
- Planning/Scheduling labor under budget \$5,681.
- Water production labor under budget \$3,904.
- Electricians labor under budget \$1,629.
- SCADA labor under budget \$1,827.
- Distribution department labor over budget \$3,613.
- Material expenses under budget \$64,731 due to fewer repairs. Repairs will begin when well cleaning begins in the middle of July.

Water TreatmentChemicals Expense – (641)

- Chemical expense year-to-date is \$2,227 more than budgeted primarily due to higher gallons pumped and increased application of phosphate compared to budget.

	2018 Budget			2018 Actual			2017 Actual		
1,000 Gal. Pumped	5,022,222			5,049,527			5,042,902		
(lbs)	Units	\$	Per Unit	Units	\$	Per Unit	Units	\$	Per Unit
Chlorine	74,341	\$ 23,254	\$0.313	74,040	\$ 22,327	\$0.302	75,080	\$ 22,653	\$0.302
Hydrofluoro-silic Acid	107,050	\$ 34,256	\$0.320	101,998	\$ 32,672	\$0.320	99,905	\$ 32,282	\$0.323
Phosphate	54,557	\$ 51,829	\$0.950	59,190	\$ 56,567	\$0.956	53,010	\$ 50,299	\$0.949
Total		\$109,339			\$111,566			\$105,234	

Operation Labor and Expenses – (642)

- Water production labor over budget \$4,893.
- Distribution department labor over budget \$829.
- Materials expense over budget \$957.

DistributionTransmission & Distribution Lines Expense (662)

- Distribution department labor over budget \$4,901.
- Material handling department labor over budget \$842.
- Material expenses over budget by \$5,433.

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

- Outside services department labor over budget \$1,167.
- Material expenses over budget \$3,908 of which \$2,059 is for wire seals.

Customer Installation Expense – (664)

- Outside services department labor under budget \$13,190.
- Distribution department labor over budget \$670.
- Material expenses over budget \$880.

Vehicle Expense – (667)

- Labor over budget \$382.
- Fuel usage over budget \$4,557.
- Materials expense over budget \$15,875, of which \$6,811 is for a short block assembly for V69 and \$4,214 is for a DPF filter for V64.

Maintenance of Mains – (673)

- Distribution department labor under budget \$10,033.
- Material handling department labor over budget \$860.
- Materials expense over budget \$74,708 due to higher concrete repairs.

Maintenance of Valves – (674)

- Material handling department labor over budget \$1,251.
- Distribution department labor under budget \$823.
- Materials expense over budget \$9,644 due to higher valve repairs.

Maintenance of Meters – (676)

- Labor over budget \$4,637.
- Materials expense over budget \$5,663 which is primarily due to meter repairs at GPC.

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 Service ExpenseCustomer Information Expense – (909)

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Billtrust	\$ 180	\$ 124	\$ 55
Postage	288	---	---
Promotional Material/Education	828	333	125
Media Advertising	2,172	2,051	2,795
Newsletter	822	665	650
Customer Awareness Programs	---	138	141
Presentation Materials	162	---	---
Photo Library	129	14	84
	<u>\$ 4,581</u>	<u>\$ 3,325</u>	<u>\$ 3,850</u>

Consumer AccountsSupervision – (901)

- Labor under budget \$5,341.

Consumer Records and Collection – (903)

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Labor	\$ 71,987	\$ 70,441	\$ 65,614
Credit Card Processing	6,175	11,136	6,127
Bill Trust Expense	2,850	3,231	2,715
Postage	6,246	6,965	6,002
Temp Services	3,010	2,607	5,192
Fuel	900	299	421
Invoice Cloud	1,159	1,283	1,128
Collection Expense	2,565	2,198	2,672
IVR	399	405	360
Other Expenses	4,356	3,318	4,095
	<u>\$ 99,647</u>	<u>\$ 101,883</u>	<u>\$ 94,326</u>

Administrative and GeneralOutside Services Employed – (923)

	Resp Code	2018 Budget	2018 Actual	2017 Actual
Succession Planning	110-Board	\$ 2,800	\$---	\$---
Consulting Services	120-Sal	---	---	509
Organizational Development	120-Sal	2,100	3,728	913
Labor Legal Services	140-Brandy	600	---	---
General Legal Services	140-Brandy	700	256	85
Web Graphics	224-Rick	711	122	122
Insurance Advisor	310-Jerry	1,764	1,764	1,764
Bond Services	310-Jerry	---	1,000	---
Audit Services	320-Cassie	3,045	3,256	2,577
IS Professional Services	350-Greg	---	350	659
IS Review	350-Greg	---	---	1,373
ACS Services	350-Greg	420	---	---
Comp Reviews-Pete Keller	410-Brandy	105	---	---
Pension Study/ GASB Rpt	410-Brandy	---	(1,050)	---
509A Actuary	410-Brandy	77	68	68
Engineering Comp Review	410-Brandy	---	---	101
Employee Search	410-Brandy	2,800	1,874	---
Benefits Consulting	410-Brandy	1,576	1,470	1,043
		\$ 16,698	\$ 12,838	\$ 9,214

Injuries & Damages – (925)

- Workers compensation under budget \$5,498.

Employee Pensions and Benefits – (926)

	2018 Budget	2018 Actual	2017 Actual
Health Care Cost	\$ 165,853	\$ 155,164	\$ 155,571
Pension*	95,100	106,288	82,795
FICA	78,370	75,982	72,590
IPERS	26,492	30,001	26,719
Deferred comp utility match	16,380	18,985	16,201
Life, LTD & ADD	6,327	5,954	5,323
Dental	6,392	6,105	6,232
OPEB	2,086	2,086	1,804
Unemployment	1,400	---	1,023
Other Expenses	4,130	4,858	5,454
	\$ 402,530	\$ 405,423	\$ 373,712

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

Administrative and General (cont'd)

Fringe Benefits Charged to Construction – (927)

- More time was charged to capital projects through June than projected.

Miscellaneous General Expense – (930)

- Travel expenses under budget \$5,451.
- Memberships & subscriptions under budget \$1,486.
- Temporary services over budget \$1,610.
- Other miscellaneous materials are under budget \$2,210.

Maintenance of General Plant – (932)

- Maintenance agreements under budget \$7,154.
- Memberships and subscriptions under budget \$1,120.

Depreciation – (933)

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

Muscatine Power and Water

Communications Utility

Statement of Revenues, Expenses and Changes in Net Position

June 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 - June 2018

	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<u>Operating Revenue</u>					
Video	\$600,003	(4.1)	\$575,456	(0.9)	\$580,649
Data/Internet	503,388	5.3	530,096	6.9	495,709
Phone	11,709	(95.3)	556	---	---
MAN	60,500	8.1	65,393	8.1	60,469
Miscellaneous	<u>11,637</u>	(13.6)	<u>10,057</u>	(31.9)	<u>14,762</u>
Total Operating Revenues	<u>1,187,237</u>	(0.5)	<u>1,181,558</u>	2.6	<u>1,151,589</u>
<u>Operating Expense</u>					
Operation	782,158	(1.7)	769,151	5.5	728,841
Maintenance	91,739	1.9	93,497	7.7	86,850
Depreciation	<u>134,849</u>	(6.0)	<u>126,791</u>	(6.0)	<u>134,926</u>
Total Operating Expenses	<u>1,008,746</u>	(1.9)	<u>989,439</u>	4.1	<u>950,617</u>
Operating Income	<u>178,491</u>	7.6	<u>192,119</u>	(4.4)	<u>200,972</u>
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	1,362	13.2X	19,342	3.4X	4,348
Interest Expense	<u>(28,151)</u>	(4.0)	<u>(27,031)</u>	6.2X	<u>(3,768)</u>
Net Nonoperating Expense	<u>(26,789)</u>	(71.3)	<u>(7,689)</u>	-14.3X	<u>580</u>
Net Income before Capital Contributions	151,702	21.6	184,430	(8.5)	201,552
Capital Contributions	<u>1,365</u>	(48.5)	<u>703</u>	(43.2)	<u>1,238</u>
Change in Net Position	153,067		185,133		202,790
Beginning Net Position	<u>8,008,197</u>		<u>8,345,822</u>		<u>6,375,557</u>
Ending Net Position	<u>\$8,161,264</u>		<u>\$8,530,955</u>		<u>\$6,578,347</u>
Net Income (Loss) to Operating Revenue	12.8		15.6		17.5
Debt Service Coverage on Bank Debt	1.75		1.88		---
Debt Service Coverage on Electric Utility Debt	3.06		3.60		7.75

Muscatine Power and Water - Communications Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - June 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>
<u>Operating Revenue</u>					
Video	\$3,512,473	(2.0)	\$3,441,909	0.2	\$3,434,076
Data/Internet	2,966,716	4.0	3,086,219	6.0	2,910,220
Phone	35,090	(97.6)	838	---	---
MAN	363,000	8.1	392,377	6.4	368,625
Miscellaneous	69,824	(9.0)	63,521	(7.4)	68,602
Total Operating Revenues	<u>6,947,103</u>	0.5	<u>6,984,864</u>	3.0	<u>6,781,523</u>
<u>Operating Expense</u>					
Operation	4,767,791	(3.6)	4,595,383	4.8	4,383,637
Maintenance	546,681	(8.3)	501,167	8.4	462,214
Depreciation	809,094	(6.0)	760,746	(6.0)	809,556
Total Operating Expenses	<u>6,123,566</u>	(4.3)	<u>5,857,296</u>	3.6	<u>5,655,407</u>
Operating Income	<u>823,537</u>	36.9	<u>1,127,568</u>	0.1	<u>1,126,116</u>
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	9,215	9.0X	92,177	4.4X	17,014
Interest Expense	(168,907)	7.9	(182,239)	7.1X	(22,611)
Net Nonoperating Expense	<u>(159,692)</u>	(43.6)	<u>(90,062)</u>	15.1X	<u>(5,597)</u>
Net Income before Capital Contributions	663,845	56.3	1,037,506	(7.4)	1,120,519
Capital Contributions	8,190	(48.5)	4,220	(52.8)	8,934
Change in Net Position	672,035		1,041,726		1,129,453
Beginning Net Position	<u>7,489,229</u>		<u>7,489,229</u>		<u>5,661,535</u>
Ending Net Position	<u><u>\$8,161,264</u></u>		<u><u>\$8,530,955</u></u>		<u><u>\$6,790,988</u></u>
Net Income (Loss) to Operating Revenue	9.6		14.9		16.5
Debt Service Coverage on Bank Debt	1.52		1.83		---
Debt Service Coverage on Electric Utility Debt	2.13		3.41		7.42

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

ASSETS

	<u>2018</u>	<u>2017</u>
Current Assets:		
Cash - interest bearing	\$6,827,198	\$8,271,480
Investments	5,769,823	---
Receivables:		
Consumer Accounts	1,351,198	1,285,530
Interest	17,901	4,172
Inventories	218,261	126,571
Prepaid Expenses	<u>392,492</u>	<u>280,033</u>
Total Current Assets	<u>14,576,873</u>	<u>9,967,786</u>
Property and Equipment:		
At Cost	42,721,635	36,560,056
Less Accumulated Depreciation	<u>28,295,098</u>	<u>27,711,612</u>
Net Property and Equipment	<u>14,426,537</u>	<u>8,848,444</u>
Deferred Outflows of Resources		
Pension	1,771,362	1,269,389
OPEB	<u>14,555</u>	<u>---</u>
Total Deferred Outflows of Resources	<u>1,785,917</u>	<u>1,269,389</u>
TOTAL ASSETS	<u><u>\$30,789,327</u></u>	<u><u>\$20,085,619</u></u>

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

LIABILITIES AND NET POSITION

	<u>2018</u>	<u>2017</u>
Current Liabilities:		
<u>Payable from Unrestricted Assets</u>		
Accrued Interest	\$21,407	---
Accounts Payable	665,315	1,045,402
Health & Dental Insurance Provision	45,780	49,280
Retained Percentage on Contracts	129,794	21,419
Accrued Payroll	105,387	118,183
Accrued Vacation	168,016	181,438
Accrued Property Taxes	6,206	6,490
Unearned Revenue - Dark Fiber Lease	17,500	17,500
Miscellaneous Accrued Expenses	130,564	149,385
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	1,289,969	1,589,097
<u>Payable from Restricted Assets</u>		
Notes Payable:		
Banks	1,875,198	---
Electric Utility	511,610	481,443
	<hr/>	<hr/>
Total Payable from Restricted Assets	2,386,808	481,443
	<hr/>	<hr/>
Total Current Liabilities	3,676,777	2,070,540
Non-Current Liabilities:		
Health & Dental Insurance Provision	90,096	74,919
Post-Employment Health Benefit Provision	123,499	72,286
Unearned Revenue - Dark Fiber Lease	203,229	220,729
Net Pension Liability	2,716,665	2,195,970
Notes Payable:		
Banks	7,200,232	---
Electric Utility	8,051,234	8,562,844
	<hr/>	<hr/>
Total Non-Current Liabilities	18,384,955	11,126,748
Deferred Inflows of Resources		
Pension	179,957	97,343
OPEB	16,682	---
	<hr/>	<hr/>
Total Deferred Inflows of Resources	196,639	97,343
Net Position:		
Net Investment in Capital Assets	5,351,107	8,367,001
Unrestricted	3,179,849	(1,576,013)
	<hr/>	<hr/>
Total Net Position	8,530,956	6,790,988
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET POSITION	<u>\$30,789,327</u>	<u>\$20,085,619</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$192,119	\$1,127,568
Noncash items in operating income:		
Converter/modem write-off	7,774	24,922
Depreciation of utility plant	126,791	760,746
Change in deferred outflows of resources	(38,431)	(168,275)
Changes in assets and liabilities:		
Consumer accounts receivable	(22,183)	119,790
Inventories	(14,007)	(70,732)
Prepaid and deferred expenses	(8,193)	(244,468)
Accounts payable	(205,857)	(307,124)
Net pension liability	39,122	234,728
Health & dental insurance provision	640	(34,015)
Other post-employment benefit provision	522	5,233
Unearned revenue	(1,459)	(9,750)
Retained percentage on contracts	6,776	40,973
Accrued payroll	8,744	(16,332)
Accrued vacation	(441)	(7,574)
Accrued property taxes	541	286
Miscellaneous accrued expenses	16,382	9,717
Net cash flows from operating activities	108,840	1,465,693
Cash flows from capital and related financing activities:		
Capital expenditures, net	(587,912)	(2,180,756)
Bank loan closing costs	---	(17,500)
Loan principal payments	(470,515)	(924,570)
Loan interest payments	(70,402)	(174,763)
Net cash flows from capital and related financing activities	(1,128,829)	(3,297,589)
Cash flows from investing activities:		
Interest received on investments	17,776	83,336
Net cash flows from investing activities	17,776	83,336
Net decrease in cash and investments	(1,002,213)	(1,748,560)
Cash and investments at beginning of period	\$13,599,234	\$14,345,581
Cash and investments at end of period	\$12,597,021	\$12,597,021

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>CATV</u>			
Program Acquisition Expense (751-758)	\$380,146	\$373,272	\$352,351
Promotional Expense (960)	4,522	4,085	1,368
Electricity Expense (736)	276	2,489	2,666
Pole Attachment Expense (715)	2,043	2,043	1,967
Changes of Service (742)	1,807	1,575	1,239
Underground Line Expense (743)	7,586	4,281	4,457
Ad Insertion - Marketing/Production (964, 965)	7,001	5,608	16,730
Miscellaneous CATV Expense (710, 738, 739)	23,285	23,486	21,299
Vehicle Expense (760)	5,213	5,647	4,080
Maintenance:			
Fiber (711)	511	3,496	230
Coax (712)	1,346	1,360	465
Drops (713)	2,153	8,291	3,542
Conduit System (714)	1,772	1,275	1,423
Headend (721-725)	28,891	22,117	24,707
Line Equipment (731-735)	1,566	1,588	1,787
Converters (741)	3,946	2,346	2,342
Ad Insertion (966)	4,978	4,895	4,047
Vacation, Holiday, Sick Leave (799)	4,768	3,843	3,910
Property Taxes (794)	314	314	314
Depreciation (793)	69,399	70,512	76,631
	<hr/>	<hr/>	<hr/>
Total CATV	551,523	542,523	525,555
<u>Data/Internet</u>			
Data/Internet Access Charges (851-853)	25,112	28,495	26,384
Promotional Expense (961)	4,522	4,055	1,404
Electricity Expense (836)	49	279	339
Pole Attachment Expense (837)	359	359	346
Changes of Service (842)	602	525	413
Customer Wireless Equipment Expense (846)	---	---	---
Underground Line Expense (843)	845	1,427	1,035
Miscellaneous Data/Internet Expense (839, 844, 848)	9,736	13,021	7,895
Vehicle Expense (860)	844	910	491
Maintenance:			
Fiber (811)	213	1,457	96
Coax (813)	449	453	155
Drops (814)	718	2,762	1,181
Conduit System (816)	738	531	593
Headend (820, 821)	28,335	25,462	28,904
Line Equipment (831-835)	435	527	472
Modems (841)	5,606	3,008	6,179
Vacation, Holiday, Sick Leave (879)	2,249	1,738	1,817
Property Taxes (894)	55	55	55
Depreciation (893)	31,528	28,720	26,898
	<hr/>	<hr/>	<hr/>
Total Data/Internet	112,395	113,784	104,657

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>CATV</u>			
Program Acquisition Expense (751-758)	\$2,295,649	\$2,266,039	\$2,149,349
Promotional Expense (960)	30,982	21,362	6,578
Electricity Expense (736)	5,808	15,997	14,622
Pole Attachment Expense (715)	12,256	12,256	11,804
Changes of Service (742)	10,882	9,355	7,328
Underground Line Expense (743)	29,995	15,970	15,602
Ad Insertion - Marketing/Production (964, 965)	41,845	43,690	50,444
Miscellaneous CATV Expense (710, 738, 739)	138,448	121,660	108,553
Vehicle Expense (760)	31,651	32,077	23,489
Maintenance:			
Fiber (711)	3,139	11,911	2,779
Coax (712)	8,210	6,534	3,235
Drops (713)	12,708	29,898	14,979
Conduit System (714)	9,673	2,873	4,262
Headend (721-725)	173,835	144,456	104,753
Line Equipment (731-735)	10,349	13,436	16,562
Converters (741)	22,979	12,732	16,982
Ad Insertion (966)	29,921	28,376	29,229
Vacation, Holiday, Sick Leave (799)	35,184	30,596	42,035
Property Taxes (794)	1,883	1,884	1,882
Depreciation (793)	416,394	423,072	459,786
	<hr/>	<hr/>	<hr/>
Total CATV	3,321,791	3,244,174	3,084,253
<u>Data/Internet</u>			
Data/Internet Access Charges (851-853)	150,672	160,096	157,765
Promotional Expense (961)	30,982	21,540	6,553
Electricity Expense (836)	1,025	1,974	1,963
Pole Attachment Expense (837)	2,155	2,155	2,076
Changes of Service (842)	3,627	3,118	2,443
Customer Wireless Equipment Expense (846)	---	---	---
Underground Line Expense (843)	3,799	5,323	4,750
Miscellaneous Data/Internet Expense (839, 844, 848)	59,343	51,587	47,108
Vehicle Expense (860)	5,065	4,551	2,821
Maintenance:			
Fiber (811)	1,308	5,201	1,158
Coax (813)	2,737	2,178	1,078
Drops (814)	4,236	9,966	4,993
Conduit System (816)	4,030	1,197	1,776
Headend (820, 821)	172,811	152,070	175,320
Line Equipment (831-835)	2,410	4,353	4,558
Modems (841)	31,803	16,020	23,767
Vacation, Holiday, Sick Leave (879)	16,802	13,741	15,925
Property Taxes (894)	333	330	331
Depreciation (893)	189,166	172,320	161,388
	<hr/>	<hr/>	<hr/>
Total Data/Internet	682,304	627,720	615,773

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>MAN</u>			
Pole Attachment Expense (838)	\$1,120	\$1,220	\$1,179
Tools Expense (845)	208	344	238
Maintenance:			
Fiber (812)	341	3,228	153
Conduit System (817)	1,181	850	948
MAN Equipment (818, 819)	2,310	4,656	4,642
Vacation, Holiday, Sick Leave (899)	196	257	184
Property Taxes (896)	172	172	172
Depreciation (840)	20,579	18,747	22,038
Total MAN	<u>26,107</u>	<u>29,474</u>	<u>29,554</u>
VoIP Expenses (880)	<u>6,215</u>	<u>4,500</u>	<u>---</u>
<u>Customer Service Expense</u>			
Customer Information Expense (909)	<u>2,437</u>	<u>3,440</u>	<u>2,001</u>
<u>Consumer Accounts</u>			
Supervision (901)	4,941	3,180	2,268
Consumer Records and Collections (903)	49,282	49,189	49,014
Uncollectible Accounts Expense (904)	1,170	1,170	1,574
Vacation, Holiday, Sick Leave (906)	4,491	3,506	3,679
Total Consumer Accounts	<u>59,884</u>	<u>57,045</u>	<u>56,535</u>
<u>Administrative and General</u>			
Administrative and General Salaries (920)	83,091	65,324	80,971
Office Supplies and Expense (921)	3,943	4,990	5,832
Outside Services Employed (923)	7,486	7,385	9,154
Property Insurance (924)	1,229	1,307	1,173
Casualty Ins, Injuries & Damages (925)	7,484	6,485	10,281
Employee Pensions and Benefits (926)	101,301	100,338	93,163
Fringe Benefits Charges to Construction (927)	(6,009)	(5,461)	(6,646)
Rents (931)	9,844	9,844	9,656
Miscellaneous General Expense (930)	11,978	22,025	4,607
Maintenance of General Plant (932)	6,250	5,195	4,984
Vacation, Holiday, Sick Leave (936)	10,245	12,429	9,781
Depreciation (933)	13,343	8,812	9,359
Total Administrative and General	<u>250,185</u>	<u>238,673</u>	<u>232,315</u>
Total Operating Expenses	<u><u>1,008,746</u></u>	<u><u>989,439</u></u>	<u><u>950,617</u></u>

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

	<u>Budget Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>MAN</u>			
Pole Attachment Expense (838)	\$6,719	\$7,319	\$7,072
Tools Expense (845)	1,350	2,473	1,270
Maintenance:			
Fiber (812)	2,092	8,837	1,853
Conduit System (817)	6,448	1,915	2,841
MAN Equipment (818, 819)	14,867	15,519	23,155
Vacation, Holiday, Sick Leave (899)	1,519	1,994	1,485
Property Taxes (896)	1,032	1,032	1,032
Depreciation (840)	123,476	112,482	132,228
Total MAN	<u>157,503</u>	<u>151,571</u>	<u>170,936</u>
VoIP Expenses (880)	<u>27,647</u>	<u>18,083</u>	<u>---</u>
<u>Customer Service Expense</u>			
Customer Information Expense (909)	<u>17,885</u>	<u>18,693</u>	<u>8,107</u>
<u>Consumer Accounts</u>			
Supervision (901)	29,643	18,960	15,988
Consumer Records and Collections (903)	295,415	305,509	292,782
Uncollectible Accounts Expense (904)	7,020	7,020	9,444
Vacation, Holiday, Sick Leave (906)	33,481	29,583	31,732
Total Consumer Accounts	<u>365,559</u>	<u>361,072</u>	<u>349,946</u>
<u>Administrative and General</u>			
Administrative and General Salaries (920)	498,539	396,605	472,260
Office Supplies and Expense (921)	24,872	30,856	24,982
Outside Services Employed (923)	59,028	54,965	49,935
Property Insurance (924)	7,205	7,439	6,916
Casualty Ins, Injuries & Damages (925)	45,326	36,484	46,553
Employee Pensions and Benefits (926)	608,400	624,909	560,698
Fringe Benefits Charges to Construction (927)	(35,337)	(35,765)	(38,509)
Rents (931)	59,064	59,064	57,937
Miscellaneous General Expense (930)	94,860	83,107	86,019
Maintenance of General Plant (932)	33,125	33,695	28,934
Vacation, Holiday, Sick Leave (936)	75,737	91,752	74,513
Depreciation (933)	80,058	52,872	56,154
Total Administrative and General	<u>1,550,877</u>	<u>1,435,983</u>	<u>1,426,392</u>
Total Operating Expenses	<u><u>6,123,566</u></u>	<u><u>5,857,296</u></u>	<u><u>5,655,407</u></u>

Muscatine Power and Water - Communications Utility
Statistical Data
June 2018

<u>Services</u>	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u> ^{fn1}	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u> ^{fn1}
<u>CATV</u>					
Residential	5,061	(2.0)	4,960	(5.0)	5,222
Commercial/Hospitality	<u>159</u>	(1.9)	<u>156</u>	(4.3)	<u>163</u>
Total CATV	<u>5,220</u>	(2.0)	<u>5,116</u>	(5.0)	<u>5,385</u>
<u>Bulk Equivalent Services</u>					
Bulk Equivalent Services	<u>319</u>	(5.3)	<u>302</u>	(5.3)	<u>319</u>
Bulk Master Services	<u>24</u>	---	<u>24</u>	---	<u>24</u>
<u>Internet</u>					
Residential	8,183	(0.5)	8,142	2.2	7,963
Commercial	<u>537</u>	1.3	<u>544</u>	3.6	<u>525</u>
Total Internet	<u>8,720</u>	(0.4)	<u>8,686</u>	2.3	<u>8,488</u>
<u>VoIP</u>					
Residential	384	(91.1)	34	---	---
Commercial	<u>28</u>	(85.7)	<u>4</u>	---	---
Total VoIP	<u>412</u>	(90.8)	<u>38</u>	---	---
<u>MAN</u>					
MAN	<u>82</u>	4.9	<u>86</u>	---	<u>88</u>

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

Communications Utility
Review of Operating Results
June 2018

**MUSCATINE POWER AND WATER - COMMUNICATIONS UTILITY
VARIANCES FROM BUDGETED NET POSITION - JUNE 30, 2018**

	(Unfavorable)/ Favorable Compared to Budget	
Operating Revenue		
Video Revenue	\$ 32,858	Slightly higher CATV revenues due to changes in subscriber mix offset by fewer subscribers (5418 actual vs. 5,539 budget).
	1,501	Broadcast fee greater than budget, due to bulk subs omitted from budget calculation
	13,790	Lower marketing promotional discounts due to fewer promotional programs offered
	(31,535)	Lower VOD/PPV sales due to fewer subscribers and less buys
	(37,002)	Lower ad sales
	(44,034)	Lower converter rentals due to less subscribers
	(6,142)	Other miscellaneous variances - net
	<u>(70,564)</u>	
Data/Internet Revenue	973,733	Higher cable modem revenues due to customers migrating to a higher level of service offset by fewer subscribers (Subscribers = 8,720 actual & 8,686 budget)
	(920,400)	Fiber service installs are behind schedule
	40,184	Lower promotional discounts due to fewer promotional programs offered
	16,358	Higher Wi-fi @ Home due to more subscribers
	9,628	Other miscellaneous variances - net
	<u>119,503</u>	
Phone	(34,252)	Service availability was budgeted to begin in February but was not available until late April in addition to fewer subscribers than budgeted (38 actual vs. 412 budget)
MAN	29,377	More customers than budgeted
Miscellaneous Revenue	(6,303)	Other miscellaneous variances - net
Operating Expense		
Operation	29,610	Programming expense under budget
	33,946	Lower temp labor than budgeted, primarily due to DSRs and cable tech areas
	(10,189)	Higher electricity expense than budgeted due to timing of FTTH construction
	63,644	Fewer cable modems and set-top boxes have been retired than anticipated
	(6,995)	Higher cost of miscellaneous CATV materials expense
	(8,817)	Data/Internet access charges higher than budget
	(9,979)	Higher credit card processing fees
	1,000	Help desk FTTH OTT hardware not expended yet
	(2,242)	Data systems labeling logos, not budgeted
	(2,790)	Organizational development expenses higher than budget
	1,614	Communications legal services under budget
	1,587	Employee search services under budget
	(5,400)	Communications IUB/FCC consulting, not budgeted
	7,119	Injury and damages claims lower than budget
	81,997	Labor & vacation under budget
	11,862	Lower FICA than budgeted
	16,035	Health care expenses lower than budgeted
	9,564	VoIP management fee and service expenses are lower than budget due to delay in service availability
	(42,577)	Pension expense is over budget due to accruing expense at a higher rate to approximate GASB 68 effects
	(3,388)	IAMU telecom dues, not budgeted
	11,207	Travel and training under budget
	(4,400)	Other miscellaneous variances - net
	<u>172,408</u>	
Maintenance	16,934	Lower labor
	5,810	Line equipment maintenance materials lower than budget
	2,941	CATV headend maintenance materials lower than budget
	2,172	Converter maintenance materials lower than budget
	(1,147)	Fiber maintenance materials higher than budget
	24,719	Maintenance agreements are lower than budget
	1,920	Memberships and subscriptions are lower than budget
	(3,818)	Temp services are higher than budget
	(4,017)	Other miscellaneous variances - net
	<u>45,514</u>	
Depreciation	48,348	Lower depreciation due to fewer fixed assets purchases in 2017 than anticipated
Nonoperating Revenue (Expense)		
Interest Income	82,962	More interest income due to higher cash balances
Interest Expense	(13,332)	Loan fees expensed in 2018
Change in Net Position before Capital Contributions	<u>373,661</u>	
Capital Contributions	(3,970)	
Change in Net Position	<u>\$ 369,691</u>	Total Variance from Budgeted Net Position

Statement of Revenues, Expenses and Changes in Net Position

Operating Revenues

Video

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Total Subscribers (incl. Bulk)	5,539	5,418	5,704
Revenue:			
Basic	\$ 78,440	\$ 77,304	\$ 90,764
Select	1,772,281	1,809,101	1,947,625
Preferred	330,922	334,680	350,059
Premium	115,894	112,156	128,222
Bulk	118,300	115,454	126,291
Broadcast fee	393,060	394,561	180,060
PPV	18,943	6,241	11,034
VOD	<u>65,950</u>	<u>47,117</u>	<u>58,290</u>
Subtotal	\$ 2,893,790	\$ 2,896,614	\$ 2,892,345
Set top box rentals	517,993	473,959	485,735
Ad insertion revenue	159,000	121,998	158,880
Other CATV revenues	<u>34,299</u>	<u>28,157</u>	<u>29,470</u>
Gross CATV revenue	\$ 3,605,082	\$ 3,520,728	\$ 3,566,430
Discounts	<u>(92,609)</u>	<u>(78,819)</u>	<u>(132,354)</u>
Net CATV Revenue	<u>\$ 3,512,473</u>	<u>\$ 3,441,909</u>	<u>\$ 3,434,076</u>
Net Monthly Revenue per Subscriber	\$ 105.69	\$ 105.88	\$ 100.34
Year-over-Year Increase		5.5%	

- 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	8,720	8,686	8,488
Revenue:			
Cable modem	\$ 1,644,536	\$ 2,618,269	\$ 2,614,264
Fiber service	1,090,323	169,923	-
Wi-fi @ Home	131,254	147,612	129,538
Wimax	44,984	46,746	46,047
Modem rentals	152,817	153,098	148,186
Other internet revenues	<u>22,881</u>	<u>30,466</u>	<u>23,641</u>
Gross internet revenues	\$ 3,086,795	\$ 3,166,114	\$ 2,961,676
Discounts	<u>(120,079)</u>	<u>(79,895)</u>	<u>(51,456)</u>
Net internet revenues	<u>\$ 2,966,716</u>	<u>\$ 3,086,219</u>	<u>\$ 2,910,220</u>
Net monthly revenue per subscriber	\$ 56.70	\$ 59.22	\$ 57.14

- 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 was anticipated to be available in August 2017. However, installation began in late April for first customers.

Phone

Phone services were budgeted to be available beginning in February. However, the service was not available until April 23. In addition, 330 customers were budgeted, actual customers receiving service are 36. This results in \$34,252 less revenue than budgeted.

MAN

Revenue is \$29,377 higher than budget due to more contracts.

Nonoperating Revenue (Expense)

- Interest income is over budget \$82,962 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 ExpensesVideoProgram 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	\$ 489,724	\$ 517,134	\$ 375,803
Select	1,490,907	1,458,577	1,459,821
Premium	102,994	85,559	97,290
Digital	159,539	168,486	168,687
Pay-per-View	11,467	4,519	8,367
Video on Demand	<u>41,018</u>	<u>31,764</u>	<u>39,381</u>
Total	<u>\$2,295,649</u>	<u>\$2,266,039</u>	<u>\$2,149,349</u>
Total Subscribers (incl. Bulk)	5,539	5,418	5,704
Per Subscriber	\$ 69.08	\$ 69.71	\$ 75.36
Year over Year Increase		-7.5%	

Promotional Expense – (960)

- Temp services for DSRs are under budget \$10,317.
- Mileage is under budget \$636.
- Marketing department labor is over budget \$1,595
- Customer support department labor is over budget \$562.
- Help desk labor is under budget \$480.
- Phone expense is under budget \$541.

Electricity Expense – (736)

- Electricity expense is over budget \$10,189 due to the fiber project being farther behind than planned, which was anticipated to lower electric consumption.

Underground Line Expense (743)

- Labor is under budget \$13,226 due to fewer requests for locates than anticipated.
- Materials expense is under budget \$799.

Miscellaneous CATV Expense (710, 738, 739)

- Labor is over budget \$34,613.
- Fewer boxes have been retired in the amount of \$51,138.
- Temp services of \$7,500 have not been utilized.
- Materials expense is over budget \$6,995, including \$3,399 for a signal meter and \$2,964 for labels.

Maintenance of Fiber (711)

- Labor is over budget \$8,398.

Video (cont'd)Maintenance of Drops (713)

- T&D department labor is over budget \$14,798 for directional boring.
- Temp services are over budget \$2,864.

Maintenance of Conduit System (714)

- Labor is under budget \$6,929.

Maintenance of Headend (721-725)

- Labor is under budget \$19,156.
- Maintenance agreements are under budget \$7,282.
- Materials expense is under budget \$2,941.

Maintenance of Line Equipment (731-735)

- Labor is over budget \$7,258.
- Maintenance agreements are over budget \$1,639.
- Materials expense is under budget \$5,810.

Maintenance of Converters (741)

- Labor is under budget \$8,075, mainly due to fewer converters being repaired.
- Materials expense is under budget \$2,172.

Vacation, Holiday, Sick Leave – (799)

- Sick leave and personal leave are under budget \$1,189.
- Vacation is under budget \$3,400.

Depreciation Expense (793)

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

InternetData/Internet Access Charges – (851-853)

- NCTC internet subscriber expenses of \$8,019, not budgeted.
- Apogee expenses of \$3,750, not budgeted.
- CenturyLink expenses over budget \$6,048.
- Hurricane expenses under budget \$9,000.

Promotional Expense – (961)

- Temp services for DSRs are under budget \$10,317.
- Labor is over budget \$1,691.
- Telephone is under budget 541.

Internet (cont'd)Miscellaneous Data/Internet Expense – (847)

- Labor is over budget \$10,548.
- Temp services of \$7,500 have not been utilized.
- Fewer modems have been retired in the amount of \$12,506.
- Other miscellaneous materials are over budget \$1,704.

Maintenance of Drops – (814)

- Labor is over budget \$4,695.
- Temp services of \$954 were not budgeted.

Maintenance of Headend – (820, 821)

- Labor is over budget \$7,834.
- Maintenance agreements are under budget by \$27,798.

Maintenance of Modems – (841)

- Labor is under budget \$15,783.

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.

MANMaintenance of Fiber – (812)

- Labor is over budget \$5,999.
- Material expense is over budget \$1,147.

Maintenance of Conduit System – (817)

- Labor is under budget \$4,620.

Depreciation – (840)

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

Phone Expenses – (880)

- Due to the delay in VoIP service from February to late April, the monthly administrative fee to the service provider and fees for services provided are under budget by \$9,564.

Customer Service ExpenseSupervision – (901)

- Labor is under budget \$10,683 in the CSR area.

Consumer AccountsCustomer Records and Collections – (903)

- Labor is over budget \$2,783.
- Credit card processing fees are \$9,979 higher than budget.
- Fees for customer billing services are over budget \$738.
- Higher postage of \$1,388 than budget was incurred.
- Temp services are below budget \$325.
- Help desk expenses for FTTH OTT hardware hasn't been expended yet for \$1,000.
- Travel expenses are under budget \$572.
- Other miscellaneous materials are under budget \$3,744.

Administrative & GeneralA&G Salaries – (920)

- Salaries in the Marketing, Data Tech and Telecommunications departments are under budget by \$19,400, \$41,424, and \$46,359, respectively.
- Salaries in the CATV Tech department are over budget by \$4,008.

Office Supplies and Expense – (921)

- Vehicle allowance is over budget by \$2,400.
- Mileage is under budget by \$1,200.
- Memberships & subscriptions over budget by \$375.
- Postage is over budget by \$720.
- Data Systems labeling logos expense of \$2,242, not budgeted.

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

	Responsibility	2018	2018	2017
	Code	Budget	Actual	Actual
Succession Planning	110-Sal	\$ 4,800	\$ -	\$ -
Consulting Services	120-Sal	-	-	873
Organizational Development	120-Sal	3,600	6,390	1,565
General Legal Services	140-Brandy	1,200	292	146
Employment Legal Services	140-Brandy	600	-	-
Communications Legal Services	140-Brandy	2,500	886	-
MCC Public Access	224-Rick	28,332	28,450	28,076
FTTH Training	224-Rick	-	-	3,950
Web/Graphics Services	224-Rick	1,220	292	209
Insurance Advisor	310-Jerry	3,024	3,024	3,024
Audit Fees	320-Cassie	5,220	5,581	4,418
IS Department Review	350-Greg	-	-	2,353
IS Outside Professional Services	350-Greg	720	600	1,129
Benefits Consulting	410-Brandy	2,700	2,520	1,788
Employee Search Services	410-Brandy	4,800	3,213	-
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	180	-	-
Communications Consulting - IUB/FCC	920-Brad	-	5,400	2,113
		<u>\$ 59,028</u>	<u>\$ 54,965</u>	<u>\$ 49,935</u>

Injuries & Damages – (925)

- Insurance premiums under budget \$1,723.
- Claims under budget \$7,119.

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

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Health care cost	\$ 248,780	\$ 232,745	\$ 217,802
Pension	192,150	234,727	182,845
FICA	115,205	103,343	102,854
Deferred compensation	21,840	25,313	24,302
Dental	9,588	9,158	8,725
Life, LTD & ADD	8,436	7,939	7,985
OPEB	3,129	3,129	2,527
Unemployment expense	2,400	-	1,992
Other expenses	6,872	8,555	11,666
	<u>\$ 608,400</u>	<u>\$ 624,909</u>	<u>\$ 560,698</u>

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

Miscellaneous General Expense – (930)

- Labor is under budget \$10,140.
- Travel & training are under budget by \$10,635.
- Memberships and subscriptions are under budget \$733.
- Temp services are over budget \$2,014.
- Safety expenses are over budget \$1,366.
- Employment expenses are over budget \$1,468.
- Annual report expenses are under budget \$1,761.
- Wellness expenses are under budget \$1,266.
- IAMU telecom dues totaling \$3,388, not budgeted.
- Muscatine Levee flood study totaling \$3,000, not budgeted.
- Wireless Connections support totaling \$1,500, not budgeted.

Vacation, Holiday, Sick Leave – (936)

- Sick leave and personal leave are over budget \$19,873.
- Vacation is under budget \$3,860.

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.

MUSCATINE POWER AND WATER
REVIEW OF YEAR-TO-DATE OPERATING RESULTS
JUNE 30, 2018

**MUSCATINE POWER AND WATER - ELECTRIC UTILITY
VARIANCES FROM BUDGETED NET POSITION - JUNE 30, 2018**

Items equal to or greater than \$25,000

	(Unfavorable)/ Favorable Compared to Budget	
Sales of Electricity		
Native System Sales	\$ (311,215)	A 2.4% lower average sales price (\$.06555/kWh versus \$.06714/kWh budgeted); offset by 1.3% higher kWhs sold
Wholesale Sales	3,360,595	13.2% higher average sale price (\$.03183/kWh versus \$.02811/kWh), plus 12.6% higher kWhs sold
	<u>3,049,380</u>	
Steam Sales	<u>(106,673)</u>	2.7% lower pounds of steam sold
Other Revenue		
By-Product Revenue	60,873	Fly ash sales
Miscellaneous Revenue	34,473	Alliant Energy easement
	<u>1,630</u>	Other miscellaneous variances - net
	<u>96,976</u>	
Operating Expense		
Purchased Power - Native System	(1,970,851)	Average purchase price is 16.1% higher (\$.02901/kwh vs \$.02498/kwh), plus 1.5% higher kWhs purchased
Purchased Power - Wind	25,086	3.4% lower kWhs purchased
	<u>(1,945,765)</u>	
Production Fuel	(953,709)	12.0% or 40,629 higher number of coal tons burned, offset by a 1.8% lower price/ton
	(56,910)	Higher labor cost
	(2,462)	Other miscellaneous variances - net
	<u>(1,013,081)</u>	
Emissions Allowance	<u>2,771</u>	Market price lower than assumed
Operation	76,022	Lower PAC injection system costs
	39,449	Lower cost for wastewater chemicals and analysis
	(73,991)	Higher limestone usage
	(43,739)	Higher cost for IDNR Title V permit fee
	162,752	Stack testing, not performed
	33,000	RATA testing, not performed
	34,915	Lower cost for 316(b) Impingement/entrainment study
	28,664	IDNR fees
	212,095	Lower cost for MISO's multi-value transmission and market efficiency projects
	28,688	Electric line workers' tools & Lean supplies not needed
	32,400	Succession planning, not expended
	28,576	Workers compensation claims expense is lower than historical data used for budgeting
	(305,821)	Pension expense is accrued at a higher amount to approximate GASB 68 effect
	80,180	Lower healthcare costs
	41,855	Higher fringe benefits charged to capital projects
	(34,020)	Economic development pledge, not budgeted
	30,000	General CIP expense, not expended
	99,727	Less training/travel
	(30,014)	Higher cost for temporary labor services
	(66,380)	Higher labor cost
	<u>233,023</u>	Other miscellaneous variances - net
	<u>607,381</u>	
Maintenance	300,000	Unit 9 roof restoration, to be completed in September
	26,000	Extend Unit 9 vacuum header to the SH level, not completed
	(30,655)	Unit 8 vacuum services, not budgeted

**MUSCATINE POWER AND WATER - ELECTRIC UTILITY
 VARIANCES FROM BUDGETED NET POSITION - JUNE 30, 2018**

Items equal to or greater than \$25,000

(Unfavorable)/ Favorable Compared to Budget		
	56,377	Lower cost for Unit 8 restud/refractory
	35,000	Unit 8 boiler layup , not expended
	(75,089)	Unit 8 boiler superheat tube alignment clips, not budgeted
	80,000	Unit 9 pulverizer journal rebuild, not completed
	(50,546)	Higher cost for Unit 9 boiler vent, drain and blowdown valve repairs
	41,888	Lower cost of miscellaneous precipitator repairs
	36,000	Oxidation air compressor 901 rebuild, not performed
	(29,796)	T901 WFC pump inspection, not budgeted
	35,000	Unit 8 turbine layup, not expended
	(33,741)	8A steam turbine control & stop valve overhaul, budgeted in July
	(37,537)	Higher cost for rail car maintenance
	(66,983)	Higher cost for coal conveyor repairs
	27,600	Lower cost for the jointly-owned transmission line maintenance performed by MEC
	25,440	Lower cost of vehicle maintenance
	85,051	Lower labor cost
	<u>400,813</u>	Other miscellaneous variances - net
	<u>824,822</u>	
Depreciation	<u>359,073</u>	Net value of the A&G assets were overestimated for the budget
Nonoperating Revenue (Expense)		
Interest Income	299,462	Higher average cash balances
Interest Expense	<u>(1,377)</u>	
	<u>298,085</u>	
Change in Net Position	<u><u>\$ 2,172,969</u></u>	Total Variance from Budgeted Net Position

MUSCATINE POWER AND WATER - WATER UTILITY
VARIANCES FROM BUDGETED NET POSITION - JUNE 30, 2018

Items equal to or greater than \$5,000

	(Unfavorable)/ Favorable	
	Compared to	
	Budget	
Sales of Water		
Contract Customers	\$ 21,026	GPC consumption is 2.1% higher than budget, offset by a 0.7% lower billing rate
	(4,716)	Heinz's consumption is 6.4% lower than budgeted, offset by a 3.3% higher billing rate
	(8,515)	Power plants' consumption is 5.1% lower than budgeted offset by a 0.6% higher billing rate
	(12,398)	Residential consumption is 6.5% lower than budgeted offset by a 5.7% higher billing rate
	2,884	Commercial consumption is 0.5% lower than budgeted offset by a 1.4% higher billing rate
	<u>(1,719)</u>	
Other Revenue		
Penalty Revenue	1,795	Higher penalty revenue
Merchandise & Job Sales-Net	1,556	Higher job sales revenue
Miscellaneous Revenue	1,064	Other miscellaneous variances
	<u>4,415</u>	
Operating Expense		
Operation	40,323	Lower fuel/power purchased due to 3.5% lower kWh consumed and 4.8% lower cost per kWh, partially offset by 0.5% more gallons pumped
	(5,433)	T&D lines materials expense higher than budgeted
	(15,875)	Vehicle materials expense higher than budgeted
	5,498	Lower cost of workers compensation
	10,689	Lower health care cost
	(11,188)	Higher pension expense
	5,451	Lower miscellaneous general travel expenses
	32,446	Lower labor, sick, personal and vacation expense
	(42,939)	Other miscellaneous variances - net
	<u>18,972</u>	
Maintenance	120,000	Well cleaning has not begun yet
	64,731	Lower cost of pumping equipment materials due to fewer repairs
	(74,708)	Higher cost of mains materials due to higher concrete repairs
	(9,644)	Higher cost of valves materials due to more repairs
	(5,663)	Higher cost of meter materials due to more repairs at GPC
	7,154	Lower cost of maintenance agreements
	12,045	Maintenance labor under budget
	10,015	Other miscellaneous variances - net
	<u>123,930</u>	
Depreciation	<u>14,125</u>	
Nonoperating Revenue (Expense)		
Interest Income	46,650	Water bond project fund interest rate higher than budgeted
Interest Expense	1,500	Refund of bond issuance cost overpayment
	<u>48,150</u>	
Change in Net Position	<u>\$ 207,873</u>	Total Variance in Budgeted Net Position

MUSCATINE POWER AND WATER - COMMUNICATIONS UTILITY
VARIANCES FROM BUDGETED NET POSITION - JUNE 30, 2018
Items equal or greater than \$5,000

	(Unfavorable)/ Favorable Compared to Budget	
Operating Revenue		
Video Revenue	\$ 32,858	Slightly higher CATV revenues due to changes in subscriber mix offset by fewer subscribers (\$418 actual vs. 5,539 budget).
	13,790	Lower marketing promotional discounts due to fewer promotional programs offered
	(31,535)	Lower VOD/PPV sales due to fewer subscribers and less buys
	(37,002)	Lower ad sales
	(44,034)	Lower converter rentals due to less subscribers
	(4,641)	Other miscellaneous variances - net
	<u>(70,564)</u>	
Data/Internet Revenue	973,733	Higher cable modem revenues due to customers migrating to a higher level of service offset by fewer subscribers (Subscribers = 8,720 actual & 8,686 budget)
	(920,400)	Fiber service installs are behind schedule
	40,184	Lower promotional discounts due to fewer promotional programs offered
	16,358	Higher Wi-fi @ Home due to more subscribers
	9,628	Other miscellaneous variances - net
	<u>119,503</u>	
Phone	(34,252)	Service availability was budgeted to begin in February but was not available until late April in addition to fewer subscribers than budgeted (38 actual vs. 412 budget)
MAN	29,377	More customers than budgeted
Miscellaneous Revenue	(6,303)	Other miscellaneous variances - net
Operating Expense		
Operation	29,610	Programming expense under budget
	33,946	Lower temp labor than budgeted, primarily due to DSRs and cable tech areas
	(10,189)	Higher electricity expense than budgeted due to timing of FTTH construction
	63,644	Fewer cable modems and set-top boxes have been retired than anticipated
	(6,995)	Higher cost of miscellaneous CATV materials expense
	(8,817)	Data/Internet access charges higher than budget
	(9,979)	Higher credit card processing fees
	(5,400)	Communications IUB/FCC consulting, not budgeted
	7,119	Injury and damages claims lower than budget
	81,997	Labor & vacation under budget
	11,862	Lower FICA than budgeted
	16,035	Health care expenses lower than budgeted
	9,564	VoIP management fee and service expenses are lower than budget due to delay in service availability
	(42,577)	Pension expense is over budget due to accruing expense at a higher rate to approximate GASB 68 effects
	11,207	Travel and training under budget
	(8,619)	Other miscellaneous variances - net
	<u>172,408</u>	
Maintenance	16,934	Lower labor
	5,810	Line equipment maintenance materials lower than budget
	24,719	Maintenance agreements are lower than budget
	(1,949)	Other miscellaneous variances - net
	<u>45,514</u>	
Depreciation	48,348	Lower depreciation due to fewer fixed assets purchases in 2017 than anticipated
Nonoperating Revenue (Expense)		
Interest Income	82,962	More interest income due to higher cash balances
Interest Expense	(13,332)	Loan fees expensed in 2018
Change in Net Position before Capital Contributions	<u>373,661</u>	
Capital Contributions	(3,970)	
Change in Net Position	<u>\$ 369,691</u>	Total Variance from Budgeted Net Position