

Muscatine Power and Water

Electric Utility

Statement of Revenues, Expenses and Changes in Net Position

July, 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 - July 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>KWH Generated and Sold</u>					
Gross Generation	88,428,120	14.4	101,175,557	11.1	91,081,440
Less: Plant Use	7,840,570	16.9	9,164,778	4.3	8,787,335
Net Generation/Wholesale Sales	80,587,550	14.2	92,010,779	11.8	82,294,105
Wholesale Sales - Wind	2,120,000	48.3	3,144,117	37.7	2,283,347
Total Wholesales Sales	82,707,550	15.0	95,154,896	12.5	84,577,452
<u>Net Capacity Factors</u>					
Unit 9	66.24	12.0	74.18	14.1	65.01
Unit 8/8A	---	---	---	---	---
Unit 7	21.22	68.3	35.72	(6.6)	38.26
Total Plant	49.03	14.2	55.97	12.7	49.66
<u>KWH Distribution</u>					
Residential	11,687,625	5.1	12,281,347	9.1	11,259,225
Commercial I	3,660,092	(6.7)	3,413,212	(6.2)	3,640,011
Commercial II	8,769,810	10.7	9,709,040	18.7	8,177,400
Industrial I	11,589,560	11.1	12,874,660	3.1	12,488,380
Industrial II	31,360,978	20.9	37,924,525	9.4	34,652,705
City Enterprise Funds	417,432	5.9	442,149	(4.1)	460,994
Water & Communications Utilities	1,537,355	0.1	1,539,001	16.4	1,322,234
Native System Sales	69,022,852	13.3	78,183,934	8.6	72,000,949
City Lighting	154,843	(17.6)	127,620	(12.2)	145,377
City Buildings	567,965	10.1	625,389	0.7	621,250
Offline Power Plant Usage	380,880	(19.0)	308,581	(5.9)	327,984
Losses & Cycle Billing	2,320,218	(18.6)	1,888,255	(54.1)	4,112,545
Total Native System KWH					
Distributed	72,446,758	12.0	81,133,779	5.1	77,208,105
Wind KWH Purchases	2,120,000	48.3	3,144,117	37.7	2,283,347
Total Purchased Power KWH	74,566,758	13.0	84,277,896	6.0	79,491,452
<u>STEAM SALES - 1,000 lbs</u>					
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Muscataine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - July 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	541,225,920	14.1	617,494,406	20.6	512,215,631
Less: Plant Use	<u>55,315,412</u>	16.5	<u>64,438,177</u>	17.9	<u>54,661,570</u>
Net Generation/Wholesale Sales	485,910,508	13.8	553,056,229	20.9	457,554,061
Wholesale Sales - Wind	<u>30,675,000</u>	0.2	<u>30,730,038</u>	(0.3)	<u>30,837,748</u>
Total Wholesales Sales	<u>516,585,508</u>	13.0	<u>583,786,267</u>	19.5	<u>488,391,809</u>
<u>Net Capacity Factors</u>					
Unit 9	54.31	11.0	60.28	25.8	47.90
Unit 8/8A	19.03	15.1	21.90	(9.3)	24.15
Unit 7	9.06	1.4X	21.88	22.9	17.80
Total Plant	43.22	13.8	49.20	21.9	40.36
<u>KWH Distribution</u>					
Residential	58,058,767	8.6	63,028,925	10.2	57,202,260
Commercial I	21,380,542	(5.1)	20,298,979	(5.6)	21,492,443
Commercial II	53,674,376	8.8	58,376,660	11.3	52,454,040
Industrial I	72,969,988	6.3	77,580,200	1.6	76,377,160
Industrial II	271,256,859	0.7	273,181,814	4.1	262,378,461
City Enterprise Funds	3,182,783	(7.7)	2,937,162	(5.4)	3,106,401
Water & Communications Utilities	<u>10,122,723</u>	(2.4)	<u>9,876,902</u>	0.4	<u>9,836,672</u>
Native System Sales	490,646,038	3.0	505,280,642	4.6	482,847,437
City Lighting	1,145,745	(19.5)	922,307	(18.2)	1,127,219
City Buildings	3,991,949	8.5	4,329,773	3.7	4,176,336
Offline Power Plant Usage	1,442,880	59.2	2,297,230	(32.4)	3,398,157
Losses & Cycle Billing	<u>15,973,724</u>	(2.0)	<u>15,658,182</u>	(0.8)	<u>15,785,418</u>
Total Native System KWH					
Distributed	513,200,336	3.0	528,488,134	4.2	507,334,567
Wind KWH Purchases	<u>30,675,000</u>	0.2	<u>30,730,038</u>	(0.3)	<u>30,837,748</u>
Total Purchased Power KWH	<u>543,875,336</u>	2.8	<u>559,218,172</u>	3.9	<u>538,172,315</u>
<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 - July 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	\$1,258,051	\$ 0.10764	1.1	\$1,271,985	\$ 0.10357	3.8	\$1,225,497	\$ 0.10884
Commercial I	380,237	0.10389	(8.7)	347,311	0.10175	(9.6)	384,216	0.10555
Commercial II	691,601	0.07886	3.6	716,442	0.07379	8.5	660,373	0.08076
Industrial I	754,521	0.06510	4.6	788,908	0.06128	(6.2)	840,953	0.06734
Industrial II	1,742,880	0.05557	10.4	1,924,586	0.05075	(2.4)	1,971,834	0.05690
City Enterprise Funds	30,504	0.07308	5.0	32,043	0.07247	(10.6)	35,833	0.07773
Water & Communication Utilities	97,003	0.06310	(3.0)	94,133	0.06117	3.3	91,107	0.06890
Native System Sales	4,954,797	0.07178	4.5	5,175,408	0.06620	(0.7)	5,209,813	0.07236
Wholesale Sales	2,985,227	0.03609	14.7	3,424,736	0.03599	13.9	3,005,800	0.03554
Energy Sales	7,940,024		8.3	8,600,144		4.7	8,215,613	
Steam Sales	---	---	---	---	---	---	---	---
Other Revenue								
By-Product Revenue	30,992		67.5	51,898		96.7	26,385	
Miscellaneous Revenue	54,768		3.8	56,847		21.5	46,773	
Total Other Revenue	85,760		26.8	108,745		48.6	73,158	
Operating Revenue	8,025,784		8.5	8,708,889		5.1	8,288,771	
Operating Expense								
Purchased Power	2,324,459	0.03117	21.8	2,832,251	0.03361	11.6	2,536,731	0.03191
Production Fuel	1,685,530		6.1	1,787,914		10.0	1,625,388	
Emissions Allowance	---		---	18		38.5	13	
Operation	2,154,896		(0.3)	2,148,419		8.5	1,979,698	
Maintenance	782,822		(7.7)	722,872		35.0	535,480	
Depreciation	1,018,680		(5.9)	958,835		6.5	900,004	
Total Operating Expense	7,966,387		6.1	8,450,309		11.5	7,577,314	
Operating Income	59,397		3.4X	258,580		(63.7)	711,457	
Nonoperating Revenue (Expense)								
Interest Income	22,639		3.1X	92,868		1.6X	35,806	
Interest Expense	(716)		54.7	(1,108)		1.4X	(455)	
Total Nonoperating Revenue (Expense)	21,923		3.2X	91,760		1.6X	35,351	
Net Income Before Revenue Adjustment	81,320		3.3X	350,340		(53.1)	746,808	
Capital Contributions	---		---	---		---	---	
Change in Net Position	81,320		3.3X	350,340		(53.1)	746,808	
Beginning Net Position	110,847,796			113,020,857			126,241,578	
Ending Net Position	\$110,929,116			\$113,371,197			\$126,988,386	
Net Income (Loss) Before Rev Adj to Op Revenue	1.0			4.0			9.0	
Change in Net Position to Operating Revenue	1.0			4.0			9.0	

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

	Budget		% Increase (Decrease) from Budget	This Year		% Increase (Decrease) from Last Year	Last Year	Avg. Price
	Estimate	Avg. Price			Avg. Price			
Sales of Electricity								
Residential	\$6,569,699	\$ 0.11316	4.3	\$6,852,866	\$ 0.10873	6.8	\$6,418,771	\$ 0.11221
Commercial I	2,244,147	0.10496	(7.0)	2,086,286	0.10278	(6.7)	2,235,044	0.10399
Commercial II	4,405,052	0.08207	2.7	4,524,009	0.07750	6.6	4,245,327	0.08093
Industrial I	4,790,810	0.06565	1.9	4,883,240	0.06294	(2.2)	4,995,292	0.06540
Industrial II	14,368,192	0.05297	(2.6)	14,001,782	0.05125	(1.4)	14,205,350	0.05414
City Enterprise Funds	242,624	0.07623	(10.5)	217,192	0.07395	(8.7)	237,903	0.07658
Water & Communications Utilities	641,910	0.06341	(5.5)	606,454	0.06140	(6.2)	646,412	0.06571
Native System Sales	33,262,434	0.06779	(0.3)	33,171,829	0.06565	0.6	32,984,099	0.06831
Wholesale Sales	15,179,827	0.02938	25.0	18,979,932	0.03251	9.4	17,343,369	0.03551
Energy Sales	48,442,261		7.7	52,151,761		3.6	50,327,468	
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	153,404		56.8	240,555		92.2	125,142	
Miscellaneous Revenue	374,309		8.8	407,194		(7.3)	439,179	
Total Other Revenue	527,713		22.7	647,749		14.8	564,321	
Operating Revenue	52,805,150		7.1	56,528,013		3.0	54,896,907	
Operating Expense								
Purchased Power	14,091,781	0.02591	17.4	16,545,338	0.02959	0.3	16,489,454	0.03064
Production Fuel	11,951,212		9.3	13,066,679		14.0	11,459,724	
Emissions Allowance	4,776		(57.6)	2,023		(62.3)	5,363	
Operation	15,208,893		(4.0)	14,595,019		4.1	14,019,778	
Maintenance	6,519,855		(13.6)	5,635,078		(27.3)	7,755,511	
Depreciation	7,130,756		(5.9)	6,711,840		6.5	6,300,032	
Total Operating Expense	54,907,273		3.0	56,555,977		0.9	56,029,862	
Operating Loss	(2,102,123)		(98.7)	(27,964)		(97.5)	(1,132,955)	
Nonoperating Revenue (Expense)								
Interest Income	141,288		2.6X	510,979		1.9X	173,241	
Interest Expense	(5,010)		35.3	(6,779)		1.0X	(3,347)	
Total Nonoperating Revenue (Expense)	136,278		2.7X	504,200		2.0X	169,894	
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	(1,965,845)		-1.2X	476,236		-1.5X	(963,061)	
Capital Contributions	---		---	---		---	63,483	
Change in Net Position	(1,965,845)		-1.2X	476,236		-1.5X	(899,578)	
Beginning Net Position	112,894,961			112,894,961			127,887,964	
Ending Net Position	\$110,929,116			\$113,371,197			\$126,988,386	
Net Income (Loss) Before Rev Adj to Op Revenue	(3.7)			0.8			(1.8)	
Change in Net Position to Operating Revenue	(3.7)			0.8			(1.6)	

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

ASSETS

	<u>2018</u>	<u>2017</u>
Current Assets:		
Cash - interest bearing	\$27,049,819	\$36,459,015
Investments	32,007,427	14,550,000
Receivables:		
Consumer Accounts	7,818,128	6,161,072
Refined Coal	3,251,599	2,950,959
Wholesale	419,504	484,389
Interest	211,190	88,028
Inventories	5,290,712	5,284,856
Fuel	9,837,636	8,105,052
Prepaid Expenses	1,087,169	945,498
	<hr/>	<hr/>
Total Current Assets	86,973,184	75,028,869
Property and Equipment:		
At Cost	431,959,473	428,826,604
Less Accumulated Depreciation	(365,604,830)	355,941,913
	<hr/>	<hr/>
Net Property and Equipment	66,354,643	72,884,691
Other Assets:		
Note Receivable - Communications Utility	8,562,844	9,044,287
Joint Venture Rights	86,645	78,966
	<hr/>	<hr/>
Total Other Assets	8,649,489	9,123,253
Deferred Outflows of Resources		
Pension	11,620,953	8,177,423
OPEB	79,020	---
	<hr/>	<hr/>
Total Deferred Outflows of Resources	11,699,973	8,177,423
TOTAL ASSETS	<hr/> <hr/>	<hr/> <hr/>
	\$173,677,289	\$165,214,236

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

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	<u>2018</u>	<u>2017</u>
Current Liabilities:		
<u>Unrestricted</u>		
Accounts Payable	\$7,203,411	\$4,767,700
Health & Dental Insurance Provision	248,520	271,040
Accrued Payroll	744,082	626,175
Accrued Vacation	1,251,145	1,201,871
Accrued Emission Allowance Expense	9,905	5,363
Consumers' Deposits	826,068	773,291
Retained Percentage on Contracts	24,225	71,030
Accrued Property Taxes	104,687	105,456
Miscellaneous Accrued Expenses	725,748	783,098
Unearned Revenue	23,334	160,735
	<hr/>	<hr/>
Total Unrestricted Current Liabilities	11,161,125	8,765,759
	<hr/>	<hr/>
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,314,613	1,002,257
Post-Employment Health Benefit Provision	671,689	421,567
Net Pension Liability	17,871,670	14,370,242
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Total Non-Current Liabilities	19,857,972	15,794,066
	<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	66,354,643	72,884,691
Unrestricted	47,016,554	54,103,695
	<hr/>	<hr/>
Total Net Position	113,371,197	126,988,386
	<hr/>	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$173,677,289</u>	<u>\$165,214,236</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$258,580	(\$27,964)
Noncash items in operating income:		
Depreciation of electric utility plant	958,835	6,711,840
Amortization of joint venture rights	8,442	66,073
Change in deferred outflows of resources - pension	(240,241)	(1,201,201)
Changes in assets and liabilities:		
Consumer accounts receivable	(1,676,184)	(1,377,087)
Refined coal	(428,475)	245,720
Wholesale receivable	(207,997)	75,162
Steam sales receivable	0	1,010,795
Inventories	42,329	(106,753)
Fuel	37,456	(749,802)
Prepaid expenses	(159,091)	(227,658)
Accounts payable	2,084,522	1,703,055
Net pension liability	347,624	1,854,645
Health & dental insurance provision	115,151	33,923
Other post-employment benefit provision	2,607	18,254
Accrued payroll	134,500	92,569
Accrued vacation	4,491	96,650
Accrued emission allowance expense	18	2,023
Consumers' deposits	(2,163)	35,975
Retained Percentage	---	243
Accrued property taxes	8,401	7,472
Unearned revenue	(3,529)	17,642
Miscellaneous accrued expenses	(11,960)	(40,232)
Net cash flows from operating activities	1,273,316	8,241,344
Cash flows from capital financing activities:		
Capital expenditures, net	(284,993)	(3,107,498)
Net cash flows from capital and related financing activities	(284,993)	(3,107,498)
Cash flows from investing activities:		
Purchase of joint venture rights	---	(51,670)
Reimbursement of Resco stock	---	---
Interest received on investments	127,515	435,790
Net cash flows from investing activities	127,515	384,120
Net increase in cash and investments	1,115,838	5,517,966
Cash and investments at beginning of period	\$57,941,408	\$53,539,280
Cash and investments at end of period	\$59,057,246	\$59,057,246

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$2,324,459</u>	29.0	<u>\$2,832,251</u>	32.5	<u>\$2,536,731</u>	30.6
Average price per kWh	\$0.03117		\$0.03361		\$0.03191	
<u>Generation</u>						
Operation Supervision (500)	77,482		79,234		72,690	
Fuel: (501)						
Coal	1,643,188		1,736,987		1,578,438	
Fuel Oil	---		1,079		45	
Gas	---		---		4,271	
Coal Handling Expense (501-003)	33,375		32,397		26,956	
Landfill Operation Expense (501-925)	8,967		17,451		15,678	
Emissions Allowance Expense (509)	---		18		13	
Steam Expense:						
Boiler (502-004)	84,728		93,238		131,624	
Pollution Control (502-005)	59,948		74,978		79,943	
Electric Expense (505)	89,489		96,431		82,662	
Miscellaneous Steam Power Expense (506)	213,150		102,146		150,313	
Maintenance:						
Supervision (510)	68,722		75,375		62,677	
Structures (511)	85,030		94,361		31,206	
Boiler Plant:						
Boiler (512-006)	141,512		84,044		73,904	
Pollution Control (512-007)	45,375		27,159		38,252	
Electric Plant (513-008)	65,487		12,955		14,501	
System Control (513-009)	24,571		15,277		14,338	
Miscellaneous Steam Plant (514)	45,104		41,403		48,156	
Coal Handling Equipment (516)	82,994		85,237		35,739	
System Control and Load Dispatch (556)	27,759		34,663		26,318	
Vacation, Holiday, Sick Leave (557)	96,418		114,657		101,274	
Depreciation (558)	<u>637,616</u>		<u>641,039</u>		<u>648,814</u>	
Total Generation Expense	<u>\$3,530,915</u>	44.0	<u>\$3,460,129</u>	39.7	<u>\$3,237,812</u>	39.1

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$14,091,781</u>	26.7	<u>\$16,545,338</u>	29.3	<u>\$16,489,454</u>	30.0
Average price per kWh	\$0.02591		\$0.02959		\$0.03064	
<u>Generation</u>						
Operation Supervision (500)	520,255		549,351		539,285	
Fuel: (501)						
Coal	11,516,365		12,563,873		10,911,154	
Fuel Oil	67,639		47,239		28,585	
Gas	81,284		83,107		120,640	
Coal Handling Expense (501-003)	230,003		261,982		283,516	
Landfill Operation Expense (501-925)	55,921		110,478		115,829	
Emissions Allowance Expense (509)	4,776		2,023		5,363	
Steam Expense:						
Boiler (502-004)	649,852		692,896		638,929	
Pollution Control (502-005)	428,448		374,316		320,668	
Electric Expense (505)	610,888		652,742		614,428	
Miscellaneous Steam Power Expense (506)	1,621,836		1,094,168		1,254,567	
Maintenance:						
Supervision (510)	468,257		530,817		534,144	
Structures (511)	733,561		376,527		460,966	
Boiler Plant:						
Boiler (512-006)	1,900,262		1,547,125		1,344,102	
Pollution Control (512-007)	464,074		293,836		472,826	
Electric Plant (513-008)	444,015		382,299		2,337,443	
System Control (513-009)	142,912		143,355		120,623	
Miscellaneous Steam Plant (514)	354,213		288,617		357,870	
Coal Handling Equipment (516)	454,274		519,741		448,351	
System Control and Load Dispatch (556)	193,237		217,799		172,817	
Vacation, Holiday, Sick Leave (557)	580,215		592,461		614,110	
Depreciation (558)	4,463,309		4,487,275		4,541,700	
Total Generation Expense	<u>\$25,985,596</u>	49.2	<u>\$25,812,027</u>	45.7	<u>\$26,237,916</u>	47.8

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision (560)	\$7,888		\$8,776		\$6,037	
Load Dispatching (561)	72,090		60,368		51,133	
Station Expense (562)	11,760		8,589		10,004	
Overhead Line Expense (563)	81		4,757		512	
Transmission of Electricity by Others (565)	125,864		104,582		96,894	
Miscellaneous Transmission Expense (566)	16,663		8,626		21,130	
Maintenance:						
Supervision (568)	2,878		2,352		1,659	
Structures (569)	99		---		---	
Station Equipment (570)	2,400		7,831		8,483	
Overhead Lines (571)	17,430		7,834		3,373	
Vacation, Holiday, Sick Leave (575)	13,537		14,933		11,053	
Depreciation (576)	44,388		43,048		31,072	
Tax on Rural Property (577)	5,690		5,690		5,690	
	<hr/>		<hr/>		<hr/>	
Total Transmission Expense	320,768	4.0	277,386	3.2	247,040	3.0
<u>Distribution</u>						
Operation Supervision (580)	15,021		11,744		9,897	
Load Dispatching (581)	30,442		36,858		34,714	
Station Expense (582)	12,013		8,627		5,747	
Overhead Line Expense (583)	2,744		---		3,590	
Vehicle Expense (589)	15,418		17,710		9,968	
Underground Line Expense (584)	8,819		6,527		4,209	
Street Lighting (585-418)	2,627		---		4,747	
Signal Expense (585-419)	922		164		372	
Meter Expense (586)	9,990		10,438		10,230	
Consumer Installation Expense (587)	576		1,185		911	
Miscellaneous Distribution Expense (588)	57,556		59,770		51,793	
Maintenance:						
Supervision (590)	10,783		7,459		6,224	
Structures (591)	5,922		---		---	
Station Equipment (592)	5,448		9,485		8,116	
Overhead Lines (593)	57,631		88,869		53,704	
Underground Lines (594)	19,446		37,366		42,316	
Line Transformers (595)	3,597		10,877		1,010	
Street Lighting (596-418)	10,231		23,048		18,087	
Signal System (596-419)	2,204		6,994		3,722	
Meters (597)	2,321		2,182		1,651	
Miscellaneous Distribution Plant (598)	2,708		2,745		2,422	
Vacation, Holiday, Sick Leave (599)	38,112		49,210		40,403	
Depreciation (578)	177,226		175,558		172,352	
Tax on Rural Property (579)	1,700		1,700		1,699	
	<hr/>		<hr/>		<hr/>	
Total Distribution Expense	\$493,457	6.1	\$568,516	6.5	\$487,884	5.9

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision (560)	\$53,838		\$53,127		\$50,446	
Load Dispatching (561)	511,332		493,192		450,225	
Station Expense (562)	111,737		90,061		62,405	
Overhead Line Expense (563)	571		10,912		2,216	
Transmission of Electricity by Others (565)	881,046		647,670		569,871	
Miscellaneous Transmission Expense (566)	97,287		79,710		94,283	
Maintenance:						
Supervision (568)	19,640		14,134		18,205	
Structures (569)	958		---		---	
Station Equipment (570)	37,334		65,517		102,018	
Overhead Lines (571)	108,063		57,718		32,595	
Vacation, Holiday, Sick Leave (575)	80,250		80,467		64,078	
Depreciation (576)	310,713		301,333		217,503	
Tax on Rural Property (577)	39,828		39,922		39,920	
	<u>2,252,597</u>	4.3	<u>1,933,763</u>	3.4	<u>1,703,765</u>	3.1
<u>Distribution</u>						
Operation Supervision (580)	102,359		79,424		101,753	
Load Dispatching (581)	208,998		222,733		223,736	
Station Expense (582)	89,983		52,093		57,247	
Overhead Line Expense (583)	33,700		957		15,167	
Vehicle Expense (589)	107,971		101,450		97,964	
Underground Line Expense (584)	48,259		32,391		27,143	
Street Lighting (585-418)	18,286		7,157		7,144	
Signal Expense (585-419)	7,680		4,839		1,229	
Meter Expense (586)	69,496		70,502		71,489	
Consumer Installation Expense (587)	3,930		6,707		4,745	
Miscellaneous Distribution Expense (588)	398,354		502,036		464,826	
Maintenance:						
Supervision (590)	76,507		49,919		72,888	
Structures (591)	11,537		---		---	
Station Equipment (592)	62,566		45,215		100,692	
Overhead Lines (593)	369,003		437,653		552,957	
Underground Lines (594)	144,503		158,493		139,604	
Line Transformers (595)	40,811		26,293		32,430	
Street Lighting (596-418)	72,595		100,165		91,333	
Signal System (596-419)	22,886		44,358		31,097	
Meters (597)	18,540		14,917		16,253	
Miscellaneous Distribution Plant (598)	18,958		19,277		19,840	
Vacation, Holiday, Sick Leave (599)	227,344		252,148		247,733	
Depreciation (578)	1,240,585		1,228,904		1,206,465	
Tax on Rural Property (579)	11,897		11,928		11,924	
	<u>\$3,406,748</u>	6.5	<u>\$3,469,559</u>	6.1	<u>\$3,595,659</u>	6.5

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$2,756		\$1,075		\$1,868	
Energy Efficiency Rebates (912)	19,060		12,876		23,876	
Electric Ranges/Dryers Maintenance (910)	435		185		97	
Electric Water Heaters Maintenance (911)	124		---		32	
	<u>22,375</u>	0.3	<u>14,136</u>	0.2	<u>25,873</u>	0.3
<u>Consumer Accounts</u>						
Meter Reading Expense (902)	10,111		9,503		8,006	
Consumer Records and Collection (901/903)	46,688		30,366		32,844	
Uncollectible Accounts Expense (904)	4,253		4,253		5,623	
Vacation, Holiday, Sick Leave (906)	6,627		8,269		5,425	
	<u>67,679</u>	0.8	<u>52,391</u>	0.6	<u>51,898</u>	0.6
<u>Administrative and General</u>						
Administrative and General Salaries (920)	189,767		181,420		146,129	
Office Supplies and Expenses (921)	13,755		11,095		11,019	
Outside Services Employed (923)	45,296		14,483		19,596	
Property Insurance (924)	58,354		62,067		55,722	
Casualty Ins, Injuries & Damages (925)	48,267		30,061		33,396	
Employee Pensions and Benefits (926)	558,948		683,288		544,870	
Fringe Benefits Charged to Constr. (927)	(37,644)		(3,879)		(20,813)	
Regulatory Commission (928)	8,615		9,573		10,518	
Miscellaneous General Expense (930)	45,338		28,163		44,487	
Maintenance of General Plant (932)	40,585		32,411		32,070	
Maintenance of A/O Center (934)	40,344		47,608		33,870	
Vacation, Holiday, Sick Leave (936)	35,659		50,020		31,446	
Depreciation (933)	159,450		99,190		47,766	
	<u>1,206,734</u>	15.0	<u>1,245,500</u>	14.3	<u>990,076</u>	11.9
Total Operating Expense	<u>\$7,966,387</u>		<u>\$8,450,309</u>		<u>\$7,577,314</u>	
Percent to Operating Revenue		99.3		97.0		91.4

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$43,345		\$41,755		\$34,691	
Energy Efficiency Rebates (912)	112,420		89,507		136,303	
Electric Ranges/Dryers Maintenance (910)	3,145		1,184		829	
Electric Water Heaters Maintenance (911)	<u>1,125</u>		<u>936</u>		<u>412</u>	
Total Customer Service Expense	<u>\$160,035</u>	0.3	<u>\$133,382</u>	0.2	<u>\$172,235</u>	0.3
 <u>Consumer Accounts</u>						
Meter Reading Expense (902)	68,478		69,529		66,201	
Consumer Records and Collection (901/903)	322,618		297,810		285,831	
Uncollectible Accounts Expense (904)	29,773		29,771		39,361	
Vacation, Holiday, Sick Leave (906)	<u>39,240</u>		<u>37,260</u>		<u>34,896</u>	
Total Consumer Accounts Expense	<u>460,109</u>	0.9	<u>434,370</u>	0.8	<u>426,289</u>	0.8
 <u>Administrative and General</u>						
Administrative and General Salaries (920)	1,295,215		1,271,835		1,201,886	
Office Supplies and Expenses (921)	103,958		105,945		96,080	
Outside Services Employed (923)	349,333		250,804		226,281	
Property Insurance (924)	400,579		415,431		384,220	
Casualty Ins, Injuries & Damages (925)	333,869		275,517		372,732	
Employee Pensions and Benefits (926)	3,932,143		4,289,744		3,930,536	
Fringe Benefits Charged to Constr. (927)	(190,033)		(198,489)		(160,507)	
Regulatory Commission (928)	60,305		61,610		56,275	
Miscellaneous General Expense (930)	383,390		321,336		285,015	
Maintenance of General Plant (932)	299,310		274,715		239,828	
Maintenance of A/O Center (934)	255,076		244,387		229,446	
Vacation, Holiday, Sick Leave (936)	211,113		220,375		208,388	
Depreciation (933)	<u>1,116,149</u>		<u>694,328</u>		<u>334,364</u>	
Total Administrative and General	<u>8,550,407</u>	16.2	<u>8,227,538</u>	14.6	<u>7,404,544</u>	13.5
Total Operating Expense	<u>\$54,907,273</u>		<u>\$56,555,977</u>		<u>\$56,029,862</u>	
Percent to Operating Revenue		104.0		100.0		102.1

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

Total Fuel Cost
(To & Including Ash Handling, Gas & Oil)

	<u>Current Month</u>	
	<u>2018</u>	<u>2017</u>
Per Million Btu.	\$1.722	\$1.701
Per Net MW Generated	\$22.48	\$19.85
Net Peak Monthly Demand-KW	138,860	129,910
Date of Peak	7/13	7/6
Hour of Peak	1800	1700

	<u>Calendar Year-To-Date</u>	
	<u>2018</u>	<u>2017</u>
Per Million Btu.	\$1.785	\$1.794
Per Net MW Generated	\$20.46	\$20.31
Net Peak Monthly Demand-KW	145,010	135,210
Date of Peak	6/18	6/12
Hour of Peak	1800	1600
Average Temperature	72.4	73.3

<u>Services</u>	<u>2018</u>	<u>2017</u>
Residential	9,915	9,863
Commercial I	1,359	1,389
Commercial II	139	108
Industrial I	11	12
Industrial II	2	2
City Enterprise Funds	24	24
Water & Communications Utility	36	35
	<hr/>	<hr/>
Total	<u>11,486</u>	<u>11,433</u>

Electric Utility
Review of Operating Results
July 2018

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

	(Unfavorable)/ Favorable Compared to Budget	
Sales of Electricity		
Native System Sales	\$ (90,605)	A 3.2% lower average sales price (\$.06565/kWh versus \$.06779/kWh budgeted); offset by 3.0% higher kWhs sold
Wholesale Sales	3,800,105	10.7% higher average sale price (\$.03251/kWh versus \$.02938/kWh), plus 13.0% higher kWhs sold
	<u>3,709,500</u>	
Steam Sales	<u>(106,673)</u>	2.7% lower pounds of steam sold
Other Revenue		
By-Product Revenue	80,481	Fly ash sales
	13,979	Gypsum sales
	(7,310)	Slag sales
Miscellaneous Revenue	(15,920)	Lower job sales, net of expenses
	34,473	Alliant Energy easement
	(5,795)	Lower transmission-related revenue
	8,810	Higher recycling revenue
	9,565	Higher penalty revenue
	1,753	Other miscellaneous variances - net
	<u>120,036</u>	
Operating Expense		
Purchased Power - Native System	(2,455,681)	Average purchase price is 14.2% higher (\$.02959/kwh vs \$.02591/kwh), plus 2.8% higher kWhs purchased
Purchased Power - Wind	2,124	0.2% lower kWhs purchased
	<u>(2,453,557)</u>	
Production Fuel	(1,047,508)	12.6% or 49,363 higher number of coal tons burned, offset by a 2.8% lower price/ton
	20,400	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
	(26,880)	Higher cost for landfill rock, propane, and diesel fuel
	(63,297)	Higher labor cost
	(12,308)	Other miscellaneous variances - net
	<u>(1,115,467)</u>	
Emissions Allowance	<u>2,753</u>	Market price lower than assumed
Operation	8,544	Lower gas usage for auxiliary boiler
	106,022	Lower PAC injection system costs
	21,743	Lower cost for wastewater chemicals and analysis
	(103,621)	Higher limestone usage
	11,508	Lower power plant water bills
	(29,807)	Higher cost for IDNR Title V permit fee
	13,088	Lower cost for PM2.5 modeling
	192,752	Stack testing, not performed
	33,000	RATA testing, not performed
	15,497	Engineering services for CCR rule compliance, not expended
	49,915	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
	26,874	Lower cost for plant safety materials
	38,740	Lower cost for rail car storage and administration fees
	4,400	PMAX/PEPSI maintenance agreements, not expended
	13,434	Lower cost for plant ground maintenance
	(28,139)	Higher cost of MISO operating and administrative fees
	12,580	Inspection, replacement, painting of pole breakers, not expended
	282,785	Lower cost for MISO's multi-value transmission and market efficiency projects
	5,000	Local balancing authority investigation expenses, not expended
	8,566	Lower cost for SCADA's dark fiber lease

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

(Unfavorable)/
Favorable Compared
to Budget

9,919	Lower cost of tools, grease, lawn care for substations
31,188	Electric line workers' tools & Lean supplies not needed
7,485	Lower cost for vehicle material expenses
(4,041)	Higher cost for share in MAGIC's operating expenses
(6,609)	Engineering services not budgeted
4,948	Lower marketing costs
(2,936)	Higher cost for energy efficiency services
22,913	Lower cost for energy efficiency rebates
(4,807)	Higher cost for payment processing fees
(10,046)	Higher cost for computer hardware/software
(14,781)	Higher cost for organizational development consulting
40,500	Succession planning, not expended
32,047	Legal services not expended
17,220	CIP compliance consulting not utilized
7,302	Lower cost for web design service
12,150	Refund for 2017's pension plan investment consulting services
(17,600)	Higher cost for employee search services
9,550	Lower cost for coal pile survey
44,857	Workers compensation claims expense is lower than historical data used for budgeting
13,495	Casualty insurance premiums were expected to increase by 5-7%; instead increased slightly
(453,244)	Pension expense is accrued at a higher amount to approximate GASB 68 effect
96,241	Lower healthcare costs
(12,549)	Higher FICA expense
(17,995)	Higher cost of deferred comp's utility match
14,412	Lower unemployment expenses
8,456	Higher fringe benefits charged to capital projects
6,321	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
11,624	Continuous improvement expenses, not incurred
11,885	Financial 2017 Annual Report; Highlights not expended
8,315	Lower cost for employee team expenses
141,095	Less training/travel
(7,743)	Higher cost for gasoline/diesel fuel
(34,612)	Higher cost for temporary labor services
(47,509)	Lower cost for vacation expense
(45,982)	Higher labor cost
23,030	Other miscellaneous variances - net
613,874	

Maintenance

11,868	Lower cost for contracted insulation replacement & repairs
300,000	Unit 9 roof restoration, to be completed in September
57,440	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
(45,476)	Spray foam and coat Unit 9 Crusher House, not budgeted
(20,141)	Higher cost for backflow preventer valve repair
44,618	Lower bottom ash system materials expense
7,819	Lower cost for reverse osmosis materials expenses
(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

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

(Unfavorable)/
 Favorable Compared
 to Budget

	(16,846)	Higher cost for Unit 8 miscellaneous valve repairs
	(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
	33,706	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
	6,877	Lower cost to rebuild/repair Unit 9 sootblowers
	(12,896)	Higher cost of Unit 9 boiler tube repairs/NDE
	(48,671)	Higher cost for Unit 9 boiler vent, drain and blowdown valve repairs
	15,660	Lower cost for Unit 9 miscellaneous valve repairs
	8,000	Replacement of Unit 9 condensate control valve with DVC valve controller, not completed
	(6,101)	Higher cost for software/plant controls maintenance agreements
	11,991	Lower cost for continuous emission monitoring expenses
	16,382	Lower cost for PAC injection system expenses
	49,194	Lower cost of miscellaneous precipitator repairs
	18,000	Repair of the limestone silo 901 south wall, not begun
	6,643	Lower cost of miscellaneous limestone handling equipment repairs
	6,181	Lower cost for wastewater equipment maintenance
	5,863	Lower cost for scrubber waste equipment repairs
	8,750	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
	16,973	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
	6,000	Unit 8 UPS battery replacement, not expended
	22,291	Generation plant tool expense not expended
	(39,512)	Higher cost for rail car maintenance
	10,435	Lower cost for dozer maintenance
	(64,167)	Higher cost for coal conveyor repairs
	50,042	Track maintenance not completed
	(16,641)	Inspection of Unit 8 coal crusher hammers, not budgeted
	32,200	Lower cost for the jointly-owned transmission line maintenance performed by MEC
	(15,301)	Higher cost for overhead lines material expenses
	(37,846)	Higher cost for underground lines material expenses
	14,000	Re-gasket and paint 2500 kVA transformers, not completed
	(21,647)	Higher cost of street lighting repairs
	(8,497)	Higher cost of traffic signal repairs
	24,730	Lower cost of vehicle maintenance
	4,404	Lower cost of gasoline and diesel fuel
	10,340	Lower cost for temporary labor services
	75,112	Lower labor cost
	<u>184,178</u>	Other miscellaneous variances - net
	<u>884,777</u>	
Depreciation	<u>418,916</u>	Net value of the A&G assets were overestimated for the budget
Nonoperating Revenue (Expense)		
Interest Income	369,691	Higher average cash balances
Interest Expense	<u>(1,769)</u>	
	<u>367,922</u>	
Change in Net Position	<u>\$ 2,442,081</u>	Total Variance from Budgeted Net Position

Statements of Revenues, Expenses and Changes in Net Position**Sales of Electricity****Native System Sales**

A 3.2% lower average sales price per kWh (\$.06565/kWh versus \$.06779/kWh budgeted), offset by 3.0% higher kWhs sold, resulted in \$90,605 lower revenue.

Wholesale Sales

13.0% higher kWhs sold, plus a 10.7% higher average sales price (\$.03251/kWh versus \$.02938/kWh budgeted), resulted in \$3,800,105 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 \$13,979 and \$80,481 higher than budgeted, respectively. The budget includes \$7,310 for slag sales that has not occurred.

Miscellaneous Revenue

Net job sales and transmission-related revenue are \$15,920 and \$5,795 lower than budget, respectively; recycling and penalty revenue are \$8,810 and \$9,565 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 \$369,691 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 14.2% higher average purchase price (\$.02959/kWh versus \$.02591/kWh budgeted), plus 2.8% higher kWhs purchased for native system sales, resulted in \$2,455,681 higher cost. Wind energy kWh purchases were 0.2% or \$2,124 lower than budgeted.

Generation

Operation Supervision – (500)

Total labor expense is \$29,096 higher than budget due to more overtime than expected.

Fuel – Coal – (501-001)

12.6% or 49,363 higher tons of coal burned, offset by a 2.8% lower price/ton, resulted in \$1,047,508 higher coal expense.

Fuel – Fuel Oil – (501-921)

Cost of fuel oil for Unit 9 start-ups is \$20,400 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 \$47,691 higher than budgeted, respectively; gasoline and diesel fuel expense is \$11,304 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 \$14,923 higher than budgeted. Other material costs for rock, propane, and diesel fuel, are \$26,880 higher than the budget.

Steam Expense – Boiler – (502-004)

Labor expenses are \$46,527 higher than budgeted. 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 \$106,022, \$21,743, and \$28,021 lower than budgeted, respectively. Limestone expense is \$103,621 higher than budgeted, due to a survey inventory adjustment that has adjusted the weighted average cost significantly.

Electric Expense – (505)

Labor expense is \$74,953 higher than budget. Power plant water bills are \$11,508 lower than budgeted

Generation (cont'd)

<u>Miscellaneous Steam Power Expense - (506)</u>	2018 <u>Budget</u>	2018 <u>Actual</u>
Labor	\$486,623	\$486,661
IDNR Title V permit fee	158,850	188,657
PM2.5 modeling	14,000	912
Stack testing	238,600	45,848
RATA testing	33,000	-
Engineering services for CCR rule compliance	16,046	549
316(b) cooling water impingement/entrainment study	105,000	55,085
ARC flash study update	20,000	-
Universal waste recycling/hazardous waste disposal	8,169	4,543
Coal and byproduct analysis	4,000	-
IDNR fees	50,000	21,336
ESC software engineering time/maintenance	10,400	18,516
Plant safety material expenses	93,233	66,359
Plant road and railroad crossing repairs	7,500	6,816
Rail car storage/switching costs/admin fees	74,479	35,739
PMAX/PEPSI maintenance agreements	4,400	-
Travel/training	114,372	43,577
Temporary labor services	5,580	18,877
Ground maintenance	29,350	15,916
Membership/subscriptions	9,500	8,852
Gasoline/diesel fuel	8,167	9,978
Other expenses	<u>130,567</u>	<u>65,947</u>
	<u>\$1,621,836</u>	<u>\$1,094,168</u>

Maintenance Supervision – (510)

Plant maintenance and technical departments' labor expenses are \$36,047 and \$27,194 higher than budgeted, respectively.

Generation (cont'd)

<u>Maintenance of Structures - (511)</u>	2018	2018
	<u>Budget</u>	<u>Actual</u>
Labor	\$163,893	\$152,858
Elevator maintenance	30,420	28,853
Contracted insulation replacement/repair	15,148	3,280
Overhead door maintenance	5,250	2,080
Unit 9 turbine roof restoration	300,000	-
Unit 9 roof maintenance	61,500	4,060
Extend Unit 9 vacuum header to the SH level	-	22,531
Unit 9 miscellaneous piping repairs	-	3,438
Unit 7 sump pump	9,000	5,690
Hoist and crane repairs	-	5,669
Waste oil material dumpster	4,000	-
Extend Unit 9 vacuum header to the SH level	26,000	-
Spray foam and coat Unit 9 Crusher House	-	45,476
Fire protection panel inspection/repair	17,100	15,719
Backflow preventer inspection/repairs	7,650	27,791
Building door repairs	5,250	-
Other expenses	<u>88,350</u>	<u>59,082</u>
	<u>\$733,561</u>	<u>\$376,527</u>

Generation (cont'd)

<u>Maintenance of Boiler Plant - Boiler - (512-006)</u>	2018 <u>Budget</u>	2018 <u>Actual</u>
Labor	\$434,904	\$352,983
Bottom ash system materials	92,216	47,598
Fly ash system materials	58,365	54,320
Reverse osmosis system	8,513	694
8A reboiler repairs	12,051	25,529
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	5,355	-
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	72,919	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	-	11,498
Rebuild Unit 9 sootblowers	18,375	-
Unit 9 boiler tube repairs/NDE	10,000	22,896
Unit 9 boiler vent, drain and blowdown valve repairs	13,125	61,796
Unit 9 miscellaneous valve repairs	24,500	8,840
Replace Unit 9 condensate control valve with DVC valve controller	8,000	-
Software/plant controls maintenance agreements	26,292	32,393
Other expenses	<u>217,067</u>	<u>127,224</u>
	<u>\$1,900,262</u>	<u>\$1,547,125</u>

Generation (cont'd)

	2018	2018
	<u>Budget</u>	<u>Actual</u>
<u>Maintenance of Boiler Plant – Pollution Control - (512-007)</u>		
Labor	\$169,393	\$138,244
Continuous emission monitoring expenses	71,311	59,320
PAC (powdered activated carbon) injection system costs	7,868	-8,514
Grit blast & vacuum Unit 8 precipitator & ductwork	16,200	14,317
Miscellaneous precipitator repairs	46,198	-2,996
Repair the limestone silo 901 south wall	18,000	-
Miscellaneous limestone handling equipment repairs	6,643	-
Wastewater equipment maintenance	8,108	1,927
Scrubber waste equipment repairs	6,881	1,018
FGD hydroclone repairs/replacements	8,750	-
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	41,937	24,973
Other expenses	<u>1,785</u>	<u>-</u>
	<u>\$464,074</u>	<u>\$293,836</u>

Generation (cont'd)

<u>Maintenance of Electric Plant - (513-008)</u>	2018	2018
	<u>Budget</u>	<u>Actual</u>
Labor	\$154,615	\$176,329
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	28,750	29,222
Clean Unit 9 heat exchangers	7,200	-
Unit 9 miscellaneous plant maintenance	39,277	30,784
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	31,000	33,741
8A turbine/generator repairs	15,333	14,245
Unit 8 UPS battery replacement	6,000	-
Unit 8 MV contactor inspection and test	3,500	-
Unit 8 station battery annual inspection	2,500	-
Unit 8 miscellaneous plant maintenance	4,142	2,525
Unit 7 miscellaneous plant maintenance	12,650	445
GE, EX-2000, and Mark V service agreement	14,583	7,974
Other expenses	<u>7,966</u>	<u>3,593</u>
	<u>\$444,015</u>	<u>\$382,299</u>

Maintenance of Miscellaneous Steam Plant – (514)

Labor expense is \$37,530 lower than budgeted. Tools expenses are \$22,291 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	\$158,377	\$167,993
Rail car maintenance	75,300	114,812
Dozer maintenance	61,308	50,873
Coal conveyor maintenance	26,896	91,063
Lumpbreaker inspection/repair	4,200	2,781
Unit 8 control room PC	3,200	-
Track maintenance	54,000	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	14,262	10,036
Other expenses	<u>51,731</u>	<u>58,424</u>
	<u>\$454,274</u>	<u>\$519,741</u>

<u>System Control and Load Dispatch - (556)</u>	2018	2018
	<u>Budget</u>	<u>Actual</u>
Labor	\$93,765	\$90,133
SCADA Dark Fiber service & BUCC MME services	11,354	10,963
MISO operating & administrative fees	84,343	112,482
MISO & APDA memberships	1,126	1,126
Travel and training	250	524
Other expenses	<u>2,399</u>	<u>2,571</u>
	<u>\$193,237</u>	<u>\$217,799</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 \$27,040 and \$4,172 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 \$10,156 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 \$282,785 lower than budgeted.

Miscellaneous Transmission Expense – (566)

The Midwest Municipal Transmission Group membership is \$955 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 \$4,480 lower than the budgeted.

Maintenance Supervision – (568)

Labor expense is \$5,506 lower than budgeted primarily due to the Manager, T&D position opening.

Maintenance of Station Equipment – (570)

Labor expense is \$18,722 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 \$32,200 lower than budgeted. Other material expenses are \$5,825 lower than budgeted; plus labor expense is \$12,320 lower than the budget.

Depreciation – (576)

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

DistributionOperation Supervision – (580)

Labor expense is \$22,935 lower than budgeted due to the Manager, T&D position opening.

Load Dispatching – (581)

System control labor expense is \$2,436 higher than budgeted. The SCADA system's dark fiber lease is \$8,566 lower than budgeted.

Station Expense – (582)

Substation electricians' labor expense is \$23,773 lower than budgeted; project engineering budgeted \$7,822 labor expense that has not been expended. Material expenses, including lawn care, tools and grease, are \$9,919 lower than budgeted.

Overhead Line Expense – (583)

The budget includes \$28,688 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 \$3,414 and \$7,485 respectively. Gasoline and diesel fuel usage is \$11,568 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 \$16,419 lower labor expense, plus \$1,185 lower material expenses.

Street Lighting – (585-STL)

Less time has been spent on street light repairs, resulting in \$10,922 lower labor expense.

Miscellaneous Distribution Expense – (588)

Labor expense is \$70,302 higher than budgeted; the electric line workers' labor makes up \$34,439 or nearly 50% of this total. The share in MAGIC's operating expenses is \$4,041 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 \$22,076, were not budgeted, and travel & training expenses are \$14,899 lower than budgeted.

Maintenance Supervision – (590)

Labor expense is \$26,588 lower than budget primarily due to the Manager, T&D position opening.

Maintenance of Structures – (591)

Labor is below budget by \$3,337. Repair of HVAC units for \$5,000 and replace of portable A/C unit for \$1,400 has not been expended.

Maintenance of Station Equipment – (592)

Material expenses, including cost to load test substation batteries, are lower than budget by \$4,228. Substation electricians' labor expense is \$7,115 lower than budgeted. The electric line workers budgeted \$6,007 labor to this account that has not been needed.

Maintenance of Overhead Lines – (593)

Labor and material expenses are \$53,351 and \$15,301 higher than the budget, respectively.

Maintenance of Underground Lines – (594)

Labor expense is \$23,857 lower, while material expense is \$37,846 higher than budgeted.

Maintenance of Line Transformers – (595)

Less time was spent on line transformer maintenance, resulting in \$3,721 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 \$21,647.

Maintenance of Signal Expense – (596-419)

More than anticipated signal repairs resulted in \$12,975 higher labor and \$8,497 higher material expenses.

Maintenance of Meters – (597)

Calibration of meters and other material expenses are \$2,129 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 <u>Budget</u>	2018 <u>Actual</u>	2017 <u>Actual</u>
<u>Marketing</u>			
Media advertising	\$8,189	\$7,495	\$7,341
Customer newsletter/bill inserts	1,858	2,364	2,326
Postage	755	-	-
Promotional materials	2,725	337	342
Photo library	<u>1,779</u>	<u>162</u>	<u>1,134</u>
Subtotal - Marketing	<u>15,306</u>	<u>10,358</u>	<u>11,143</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	700	-	-
Compact fluorescent exchange program	3,500	2,270	1,967
Customer awareness programs	1,169	13,390	4,786
Presentation materials	2,170	-	-
Science fair/poster contest	<u>2,500</u>	<u>2,315</u>	<u>1,860</u>
Subtotal - Energy Services	<u>28,039</u>	<u>30,975</u>	<u>23,529</u>
Miscellaneous	=	422	19
	<u>\$43,345</u>	<u>\$41,755</u>	<u>\$34,691</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	\$23,800	\$14,319	\$50,967
Compact fluorescent lighting	1,750	1,323	1,758
Air conditioning	18,375	22,525	25,243
Refrigerator	2,695	2,620	2,015
City building improvement	6,300	-	-
Washing machine	2,333	2,400	1,700
Customized energy efficiency	-	20	1,625
Water heater	4,200	2,900	2,400
Geo-thermal	4,200	4,200	7,270
Motor	47,600	38,150	42,250
Dishwasher	1,167	1,050	1,075
	<u>\$112,420</u>	<u>\$89,507</u>	<u>\$136,303</u>

Consumer Accounts

<u>Consumer Records and Collection - (903)</u>	2018	2018	2017
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Labor	\$210,986	\$206,297	\$191,075
Temporary labor services	7,945	7,240	12,863
Postage	16,492	15,812	14,296
Payment processing fees	31,402	36,209	31,586
Collection fees	6,852	5,560	6,570
Integrated voice response service	1,056	918	1,096
Travel/training	1,963	47	2,146
Gasoline/diesel fuel	1,750	820	1,208
Other	4,941	3,452	2,861
	<u>\$283,387</u>	<u>\$276,355</u>	<u>\$263,701</u>

Administrative and GeneralAdministrative & General Salaries – (920)

Labor expense is \$23,380 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	\$28,424	\$27,273	\$30,353
Memberships/subscriptions	12,477	13,158	14,492
Internet/MME	9,696	8,554	9,091
Office furniture	8,732	5,098	6,371
Computer hardware/software	17,227	27,273	8,643
Postage	-	4,712	4,803
Vehicle allowance	8,320	8,344	7,270
Vehicle maintenance	5,483	2,732	2,311
Gasoline/diesel fuel	2,333	1,779	1,053
Other	<u>11,266</u>	<u>7,022</u>	<u>11,693</u>
	<u>\$103,958</u>	<u>\$105,945</u>	<u>\$96,080</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	\$28,350	\$43,131	\$16,453
Succession planning	110-Board	40,500	-	-
Legal services	140-Brandy	28,700	6,296	26,105
Environmental legal services	140-Brandy	12,500	-	-
Transmission/reliability standards legal servi	140-Brandy	10,000	18,709	11,985
Coal & transportation attorney	140-Brandy	2,912	-	-
Bond counsel	140-Brandy	750	-	-
Labor attorney	140-Brandy	2,940	-	1,497
CIP compliance consulting	145-Seth	20,000	2,780	1,800
NERC compliance consulting	145-Seth	5,625	7,463	3,525
Web design service	224-Rick	9,036	1,734	4,213
Insurance advisor	310-Jerry	23,814	23,814	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	45,500	45,642	35,000
Fuel procurement committee consulting	331-Brad	4,500	-	-
IS department professional services	350-Greg	5,670	4,050	7,625
IS department review	350-Greg	-	-	15,882
509A Actuary	410-Brandy	891	790	790
Benefits consulting	410-Brandy	28,554	19,845	13,649
2017 Pension plan study	410-Brandy	-	(12,150)	-
Employee search services	410-Brandy	32,400	50,000	-
MISO consultant	610-Gage	1,456	-	-
Coal pile survey	612-Neal	10,000	450	393
Engineering services	760-Mark	-	575	16,321
		<u>\$349,333</u>	<u>\$250,804</u>	<u>\$226,281</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 \$44,857 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 \$13,495 lower expense.

Administrative and General (cont'd)

<u>Employee Pensions and Benefits (926)</u>	2018	2018	2017
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Pension	\$1,401,400	\$1,854,644	\$1,369,573
Healthcare costs	1,451,273	1,355,032	1,378,137
FICA	709,338	721,887	717,219
Deferred comp utility match	166,690	184,685	182,006
Dental	55,929	53,449	55,177
Educational reimbursements	16,538	10,647	11,980
LTD insurance	35,195	33,187	33,582
Life insurance	27,443	25,941	26,472
Post-employment health benefit	18,255	18,255	11,849
Recognition dinner	14,426	14,907	14,975
Unemployment expenses	16,200	1,788	108,108
Other expenses	19,456	15,322	21,459
	<u>\$3,932,143</u>	<u>\$4,289,744</u>	<u>\$3,930,537</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>	2018	2018	2017
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Employment expenses	\$24,923	\$18,602	\$21,713
APPA dues	17,360	19,495	14,839
IUB Iowa Energy Center	30,681	31,318	30,683
IAMU membership	20,734	23,623	22,216
GMCCI joint community branding project	8,100	20,250	-
Economic development pledge	-	34,020	19,845
Legal publications	3,073	3,069	2,749
General CIP Expense	30,000	-	-
Continuous Improvement	11,624	-	1,102
Financial Annual Report	12,555	670	4,528
Subscriptions/memberships	12,664	12,282	17,481
Employee team expenses	27,120	18,805	18,073
Training/travel	93,025	43,897	27,157
Safety-related expenses	4,185	2,644	2,657
Labor	27,174	15,962	14,154
Temporary labor services	16,655	28,171	38,361
Board trustee fees	4,253	4,253	4,253
Freight	7,595	9,304	11,966
Other expenses	31,669	34,971	33,238
	<u>\$383,390</u>	<u>\$321,336</u>	<u>\$285,015</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.

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

	<u>2018</u>	<u>2017</u>
<u>Current Assets</u>		
<u>Consumer Accounts</u>		
Customer Electric Accounts	\$7,150,711	\$5,624,569
Unbilled Revenue	506,558	479,274
Utility loan program	1,933	3,560
Merchandise Accounts	176,742	95,523
Allowance for Doubtful Accounts	(17,816)	(41,854)
	<u>\$7,818,128</u>	<u>\$6,161,072</u>
 <u>Inventories</u>		
Inventory	\$4,924,569	\$4,896,873
Emission Allowance - SO2	121,502	119,970
Emission Allowance - Nox	5,572	3,530
Stores Expense	95,386	25,689
Gas and Diesel Fuel	105,674	91,228
Limestone	38,009	147,566
	<u>\$5,290,712</u>	<u>\$5,284,856</u>
 <u>Prepaid Expenses</u>		
Prepaid insurance	\$654,449	\$604,312
APPA dues	9,591	---
CIP training	---	12,129
Economic development pledge	---	14,175
GP Strategies	6,188	7,688
IA Dept Comm Global Warming	8,948	8,767
IAMU annual dues	23,949	22,808
NERC-quarterly assessment	7,411	7,401
OATI digital certificates	5,850	11,700
SOS International	9,349	---
Prepaid maintenance contracts	285,852	224,643
Prepaid travel	43,043	28,545
Other	32,539	3,330
	<u>\$1,087,169</u>	<u>\$945,498</u>
 <u>Current Liabilities</u>		
<u>Accounts Payable (amounts over \$10,000 itemized)</u>		
Communications/Water bills	\$38,318	\$39,540
Altorfer - power train rebuild	7,996	---
Anixter - copper wire	---	10,147
Bank of America - supplies	16,991	20,295
Black & Veatch - engineering services	9,129	27,719
BNSF Railway - coal transport	503,978	---
Buckskin Mining Company - coal	270,664	147,818
Burlington Northern - coal transport/railcar rpr	---	248,170
Canadian Pacific Railway - coal transport	140,155	65,543
CDW-G - computer hardware	---	21,102
City of Muscatine - wastewater/sanitation/Misissippi Dr project	195,976	95,506

Clyde Bergemann	7,600	---
Cogsdale - business system implementation	153,760	28,482
Cottingham & Butler -workers comp claims	12,187	6,288
DLT Solutions	17,027	---
GE Energy Services - #9 turbine overhaul	---	48,957
Graybar Electric - wire	---	18,767
HDR Engineering - #9 entrainment sampling	---	13,760
HR Green	7,057	---
Harris Corp - software maintenance	---	20,979
Hedge Above - lawn service	5,157	---
Heuer Construction - parking lot	---	30,423
Howden Roots - flyash blower repair	---	---
IDNR - Title V Fee	---	112,679
Insight - routers	35,318	---
Iowa Chicago & Eastern RR - coal transportation	---	38,930
Iowa Roofing Coatings	45,475	---
Iowa Utilities Board - assessment	46,377	---
Jefferies Refined Coal - refined coal	3,197,064	2,901,155
Linwood Mining	5,427	---
MISO - purch power/trans svc/admin fee	139,917	122,041
Midamerican Energy - joint line maintenance	23,170	9,000
Mid American Signal - traffic control cabinet	---	28,156
MJ Electric - South Sub autotransformer	---	40,311
Motion Industries - conveyor belts	20,351	---
Motive Rail - rail car storage	8,610	10,360
Nalco - chemicals	3,484	41,682
Ragan	61,558	29,257
Resco - blade assembly/transformers	15,059	118,759
Scientech - PEPSE #8 & #9 model	---	17,750
Sitehawk	7,238	---
South Fork Wind - energy	83,539	59,367
Spratt Oil	9,669	---
T&K Roofing Co - #9 roof replacement	---	13,150
Tenaska - monthly fee	17,500	17,500
TestAmerica	6,325	---
TMI Coatings	183,879	---
Trayer Engineering - switchgear	---	26,745
Visa - travel	11,011	10,977
Wesco - transformers	8,423	64,608
Other	1,888,022	261,777
	<u>\$7,203,411</u>	<u>\$4,767,700</u>

Miscellaneous Accrued Expenses

Interest on Customer Deposits	\$84,300	\$84,681
Sales/Use Tax Collections Payable	67,417	57,597
Payroll Tax Collections Payable	195,803	177,586
Workers' Comp Self Insurance Reserves	271,537	362,963
Employee payroll life insurance payment	---	0
Comp Time Payable	44,993	38,052
Employee team bank	61,698	62,219
	<u>\$725,748</u>	<u>\$783,098</u>

Muscatine Power and Water

Water Utility

Statement of Revenues, Expenses and Changes in Net Position

July 2018

**Muscatine Power and Water
Water Utility**

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Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - July 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>Water Distribution - 1,000 Gallons</u>					
Contract Customers	743,512	(3.0)	721,136	4.4	690,588
Power Plants	53,284	(19.4)	42,967	32.4	32,453
Residential	45,226	(1.1)	44,750	10.2	40,593
Commercial	37,113	10.4	40,977	11.7	36,683
Total Metered Customers	879,135	(3.3)	849,830	6.2	800,317
Rated Customers - Estimate	---	---	---	---	11
City Use, Line Loss, Cycle Billing	52,748	(3.3)	50,991	6.2	48,019
Total Water Pumped	<u>931,883</u>	(3.3)	<u>900,820</u>	6.2	<u>848,347</u>

Calendar Year-to-Date

	<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>Water Distribution - 1,000 Gallons</u>					
Contract Customers	4,738,580	0.8	4,774,924	1.2	4,719,192
Power Plants	403,401	(6.9)	375,377	0.0	375,340
Residential	266,899	(5.6)	251,929	(0.9)	254,173
Commercial	208,201	1.5	211,265	1.1	208,990
Total Metered Customers	5,617,081	(0.1)	5,613,495	1.0	5,557,695
Rated Customers - Estimate	---	---	41	(56.4)	94
City Use, Line Loss, Cycle Billing	337,025	(0.1)	336,810	1.0	333,462
Total Water Pumped	<u>5,954,106</u>	(0.1)	<u>5,950,346</u>	1.0	<u>5,891,251</u>

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - July 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	\$312,149	\$ 0.41983	(1.7)	\$306,906	\$ 0.42559	6.6	\$288,038	\$ 0.41709
Power Plants	30,913	0.58016	(9.7)	27,918	0.64975	9.0	25,603	0.78893
Residential	181,844	4.02078	1.7	185,012	4.13435	9.3	169,194	4.16806
Commercial	68,562	1.84739	(6.9)	63,860	1.55844	6.7	59,860	1.63182
Water Sales	593,468	0.67506	(1.6)	583,696	0.68684	7.6	542,695	0.67810
<u>Other Revenue</u>								
Penalty Revenue	855		29.0	1,103		6.5	1,036	
Merchandise & Job Sales-Net	833		1.5X	2,072		#DIV/0!	---	
Miscellaneous Revenue	828		-1.2X	(150)		-1.1X	1,384	
Total Other Revenue	2,516		20.2	3,025		25.0	2,420	
Operating Revenue	595,984		(1.6)	586,721		7.6	545,115	
<u>Operating Expense</u>								
Operation	354,531		(10.2)	318,391		5.1	302,896	
Maintenance	70,593		(23.9)	53,728		(48.7)	104,726	
Depreciation	73,911		(3.2)	71,557		11.0	64,466	
Total Operating Expense	499,035		(11.1)	443,676		(6.0)	472,088	
Operating Income	96,949		47.5	143,045		95.9	73,027	
<u>Nonoperating Revenues (Expenses)</u>								
Interest Income	875		10.3X	9,922		25.5X	375	
Interest Expense	(39,668)		0.0	(39,668)		(0.2)	(39,729)	
Net Nonoperating Revenues (Expenses)	(38,793)		(23.3)	(29,746)		(24.4)	(39,354)	
Net Income (Loss) before Capital Contributions	58,156		94.8	113,299		2.4X	33,673	
Capital Contributions	---		---	---		---	---	
Change in Net Position	58,156		94.8	113,299		2.4X	33,673	
Beginning Net Position	16,610,776			16,818,656			16,455,082	
Ending Net Position	\$16,668,932			\$16,931,955			\$16,488,755	
Net Income (Loss) to Operating Revenue	9.8			19.3			6.2	
Debt Service Coverage	2.09			2.74			15.75	

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

	Budget		% Increase (Decrease) from Budget	% Increase (Decrease) from Last Year		Last Year	Avg. Price	
	Estimate	Avg. Price		This Year	Avg. Price			
Sales of Water								
Contract Customers	\$2,034,210	\$ 0.42929	0.5	\$2,045,276	\$ 0.42834	5.3	\$1,942,698	\$ 0.41166
Power Plants	220,333	0.54619	(5.2)	208,823	0.55630	(0.0)	208,852	0.55643
Residential	1,187,707	4.45002	(0.8)	1,178,476	4.67781	5.0	1,122,356	4.41572
Commercial	377,659	1.81392	(0.5)	375,841	1.77900	3.0	365,006	1.74652
Water Sales	3,819,909	0.68005	(0.3)	3,808,416	0.67844	4.7	3,638,912	0.65475
Other Revenue								
Penalty Revenue	5,127		39.8	7,170		34.2	5,344	
Merchandise & Job Sales-Net	5,833		47.9	8,629		1.1X	4,038	
Miscellaneous Revenue	8,262		1.1	8,354		(28.4)	11,664	
Total Other Revenue	19,222		25.7	24,153		14.8	21,046	
Operating Revenue	3,839,131		(0.2)	3,832,569		4.7	3,659,958	
Operating Expense								
Operation	2,418,529		(2.3)	2,363,416		3.8	2,277,394	
Maintenance	554,343		(25.4)	413,548		(36.3)	649,038	
Depreciation	517,379		(3.2)	500,900		11.0	451,181	
Total Operating Expense	3,490,251		(6.1)	3,277,864		(3.0)	3,377,613	
Operating Income	348,878		59.0	554,705		96.5	282,344	
Nonoperating Revenues (Expenses)								
Interest Income	6,572		8.5X	62,268		54.7X	1,118	
Interest Expense	(278,107)		(0.5)	(276,607)		5.3	(262,800)	
Net Nonoperating Revenues (Expenses)	(271,535)		(21.1)	(214,339)		(18.1)	(261,682)	
Net Income (Loss) before Capital Contributions	77,343		3.4X	340,366		15.5X	20,662	
Capital Contributions	---		---	---		---	---	
Change in Net Position	77,343		3.4X	340,366		15.5X	20,662	
Beginning Net Position	16,591,589			16,591,589			16,468,093	
Ending Net Position	\$16,668,932			\$16,931,955			\$16,488,755	
Net Income (Loss) to Operating Revenue	2.0			8.9			0.6	
Debt Service Coverage	1.52			1.95			9.44	

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

ASSETS

	<u>2018</u>	<u>2017</u>
Current Assets:		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$571,725	\$542,022
Receivables:		
Consumer Accounts	759,758	704,503
Interest	77	30
Inventories	342,453	334,260
Prepaid Expenses	47,646	48,540
	<u>1,721,660</u>	<u>1,629,355</u>
Total Unrestricted Current Assets		
<u>Restricted Assets</u>		
Cash - interest bearing	<u>6,265,966</u>	<u>9,629,833</u>
	<u>6,265,966</u>	<u>9,629,833</u>
Total Restricted Current Assets		
Total Current Assets	<u>7,987,626</u>	<u>11,259,188</u>
Non-Current Assets:		
Unamortized debt issuance costs	54,132	58,332
Property and Equipment:		
At Cost	38,223,164	34,218,154
Less Accumulated Depreciation	<u>11,422,197</u>	<u>10,943,936</u>
Net Property and Equipment	<u>26,800,967</u>	<u>23,274,218</u>
Deferred Outflows of Resources		
Pension	829,463	610,291
IPERS	197,472	114,030
OPEB	<u>10,397</u>	<u>---</u>
Total Deferred Outflows of Resources	<u>1,037,332</u>	<u>724,321</u>
TOTAL ASSETS	<u>35,880,058</u>	<u>\$35,316,059</u>

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

LIABILITIES AND NET POSITION

	<u>2018</u>	<u>2017</u>
Current Liabilities:		
<u>Payable from Unrestricted Assets</u>		
Accounts Payable	349,431	\$475,786
Health & Dental Insurance Provision	32,700	31,680
Retained Percentage on Contracts	58,270	26,026
Consumer Advances for Construction	600	91,395
Accrued Payroll	75,478	81,466
Accrued Vacation	146,528	135,172
Accrued Property Taxes	3,365	1,472
Unearned Revenue	0	---
Miscellaneous Accrued Expenses	65,411	69,898
Economic Development Reserves	<u>0</u>	<u>---</u>
Total Payable from Unrestricted Assets	<u>731,784</u>	<u>912,895</u>
<u>Payable from Restricted Assets</u>		
State Revolving Loan - Current Portion	33,000	32,000
Water Revenue Bonds - Current Portion	375,000	---
Accrued Interest	96,043	51,568
Total Payable from Restricted Assets	<u>504,043</u>	<u>83,568</u>
Total Current Liabilities	<u>\$1,235,827</u>	<u>996,463</u>
Non-Current Liabilities:		
State Revolving Loan	\$35,000	68,000
Notes Payable to Electric Utility	\$0	---
Water Revenue Bond Series 2017	\$15,384,143	15,863,592
Health & Dental Insurance Provision	\$71,818	42,001
Post-Employment Health Benefit Provision	\$88,412	41,381
Net Pension Liability	\$1,740,233	1,355,089
Consumer Advances for Construction	\$198,259	198,482
Total Non-Current Liabilities	<u>\$17,517,866</u>	<u>17,568,545</u>
Deferred Inflows of Resources		
Pension	\$79,730	42,321
IPERS	\$102,764	219,975
OPEB	\$11,916	---
Total Deferred Inflows of Resources	<u>\$194,410</u>	<u>262,296</u>
Net Position:		
Net Investment in Capital Assets	\$10,774,964	22,884,341
Restricted	\$6,169,923	9,578,265
Unrestricted	<u>(\$12,932)</u>	<u>(15,973,851)</u>
Total Net Position	<u>\$16,931,955</u>	<u>16,488,755</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$35,880,058</u></u>	<u><u>\$35,316,059</u></u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$143,045	\$554,705
Noncash item in operating income:		
Depreciation of utility plant	71,557	500,900
Amortization of Debt Discount	350	1,500
Change in deferred outflows of resources - pension	(19,020)	(105,496)
Changes in assets and liabilities:		
Consumer accounts receivable	(17,351)	(8,719)
Inventories	9,161	12,547
Prepaid and deferred expenses	6,197	8,376
Accounts payable	201,565	(527,513)
Net pension liability	32,193	138,481
Health & dental insurance provision	12,969	(10,298)
Other post-employment benefit provision	347	2,434
Retained percentage	(0)	(25,246)
Accrued payroll	34	(1,657)
Accrued vacation	(5,339)	8,846
Accrued property taxes	1,134	259
Unearned revenue	---	(2,800)
Miscellaneous accrued expenses	3,259	5,147
Net cash flows from operating activities	<u>440,101</u>	<u>551,466</u>
Cash flows from capital and related financing activities:		
State revolving loan fund principal payments	---	(32,000)
Bond & loan interest payments	(8,705)	(288,775)
Capital expenditures, net	(352,961)	(1,635,074)
Net cash flows from capital and related financing activities	<u>(361,666)</u>	<u>(1,955,849)</u>
Cash flows from investing activities:		
Interest received on investments	9,923	62,229
Net cash flows from investing activities	<u>9,923</u>	<u>62,229</u>
Net increase (decrease) in cash and investments	<u>88,358</u>	<u>(1,342,154)</u>
Cash and investments at beginning of period	<u>\$6,749,333</u>	<u>\$8,179,845</u>
Cash and investments at end of period	<u>6,837,691</u>	<u>\$6,837,691</u>

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision (600)	\$3,615		\$3,422		\$2,975	
Operation Labor and Expenses (601)	787		3,001		2,297	
Miscellaneous Expense (603)	385		568		872	
Maintenance of Wells (614)	---		---		---	
Maintenance of Supply Mains (616)	382		---		---	
Depreciation (618)	<u>11,563</u>		<u>9,449</u>		<u>9,525</u>	
Total Source of Supply Expense	<u>16,731</u>	2.8	<u>16,439</u>	2.8	<u>15,669</u>	2.9
 <u>Pumping</u>						
Operation Supervision (620)	3,968		3,268		3,328	
Fuel or Power Purchased (623)	90,465		84,133		82,043	
Pumping Labor and Expenses (624)	5,251		2,011		4,176	
Miscellaneous Expense (626)	316		196		236	
Maintenance of Structures (631)	449		---		---	
Maintenance of Pumping Equipment (632/633)	25,265		5,247		17,539	
Depreciation (634)	<u>6,690</u>		<u>6,240</u>		<u>6,294</u>	
Total Pumping Expense	<u>132,404</u>	22.2	<u>101,095</u>	17.2	<u>113,616</u>	20.8
 <u>Water Treatment</u>						
Operation Supervision (640)	3,622		3,354		3,018	
Chemicals (641)	18,727		19,263		17,445	
Operation Labor and Expenses (642)	14,482		14,643		14,259	
Miscellaneous Expense (643)	1,033		994		995	
Maintenance of Structures (651)	1,130		772		69	
Maintenance of Purification Equip. (652)	1,997		446		252	
Depreciation (654)	<u>3,443</u>		<u>3,262</u>		<u>3,262</u>	
Total Water Treatment Expense	<u>44,435</u>	7.5	<u>42,734</u>	7.3	<u>39,300</u>	7.2
 <u>Distribution</u>						
Operation Supervision (660)	3,801		3,428		3,132	
Storage Facilities Expense (661)	5,025		6,090		5,463	
Trans. & Distr. Lines Expense (662)	3,348		1,976		2,610	
Meter Expense (663)	10,098		5,613		6,944	
Consumer Installation Expense (664)	10,252		6,043		6,004	
Miscellaneous Expense (665)	16,131		16,108		6,612	
Vehicle Expense (667)	4,539		5,153		5,528	
Maintenance:						
Supervision (670)	5,203		4,607		4,305	
Structures (671)	415		56		142	
Reservoirs and Standpipes (672)	249		1,309		8,758	
Mains (673)	16,001		27,837		54,018	
Valves (674)	4,758		2,786		9,616	
Meters (676)	2,083		4,002		1,032	
Hydrants (677)	4,729		1,799		3,178	
Miscellaneous Plant (678)	3,242		1,881		2,867	
Vacation, Holiday, Sick Leave (679)	17,780		10,093		16,016	
Depreciation (680)	<u>40,815</u>		<u>39,456</u>		<u>36,184</u>	
Total Distribution Expense	<u>\$148,469</u>	24.9	<u>\$138,235</u>	23.6	<u>\$172,409</u>	31.6

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision (600)	\$24,526		\$25,072		\$23,943	
Operation Labor and Expenses (601)	6,573		8,309		7,444	
Miscellaneous Expense (603)	1,780		2,947		3,964	
Maintenance of Wells (614)	120,000		---		114,711	
Maintenance of Supply Mains (616)	2,672		51		---	
Depreciation (618)	<u>80,939</u>		<u>66,141</u>		<u>66,677</u>	
Total Source of Supply Expense	<u>236,491</u>	6.2	<u>102,520</u>	2.7	<u>216,739</u>	5.9
 <u>Pumping</u>						
Operation Supervision (620)	26,955		27,100		27,024	
Fuel or Power Purchased (623)	583,257		536,602		581,462	
Pumping Labor and Expenses (624)	36,506		36,722		31,674	
Miscellaneous Expense (626)	2,213		2,549		2,059	
Maintenance of Structures (631)	3,146		---		272	
Maintenance of Pumping Equipment (632/633)	128,748		28,508		184,810	
Depreciation (634)	<u>46,829</u>		<u>43,682</u>		<u>44,058</u>	
Total Pumping Expense	<u>827,655</u>	21.6	<u>675,164</u>	17.6	<u>871,359</u>	23.8
 <u>Water Treatment</u>						
Operation Supervision (640)	24,721		24,956		24,849	
Chemicals (641)	128,066		130,829		122,679	
Operation Labor and Expenses (642)	106,189		112,997		106,732	
Miscellaneous Expense (643)	16,556		19,043		14,542	
Maintenance of Structures (651)	7,593		9,947		7,739	
Maintenance of Purification Equip. (652)	12,519		8,726		23,551	
Depreciation (654)	<u>24,101</u>		<u>22,832</u>		<u>22,832</u>	
Total Water Treatment Expense	<u>319,745</u>	8.3	<u>329,330</u>	8.6	<u>322,924</u>	8.8
 <u>Distribution</u>						
Operation Supervision (660)	25,653		26,376		25,560	
Storage Facilities Expense (661)	35,730		38,247		37,541	
Trans. & Distr. Lines Expense (662)	34,546		44,414		34,152	
Meter Expense (663)	69,825		70,748		64,726	
Consumer Installation Expense (664)	55,370		39,657		31,775	
Miscellaneous Expense (665)	119,661		116,908		110,884	
Vehicle Expense (667)	32,013		53,441		35,688	
Maintenance:						
Supervision (670)	35,404		34,603		35,387	
Structures (671)	2,708		533		2,649	
Reservoirs and Standpipes (672)	1,743		4,061		15,591	
Mains (673)	114,389		192,764		151,087	
Valves (674)	35,750		44,190		31,687	
Meters (676)	14,776		27,087		6,719	
Hydrants (677)	16,762		13,019		23,542	
Miscellaneous Plant (678)	22,693		24,710		26,461	
Vacation, Holiday, Sick Leave (679)	106,659		100,849		102,723	
Depreciation (680)	<u>285,706</u>		<u>276,191</u>		<u>253,208</u>	
Total Distribution Expense	<u>\$1,009,386</u>	26.3	<u>\$1,107,800</u>	28.9	<u>\$989,380</u>	27.0

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$487	0.1	\$396	0.1	\$426	0.1
<u>Consumer Accounts</u>						
Meter Reading Expense (902)	4,245		3,962		3,443	
Consumer Records and Collection (903)	19,326		11,971		13,227	
Uncollectible Accounts Expense (904)	811		811		1,104	
Vacation, Holiday, Sick Leave (906)	2,756		2,032		2,168	
Total Consumer Accounts Expense	27,138	4.6	18,775	3.2	19,942	3.7
<u>Administrative and General</u>						
Administrative and General Salaries (920)	22,781		19,884		17,755	
Office Supplies and Expenses (921)	1,626		1,634		1,890	
Outside Services Employed (923)	3,071		682		285	
Property Insurance (924)	1,843		1,960		1,760	
Casualty Ins, Injuries & Damages (925)	5,169		2,265		2,885	
Employee Pensions and Benefits (926)	67,037		70,136		60,509	
Fringe Benefits Charged to Constr. (927)	(10,587)		(5,191)		(7,771)	
Miscellaneous General Expense (930)	11,397		8,311		10,570	
Rents (931)	6,207		6,207		6,279	
Maintenance of General Plant (932)	4,690		2,987		2,950	
Vacation, Holiday, Sick Leave (936)	4,736		3,977		4,413	
Depreciation (933)	11,401		13,151		9,201	
Total Administrative and General	129,370	21.7	126,003	21.5	110,726	20.3
Total Operating Expense	<u>\$499,035</u>		<u>\$443,677</u>		<u>\$472,088</u>	
Percent to Operating Revenue		83.7		75.6		86.6

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$5,069	0.1	\$3,721	0.1	\$4,276	0.1
<u>Consumer Accounts</u>						
Meter Reading Expense (902)	28,545		29,458		28,200	
Consumer Records and Collection (903)	133,795		123,334		115,762	
Uncollectible Accounts Expense (904)	5,677		5,677		7,728	
Vacation, Holiday, Sick Leave (906)	16,331		13,938		14,736	
Total Consumer Accounts Expense	184,348	4.8	172,407	4.5	166,426	4.5
<u>Administrative and General</u>						
Administrative and General Salaries (920)	155,490		150,818		144,207	
Office Supplies and Expenses (921)	12,443		15,085		13,794	
Outside Services Employed (923)	19,768		13,520		9,499	
Property Insurance (924)	12,650		13,119		12,133	
Casualty Ins, Injuries & Damages (925)	35,551		26,082		33,437	
Employee Pensions and Benefits (926)	469,567		475,559		434,222	
Fringe Benefits Charged to Constr. (927)	(63,131)		(61,950)		(59,979)	
Miscellaneous General Expense (930)	78,391		68,193		58,813	
Rents (931)	43,449		43,449		43,955	
Maintenance of General Plant (932)	35,441		25,347		24,832	
Vacation, Holiday, Sick Leave (936)	28,135		25,646		27,190	
Depreciation (933)	79,805		92,055		64,406	
Total Administrative and General	907,559	23.6	886,923	23.1	806,509	22.0
Total Operating Expense	<u>\$3,490,252</u>		<u>\$3,277,864</u>		<u>\$3,377,613</u>	
Percent to Operating Revenue		90.9		85.5		92.3

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

	<u>Pumped</u>	<u>2018</u>	<u>Sold</u>	<u>Pumped</u>	<u>2017</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.648		0.687	0.640		0.678
Cost Per 1,000 Gallons	<u>0.493</u>		<u>0.522</u>	<u>0.556</u>		<u>0.590</u>
Margin	<u>0.155</u>		<u>0.165</u>	<u>0.083</u>		<u>0.088</u>
		<u>2018</u>		<u>2017</u>		
Maximum Daily Water Pumped (1,000 gallons)		31,715		30,531		
Date of Maximum		07/10		07/13		

Calendar Year-to-Date

	<u>Pumped</u>	<u>2018</u>	<u>Sold</u>	<u>Pumped</u>	<u>2017</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.640		0.678	0.618		0.655
Cost Per 1,000 Gallons	<u>0.551</u>		<u>0.584</u>	<u>0.573</u>		<u>0.608</u>
Margin	<u>0.089</u>		<u>0.095</u>	<u>0.044</u>		<u>0.047</u>
		<u>2018</u>		<u>2017</u>		
Maximum Daily Water Pumped (1,000 gallons)		31,715		30,872		
Date of Maximum		07/10		01/11		

Services

Contract Customers	2	2
Power Plants	2	2
Residential	8,816	8,781
Commercial	<u>1,086</u>	<u>1,085</u>
Total	<u>9,906</u>	<u>9,870</u>

Water Utility
Review of Operating Results
July 2018

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

	(Unfavorable)/ Favorable Compared to Budget	
Sales of Water		
Contract Customers	\$ 16,726	GPC consumption is 1.3% higher than budget, offset by a 0.4% lower billing rate
	(5,660)	Heinz's consumption is 6.7% lower than budgeted, offset by a 3.4% higher billing rate
	(11,509)	Power plants' consumption is 6.9% lower than budgeted offset by a 1.9% higher billing rate
	(9,231)	Residential consumption is 5.6% lower than budgeted offset by a 5.1% higher billing rate
	(1,818)	Commercial consumption is 1.5% higher than budgeted offset by a 1.9% lower billing rate
	<u>(11,492)</u>	
Other Revenue		
Penalty Revenue	2,043	Higher penalty revenue
Merchandise & Job Sales-Net	2,796	Higher job sales revenue
Miscellaneous Revenue	92	Other miscellaneous variances
	<u>4,931</u>	
Operating Expense		
Operation	46,655	Lower fuel/power purchased due to 3.4% lower kWh consumed, 4.8% lower cost per kWh, and 0.1% fewer gallons pumped
	(2,763)	Higher chemicals expense than budgeted primarily due to increased application of phosphate compared to budget offset by fewer gallons pumped
	(5,142)	T&D lines materials expense higher than budgeted
	(5,874)	Higher vehicle fuel usage expense
	(15,389)	Vehicle materials expense higher than budgeted
	(2,040)	Higher cost of credit card processing fees
	3,500	Succession planning expense less than budgeted
	(1,278)	Organizational development expense more than budgeted
	9,469	Lower cost of workers compensation
	12,830	Lower health care cost
	(25,030)	Higher pension expense
	7,709	Lower FICA expense
	(1,707)	Higher IPERS expense
	(1,749)	Higher cost of deferred comp utility match
	6,626	Lower miscellaneous general travel expenses
	59,441	Lower labor, sick, personal and vacation expense
	(30,145)	Other miscellaneous variances - net
	<u>55,113</u>	
Maintenance	120,000	Well cleaning has not begun yet
	82,910	Lower cost of pumping equipment materials due to fewer repairs
	(91,345)	Higher cost of mains materials due to higher concrete repairs
	(7,732)	Higher cost of valves materials due to more repairs
	(7,730)	Higher cost of meter materials due to more repairs at GPC
	8,754	Lower cost of hydrant materials due to fewer repairs
	8,463	Lower cost of maintenance agreements
	1,283	Lower cost of memberships and subscriptions
	19,087	Maintenance labor under budget
	7,105	Other miscellaneous variances - net
	<u>140,795</u>	
Depreciation	<u>16,479</u>	
Nonoperating Revenue (Expense)		
Interest Income	55,696	Water bond project fund interest rate higher than budgeted
Interest Expense	1,500	Refund of bond issuance cost overpayment
	<u>57,196</u>	
Change in Net Position	<u>\$ 263,022</u>	Total Variance in Budgeted Net Position

Statements of Revenues, Expenses and Changes in Net Position

Sales of Water

- Contract customers' water usage is 0.8% higher than budgeted offset slightly by lower contract rates resulting in \$11,066 more revenue. GPC's usage was 1.3% higher than budget offset by a 0.4% lower billing rate, resulting in \$16,726 more revenue. Heinz's usage was 6.7% lower than budget, offset by a 3.4% higher billing rate, resulting in \$5,660 less revenue. Power plants' usage was 6.9% lower than budget, offset slightly by a 1.9% higher billing rate, resulting in \$11,509 less revenue. Residential customers' water usage was 5.6% lower than budgeted, offset by a 5.1% higher billing rate resulting in \$9,231 lower revenue. Commercial customers' water usage was 1.5% higher than budgeted, offset by a 1.9% lower billing rate, resulting in \$1,818 less revenue.

Nonoperating Revenue (Expense)

- Interest income is \$55,696 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 August.

Depreciation – (618)

- Depreciation under budget \$14,798 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 higher due to 0.1% fewer gallons pumped than budget, resulting in \$46,655 lower expense.

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Fuel or Power Purchased	\$ 583,257	\$ 536,602	\$ 581,462
1,000 Gallons Pumped	5,954,106	5,950,346	5,891,250
Cost per 1,000 Gal. Pumped	0.0980	0.0902	0.0987
kWhs Consumed	9,443,144	9,122,340	9,136,040
kWh per 1,000 Gal. Pumped	1.59	1.53	1.55

Maintenance of Structures – (631)

- Materials expense under budget \$2,917.

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

- Tech Services labor under budget \$8,106.
- Planning/Scheduling labor under budget \$6,721.
- Water production labor under budget \$5,076.
- SCADA labor under budget \$2,141.
- Distribution department labor over budget \$3,613.
- Material expenses under budget \$82,910 due to fewer repairs. Repairs will begin when well cleaning begins in August.

Depreciation – (634)

- Depreciation under budget \$3,147 primarily due to well 47, 48 and 49 projects not closed at the end of 2017.

Water TreatmentChemicals Expense – (641)

- Chemical expense year-to-date is \$2,763 more than budgeted primarily due to increased application of phosphate offset by fewer gallons pumped compared to budget.

	2018 Budget			2018 Actual			2017 Actual		
1,000 Gal. Pumped	5,954,106			5,950,346			5,891,251		
(lbs)	Units	\$	Per Unit	Units	\$	Per Unit	Units	\$	Per Unit
Chlorine	87,075	\$ 27,237	\$0.313	87,570	\$ 26,522	\$0.303	87,520	\$ 26,386	\$0.301
Hydrofluor o- silic Acid	125,384	\$ 40,123	\$0.320	120,026	\$ 38,441	\$0.320	114,798	\$ 37,198	\$0.324
Phosphate	63,901	\$ 60,706	\$0.950	68,928	\$ 65,867	\$0.956	62,303	\$ 59,096	\$0.949
Total		\$ 128,066			\$130,829			\$122,679	

Operation Labor and Expenses – (642)

- Water production labor over budget \$6,765.
- Materials expense over budget \$473.

Maintenance of Purification Equipment – (652)

- Technical labor under budget \$2,431.
- Planning/Scheduling labor over budget \$3,640.
- Electricians labor under budget \$1,212.
- Materials expense under budget \$4,613.

DistributionTransmission & Distribution Lines Expense (662)

- Distribution department labor over budget \$3,779.
- Material handling department labor over budget \$842.
- Material expenses over budget \$5,142.

Customer Installation Expense – (664)

- Outside services department labor under budget \$16,213.
- Material expenses over budget \$341.

Vehicle Expense – (667)

- Fuel usage over budget \$5,874.
- Materials expense over budget \$15,389, 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 \$14,896.
- Material handling department labor over budget \$955.
- Materials expense over budget \$91,345 due to higher concrete repairs.

Maintenance of Valves – (674)

- Material handling department labor over budget \$1,767.
- Distribution department labor under budget \$1,449.
- Materials expense over budget \$7,732 due to higher valve repairs.

Maintenance of Meters – (676)

- Labor over budget \$4,489.
- Materials expense over budget \$7,730 which is primarily due to higher meter repairs at GPC.

Maintenance of Hydrants – (677)

- Temp services over budget \$5,483.
- Materials expense under budget \$8,754 which is primarily due to fewer hydrant repairs.

Vacation, Holiday, Sick Leave – (679)

- Sick leave usage was lower 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	\$ 210	\$ 124	\$ 55
Postage	335	---	---
Promotional Material/Education	828	333	125
Media Advertising	2,533	2,109	2,892
Newsletter	822	1,003	964
Customer Awareness Programs	---	138	142
Presentation Materials	189	---	---
Photo Library	152	14	98
	<u>\$ 5,069</u>	<u>\$ 3,721</u>	<u>\$ 4,276</u>

Consumer AccountsConsumer Records and Collection – (903)

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Labor	\$ 101,663	\$ 92,741	\$ 84,152
Credit Card Processing	7,203	9,243	7,175
Bill Trust Expense	3,325	3,231	2,715
Postage	7,287	6,965	6,173
Temp Services	3,514	3,194	5,555
Fuel	1,050	374	518
Invoice Cloud	1,351	1,283	1,327
Collection Expense	2,995	2,427	2,806
IVR	468	405	425
Other Expenses	<u>4,939</u>	<u>3,471</u>	<u>4,916</u>
	<u>\$ 133,795</u>	<u>\$ 123,334</u>	<u>\$ 115,762</u>

Administrative and GeneralAdministrative and General Salaries – (920)

- Water and Utility labor over budget \$984.
- Finance and Accounting labor over budget \$2,417.
- Supply Chain labor under budget \$2,583.
- Information Systems labor under budget \$2,574.
- Employee and Community Relations labor under budget \$3,088.

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

	Resp Code	2018 Budget	2018 Actual	2017 Actual
Succession Planning	110-Board	\$ 3,500	\$---	\$---
Consulting Services	120-Sal	---	---	509
Organizational Development	120-Sal	2,450	3,728	913
Labor Legal Services	140-Brandy	700	---	---
General Legal Services	140-Brandy	1,400	256	93
Web Graphics	224-Rick	780	265	364
Insurance Advisor	310-Jerry	2,058	2,058	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	490	---	---
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	---	---	102
Employee Search	410-Brandy	2,800	1,874	---
Benefits Consulting	410-Brandy	2,363	1,715	1,043
Career Transition Support	410-Brandy	---	---	34
		\$ 19,768	\$ 13,520	\$ 9,499

Injuries & Damages – (925)

- Workers compensation under budget \$9,469.

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

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Health Care Cost	\$ 193,503	\$ 180,673	\$ 181,332
Pension*	110,950	135,980	96,594
FICA	91,863	84,154	83,942
IPERS	31,037	32,744	31,575
Deferred comp utility match	18,990	20,739	18,201
Life, LTD & ADD	7,382	6,658	6,209
Dental	7,457	7,127	7,260
OPEB	2,434	2,434	1,559
Unemployment	1,400	---	1,023
Other Expenses	4,551	5,050	6,527
	<u>\$ 469,567</u>	<u>\$ 475,559</u>	<u>\$ 434,222</u>

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

Miscellaneous General Expense -- (930)

- Distribution department labor under budget \$2,142.
- Travel expenses under budget \$6,626.
- Memberships & subscriptions under budget \$1,503.
- Temporary services over budget \$1,994.
- Other miscellaneous materials are under budget \$3,046.

Maintenance of General Plant -- (932)

- Maintenance agreements under budget \$8,463.
- Memberships and subscriptions under budget \$1,283.

Depreciation -- (933)

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

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

	<u>2018</u>	<u>2017</u>
<u>Current Assets</u>		
<u>Receivables - Consumer Accounts</u>		
Customer Water Accounts	\$682,376	\$636,822
Unbilled Revenue	71,717	68,790
Utility loan program	3,316	2,333
Merchandise Accounts	10,420	4,902
Allowance for Doubtful Accounts	<u>(8,071)</u>	<u>(8,344)</u>
	<u>\$759,758</u>	<u>\$704,503</u>
<u>Inventories</u>		
Inventory	\$337,214	\$332,848
Stores Expense (a/c 163)	<u>5,239</u>	<u>1,412</u>
	<u>\$342,453</u>	<u>\$334,260</u>
<u>Prepaid Expenses</u>		
Prepaid Insurance	\$30,624	\$28,455
Prepaid Maintenance Contracts	18,861	21,082
Other Prepaid Expenses	<u>(1,839)</u>	<u>(997)</u>
	<u>\$47,646</u>	<u>\$48,540</u>
<u>Current Liabilities</u>		
<u>Accounts Payable (amounts over \$2,500 itemized)</u>		
Electric/communications bills	\$94,261	\$89,188
Alexander Chemical Corp - chlorine	6,280	5,427
C&C Contractors	72,953	---
Calacci Construction - plant expansion	71,277	---
Cahoy Pump Service - well construction	4,724	39,848
City of Muscatine - Mississippi Dr project	102,087	31,076
Cogsdale - business system implementation	13,288	---
Dixon Engineering - professional services	8,400	---
E H Wachs - wire guillotine	---	9,995
Hagerty Earthworks LLC - water main transmission line	---	185,259
Heuer Construction - concrete repair	---	28,364
Hometown Plumbing & Heating - plumbing svcs	---	18,516
IPERS - pension	2,668	7,197
Kellor & Kellor Landscape LLC - landscaping	---	2,678
Metering & Tech Solutions - encoders/meters	7,485	16,860
Municipal Supply - valves/shaft assembly	---	4,427
Utility Equipment - valves/fittings	9,468	7,281
Vessco	11,875	---
Other	<u>(55,335)</u>	<u>29,670</u>
	<u>\$349,431</u>	<u>\$475,786</u>
<u>Customer Advances for Construction</u>		
Aspen Villas		
Curry Trucking	---	\$30,815
Lutheran Homes	---	59,640
R.L. Fridley Theaters, Inc	<u>600</u>	<u>940</u>
	<u>\$600</u>	<u>\$91,395</u>
<u>Miscellaneous Accrued Expenses</u>		
Sales/Use/Excise Tax Collections Payable	\$12,799	\$8,293
Payroll Tax Collections Payable	16,343	16,880
Employee Payroll Deductions	3,283	3,052
Workers' Comp Self Insurance Reserves	24,788	34,554
Comp Time Payable	<u>8,198</u>	<u>7,119</u>
	<u>\$65,411</u>	<u>\$69,898</u>

Muscatine Power and Water

Communications Utility

Statement of Revenues, Expenses and Changes in Net Position

July 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 - July 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	\$600,967	(3.5)	\$579,838	(0.5)	\$582,956
Data/Internet	505,533	5.7	534,588	7.4	497,624
Phone	12,774	(94.4)	710	---	---
MAN	60,500	12.5	68,067	5.3	64,652
Miscellaneous	11,663	(12.4)	10,214	42.8	7,152
Total Operating Revenues	<u>1,191,437</u>	0.2	<u>1,193,417</u>	3.6	<u>1,152,384</u>
<u>Operating Expense</u>					
Operation	798,976	(7.1)	742,194	7.9	688,036
Maintenance	92,132	(12.0)	81,045	14.0	71,092
Depreciation	134,849	(6.0)	126,791	(6.0)	134,926
Total Operating Expenses	<u>1,025,957</u>	(7.4)	<u>950,030</u>	6.3	<u>894,054</u>
Operating Income	<u>165,480</u>	47.1	<u>243,387</u>	(5.8)	<u>258,330</u>
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	1,286	13.4X	18,541	3.2X	4,403
Interest Expense	(28,151)	(8.1)	(25,878)	5.9X	(3,769)
Net Nonoperating Expense	<u>(26,865)</u>	(72.7)	<u>(7,337)</u>	-12.6X	<u>634</u>
Net Income before Capital Contributions	138,615	70.3	236,050	(8.8)	258,964
Capital Contributions	<u>1,365</u>	16.4	<u>1,589</u>	47.0	<u>1,081</u>
Change in Net Position	139,980		237,639		260,045
Beginning Net Position	<u>8,161,262</u>		<u>8,530,969</u>		<u>6,790,988</u>
Ending Net Position	<u>\$8,301,242</u>		<u>\$8,768,608</u>		<u>\$7,051,033</u>
Net Income (Loss) to Operating Revenue	11.6		19.8		22.5
Debt Service Coverage on Bank Debt	1.67		2.16		---
Debt Service Coverage on Electric Utility Debt	2.76		4.75		9.06

Muscatine Power and Water - Communications Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - July 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	\$4,113,439	(2.2)	\$4,021,747	0.1	\$4,017,032
Data/Internet	3,472,248	4.3	3,620,807	6.2	3,407,844
Phone	47,864	(96.8)	1,548	---	---
MAN	423,500	8.7	460,444	6.3	433,276
Miscellaneous	81,487	(9.5)	73,749	(2.6)	75,754
Total Operating Revenues	<u>8,138,538</u>	0.5	<u>8,178,295</u>	3.1	<u>7,933,906</u>
<u>Operating Expense</u>					
Operation	5,566,769	(4.1)	5,337,579	5.2	5,071,673
Maintenance	638,812	(8.9)	582,210	9.2	533,306
Depreciation	943,942	(6.0)	887,537	(6.0)	944,482
Total Operating Expenses	<u>7,149,523</u>	(4.8)	<u>6,807,326</u>	3.9	<u>6,549,461</u>
Operating Income	<u>989,015</u>	38.6	<u>1,370,969</u>	(1.0)	<u>1,384,445</u>
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	10,501	9.5X	110,718	4.2X	21,417
Interest Expense	(197,058)	5.6	(208,117)	6.9X	(26,379)
Net Nonoperating Expense	<u>(186,557)</u>	(47.8)	<u>(97,399)</u>	18.6X	<u>(4,962)</u>
Net Income before Capital Contributions	802,458	58.7	1,273,570	(7.7)	1,379,483
Capital Contributions	<u>9,555</u>	(39.2)	<u>5,809</u>	(42.0)	<u>10,015</u>
Change in Net Position	812,013		1,279,379		1,389,498
Beginning Net Position	<u>7,489,229</u>		<u>7,489,229</u>		<u>5,661,535</u>
Ending Net Position	<u>\$8,301,242</u>		<u>\$8,768,608</u>		<u>\$7,051,033</u>
Net Income (Loss) to Operating Revenue	9.9		15.6		17.4
Debt Service Coverage on Bank Debt	1.54		1.88		---
Debt Service Coverage on Electric Utility Debt	2.22		3.60		7.65

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

ASSETS

	<u>2018</u>	<u>2017</u>
Current Assets:		
Cash - interest bearing	\$7,016,802	\$7,751,764
Investments	5,778,504	---
Receivables:		
Consumer Accounts	1,327,089	1,286,126
Interest	17,534	4,190
Inventories	232,992	123,720
Prepaid Expenses	<u>370,643</u>	<u>256,168</u>
Total Current Assets	<u>14,743,564</u>	<u>9,421,968</u>
Property and Equipment:		
At Cost	43,076,318	38,223,455
Less Accumulated Depreciation	<u>28,431,687</u>	<u>27,843,864</u>
Net Property and Equipment	<u>14,644,631</u>	<u>10,379,591</u>
Deferred Outflows of Resources		
Pension	1,809,792	1,269,389
OPEB	<u>14,555</u>	<u>---</u>
Total Deferred Outflows of Resources	<u>1,824,347</u>	<u>1,269,389</u>
TOTAL ASSETS	<u><u>\$31,212,542</u></u>	<u><u>\$21,070,948</u></u>

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

LIABILITIES AND NET POSITION

	<u>2018</u>	<u>2017</u>
Current Liabilities:		
<u>Payable from Unrestricted Assets</u>		
Accrued Interest	\$47,285	3,769
Accounts Payable	762,630	1,766,507
Health & Dental Insurance Provision	45,780	49,280
Retained Percentage on Contracts	129,794	33,040
Accrued Payroll	128,008	109,990
Accrued Vacation	163,892	181,540
Accrued Property Taxes	6,747	7,031
Unearned Revenue - Dark Fiber Lease	17,500	17,500
Miscellaneous Accrued Expenses	98,311	108,884
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	1,399,947	2,277,541
<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	3,786,755	2,758,984
Non-Current Liabilities:		
Health & Dental Insurance Provision	109,952	83,087
Post-Employment Health Benefit Provision	124,021	71,942
Unearned Revenue - Dark Fiber Lease	201,771	219,271
Net Pension Liability	2,773,330	2,226,444
Notes Payable:		
Banks	7,200,232	---
Electric Utility	8,051,234	8,562,844
	<hr/>	<hr/>
Total Non-Current Liabilities	18,460,540	11,163,588
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	5,569,201	9,898,148
Unrestricted	3,199,407	(2,847,115)
	<hr/>	<hr/>
Total Net Position	8,768,608	7,051,033
TOTAL LIABILITIES AND NET POSITION		
	<hr/> <hr/>	<hr/> <hr/>
	\$31,212,542	\$21,070,948

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$243,387	\$1,370,969
Noncash items in operating income:		
Converter/modem write-off	---	24,922
Depreciation of utility plant	126,791	887,537
Change in deferred outflows of resources	(38,430)	(206,705)
Changes in assets and liabilities:		
Consumer accounts receivable	24,109	143,899
Inventories	(14,731)	(85,463)
Prepaid and deferred expenses	21,849	(222,619)
Accounts payable	97,315	(209,809)
Net pension liability	56,665	291,393
Health & dental insurance provision	19,856	(14,159)
Other post-employment benefit provision	522	5,755
Unearned revenue	(1,458)	(11,208)
Retained percentage on contracts	---	40,973
Accrued payroll	22,621	6,289
Accrued vacation	(4,124)	(11,698)
Accrued property taxes	541	827
Miscellaneous accrued expenses	(32,253)	(22,536)
Net cash flows from operating activities	<u>522,660</u>	<u>1,988,367</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(343,283)	(2,524,053)
Bank loan closing costs	---	(17,500)
Loan principal payments	---	(924,570)
Loan interest payments	---	(174,763)
Net cash flows from capital and related financing activities	<u>(343,283)</u>	<u>(3,640,886)</u>
Cash flows from investing activities:		
Interest received on investments	<u>18,908</u>	<u>102,244</u>
Net cash flows from investing activities	<u>18,908</u>	<u>102,244</u>
Net increase (decrease) in cash and investments	<u>198,285</u>	<u>(1,550,275)</u>
Cash and investments at beginning of period	<u>\$12,597,021</u>	<u>\$14,345,581</u>
Cash and investments at end of period	<u><u>\$12,795,306</u></u>	<u><u>\$12,795,306</u></u>

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
CATV			
Program Acquisition Expense (751-758)	\$376,995	\$371,732	\$350,773
Promotional Expense (960)	6,272	1,359	885
Electricity Expense (736)	---	1,849	2,584
Pole Attachment Expense (715)	2,043	2,043	1,967
Changes of Service (742)	1,861	1,750	2,106
Underground Line Expense (743)	7,580	3,997	3,373
Ad Insertion - Marketing/Production (964, 965)	7,000	4,393	7,438
Miscellaneous CATV Expense (710, 738, 739)	23,727	14,077	17,635
Vehicle Expense (760)	5,310	4,674	4,575
Maintenance:			
Fiber (711)	563	2,993	79
Coax (712)	1,412	1,215	460
Drops (713)	2,194	7,210	1,920
Conduit System (714)	1,846	617	952
Headend (721-725)	29,279	21,746	20,616
Line Equipment (731-735)	1,500	1,228	1,779
Converters (741)	3,902	2,106	1,258
Ad Insertion (966)	5,043	2,660	5,132
Vacation, Holiday, Sick Leave (799)	7,151	7,303	5,733
Property Taxes (794)	314	314	314
Depreciation (793)	69,399	70,512	76,631
Total CATV	<u>553,391</u>	<u>523,778</u>	<u>506,210</u>
Data/Internet			
Data/Internet Access Charges (851-853)	25,112	24,921	26,399
Promotional Expense (961)	6,272	1,329	941
Electricity Expense (836)	---	63	404
Pole Attachment Expense (837)	359	359	346
Changes of Service (842)	620	583	702
Customer Wireless Equipment Expense (846)	---	---	---
Underground Line Expense (843)	845	1,332	1,124
Miscellaneous Data/Internet Expense (839, 844, 848)	9,959	5,700	6,216
Vehicle Expense (860)	844	1,024	553
Maintenance:			
Fiber (811)	235	1,247	33
Coax (813)	471	405	153
Drops (814)	731	2,403	592
Conduit System (816)	769	257	397
Headend (820, 821)	28,792	23,090	25,768
Line Equipment (831-835)	412	409	453
Modems (841)	5,570	3,474	4,616
Vacation, Holiday, Sick Leave (879)	3,451	5,227	3,015
Property Taxes (894)	55	55	55
Depreciation (893)	31,528	28,720	26,898
Total Data/Internet	<u>116,025</u>	<u>100,598</u>	<u>98,665</u>

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

	Budget Estimate	This Year	Last Year
<u>MAN</u>			
Pole Attachment Expense (838)	\$1,120	\$1,220	\$1,179
Tools Expense (845)	208	409	360
Maintenance:			
Fiber (812)	375	1,995	53
Conduit System (817)	1,231	411	635
MAN Equipment (818, 819)	2,561	3,668	2,185
Vacation, Holiday, Sick Leave (899)	319	127	371
Property Taxes (896)	172	172	172
Depreciation (840)	20,579	18,747	22,038
Total MAN	<u>26,565</u>	<u>26,749</u>	<u>26,993</u>
VoIP Expenses (880)	<u>6,364</u>	<u>4,500</u>	<u>---</u>
<u>Customer Service Expense</u>			
Customer Information Expense (909)	<u>1,699</u>	<u>1,010</u>	<u>1,494</u>
<u>Consumer Accounts</u>			
Consumer Records and Collections (901/903)	54,431	39,817	39,909
Uncollectible Accounts Expense (904)	1,170	1,170	1,574
Vacation, Holiday, Sick Leave (906)	6,852	8,119	5,916
Total Consumer Accounts	<u>62,453</u>	<u>49,106</u>	<u>47,399</u>
<u>Administrative and General</u>			
Administrative and General Salaries (920)	85,455	73,253	68,923
Office Supplies and Expense (921)	3,948	4,082	3,364
Outside Services Employed (923)	9,915	6,853	5,165
Property Insurance (924)	1,229	1,307	1,173
Casualty Ins, Injuries & Damages (925)	7,694	4,408	4,768
Employee Pensions and Benefits (926)	101,676	118,169	88,968
Fringe Benefits Charges to Construction (927)	(6,127)	(2,342)	(6,324)
Rents (931)	9,844	9,844	9,656
Miscellaneous General Expense (930)	11,773	5,377	7,701
Maintenance of General Plant (932)	5,246	3,911	4,011
Vacation, Holiday, Sick Leave (936)	15,464	10,615	16,529
Depreciation (933)	13,343	8,812	9,359
Total Administrative and General	<u>259,460</u>	<u>244,289</u>	<u>213,293</u>
Total Operating Expenses	<u><u>1,025,957</u></u>	<u><u>950,030</u></u>	<u><u>894,054</u></u>

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>CATV</u>			
Program Acquisition Expense (751-758)	\$2,672,644	\$2,637,771	\$2,500,122
Promotional Expense (960)	37,254	22,721	7,463
Electricity Expense (736)	5,808	17,846	17,206
Pole Attachment Expense (715)	14,298	14,298	13,771
Changes of Service (742)	12,743	11,104	9,434
Underground Line Expense (743)	37,575	19,967	18,975
Ad Insertion - Marketing/Production (964, 965)	48,845	48,083	57,882
Miscellaneous CATV Expense (710, 738, 739)	162,176	135,738	126,188
Vehicle Expense (760)	36,962	36,751	28,064
Maintenance:			
Fiber (711)	3,702	14,903	2,858
Coax (712)	9,622	7,749	3,695
Drops (713)	14,902	37,107	16,900
Conduit System (714)	11,519	3,490	5,214
Headend (721-725)	203,114	166,202	125,368
Line Equipment (731-735)	11,849	14,664	18,341
Converters (741)	26,881	14,838	18,240
Ad Insertion (966)	34,964	31,036	34,361
Vacation, Holiday, Sick Leave (799)	42,335	37,899	47,768
Property Taxes (794)	2,196	2,198	2,196
Depreciation (793)	485,792	493,584	536,417
	<hr/>	<hr/>	<hr/>
Total CATV	3,875,181	3,767,949	3,590,463
<u>Data/Internet</u>			
Data/Internet Access Charges (851-853)	175,784	185,016	184,164
Promotional Expense (961)	37,254	22,868	7,494
Electricity Expense (836)	1,025	2,037	2,367
Pole Attachment Expense (837)	2,515	2,515	2,422
Changes of Service (842)	4,248	3,701	3,145
Customer Wireless Equipment Expense (846)	---	---	---
Underground Line Expense (843)	4,644	6,656	5,874
Miscellaneous Data/Internet Expense (839, 844, 848)	69,302	57,287	53,325
Vehicle Expense (860)	5,910	5,575	3,374
Maintenance:			
Fiber (811)	1,543	6,448	1,191
Coax (813)	3,207	2,583	1,232
Drops (814)	4,967	12,369	5,585
Conduit System (816)	4,800	1,454	2,172
Headend (820, 821)	201,603	175,160	201,087
Line Equipment (831-835)	2,822	4,762	5,011
Modems (841)	37,373	19,494	28,383
Vacation, Holiday, Sick Leave (879)	20,253	18,969	18,940
Property Taxes (894)	388	385	386
Depreciation (893)	220,694	201,040	188,286
	<hr/>	<hr/>	<hr/>
Total Data/Internet	798,332	728,319	714,438

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

<u>MAN</u>	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
Pole Attachment Expense (838)	\$7,839	\$8,539	\$8,251
Tools Expense (845)	1,558	2,882	1,630
Maintenance:			
Fiber (812)	2,467	10,832	1,906
Conduit System (817)	7,678	2,327	3,476
MAN Equipment (818, 819)	17,428	19,187	25,340
Vacation, Holiday, Sick Leave (899)	1,838	2,121	1,856
Property Taxes (896)	1,205	1,204	1,204
Depreciation (840)	144,055	131,229	154,266
Total MAN	184,068	178,321	197,929
VoIP Expenses (880)	34,012	22,583	---
<u>Customer Service Expense</u>			
Customer Information Expense (909)	19,584	19,703	9,601
<u>Consumer Accounts</u>			
Consumer Records and Collections (901/903)	379,488	364,287	348,679
Uncollectible Accounts Expense (904)	8,190	8,190	11,018
Vacation, Holiday, Sick Leave (906)	40,333	37,702	37,648
Total Consumer Accounts	428,011	410,179	397,345
<u>Administrative and General</u>			
Administrative and General Salaries (920)	583,993	469,858	541,183
Office Supplies and Expense (921)	28,820	34,938	28,346
Outside Services Employed (923)	68,943	61,817	55,100
Property Insurance (924)	8,433	8,746	8,089
Casualty Ins, Injuries & Damages (925)	53,020	40,892	51,320
Employee Pensions and Benefits (926)	710,075	743,078	649,666
Fringe Benefits Charges to Construction (927)	(41,464)	(38,107)	(44,833)
Rents (931)	68,908	68,908	67,594
Miscellaneous General Expense (930)	106,634	88,486	93,720
Maintenance of General Plant (932)	38,371	37,605	32,946
Vacation, Holiday, Sick Leave (936)	91,201	102,367	91,041
Depreciation (933)	93,401	61,684	65,513
Total Administrative and General	1,810,335	1,680,272	1,639,685
Total Operating Expenses	7,149,523	6,807,326	6,549,461

Muscatine Power and Water - Communications Utility
Statistical Data
July 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	5,041	(2.3)	4,927	(5.2)	5,196
Commercial/Hospitality	<u>160</u>	(4.4)	<u>153</u>	(6.1)	<u>163</u>
Total CATV	<u>5,201</u>	(2.3)	<u>5,080</u>	(5.2)	<u>5,359</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	8,190	(0.8)	8,124	2.2	7,949
Commercial	<u>540</u>	(0.7)	<u>536</u>	0.6	<u>533</u>
Total Internet	<u>8,730</u>	(0.8)	<u>8,660</u>	2.1	<u>8,482</u>
<u>VoIP</u>					
Residential	415	(89.6)	43	---	---
Commercial	<u>31</u>	(87.1)	<u>4</u>	---	---
Total VoIP	<u>446</u>	(89.5)	<u>47</u>	---	---
<u>MAN</u>	<u>82</u>	4.9	<u>86</u>	(1.1)	<u>87</u>

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

Communications Utility
Review of Operating Results
July 2018

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

	(Unfavorable)/ Favorable Compared to Budget	
Operating Revenue		
Video Revenue	\$ 50,644	Slightly higher CATV revenues due to changes in subscriber mix offset by fewer subscribers (5382 actual vs. 5,520 budget).
	(3,110)	Broadcast fee lower than budget, due to less subscribers
	9,921	Lower marketing promotional discounts due to fewer promotional programs offered
	(33,797)	Lower VOD/PPV sales due to fewer subscribers and less buys
	(43,180)	Lower ad sales
	(56,844)	Lower converter rentals due to less subscribers
	(15,326)	Other miscellaneous variances - net
	<u>(91,692)</u>	
Data/Internet Revenue	1,201,623	Higher cable modem revenues due to customers migrating to a higher level of service offset by fewer subscribers (Subscribers = 8,660 actual & 8,730 budget)
	(1,136,168)	Fiber service installs are behind schedule
	55,533	Lower promotional discounts due to fewer promotional programs offered
	19,401	Higher Wi-fi @ Home due to more subscribers
	8,170	Other miscellaneous variances - net
	<u>148,559</u>	
Phone	<u>(46,316)</u>	Service availability was budgeted to begin in February but was not available until late April in addition to fewer subscribers than budgeted (47 actual vs. 446 budget)
MAN	<u>36,944</u>	More customers than budgeted
Miscellaneous Revenue	<u>(7,738)</u>	Other miscellaneous variances - net
Operating Expense		
Operation	34,873	Programming expense under budget
	42,732	Lower temp labor than budgeted, primarily due to DSRs and cable tech areas
	(12,038)	Higher electricity expense than budgeted due to timing of FTTH construction
	78,644	Fewer cable modems and set-top boxes have been retired than anticipated
	(6,879)	Higher cost of miscellaneous CATV materials expense
	(9,232)	Data/Internet access charges higher than budget
	(4,139)	Higher credit card processing fees
	(7,946)	Miscellaneous office supplies higher than budget
	(2,242)	Data systems labeling logos, not budgeted
	5,986	Telephone expenses less than budgeted
	(2,190)	Organizational development expenses higher than budget
	1,614	Communications legal services under budget
	1,587	Employee search services under budget
	(6,300)	Communications IUB/FCC consulting, not budgeted
	6,000	Succession planning not yet incurred
	10,119	Injury and damages claims lower than budget
	108,715	Labor & vacation under budget
	15,738	Lower FICA than budgeted
	19,247	Health care expenses lower than budgeted
	11,429	VoIP management fee and service expenses are lower than budget due to delay in service availability
	(67,217)	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
	14,752	Travel and training under budget
	3,000	Muscatine Levee flood study, not budgeted
	(3,675)	Other miscellaneous variances - net
	<u>229,190</u>	
Maintenance	19,658	Labor & vacation under budget
	6,518	Line equipment maintenance materials lower than budget
	2,864	CATV headend maintenance materials lower than budget
	2,673	Converter maintenance materials lower than budget
	1,584	Internet headend maintenance materials lower than budget
	30,337	Maintenance agreements are lower than budget
	2,200	Memberships and subscriptions are lower than budget
	(5,000)	Temp services are higher than budget
	(4,232)	Other miscellaneous variances - net
	<u>56,602</u>	
Depreciation	<u>56,405</u>	Lower depreciation due to fewer fixed assets purchases in 2017 than anticipated
Nonoperating Revenue (Expense)		
Interest Income	100,217	More interest income due to higher cash balances
Interest Expense	<u>(11,059)</u>	Loan fees expensed in 2018
Change in Net Position before Capital Contributions	<u>471,112</u>	
Capital Contributions	<u>(3,746)</u>	
Change in Net Position	<u>\$ 467,366</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)	5,520	5,382	5,678
Revenue:			
Basic	\$ 91,391	\$ 90,378	\$ 103,775
Select	2,066,699	2,112,458	2,257,957
Preferred	385,832	400,570	405,734
Premium	134,797	130,690	147,911
Bulk	138,684	133,951	145,315
Broadcast fee	470,985	467,875	239,674
PPV	20,379	7,151	13,164
VOD	<u>74,837</u>	<u>54,268</u>	<u>67,414</u>
Subtotal	\$ 3,383,604	\$ 3,397,341	\$ 3,380,944
Set top box rentals	609,964	553,120	565,443
Ad insertion revenue	188,000	144,820	191,057
Other CATV revenues	<u>40,149</u>	<u>24,823</u>	<u>33,121</u>
Gross CATV revenue	\$ 4,221,717	\$ 4,120,104	\$ 4,170,565
Discounts	<u>(108,278)</u>	<u>(98,357)</u>	<u>(153,533)</u>
Net CATV Revenue	<u>\$ 4,113,439</u>	<u>\$ 4,021,747</u>	<u>\$ 4,017,032</u>
Net Monthly Revenue per Subscriber	\$ 106.46	\$ 106.75	\$ 101.07
Year-over-Year Increase		5.6%	

- Broadcast fee revenue is lower than budgeted due to fewer subscribers than budgeted.
- 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	8,730	8,660	8,482
Revenue:			
Cable modem	\$ 1,824,900	\$ 3,026,523	\$ 3,059,941
Fiber service	1,376,243	240,075	-
Wi-fi @ Home	153,675	173,076	152,038
Wimax	52,482	54,376	53,966
Modem rentals	178,551	179,102	173,177
Other internet revenues	<u>26,834</u>	<u>32,559</u>	<u>26,487</u>
Gross internet revenues	\$ 3,612,685	\$ 3,705,711	\$ 3,465,609
Discounts	<u>(140,437)</u>	<u>(84,904)</u>	<u>(57,765)</u>
Net internet revenues	<u>\$ 3,472,248</u>	<u>\$ 3,620,807</u>	<u>\$ 3,407,844</u>
Net monthly revenue per subscriber	\$ 56.82	\$ 59.73	\$ 57.40

- 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, 446 customers were budgeted, actual customers receiving service are 47. This results in \$46,316 less revenue than budgeted.

MAN

Revenue is \$36,944 higher than budget due to more contracts.

Nonoperating Revenue (Expense)

- Interest income is over budget \$100,217 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	\$ 570,692	\$ 602,249	\$ 438,259
Select	1,737,407	1,698,114	1,696,751
Premium	119,755	99,458	112,524
Digital	185,891	196,439	197,317
Pay-per-View	12,372	5,205	9,990
Video on Demand	<u>46,527</u>	<u>36,306</u>	<u>45,282</u>
Total	<u>\$2,672,644</u>	<u>\$2,637,771</u>	<u>\$2,500,123</u>
Total Subscribers (incl. Bulk)	5,520	5,382	5,678
Per Subscriber	\$ 69.17	\$ 70.02	\$ 62.90
Year over Year Increase		11.3%	

Promotional Expense – (960)

- Temp services for DSRs are under budget \$13,449.
- Mileage is under budget \$742.

Electricity Expense – (736)

- Electricity expense is over budget \$12,038 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 \$16,558 due to fewer requests for locates than anticipated.
- Materials expense is under budget \$1,051.

Miscellaneous CATV Expense (710, 738, 739)

- Labor is over budget \$36,732.
- Fewer boxes have been retired in the amount of \$61,971.
- Temp services of \$8,750 have not been utilized.
- Materials expense is over budget \$6,687, including \$3,399 for a signal meter and \$2,964 for labels.

Maintenance of Fiber (711)

- Labor is over budget \$10,867.

Maintenance of Drops (713)

- T&D department labor is over budget \$19,252 for directional boring.
- Temp services are over budget \$3,750.

Video (cont'd)Maintenance of Conduit System (714)

- Labor is under budget \$8,411.

Maintenance of Headend (721-725)

- Labor is under budget \$25,327.
- Maintenance agreements are under budget \$8,720.
- Materials expense is under budget \$2,864.

Maintenance of Line Equipment (731-735)

- Labor is over budget \$7,696.
- Maintenance agreements are over budget \$1,912.
- Materials expense is under budget \$6,518.

Maintenance of Converters (741)

- Labor is under budget \$9,370, mainly due to fewer converters being repaired.
- Materials expense is under budget \$2,673.

Vacation, Holiday, Sick Leave – (799)

- Sick leave and personal leave are under budget \$1,193.
- Vacation is under budget \$3,244.

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 \$9,356, not budgeted.
- Apogee expenses of \$4,500, not budgeted.
- CenturyLink expenses over budget \$6,966.
- Hurricane expenses under budget \$12,100.

Promotional Expense – (961)

- Temp services for DSRs are under budget \$13,449.
- Telephone is under budget \$691.

Miscellaneous Data/Internet Expense – (847)

- Labor is over budget \$11,398.
- Temp services of \$8,750 have not been utilized.
- Fewer modems have been retired in the amount of \$16,673.
- Other miscellaneous materials are over budget \$1,562.

Maintenance of Fiber – (811)

- Labor is over budget \$5,464

Internet (cont'd)Maintenance of Drops – (814)

- Labor is over budget \$6,417.
- Temp services of \$1,250 were not budgeted.

Maintenance of Headend – (820, 821)

- Labor is over budget \$8,105.
- Maintenance agreements are under budget by \$32,963.

Maintenance of Modems – (841)

- Labor is under budget \$17,879.

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 \$7,246.
- Material expense is over budget \$1,120.

Maintenance of Conduit System – (817)

- Labor is under budget \$5,607.

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 \$11,429.

Consumer AccountsCustomer Records and Collections – (901/903)

- Labor is under budget \$12,025.
- Credit card processing fees are \$4,139 more than budget.
- Postage is \$694 less than budget.
- Temp services are below budget \$645.
- Travel expenses are under budget \$2,473.
- Other miscellaneous materials are under budget \$3,572.

Administrative & GeneralA&G Salaries – (920)

- Salaries in the Marketing, Data Tech and Telecommunications departments are under budget by \$14,592, \$48,765, and \$55,263, respectively.
- Salaries in the CATV Tech department are over budget by \$4,768.

Office Supplies and Expense – (921)

- Telephone expense is under budget by \$5,986
- Vehicle allowance is over budget by \$2,800.
- Mileage is under budget by \$1,400.
- Materials expenses are over budget by \$10,188 including Data Systems labeling logos expense of \$2,242 and software expense of \$1,139.

Outside Services – (923)

	Responsibility Code	2018 Budget	2018 Actual	2017 Actual
Succession Planning	110-Sal	\$ 6,000	\$ -	\$ -
Consulting Services	120-Sal	-	-	873
Organizational Development	120-Sal	4,200	6,390	1,565
General Legal Services	140-Brandy	2,400	292	160
Employment Legal Services	140-Brandy	700	-	-
Communications Legal Services	140-Brandy	2,500	886	-
MCC Public Access	224-Rick	33,054	33,192	32,753
FTTH Training	224-Rick	-	-	3,950
Web/Graphics Services	224-Rick	1,339	578	624
Insurance Advisor	310-Jerry	3,528	3,528	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	840	600	1,130
Benefits Consulting	410-Brandy	4,050	2,940	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	-	58
Communications Consulting - IUB/FCC	920-Brad	-	6,300	2,113
		<u>\$ 68,943</u>	<u>\$ 61,817</u>	<u>\$ 55,100</u>

Injuries & Damages – (925)

- Insurance premiums under budget \$2,010.
- Claims under budget \$10,119.

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

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Health care cost	\$ 290,255	\$ 271,008	\$ 253,867
Pension	224,175	291,392	213,319
FICA	135,686	119,948	118,750
Deferred compensation	25,320	28,123	27,301
Dental	11,186	10,690	10,164
Life, LTD & ADD	9,842	9,362	12,262
OPEB	3,651	3,651	2,183
Unemployment expense	2,400	-	1,992
Other expenses	7,560	8,904	9,828
	<u>\$ 710,075</u>	<u>\$ 743,078</u>	<u>\$ 649,666</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 \$12,438.
- Travel & training are under budget by \$14,159.
- Memberships and subscriptions are under budget \$748.
- Temp services are over budget \$2,313.
- Safety expenses are over budget \$490.
- Employment expenses are over budget \$1,571.
- Annual report expenses are under budget \$1,761.
- Wellness expenses are under budget \$1,009.
- 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 \$17,445.
- Vacation is under budget \$6,279.

Depreciation – (933)

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

Communications Utility
Statement of Net Position Review
July 2018

<u>Current Assets</u>	<u>2018</u>	<u>2017</u>
<u>Receivables - Consumer Accounts</u>		
Customer Communications Accounts	\$1,188,096	\$1,155,040
Unbilled Revenue	87,178	85,167
Merchandise Accounts	60,825	65,748
Allowance for Doubtful Accounts	(9,010)	(19,829)
	<u>\$1,327,089</u>	<u>\$1,286,126</u>
<u>Inventories</u>		
Inventory	\$228,390	\$122,859
Stores Expense (a/c 163)	4,602	861
	<u>\$232,992</u>	<u>\$123,720</u>
<u>Prepaid Expenses</u>		
Prepaid Insurance	\$34,025	\$32,964
Prepaid Maintenance Contracts	152,383	167,499
Muscatine Schools - E-rate customer	179,179	48,063
Travel advances	1,365	2,674
Other Prepaid Expenses	3,691	4,968
	<u>\$370,643</u>	<u>\$256,168</u>
<u>Current Liabilities</u>		
<u>Accounts Payable (amounts over \$2,500 itemized)</u>		
Pole Rental	\$21,130	\$23,744
Advanced Media Technologies - media players	---	148,222
Atlantic Engineering Group - FTTH	94,152	108,709
Big 10 - programming fee	9,546	9,525
Butler Communications LLC - fiber pigtails	---	11,925
CDW-G - wireless equip	---	3,142
Centurylink - tel/access fees	---	5,593
City of Muscatine - Mississippi Dr project	5,290	---
Channel Commercial Corp - GS drop enclosure	---	46,781
Cogsdale - business system implementation	22,779	4,220
Comcast Sportsnet Chicago - programming fee	23,084	22,581
Core & Main	5,118	---
Finley Engineering Company - professional services	---	17,038
Fox Sports Net Midwest - programming fee	23,306	22,882
Gray Television - programming fee	21,143	14,484
Graybar Electric - fiber	---	134,003
Harris - software maintenance	---	3,108
ImOn Communications - VoIP service	4,500	---
Insight Direct - wireless routers	---	16,909
Iphotonix LLC - terminals	87,628	118,204
KGCW - programming fee	220,516	116,594
MP Nexlevel - equipment installations	38,180	---
Muscatine Community College - public access	---	4,676
Natl Cable TV Coop - programming fee	210,708	216,022
Nexstar - programming fee	35,238	30,151
Power & Tel - terminals	12,177	618,884
Rovi Guides - programming fee	8,279	8,642
Showtime Networks - programming fee	---	2,122
Terry Durin - conduit	---	4,263
Tower Distribution - programming fee	20,092	15,149
Univision - programming fee	6,802	6,791
Vubiquity - programming fee	5,154	7,448
Woodruff Construction	6,379	---
Other	(112,192)	24,695
	<u>\$762,630</u>	<u>\$1,766,507</u>
<u>Miscellaneous Accrued Expenses</u>		
Sales/Use Tax Collections Payable	\$24,816	\$20,918
VoIP Excise Tax	41	---
911 Fee	43	---
Franchise Fees Payable	14,437	14,894
Payroll Tax Collections Payable	21,694	21,992
Workers' Comp Self Insurance Reserves	37,280	51,080
	<u>\$98,311</u>	<u>\$108,884</u>