

Muscatine Power and Water

Electric Utility

Statement of Revenues, Expenses and Changes in Net Position

December 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 - December 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	99,347,585	(71.1)	28,740,384	(67.8)	89,158,374
Less: Plant Use	<u>10,728,480</u>	(70.5)	<u>3,170,232</u>	(70.0)	<u>10,573,131</u>
Net Generation/Wholesale Sales	88,619,105	(71.1)	25,570,152	(67.5)	78,585,243
Wholesale Sales - Wind	<u>4,830,000</u>	(3.9)	<u>4,642,485</u>	(17.1)	<u>5,603,289</u>
Total Wholesales Sales	<u><u>93,449,105</u></u>	(67.7)	<u><u>30,212,637</u></u>	(64.1)	<u><u>84,188,532</u></u>
<u>Net Capacity Factors</u>					
Unit 9	66.49	---	---	---	56.04
Unit 8/8A	30.60	1.6X	78.31	1.1X	38.13
Unit 7	15.43	---	---	---	4.79
Total Plant	54.49	(71.2)	15.72	(67.2)	47.86
<u>KWH Distribution</u>					
Residential	8,497,015	(0.7)	8,437,788 ^{fn1}	8.0	7,812,248 ^{fn2}
Commercial I	2,897,861	(13.5)	2,507,043 ^{fn1}	(7.8)	2,717,722 ^{fn2}
Commercial II	7,534,094	1.9	7,677,500	2.9	7,458,380
Industrial I	9,700,840	1.4	9,834,820	0.7	9,763,740
Industrial II	38,343,640	2.6	39,323,373	1.3	38,830,744
City Enterprise Funds	463,315	2.8	476,389	28.5	370,849
Water & Communications Utilities	<u>1,412,750</u>	(1.2)	<u>1,395,298</u>	2.7	<u>1,358,003</u>
Native System Sales	68,849,515	1.2	69,652,211	2.0	68,311,686
City Lighting	141,172	(16.1)	118,398	(11.3)	133,502
City Buildings	559,937	10.9	620,839	2.1	608,111
Offline Power Plant Usage	59,520	20.6X	1,282,702	19.3X	63,069
Losses & Cycle Billing	<u>3,742,802</u>	(48.0)	<u>1,947,002</u>	(54.3)	<u>4,258,661</u>
Total Native System KWH	73,352,946	0.4	73,621,152	0.3	73,375,029
Wind KWH Purchases	<u>4,830,000</u>	(3.9)	<u>4,642,485</u>	(17.1)	<u>5,603,289</u>
Total Purchased Power KWH	<u><u>78,182,946</u></u>	0.1	<u><u>78,263,637</u></u>	(0.9)	<u><u>78,978,318</u></u>
<u>STEAM SALES - 1,000 lbs</u>	<u><u>260,400</u></u>	(10.0)	<u><u>234,469</u></u>	(11.8)	<u><u>265,724</u></u>

^{fn1} Includes an adjustment for unbilled kwh of 263,197 and 104,740 for residential and commercial I customers, respectively.

^{fn2} Includes an adjustment for unbilled kwh of 41,222 and 75,357 for residential and commercial I customers, respectively.

Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - December 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	902,103,979	9.4	987,227,865	9.7	899,719,871
Less: Plant Use	<u>92,821,315</u>	6.2	<u>98,560,393</u>	1.5	<u>97,130,548</u>
Net Generation/Wholesale Sales	809,282,664	9.8	888,667,472	10.7	802,589,323
Wholesale Sales - Wind	<u>52,125,000</u>	(1.1)	<u>51,547,194</u>	(4.9)	<u>54,210,643</u>
Total Wholesale Sales	<u>861,407,664</u>	9.1	<u>940,214,666</u>	9.7	<u>856,799,966</u>
<u>Net Capacity Factors</u>					
Unit 9	53.20	(2.3)	51.99	5.1	49.45
Unit 8/8A	19.80	1.1X	41.40	64.5	25.17
Unit 7	8.16	86.2	15.19	4.5	14.53
Total Plant	42.26	9.8	46.41	11.9	41.47
<u>KWH Distribution</u>					
Residential	101,300,509	5.8	107,194,681 ^{fn1}	8.8	98,535,700 ^{fn2}
Commercial I	36,644,412	(9.0)	33,335,032 ^{fn1}	(9.0)	36,647,653 ^{fn2}
Commercial II	93,079,924	5.7	98,414,860	7.7	91,340,040
Industrial I	128,139,608	4.6	133,982,520	0.9	132,799,840
Industrial II	459,400,000	2.3	469,739,325	2.7	457,238,120
City Enterprise Funds	5,304,478	0.1	5,310,678	5.5	5,035,408
Water & Communications Utilities	<u>17,497,379</u>	(1.7)	<u>17,191,364</u>	2.9	<u>16,710,344</u>
Native System Sales	841,366,310	2.8	865,168,460	3.2	838,307,105
City Lighting	1,910,820	(18.0)	1,567,250	(16.1)	1,868,669
City Buildings	6,573,089	9.2	7,178,556	2.0	7,038,210
Offline Power Plant Usage	2,423,280	1.5X	6,151,889	17.4	5,238,714
Losses & Cycle Billing	<u>25,759,302</u>	(5.5)	<u>24,349,222</u>	(5.4)	<u>25,729,314</u>
Total Native System KWH Distributed	878,032,801	3.0	904,415,377	3.0	878,182,012
Wind KWH Purchases	<u>52,125,000</u>	(1.1)	<u>51,547,194</u>	(4.9)	<u>54,210,643</u>
Total Purchased Power KWH	<u>930,157,801</u>	2.8	<u>955,962,571</u>	2.5	<u>932,392,655</u>
<u>STEAM SALES - 1,000 lbs</u>	<u>1,780,800</u>	(12.8)	<u>1,553,336</u>	(14.7)	<u>1,821,655</u>

^{fn1} Includes an adjustment for unbilled kwh of 263,197 and 104,740 for residential and commercial I customers, respectively.

^{fn2} Includes an adjustment for unbilled kwh of 41,222 and 75,357 for residential and commercial I customers, respectively.

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - December 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	\$974,250	\$ 0.11466	(0.6)	\$968,577 ^{fn1}	\$ 0.11479	7.5	\$900,812 ^{fn2}	\$ 0.11531
Commercial I	310,539	0.10716	(14.2)	266,437 ^{fn1}	0.10628	(8.7)	291,915 ^{fn2}	0.10741
Commercial II	611,665	0.08119	3.0	629,871	0.08204	3.3	609,848	0.08177
Industrial I	646,364	0.06663	5.3	680,884	0.06923	4.5	651,730	0.06675
Industrial II	2,068,233	0.05394	3.9	2,149,212	0.05465	4.0	2,067,103	0.05323
City Enterprise Funds	33,137	0.07152	14.5	37,956	0.07968	27.9	29,683	0.08004
Water & Communication Utilities	89,700	0.06349	2.2	91,663	0.06569	6.1	86,416	0.06363
Native System Sales	4,733,889	0.06876	1.9	4,824,601	0.06927	4.0	4,637,507	0.06789
Wholesale Sales	2,572,358	0.02753	(63.6)	936,537	0.03100	(60.2)	2,355,867	0.02798
Energy Sales	7,306,247		(21.1)	5,761,138		(17.6)	6,993,374	
Steam Sales	1,000,649	---	---	900,274	---	---	1,010,442	---
Other Revenue								
By-Product Revenue	30,939		-2.0X	(31,297)		-3.1X	15,149	
Miscellaneous Revenue	53,799		12.5	60,542		(46.2)	112,546	
Total Other Revenue	84,738		(65.5)	29,245		(77.1)	127,695	
Operating Revenue	8,391,634		(20.3)	6,690,657		(17.7)	8,131,511	
Operating Expense								
Purchased Power	2,013,041	0.02575	28.6	2,588,612	0.03308	31.1	1,975,083	0.02501
Production Fuel	2,330,725		(54.3)	1,065,117		(40.1)	1,777,282	
Emissions Allowance	1,234		---	649		(20.7)	819	
Operation	2,154,699		(18.8)	1,750,245		(50.8)	3,554,316	
Maintenance	651,864		4.2X	3,368,075		4.3X	634,654	
Depreciation	1,018,679		(5.9)	958,834		6.5	900,004	
Total Operating Expense	8,170,243		19.1	9,731,533		10.1	8,842,158	
Operating Income (Loss)	221,391		-14.7X	(3,040,876)		3.3X	(710,647)	
Nonoperating Revenue (Expense)								
Interest Income	23,548		3.9X	114,264		1.5X	45,936	
Interest Expense	(716)		43.8	(1,029)		1.2X	(468)	
Total Nonoperating Revenue (Expense)	22,832		4.0X	113,235		1.5X	45,468	
Net Income (Loss) Before Revenue Adjustment	244,224		-13.0X	(2,927,641)		3.4X	(665,179)	
Revenue Adjustment-Extraordinary O&M	---		---	---		---	(15,000,000)	
Capital Contributions	---		---	---		---	1,499	
Change in Net Position	244,224		-13.0X	(2,927,641)		(81.3)	(15,663,680)	
Beginning Net Position	109,984,763			111,166,879			128,799,069	
Prior Period Adj. GASB 75 OPEB	---			0			(\$240,428)	
Ending Net Position	\$110,228,987			\$108,239,238			\$112,894,961	
Net Income (Loss) Before Rev Adj to Op Revenue	2.9			(43.8)			(8.2)	
Change in Net Position to Operating Revenue	2.9			(43.8)			(192.6)	

^{fn1} Includes an adjustment to unbilled revenues of \$27,928 and \$5,090 for residential and commercial I customers, respectively.

^{fn2} Includes an adjustment to unbilled revenues of \$15,140 and \$12,144 for residential and commercial I customers, respectively.

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

	Budget			% Increase (Decrease)			% Increase (Decrease)		
	Estimate	Avg. Price	from Budget	This Year	Avg. Price	Year	Last Year	Avg. Price	
Sales of Electricity									
Residential	\$11,528,267	\$ 0.11380	2.8	\$11,851,103 ^{fn1}	\$ 0.11056	6.0	\$11,180,376 ^{fn2}	\$ 0.11347	
Commercial I	3,879,200	0.10586	(10.1)	3,486,628 ^{fn1}	0.10459	(9.7)	3,862,829 ^{fn2}	0.10540	
Commercial II	7,593,401	0.08158	2.7	7,797,900	0.07923	4.5	7,461,018	0.08168	
Industrial I	8,367,911	0.06530	3.3	8,644,536	0.06452	(1.2)	8,750,573	0.06589	
Industrial II	24,541,294	0.05342	0.2	24,598,542	0.05237	(1.5)	24,973,504	0.05462	
City Enterprise Funds	402,646	0.07591	0.9	406,364	0.07652	1.9	398,683	0.07918	
Water & Communications Utilities	1,112,460	0.06358	(3.1)	1,077,800	0.06269	(2.0)	1,100,094	0.06583	
Native System Sales	57,425,179	0.06825	0.8	57,862,873	0.06688	0.2	57,727,077	0.06886	
Wholesale Sales	24,992,427	0.02901	23.0	30,735,858	0.03269	8.3	28,387,182	0.03313	
Energy Sales	82,417,606		7.5	88,598,730		2.9	86,114,259		
Steam Sales	6,804,845	3.82	(12.9)	5,926,946	3.82	(14.7)	6,950,601	3.82	
Other Revenue									
By-Product Revenue	268,403		46.0	391,772		38.1	283,739		
Miscellaneous Revenue	654,237		16.2	760,021		(8.9)	833,898		
Total Other Revenue	922,640		24.8	1,151,794		3.1	1,117,637		
Operating Revenue	90,145,091		6.1	95,677,469		1.6	94,182,497		
Operating Expense									
Purchased Power	23,638,593	0.02541	24.2	29,356,498	0.03071	7.6	27,277,523	0.02926	
Production Fuel	20,255,370		6.4	21,558,237		10.5	19,510,636		
Emissions Allowance	8,438		(48.7)	4,328		(45.1)	7,882		
Operation	25,951,598		(2.8)	25,223,110		(1.1)	25,494,892		
Maintenance	10,982,786		24.9	13,719,400		21.6	11,284,467		
Depreciation	12,224,153		(5.9)	11,506,010		6.5	10,800,053		
Total Operating Expense	93,060,938		8.9	101,367,584		7.4	94,375,453		
Operating Loss	(2,915,847)		95.1	(5,690,114)		28.5X	(192,956)		
Nonoperating Revenue (Expense)									
Interest Income	258,461		3.0X	1,046,142		1.7X	381,122		
Interest Expense	(8,588)		36.8	(11,751)		1.1X	(5,724)		
Total Nonoperating Revenue (Expense)	249,873		3.1X	1,034,391		1.8X	375,398		
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	(2,665,974)		74.6	(4,655,723)		-26.5X	182,442		
Revenue Adjustment-Extraordinary O&M	---		---	---		---	(15,000,000)		
Capital Contributions	---		---	---		---	64,983		
Change in Net Position	(2,665,974)		74.6	(4,655,723)		(68.4)	(14,752,575)		
Beginning Net Position	112,894,961			112,894,961			127,887,964		
Prior Period Adj. GASB 75 OPEB	---			0			(\$240,428)		
Ending Net Position	\$110,228,987			\$108,239,238			\$112,894,961		
Net Income (Loss) Before Rev Adj to Op Revenue	(3.0)			(4.9)			0.2		
Change in Net Position to Operating Revenue	(3.0)			(4.9)			(15.7)		

^{fn1} Includes an adjustment to unbilled revenues of \$27,928 and \$5,090 for residential and commercial I customers, respectively.

^{fn2} Includes an adjustment to unbilled revenues of \$15,140 and \$12,144 for residential and commercial I customers, respectively.

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

ASSETS

	<u>2018</u>	<u>2017</u>
Current Assets:		
Cash - interest bearing	\$20,437,447	\$37,989,280
Investments	38,080,825	15,550,000
Receivables:		
Consumer Accounts	6,827,472	6,441,041
Refined Coal	1,715,383	3,497,319
Wholesale	4,664	494,666
Steam Sales	900,235	1,010,795
Interest	380,686	136,001
Inventories	5,333,655	5,183,959
Fuel	7,274,218	9,087,834
Prepaid Expenses	483,894	859,511
	<u>81,438,479</u>	<u>80,250,406</u>
Property and Equipment:		
At Cost	430,341,328	428,905,027
Less Accumulated Depreciation	<u>366,385,695</u>	<u>358,936,765</u>
	<u>63,955,633</u>	<u>69,968,262</u>
Other Assets:		
Note Receivable - Communications Utility	8,078,994	8,562,844
Joint Venture Rights	<u>97,797</u>	<u>98,550</u>
	<u>8,176,791</u>	<u>8,661,394</u>
Deferred Outflows of Resources		
Pension	8,749,906	10,419,753
OPEB	<u>79,020</u>	<u>79,019</u>
	<u>8,828,926</u>	<u>10,498,772</u>
TOTAL ASSETS	<u><u>\$162,399,829</u></u>	<u><u>\$169,378,834</u></u>

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

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	<u>2018</u>	<u>2017</u>
Current Liabilities:		
<u>Unrestricted</u>		
Accounts Payable	\$4,051,483	\$5,500,356
Health & Dental Insurance Provision	293,070	248,520
Accrued Payroll	802,911	651,513
Accrued Vacation	1,231,687	1,154,495
Accrued Emission Allowance Expense	12,210	7,882
Consumers' Deposits	845,553	790,093
Retained Percentage on Contracts	---	23,982
Accrued Property Taxes	97,963	97,215
Miscellaneous Accrued Expenses	841,698	765,980
Unearned Revenue	7,567	5,692
	<hr/>	<hr/>
Total Unrestricted Current Liabilities	8,184,142	9,245,728
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Non-Current Liabilities:		
Health & Dental Insurance Provision	1,266,089	1,280,690
Post-Employment Health Benefit Provision	684,728	653,435
Net Pension Liability	11,054,529	16,017,025
	<hr/>	<hr/>
Total Non-Current Liabilities	13,005,346	17,951,150
	<hr/>	<hr/>
Deferred Inflows of Resources		
Extraordinary O&M	28,032,866	28,032,866
Pension	4,847,676	1,163,568
OPEB	90,561	90,561
	<hr/>	<hr/>
Total Deferred Inflows of Resources	32,971,103	29,286,995
	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets	63,955,633	69,968,262
Unrestricted	44,283,605	42,926,699
	<hr/>	<hr/>
Total Net Position	108,239,238	112,894,961
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TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$162,399,829</u>	<u>\$169,378,834</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating loss to net cash flows from operating activities		
Operating loss	(\$3,040,876)	(\$5,690,114)
Noncash items in operating income:		
Depreciation of electric utility plant	958,834	11,506,010
Amortization of joint venture rights	9,470	110,842
Change in deferred outflows of resources	4,154,999	1,669,846
Change in deferred inflows of resources	3,684,108	3,684,108
Changes in assets and liabilities:		
Consumer accounts receivable	(428,170)	(386,431)
Refined coal	74,050	1,781,936
Wholesale receivable	(2,657)	490,002
Steam sales receivable	114,428	110,560
Inventories	139,917	(149,696)
Fuel	1,087,807	1,813,616
Prepaid expenses	159,364	375,617
Accounts payable	(292,740)	(1,448,873)
Net pension liability	(8,207,635)	(4,962,496)
Health & dental insurance provision	(15,155)	29,949
Other post-employment benefit provision	2,607	31,293
Accrued payroll	128,387	151,398
Accrued vacation	5,185	77,192
Accrued emission allowance expense	649	4,328
Consumers' deposits	(8,580)	55,460
Retained Percentage	---	(23,982)
Accrued property taxes	7,765	748
Unearned revenue	(1,653)	1,875
Miscellaneous accrued expenses	67,415	74,689
Net cash flows from operating activities	<u>(1,402,481)</u>	<u>9,307,877</u>
Cash flows from noncapital financing activities:		
Interest received on notes receivable from communications utility	21,407	42,814
Principal received on note receivable from communications utility	483,850	483,850
Net cash flows from noncapital financing activities	<u>505,257</u>	<u>526,664</u>
Cash flows from capital financing activities:		
Sale of Rail cars	800,000	800,000
Capital expenditures, net	(232,138)	(6,304,102)
Net cash flows from capital and related financing activities	<u>567,862</u>	<u>(5,504,102)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	---	(110,090)
Interest received on investments	128,736	758,643
Net cash flows from investing activities	<u>128,736</u>	<u>648,553</u>
Net increase (decrease) in cash and investments	<u>(200,626)</u>	<u>4,978,992</u>
Cash and investments at beginning of period	<u>\$58,718,898</u>	<u>\$53,539,280</u>
Cash and investments at end of period	<u><u>\$58,518,272</u></u>	<u><u>\$58,518,272</u></u>

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

	<u>This Year</u>	<u>Last Year</u>
Extraordinary Operation & Maintenance Account	<u>\$28,032,866</u>	<u>\$13,167,236</u>
Total Cash and Investments Appropriated for Specific Purposes	<u>\$28,032,866</u>	<u>\$13,167,236</u>

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	\$2,013,041	24.0	\$2,588,612	38.7	\$1,975,083	24.3
Average price per kWh	\$0.02575		\$0.03308		\$0.02501	
<u>Generation</u>						
Operation Supervision (500)	82,435		83,889		77,483	
Fuel: (501)						
Coal	2,266,686		970,689		1,717,540	
Fuel Oil	---		---		2,596	
Gas	20,571		32,110		10,428	
Coal Handling Expense (501-003)	34,124		43,801		35,887	
Landfill Operation Expense (501-925)	9,345		18,517		10,831	
Emissions Allowance Expense (509)	1,234		649		819	
Steam Expense:						
Boiler (502-004)	91,731		70,888		118,383	
Pollution Control (502-005)	37,164		2,081		28,875	
Electric Expense (505)	102,800		86,108		101,684	
Miscellaneous Steam Power Expense (506)	152,156		199,098		176,264	
Maintenance:						
Supervision (510)	68,568		88,366		66,202	
Structures (511)	43,764		36,075		95,096	
Boiler Plant:						
Boiler (512-006)	132,590		1,440,806		(18,555)	
Pollution Control (512-007)	45,658		94,217		24,449	
Electric Plant (513-008)	31,995		1,266,480		45,470	
System Control (513-009)	18,967		17,379		16,308	
Miscellaneous Steam Plant (514)	47,082		102,001		51,854	
Coal Handling Equipment (516)	53,855		94,175		36,816	
System Control and Load Dispatch (556)	27,758		25,208		26,248	
Vacation, Holiday, Sick Leave (557)	125,822		124,096		139,762	
Depreciation (558)	637,616		641,039		648,814	
Total Generation Expense	<u>\$4,031,919</u>	<u>48.0</u>	<u>\$5,437,674</u>	<u>81.3</u>	<u>\$3,413,254</u>	<u>42.0</u>

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision (560)	\$7,888		\$6,898		\$5,529	
Load Dispatching (561)	72,265		69,359		64,137	
Station Expense (562)	12,414		23,711		6,935	
Overhead Line Expense (563)	136		3,491		410	
Transmission of Electricity by Others (565)	125,864		75,301		74,768	
Miscellaneous Transmission Expense (566)	10,773		10,231		12,379	
Maintenance:						
Supervision (568)	2,878		1,947		1,611	
Structures (569)	33		---		---	
Station Equipment (570)	4,869		7,944		3,459	
Overhead Lines (571)	15,010		48,808		156,000	
Vacation, Holiday, Sick Leave (575)	17,888		14,351		17,560	
Depreciation (576)	44,388		43,048		31,072	
Tax on Rural Property (577)	5,690		5,690		5,620	
Total Transmission Expense	320,096	3.8	310,779	4.6	379,480	4.7
<u>Distribution</u>						
Operation Supervision (580)	15,021		9,445		9,223	
Load Dispatching (581)	30,441		31,078		30,834	
Station Expense (582)	12,172		5,523		5,380	
Overhead Line Expense (583)	2,743		---		(36)	
Vehicle Expense (589)	15,469		10,871		12,217	
Underground Line Expense (584)	8,753		2,017		4,151	
Street Lighting (585-418)	2,627		1,572		584	
Signal Expense (585-419)	960		---		---	
Meter Expense (586)	9,854		11,631		8,882	
Consumer Installation Expense (587)	545		361		803	
Miscellaneous Distribution Expense (588)	51,424		65,403		66,597	
Maintenance:						
Supervision (590)	10,716		6,298		5,915	
Structures (591)	538		---		893	
Station Equipment (592)	9,866		16,307		6,550	
Overhead Lines (593)	54,352		61,733		31,485	
Underground Lines (594)	17,420		8,753		8,688	
Line Transformers (595)	3,585		2,329		2,146	
Street Lighting (596-418)	10,216		(12,947)		48,740	
Signal System (596-419)	3,818		3,062		168	
Meters (597)	2,780		7,909		1,986	
Miscellaneous Distribution Plant (598)	2,708		3,051		2,087	
Vacation, Holiday, Sick Leave (599)	50,033		55,121		56,080	
Depreciation (578)	177,226		175,558		172,352	
Tax on Rural Property (579)	1,700		1,700		1,679	
Total Distribution Expense	\$494,965	5.9	\$466,776	7.0	\$477,404	5.9

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$4,974		\$2,478		\$7,698	
Energy Efficiency Rebates (912)	15,560		14,127		5,242	
Electric Ranges/Dryers Maintenance (910)	435		151		129	
Electric Water Heaters Maintenance (911)	155		39		---	
	<u>21,124</u>	0.3	<u>16,795</u>	0.3	<u>13,069</u>	0.2
 <u>Consumer Accounts</u>						
Meter Reading Expense (902)	9,910		10,585		8,017	
Consumer Records and Collection (901/903)	46,783		41,120		39,497	
Uncollectible Accounts Expense (904)	4,253		6,989		(33,699)	
Vacation, Holiday, Sick Leave (906)	8,771		6,968		7,766	
	<u>69,717</u>	0.8	<u>65,662</u>	1.0	<u>21,581</u>	0.3
 <u>Administrative and General</u>						
Administrative and General Salaries (920)	189,767		159,716		157,855	
Office Supplies and Expenses (921)	12,863		20,755		17,802	
Outside Services Employed (923)	53,394		19,103		55,884	
Property Insurance (924)	58,354		62,067		55,721	
Casualty Ins, Injuries & Damages (925)	47,267		46,713		32,397	
Employee Pensions and Benefits (926)	565,303		283,816		2,083,956	
Fringe Benefits Charged to Constr. (927)	(21,041)		(21,657)		(27,969)	
Regulatory Commission (928)	8,615		8,381		8,474	
Miscellaneous General Expense (930)	28,032		37,369		36,659	
Maintenance of General Plant (932)	41,480		37,579		18,659	
Maintenance of A/O Center (934)	29,117		35,803		28,627	
Vacation, Holiday, Sick Leave (936)	46,778		56,400		46,456	
Depreciation (933)	159,450		99,190		47,766	
	<u>1,219,380</u>	14.5	<u>845,236</u>	12.6	<u>2,562,287</u>	31.5
 Total Operating Expense	<u><u>\$8,170,243</u></u>		<u><u>\$9,731,533</u></u>		<u><u>\$8,842,158</u></u>	
 Percent to Operating Revenue		97.4		145.4		108.7

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	\$23,638,593	26.2	\$29,356,498	30.7	\$27,277,523	29.0
Average price per kWh	\$0.02541		\$0.03071		\$0.02926	
<u>Generation</u>						
Operation Supervision (500)	920,873		994,616		941,450	
Fuel: (501)						
Coal	19,509,072		20,684,291		18,659,706	
Fuel Oil	88,778		57,600		82,584	
Gas	140,997		153,949		151,624	
Coal Handling Expense (501-003)	395,036		457,800		440,501	
Landfill Operation Expense (501-925)	121,487		204,596		176,221	
Emissions Allowance Expense (509)	8,438		4,328		7,882	
Steam Expense:						
Boiler (502-004)	1,116,979		1,168,538		1,097,466	
Pollution Control (502-005)	758,529		607,461		570,557	
Electric Expense (505)	1,096,479		1,112,150		1,064,351	
Miscellaneous Steam Power Expense (506)	2,583,471		1,868,980		2,103,235	
Maintenance:						
Supervision (510)	800,835		955,815		905,863	
Structures (511)	1,036,319		566,634		750,135	
Boiler Plant:						
Boiler (512-006)	2,771,239		3,799,017		2,062,464	
Pollution Control (512-007)	707,816		695,062		664,350	
Electric Plant (513-008)	1,209,963		2,952,625		2,558,580	
System Control (513-009)	240,502		240,613		211,447	
Miscellaneous Steam Plant (514)	591,428		587,032		652,899	
Coal Handling Equipment (516)	784,474		924,228		764,681	
System Control and Load Dispatch (556)	332,028		374,069		306,458	
Vacation, Holiday, Sick Leave (557)	1,062,264		1,020,958		1,096,384	
Depreciation (558)	7,651,387		7,692,471		7,785,771	
Total Generation Expense	<u>\$43,928,392</u>	<u>48.7</u>	<u>\$47,122,837</u>	<u>49.3</u>	<u>\$43,054,609</u>	<u>45.7</u>

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision (560)	\$93,278		\$95,993		\$85,436	
Load Dispatching (561)	876,020		867,047		803,179	
Station Expense (562)	173,369		152,752		113,882	
Overhead Line Expense (563)	1,061		30,878		7,222	
Transmission of Electricity by Others (565)	1,510,365		1,116,084		1,016,656	
Miscellaneous Transmission Expense (566)	152,779		137,125		195,720	
Maintenance:						
Supervision (568)	34,028		25,447		27,636	
Structures (569)	1,685		---		---	
Station Equipment (570)	61,378		94,977		72,716	
Overhead Lines (571)	185,533		141,572		216,528	
Vacation, Holiday, Sick Leave (575)	147,936		129,924		119,566	
Depreciation (576)	532,650		516,570		372,862	
Tax on Rural Property (577)	68,277		69,160		67,129	
	<u>3,838,358</u>	4.3	<u>3,377,530</u>	3.5	<u>3,098,532</u>	3.3
<u>Distribution</u>						
Operation Supervision (580)	177,307		136,634		156,706	
Load Dispatching (581)	361,205		380,475		382,018	
Station Expense (582)	151,722		85,288		104,613	
Overhead Line Expense (583)	47,417		3,018		17,681	
Vehicle Expense (589)	185,212		187,101		163,225	
Underground Line Expense (584)	93,506		56,008		58,609	
Street Lighting (585-418)	31,422		18,814		8,506	
Signal Expense (585-419)	12,542		5,846		2,237	
Meter Expense (586)	118,410		131,368		120,827	
Consumer Installation Expense (587)	6,686		11,488		7,683	
Miscellaneous Distribution Expense (588)	675,671		863,598		793,452	
Maintenance:						
Supervision (590)	132,408		86,788		107,015	
Structures (591)	14,962		---		893	
Station Equipment (592)	106,259		89,919		145,293	
Overhead Lines (593)	652,774		926,459		770,233	
Underground Lines (594)	241,813		214,543		191,056	
Line Transformers (595)	74,198		70,648		38,191	
Street Lighting (596-418)	123,720		171,336		181,831	
Signal System (596-419)	38,393		68,873		42,356	
Meters (597)	31,840		32,462		30,803	
Miscellaneous Distribution Plant (598)	32,500		34,716		32,864	
Vacation, Holiday, Sick Leave (599)	417,945		440,316		434,186	
Depreciation (578)	2,126,717		2,106,692		2,068,225	
Tax on Rural Property (579)	20,394		20,663		20,051	
	<u>\$5,875,022</u>	6.5	<u>\$6,143,052</u>	6.4	<u>\$5,878,554</u>	6.2

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

	<u>Budget Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$62,148		\$53,572		\$60,872	
Energy Efficiency Rebates (912)	190,220		148,517		185,919	
Electric Ranges/Dryers Maintenance (910)	5,351		2,283		2,245	
Electric Water Heaters Maintenance (911)	1,902		1,524		719	
	<u>\$259,621</u>	0.3	<u>\$205,896</u>	0.2	<u>\$249,755</u>	0.3
<u>Consumer Accounts</u>						
Meter Reading Expense (902)	118,350		123,303		113,960	
Consumer Records and Collection (901/903)	556,409		520,020		499,125	
Uncollectible Accounts Expense (904)	51,038		53,772		28,154	
Vacation, Holiday, Sick Leave (906)	72,377		66,905		62,361	
	<u>798,173</u>	0.9	<u>764,000</u>	0.8	<u>703,600</u>	0.7
<u>Administrative and General</u>						
Administrative and General Salaries (920)	2,244,049		2,214,906		2,087,610	
Office Supplies and Expenses (921)	175,640		204,342		170,221	
Outside Services Employed (923)	544,035		410,032		455,620	
Property Insurance (924)	692,348		725,764		662,827	
Casualty Ins, Injuries & Damages (925)	571,203		606,284		593,928	
Employee Pensions and Benefits (926)	6,738,282		7,296,224		8,149,555	
Fringe Benefits Charged to Constr. (927)	(330,188)		(339,525)		(392,533)	
Regulatory Commission (928)	103,380		83,883		100,642	
Miscellaneous General Expense (930)	572,555		549,100		491,312	
Maintenance of General Plant (932)	514,809		459,943		442,642	
Maintenance of A/O Center (934)	593,912		580,689		413,991	
Vacation, Holiday, Sick Leave (936)	389,355		415,852		363,870	
Depreciation (933)	1,913,399		1,190,277		573,195	
	<u>14,722,778</u>	16.3	<u>14,397,770</u>	15.0	<u>14,112,880</u>	15.0
	<u>\$93,060,938</u>		<u>\$101,367,584</u>		<u>\$94,375,453</u>	
Percent to Operating Revenue		103.2		105.9		100.2

Muscatine Power and Water - Electric Utility
Statistical Data
December 2018

Total Fuel Cost

(To & Including Ash Handling, Gas & Oil)

	<u>Current Month</u>	
	<u>2018</u>	<u>2017</u>
Per Million Btu.	\$1.888	\$1.509
Per Net MW Generated	\$23.12	\$19.22
Net Peak Monthly Demand-KW	115,320	116,700
Date of Peak	12/6	12/28
Hour of Peak	1100	1800

Calendar Year-To-Date

	<u>2018</u>	<u>2017</u>
Per Million Btu.	\$1.822	\$1.753
Per Net MW Generated	\$21.04	\$19.99
Net Peak Monthly Demand-KW	145,010	135,890
Date of Peak	6/18	9/20
Hour of Peak	1800	1400
Average Temperature	31.4°	25.1°

<u>Services</u>	<u>2018</u>	<u>2017</u>
Residential	9,932	9,876
Commercial I	1,356	1,360
Commercial II	146	128
Industrial I	12	11
Industrial II	2	2
City Enterprise Funds	24	25
Water & Communications Utility	36	35
Total	<u>11,508</u>	<u>11,437</u>

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

	Modified Budget	\$/kWh	This Year	\$/kWh	Last Year	\$/kWh
Wholesale kWh Sales*	<u>88,619,105</u>		<u>25,570,152</u>		<u>78,585,243</u>	
Wholesale Sales*	<u>\$2,503,772</u>	<u>\$0.02825</u>	<u>\$845,946</u>	<u>\$0.03308</u>	<u>\$2,250,465</u>	<u>\$0.02864</u>
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	1,716,300	0.01937	520,895	0.02037	1,450,031	0.01845
Emissions:						
SO ² Allowances-ARP ^{fn1}	230	0.00009	65	0.00008	26	---
SO ² Allowances-CSAPR ^{fn2}	230	---	82	---	64	---
NO _x Allowances ^{fn3}	774	0.00045	186	0.00036	285	---
Other ^{fn4}	<u>166,158</u>	<u>0.00187</u>	<u>130,913</u>	<u>0.00512</u>	<u>178,138</u>	<u>0.00227</u>
Total Variable Costs	<u>1,883,692</u>	<u>0.02126</u>	<u>652,141</u>	<u>0.02550</u>	<u>1,628,544</u>	<u>0.02072</u>
Gross Margin	<u>\$620,080</u>	<u>\$0.00700</u>	<u>\$193,805</u>	<u>\$0.00758</u>	<u>\$621,921</u>	<u>\$0.00791</u>
Percent Gross Margin	24.8%		22.9%		27.6%	

*Wholesale analysis excludes wind. (see next page)

Calendar Year To Date

	Modified Budget	\$/kWh	This Year	\$/kWh	Last Year	\$/kWh
Wholesale kWh Sales*	<u>809,282,664</u>		<u>888,667,472</u>		<u>802,589,323</u>	
Wholesale Sales*	<u>\$24,297,291</u>	<u>\$0.03002</u>	<u>\$29,842,236</u>	<u>\$0.03358</u>	<u>\$27,611,464</u>	<u>\$0.03440</u>
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	14,416,673	0.01781	17,860,985	0.02010	15,278,100	0.01904
Emissions:						
SO ² Allowances-ARP ^{fn1}	1,574	0.00000	437	0.00000	235	0.00000
SO ² Allowances-CSAPR ^{fn2}	1,562	0.00000	550	0.00000	594	0.00000
NO _x Allowances ^{fn3}	5,318	0.00001	104,517	0.00012	173,647	0.00022
Other ^{fn4}	<u>1,993,892</u>	<u>0.00246</u>	<u>1,938,250</u>	<u>0.00218</u>	<u>2,137,655</u>	<u>0.00266</u>
Total Variable Costs	<u>16,419,019</u>	<u>0.02029</u>	<u>19,904,739</u>	<u>0.02240</u>	<u>17,590,231</u>	<u>0.02192</u>
Gross Margin	<u>\$7,878,272</u>	<u>\$0.00973</u>	<u>\$9,937,497</u>	<u>\$0.01118</u>	<u>\$10,021,233</u>	<u>\$0.01249</u>
Percent Gross Margin	32.4%		33.3%		36.3%	

*Wholesale analysis excludes wind. (see next page)

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

	Budget	2018	2017
fn1 SO ² ARP	\$2.00	\$0.70	\$0.70
YTD SO ² ARP	2.00	0.70	0.78
fn2 SO ² CSAPR	2.00	0.88	1.75
YTD SO ² CSAPR	0.00	0.88	1.97
fn3 NO _x annual	5.00	1.50	2.75
YTD NO _x annual	500.00	1.50	4.10
YTD NO _x seasonal	1,300.00	229.61	595.41

fn4 Other includes variable generation O&M, rail car cost, and Title V permit fees. Costs included have been amortized evenly over the year.

Muscatine Power and Water - Electric Utility
Wind Sales Analysis
Current Month - December 2018

	<u>Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
Revenue						
Wholesale kWh Sales	<u>4,830,000</u>		<u>4,642,485</u>		<u>5,603,289</u>	
Wholesale Sales	<u>\$68,586</u>	<u>\$0.01420</u>	<u>\$90,591</u>	<u>\$0.01951</u>	<u>\$105,402</u>	<u>\$0.01881</u>
Expense						
Purchased Power kWh	4,830,000		4,642,485		5,603,289	
Purchased Power	\$128,333	0.02657	\$125,074	0.02694	\$147,117	0.02626
Gross Margin/(Loss)	<u>(\$59,747)</u>	<u>(\$0.01237)</u>	<u>(\$34,483)</u>	<u>(\$0.00743)</u>	<u>(\$41,715)</u>	<u>(\$0.00744)</u>
Percent Gross Margin	-87.1%		-38.1%		-39.6%	
RECs Sold	---		---		22,500	
REC Net Proceeds	\$0	---	\$0	---	\$16,875	---
Misc Wind Revenues/Charges	\$0		\$0		\$0	
Wind Net Margin/(Loss)	(\$59,747)		(\$34,483)		(\$24,840)	

Calendar Year To Date

	<u>Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
Revenue						
Wholesale kWh Sales	<u>52,125,000</u>		<u>51,547,194</u>		<u>54,210,643</u>	
Wholesale Sales	<u>\$695,136</u>	<u>\$0.01334</u>	<u>\$984,213</u>	<u>\$0.01909</u>	<u>\$775,718</u>	<u>\$0.01431</u>
Expense						
Purchased Power kWh	52,125,000		51,547,194		54,210,643	
Purchased Power	\$1,384,961	0.02657	\$1,372,047	0.02662	\$1,411,247	0.02603
Gross Margin/(Loss)	<u>(\$689,825)</u>	<u>(\$0.01323)</u>	<u>(\$387,834)</u>	<u>(\$0.00752)</u>	<u>(\$635,529)</u>	<u>(\$0.01172)</u>
Percent Gross Margin	-99.2%		-39.4%		-81.9%	
RECs Sold	---		21,500		25,000	
REC Net Proceeds	\$0	---	\$16,125	0.75	\$18,750	0.75
Misc Wind Revenues/Charges	\$0		\$0		\$0	
Wind Net Margin/(Loss)	(\$689,825)		(\$371,709)		(\$616,779)	

	<u>Budget</u>	<u>This Year</u>	<u>Last Year</u>
RECs at end of Prior Period	0	32,618	3,438
RECs Added This Period	0	42,043	24,873
RECs Sold This Period	0	21,500	25,000
Number of RECs on hand	0	53,161	3,311
Market Value per REC	\$0.00	\$0.75	\$0.75
Value of RECs on Hand	\$0.00	\$39,870.75	\$2,483.49

Muscatine Power and Water

Water Utility

Statement of Revenues, Expenses and Changes in Net Position

December 2018

**Muscatine Power and Water
Water Utility**

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Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - December 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	650,760	2.9	669,379	1.6	658,793
Power Plants	67,709	(24.1)	51,418	(32.5)	76,202
Residential	36,874	(12.7)	32,185 ^{fn1}	(1.9)	32,812 ^{fn2}
Commercial	26,750	(0.5)	26,611 ^{fn1}	6.6	24,973 ^{fn2}
Total Metered Customers	782,093	(0.3)	779,592	(1.7)	792,779
Rated Customers - Estimate	---	---	4	(42.9)	7
City Use, Line Loss, Cycle Billing	46,926	(0.3)	46,776	(1.7)	47,567
Total Water Pumped	<u>829,019</u>	(0.3)	<u>826,372</u>	(1.7)	<u>840,353</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	8,228,000	0.3	8,251,017	0.4	8,216,942
Power Plants	689,694	(8.5)	630,954	(1.6)	641,311
Residential	456,085	(5.7)	430,081 ^{fn1}	(2.6)	441,631 ^{fn2}
Commercial	366,100	0.2	366,779 ^{fn1}	(1.9)	373,799 ^{fn2}
Total Metered Customers	9,739,879	(0.6)	9,678,830	0.1	9,673,683
Rated Customers - Estimate	---	---	56	(64.3)	157
City Use, Line Loss, Cycle Billing	584,393	(0.6)	580,730	0.1	580,421
Total Water Pumped	<u>10,324,272</u>	(0.6)	<u>10,259,616</u>	0.1	<u>10,254,261</u>

^{fn1} Includes an adjustment for unbilled gallons of 591K and 477K for residential and commercial I customers, respectively.

^{fn2} Includes an adjustment for unbilled gallons of (495K) and (52K) for residential and commercial I customers, respectively.

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

	Budget		% Increase (Decrease) from Budget	% Increase (Decrease) from Last Year			Last Year	
	Estimate	Avg. Price		This Year	Avg. Price	Year	Last Year	Avg. Price
Sales of Water								
Contract Customers	\$291,724	\$ 0.44828	1.2	\$295,298	\$ 0.44115	5.9	\$278,718	\$ 0.42307
Power Plants	31,414	0.46396	(6.8)	29,275	0.56936	(14.6)	34,292	0.45002
Residential	170,662	4.62825	0.6	171,641 ^{fn1}	5.33295	6.4	161,361 ^{fn2}	4.91775
Commercial	49,415	1.84729	2.8	50,815 ^{fn1}	1.90958	2.0	49,806 ^{fn2}	1.99439
Water Sales	543,215	0.69457	0.7	547,029	0.70169	4.4	524,177	0.66119
Other Revenue								
Penalty Revenue	855		71.5	1,466		8.0	1,358	
Merchandise & Job Sales-Net	833		2.3X	2,776		1.3X	1,216	
Miscellaneous Revenue	1,254		(15.2)	1,064		9.8	969	
Total Other Revenue	2,942		80.4	5,306		49.8	3,543	
Operating Revenue	546,157		1.1	552,335		4.7	527,720	
Operating Expense								
Operation	358,438		(25.7)	266,224		(34.3)	404,961	
Maintenance	50,756		(5.0)	48,198		(8.4)	52,633	
Depreciation	73,912		(3.2)	71,557		11.0	64,466	
Total Operating Expense	483,106		(20.1)	385,979		(26.1)	522,060	
Operating Income	63,051		1.6X	166,356		28.4X	5,660	
Nonoperating Revenues (Expenses)								
Interest Income	769		12.8X	10,632		58.0	6,729	
Interest Expense	(39,231)		(0.0)	(39,230)		(4.9)	(41,254)	
Net Nonoperating Revenues (Expenses)	(38,462)		(25.6)	(28,598)		(17.2)	(34,525)	
Net Income (Loss) before Capital Contributions								
	24,589		4.6X	137,758		-5.8X	(28,865)	
Capital Contributions	---		---	---		---	---	
Change in Net Position	24,589		4.6X	137,758		-5.8X	(28,865)	
Beginning Net Position	16,867,818			17,134,216			16,666,177	
Prior Period Adj. GASB 75 OPEB	---			0			(45,723)	
Ending Net Position	\$16,892,407			\$17,271,974			\$16,591,589	
Net Income (Loss) to Operating Revenue	4.5			24.9			(5.5)	
Debt Service Coverage	1.68			3.04			1.51	

fn1 Includes an adjustment to unbilled revenues of \$5,450 and \$1,092 for residential and commercial customers, respectively.

fn2 Includes an adjustment to unbilled revenues of \$2,083 and \$844 for residential and commercial customers, respectively.

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

	Budget		% Increase (Decrease) from Budget	This Year		% Increase (Decrease) from Last Year	Last Year	
	Estimate	Avg. Price			Avg. Price			
<u>Sales of Water</u>								
Contract Customers	\$3,544,717	\$ 0.43081	0.2	\$3,551,889	\$ 0.43048	5.1	\$3,380,492	\$ 0.41141
Power Plants	376,840	0.54639	(5.2)	357,239	0.56619	0.9	354,169	0.55226
Residential	2,047,462	4.48921	(0.2)	2,042,673 ^{fn1}	4.74951	4.7	1,950,347 ^{fn2}	4.41624
Commercial	669,352	1.82833	(3.0)	649,069 ^{fn1}	1.76964	0.4	646,183 ^{fn2}	1.72869
Water Sales	6,638,371	0.68157	(0.6)	6,600,870	0.68199	4.3	6,331,191	0.65448
<u>Other Revenue</u>								
Penalty Revenue	9,401		47.7	13,884		15.9	11,975	
Merchandise & Job Sales-Net	10,000		64.6	16,462		30.0	12,664	
Miscellaneous Revenue	13,122		(9.0)	11,937		(14.1)	13,894	
Total Other Revenue	32,523		30.0	42,283		9.7	38,533	
Operating Revenue	6,670,894		(0.4)	6,643,153		4.3	6,369,724	
<u>Operating Expense</u>								
Operation	4,194,648		(4.1)	4,021,169		0.1	4,015,655	
Maintenance	823,114		(11.9)	724,929		(32.1)	1,067,131	
Depreciation	886,936		(3.2)	858,686		11.0	773,511	
Total Operating Expense	5,904,698		(5.1)	5,604,784		(4.3)	5,856,297	
Operating Income	766,196		35.5	1,038,369		1.0X	513,427	
<u>Nonoperating Revenues (Expenses)</u>								
Interest Income	10,630		10.0X	116,524		2.2X	35,966	
Interest Expense	(476,008)		(0.3)	(474,508)		2.5	(463,072)	
Net Nonoperating Revenues (Expenses)	(465,378)		(23.1)	(357,984)		(16.2)	(427,106)	
<u>Net Income (Loss) before Capital Contributions</u>								
Contributions	300,818		1.3X	680,385		6.9X	86,321	
Capital Contributions	---		---	---		---	82,898	
Change in Net Position	300,818		1.3X	680,385		3.0X	169,219	
Beginning Net Position	16,591,589			16,591,589			16,468,093	
Prior Period Adj. GASB 75 OPEB	---			---			(45,723)	
Ending Net Position	\$16,892,407			\$17,271,974			\$16,591,589	
Net Income (Loss) to Operating Revenue	4.5			10.2			1.4	
Debt Service Coverage	1.69			2.05			3.99	

fn1 Includes an adjustment to unbilled revenues of \$5,450 and \$1,092 for residential and commercial customers, respectively.

fn2 Includes an adjustment to unbilled revenues of \$2,083 and \$844 for residential and commercial customers, respectively.

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

ASSETS

	<u>2018</u>	<u>2017</u>
Current Assets:		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$858,631	\$7,211,333
Receivables:		
Consumer Accounts	755,550 ^{fn1}	751,039 ^{fn2}
Interest	92	38
Inventories	343,709	355,000
Prepaid Expenses	22,301	56,022
	<hr/>	<hr/>
Total Unrestricted Current Assets	1,980,283	8,373,432
	<hr/>	<hr/>
<u>Restricted Assets</u>		
Cash - interest bearing	4,775,188	968,512
	<hr/>	<hr/>
Total Restricted Current Assets	4,775,188	968,512
	<hr/>	<hr/>
Total Current Assets	6,755,471	9,341,944
	<hr/>	<hr/>
Non-Current Assets:		
Unamortized debt issuance costs	52,426	56,582
	<hr/>	<hr/>
Property and Equipment:		
At Cost	39,169,842	36,431,288
Less Accumulated Depreciation	11,520,531	10,774,892
	<hr/>	<hr/>
Net Property and Equipment	27,649,311	25,656,396
	<hr/>	<hr/>
Deferred Outflows of Resources		
Pension	624,781	734,364
IPERS	237,547	197,472
OPEB	10,397	10,398
	<hr/>	<hr/>
Total Deferred Outflows of Resources	872,725	942,234
	<hr/>	<hr/>
TOTAL ASSETS	<u><u>\$35,329,933</u></u>	<u><u>\$35,997,156</u></u>

fn1 Includes \$78,259 for unbilled revenues.

fn2 Includes \$71,717 for unbilled revenues.

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

LIABILITIES AND NET POSITION

	<u>2018</u>	<u>2017</u>
Current Liabilities:		
<u>Payable from Unrestricted Assets</u>		
Accounts Payable	\$141,414	\$876,944
Health & Dental Insurance Provision	40,380	32,700
Retained Percentage on Contracts	56,176	83,516
Consumer Advances for Construction	600	290
Accrued Payroll	84,962	77,135
Accrued Vacation	147,617	137,682
Accrued Property Taxes	3,203	3,106
Unearned Revenue	1,200	2,800
Miscellaneous Accrued Expenses	62,297	60,264
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	537,849	1,274,437
<u>Payable from Restricted Assets</u>		
State Revolving Loan - Current Portion	33,000	32,000
Water Revenue Bonds - Current Portion	380,000	375,000
Accrued Interest	47,482	48,233
	<hr/>	<hr/>
Total Payable from Restricted Assets	460,482	455,233
	<hr/>	<hr/>
Total Current Liabilities	998,331	1,729,670
Non-Current Liabilities:		
State Revolving Loan	35,000	68,000
Water Revenue Bond Series 2017	14,960,856	15,445,072
Health & Dental Insurance Provision	53,765	82,116
Post-Employment Health Benefit Provision	90,151	85,978
Net Pension Liability	1,265,481	1,601,752
Consumer Advances for Construction	197,650	198,569
	<hr/>	<hr/>
Total Non-Current Liabilities	16,602,903	17,481,487
Deferred Inflows of Resources		
Pension	371,400	79,730
IPERS	73,410	102,764
OPEB	11,916	11,916
	<hr/>	<hr/>
Total Deferred Inflows of Resources	456,726	194,410
Net Position:		
Net Investment in Capital Assets	12,042,205	9,537,465
Restricted	4,727,706	920,279
Unrestricted	502,062	6,133,845
	<hr/>	<hr/>
Total Net Position	17,271,974	16,591,589
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$35,329,933</u></u>	<u><u>\$35,997,156</u></u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$166,356	\$1,038,369
Noncash item in operating income:		
Depreciation of utility plant	71,557	858,686
Amortization of debt issuance costs	---	1,500
Change in deferred outflows of resources	266,259	69,509
Change in deferred inflows of resources	262,316	262,316
Changes in assets and liabilities:		
Consumer accounts receivable	9,623	(4,511)
Inventories	(22,733)	11,291
Prepaid and deferred expenses	3,734	33,721
Accounts payable	(134,944)	(735,530)
Net pension liability	(595,310)	(336,271)
Health & dental insurance provision	(3,889)	(20,671)
Other post-employment benefit provision	348	4,173
Retained percentage	---	(27,340)
Accrued payroll	12,134	7,827
Accrued vacation	2,069	9,935
Accrued property taxes	259	97
Unearned revenue	1,200	(1,600)
Miscellaneous accrued expenses	510	2,033
Net cash flows from operating activities	39,489	1,173,534
Cash flows from capital and related financing activities:		
State revolving loan fund principal payments	---	(32,000)
Bond & loan interest payments	(662,025)	(951,820)
Capital expenditures, net	(150,965)	(2,852,210)
Net cash flows from capital and related financing activities	(812,990)	(3,836,030)
Cash flows from investing activities:		
Interest received on investments	10,627	116,470
Net cash flows from investing activities	10,627	116,470
Net decrease in cash and investments	(762,874)	(2,546,026)
Cash and investments at beginning of period	\$6,396,693	\$8,179,845
Cash and investments at end of period	\$5,633,819	\$5,633,819

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision (600)	\$3,564		\$3,412		\$2,945	
Operation Labor and Expenses (601)	787		489		246	
Miscellaneous Expense (603)	80		---		---	
Maintenance of Wells (614)	---		---		---	
Maintenance of Supply Mains (616)	382		148		---	
Depreciation (618)	11,563		9,449		9,525	
	<hr/>		<hr/>		<hr/>	
Total Source of Supply Expense	16,376	3.0	13,498	2.4	12,716	2.4
	<hr/>		<hr/>		<hr/>	
<u>Pumping</u>						
Operation Supervision (620)	3,968		3,239		3,286	
Fuel or Power Purchased (623)	82,482		82,218		76,010	
Pumping Labor and Expenses (624)	5,251		2,091		5,255	
Miscellaneous Expense (626)	316		360		311	
Maintenance of Structures (631)	449		---		---	
Maintenance of Pumping Equipment (632/633)	5,347		6,575		1,438	
Depreciation (634)	6,690		6,240		6,294	
	<hr/>		<hr/>		<hr/>	
Total Pumping Expense	104,503	19.1	100,723	18.2	92,594	17.5
	<hr/>		<hr/>		<hr/>	
<u>Water Treatment</u>						
Operation Supervision (640)	3,622		3,360		3,016	
Chemicals (641)	18,726		18,440		17,555	
Operation Labor and Expenses (642)	16,054		17,099		18,927	
Miscellaneous Expense (643)	4,633		2,772		1,617	
Maintenance of Structures (651)	1,037		2,921		749	
Maintenance of Purification Equip. (652)	1,560		657		14,272	
Depreciation (654)	3,443		3,262		3,262	
	<hr/>		<hr/>		<hr/>	
Total Water Treatment Expense	49,075	9.0	48,511	8.8	59,398	11.3
	<hr/>		<hr/>		<hr/>	
<u>Distribution</u>						
Operation Supervision (660)	3,801		3,438		3,164	
Storage Facilities Expense (661)	3,905		5,804		4,982	
Trans. & Distr. Lines Expense (662)	2,852		1,455		6,796	
Meter Expense (663)	9,627		14,024		7,795	
Consumer Installation Expense (664)	10,240		5,430		4,211	
Miscellaneous Expense (665)	16,780		10,134		23,285	
Vehicle Expense (667)	4,634		4,619		4,466	
Maintenance:						
Supervision (670)	5,203		4,242		4,307	
Structures (671)	415		743		57	
Reservoirs and Standpipes (672)	249		131		252	
Mains (673)	17,256		4,532		12,957	
Valves (674)	6,156		8,160		1,401	
Meters (676)	2,182		6,993		1,347	
Hydrants (677)	2,403		5,725		7,280	
Miscellaneous Plant (678)	3,242		4,410		2,862	
Vacation, Holiday, Sick Leave (679)	23,312		16,945		24,270	
Depreciation (680)	40,815		39,455		36,184	
	<hr/>		<hr/>		<hr/>	
Total Distribution Expense	153,072	28.0	\$136,240	24.7	\$145,616	27.6
	<hr/>		<hr/>		<hr/>	

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$1,496	0.3	(\$304)	-0.1	\$2,740	0.5
<u>Consumer Accounts</u>						
Meter Reading Expense (902)	4,307		4,742		3,335	
Consumer Records and Collection (901/903)	19,235		17,238		16,245	
Uncollectible Accounts Expense (904)	811		(185)		(4,368)	
Vacation, Holiday, Sick Leave (906)	3,643		2,547		3,186	
Total Consumer Accounts Expense	<u>27,996</u>	5.1	<u>24,342</u>	4.4	<u>18,398</u>	3.5
<u>Administrative and General</u>						
Administrative and General Salaries (920)	22,780		18,486		18,634	
Office Supplies and Expenses (921)	1,569		2,182		2,768	
Outside Services Employed (923)	2,949		1,765		4,615	
Property Insurance (924)	1,843		1,960		1,760	
Casualty Ins, Injuries & Damages (925)	5,011		4,636		2,873	
Employee Pensions and Benefits (926)	67,904		6,100		133,444	
Fringe Benefits Charged to Constr. (927)	(7,740)		(7,357)		(6,936)	
Miscellaneous General Expense (930)	7,603		5,890		5,830	
Rents (931)	6,207		6,207		6,279	
Maintenance of General Plant (932)	4,875		2,961		5,711	
Vacation, Holiday, Sick Leave (936)	6,186		6,988		6,419	
Depreciation (933)	11,401		13,151		9,201	
Total Administrative and General	<u>130,588</u>	23.9	<u>62,969</u>	11.4	<u>190,598</u>	36.1
Total Operating Expense	<u>\$483,106</u>		<u>\$385,979</u>		<u>\$522,060</u>	
Percent to Operating Revenue		88.5		69.9		98.9

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision (600)	\$42,449		\$43,665		\$42,030	
Operation Labor and Expenses (601)	10,507		12,985		10,766	
Miscellaneous Expense (603)	4,895		5,518		6,568	
Maintenance of Wells (614)	120,000		116,050		114,711	
Maintenance of Supply Mains (616)	4,581		199		104	
Depreciation (618)	<u>138,752</u>		<u>113,384</u>		<u>114,304</u>	
Total Source of Supply Expense	<u>321,184</u>	4.8	<u>291,801</u>	4.4	<u>288,483</u>	4.5
 <u>Pumping</u>						
Operation Supervision (620)	46,794		44,810		46,948	
Fuel or Power Purchased (623)	1,021,593		952,564		987,753	
Pumping Labor and Expenses (624)	62,763		50,230		53,877	
Miscellaneous Expense (626)	3,794		4,636		3,648	
Maintenance of Structures (631)	5,394		---		655	
Maintenance of Pumping Equipment (632/633)	185,597		105,752		252,350	
Depreciation (634)	<u>80,279</u>		<u>74,884</u>		<u>75,528</u>	
Total Pumping Expense	<u>1,406,214</u>	21.1	<u>1,232,876</u>	18.6	<u>1,420,759</u>	22.3
 <u>Water Treatment</u>						
Operation Supervision (640)	42,831		43,001		42,990	
Chemicals (641)	220,490		222,174		216,516	
Operation Labor and Expenses (642)	181,693		197,426		188,438	
Miscellaneous Expense (643)	26,142		28,607		19,996	
Maintenance of Structures (651)	12,941		34,157		23,017	
Maintenance of Purification Equip. (652)	21,095		13,187		49,610	
Depreciation (654)	<u>41,316</u>		<u>39,140</u>		<u>39,140</u>	
Total Water Treatment Expense	<u>546,508</u>	8.2	<u>577,692</u>	8.7	<u>579,707</u>	9.1
 <u>Distribution</u>						
Operation Supervision (660)	44,538		44,692		44,582	
Storage Facilities Expense (661)	57,428		68,770		65,439	
Trans. & Distr. Lines Expense (662)	66,930		71,149		76,903	
Meter Expense (663)	118,220		140,074		106,102	
Consumer Installation Expense (664)	106,510		65,911		57,752	
Miscellaneous Expense (665)	202,334		166,639		173,568	
Vehicle Expense (667)	54,991		89,899		66,951	
Maintenance:	---		---		---	
Supervision (670)	61,418		58,123		60,598	
Structures (671)	4,785		1,544		3,923	
Reservoirs and Standpipes (672)	2,987		6,219		22,784	
Mains (673)	195,184		160,670		315,478	
Valves (674)	60,936		77,240		66,076	
Meters (676)	25,221		47,979		13,811	
Hydrants (677)	24,174		18,798		54,050	
Miscellaneous Plant (678)	38,902		42,873		41,512	
Vacation, Holiday, Sick Leave (679)	195,478		160,929		186,562	
Depreciation (680)	<u>489,781</u>		<u>473,470</u>		<u>434,130</u>	
Total Distribution Expense	<u>1,749,817</u>	26.2	<u>\$1,694,979</u>	25.5	<u>\$1,790,221</u>	28.1

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$9,782		\$6,634		\$11,705	0.2
<u>Consumer Accounts</u>						
Meter Reading Expense (902)	49,445		52,660		48,344	
Consumer Records and Collection (901/903)	230,822		214,615		202,386	
Uncollectible Accounts Expense (904)	9,732		8,736		7,776	
Vacation, Holiday, Sick Leave (906)	30,111		24,638		26,052	
Total Consumer Accounts Expense	320,110	4.8	300,649	4.5	284,558	4.5
<u>Administrative and General</u>						
Administrative and General Salaries (920)	269,394		256,370		248,990	
Office Supplies and Expenses (921)	20,563		27,602		23,662	
Outside Services Employed (923)	30,453		23,967		36,253	
Property Insurance (924)	21,864		22,919		20,932	
Casualty Ins, Injuries & Damages (925)	60,764		59,613		53,290	
Employee Pensions and Benefits (926)	804,279		775,492		810,895	
Fringe Benefits Charged to Constr. (927)	(105,473)		(104,616)		(101,835)	
Miscellaneous General Expense (930)	126,233		113,509		106,482	
Rents (931)	74,484		74,484		75,351	
Maintenance of General Plant (932)	59,899		42,138		48,452	
Vacation, Holiday, Sick Leave (936)	51,815		50,867		47,983	
Depreciation (933)	136,808		157,808		110,409	
Total Administrative and General	1,551,083	23.3	1,500,153	22.6	1,480,864	23.2
Total Operating Expense	<u>\$5,904,698</u>		<u>\$5,604,784</u>		<u>\$5,856,297</u>	
Percent to Operating Revenue		88.4		84.3		91.9

Muscatine Power and Water - Water Utility
Statistical Data
Current Month - December 2018

	<u>2018</u>		<u>2017</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.662	0.702	0.624	0.661
Cost Per 1,000 Gallons	<u>0.467</u>	<u>0.495</u>	<u>0.621</u>	<u>0.659</u>
Margin	<u>0.195</u>	<u>0.207</u>	<u>0.003</u>	<u>0.003</u>

	<u>2018</u>	<u>2017</u>
Maximum Daily Water Pumped (1,000 gallons)	28,945	28,758
Date of Maximum	12/17	12/04

Calendar Year-to-Date

	<u>2018</u>		<u>2017</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.643	0.682	0.617	0.654
Cost Per 1,000 Gallons	<u>0.546</u>	<u>0.579</u>	<u>0.571</u>	<u>0.605</u>
Margin	<u>0.097</u>	<u>0.103</u>	<u>0.046</u>	<u>0.049</u>

	<u>2018</u>	<u>2017</u>
Maximum Daily Water Pumped (1,000 gallons)	34,315	32,963
Date of Maximum	10/28	08/30

Services

Contract Customers	2	2
Power Plants	2	2
Residential	8,792	8,779
Commercial	<u>1,071</u>	<u>1,067</u>
Total	<u><u>9,867</u></u>	<u><u>9,850</u></u>

Muscatine Power and Water

Communications Utility

Statement of Revenues, Expenses and Changes in Net Position

December 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 - December 2018

	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<u>Operating Revenue</u>					
Video	\$619,769	(7.8)	\$571,496	3.0	\$554,659
Data/Internet	517,428	6.0	548,446	7.2	511,403
Phone	17,620	(87.5)	2,202	---	---
MAN	60,500	15.5	69,891	7.2	65,184
Miscellaneous	11,663	(12.4)	10,214	(8.1)	11,120
Total Operating Revenues	<u>1,226,980</u>	(2.0)	<u>1,202,249</u>	5.2	<u>1,142,366</u>
<u>Operating Expense</u>					
Operation	803,976	(5.4)	760,571	(22.8)	984,622
Maintenance	91,018	2.1	92,890	(4.9)	97,630
Depreciation	134,849	(6.0)	126,791	(6.0)	134,926
Total Operating Expenses	<u>1,029,843</u>	(4.8)	<u>980,252</u>	(19.5)	<u>1,217,178</u>
Operating Income (Loss)	<u>197,137</u>	12.6	<u>221,997</u>	-4.0X	<u>(74,812)</u>
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	798	26.6X	22,041	1.1X	10,341
Interest Expense	(28,151)	(12.2)	(24,713)	39.6	(17,699)
Net Nonoperating Expense	<u>(27,353)</u>	(90.2)	<u>(2,672)</u>	(63.7)	<u>(7,358)</u>
Net Income before Capital Contributions	169,784	29.2	219,325	-3.7X	(82,170)
Capital Contributions	<u>1,365</u>	16.2	<u>1,586</u>	81.9	<u>872</u>
Change in Net Position	171,149		220,911		(81,298)
Beginning Net Position	<u>8,896,304</u>		<u>9,481,971</u>		<u>7,620,531</u>
Prior Period Adj. GASB 75 OPEB	---		---		(50,004)
Ending Net Position	<u>\$9,067,453</u>		<u>\$9,702,882</u>		<u>\$7,489,229</u>
Net Income (Loss) to Operating Revenue	13.8		18.2		(7.2)
Debt Service Coverage on Bank Debt	1.85		2.06		5.06
Debt Service Coverage on Electric Utility Debt	3.47		4.34		1.29

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

	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<u>Operating Revenue</u>					
Video	\$7,174,080	(3.6)	\$6,919,203	1.3	\$6,831,899
Data/Internet	6,018,549	4.4	6,284,772	6.0	5,927,277
Phone	126,042	(93.1)	8,634	---	---
MAN	726,000	10.7	803,596	6.2	756,646
Miscellaneous	139,803	(9.3)	126,739	(5.7)	134,438
Total Operating Revenues	<u>14,184,474</u>	(0.3)	<u>14,142,944</u>	3.6	<u>13,650,260</u>
<u>Operating Expense</u>					
Operation	9,554,519	(2.8)	9,284,130	1.8	9,117,858
Maintenance	1,127,896	(9.4)	1,022,071	(1.4)	1,036,462
Depreciation	1,618,187	(6.0)	1,521,492	(6.0)	1,619,112
Total Operating Expenses	<u>12,300,602</u>	(3.8)	<u>11,827,693</u>	0.5	<u>11,773,432</u>
Operating Income	<u>1,883,872</u>	22.9	<u>2,315,251</u>	23.4	<u>1,876,828</u>
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	15,785	12.6X	214,528	3.8X	45,156
Interest Expense	(337,814)	(1.1)	(334,013)	4.6X	(59,152)
Net Nonoperating Expense	<u>(322,029)</u>	(62.9)	<u>(119,485)</u>	7.5X	<u>(13,996)</u>
Net Income before Capital Contributions	1,561,843	40.6	2,195,766	17.9	1,862,832
Capital Contributions	<u>16,380</u>	9.2	<u>17,886</u>	20.3	<u>14,866</u>
Change in Net Position	1,578,223		2,213,652		1,877,698
Beginning Net Position	<u>7,489,230</u>		<u>7,489,230</u>		<u>5,661,535</u>
Prior Period Adj. GASB 75 OPEB	---		0		(50,004)
Ending Net Position	<u>\$9,067,453</u>		<u>\$9,702,882</u>		<u>\$7,489,229</u>
Net Income (Loss) to Operating Revenue	11.0		15.5		13.7
Debt Service Coverage on Bank Debt	1.63		1.87		254.2
Debt Service Coverage on Electric Utility Debt	2.57		3.58		6.70

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

ASSETS

	<u>2018</u>	<u>2017</u>
Current Assets:		
Cash - interest bearing	\$3,119,536	\$14,345,581
Investments	7,834,969	---
Receivables:		
Consumer Accounts	1,618,943	1,470,988
Interest	19,432	9,060
Inventories	216,069	147,529
Prepaid Expenses	134,471	148,024
	<hr/>	<hr/>
Total Current Assets	12,943,420	16,121,182
	<hr/>	<hr/>
Property and Equipment:		
At Cost	44,132,240	41,230,740
Less Accumulated Depreciation	28,573,612	28,233,463
	<hr/>	<hr/>
Net Property and Equipment	15,558,628	12,997,277
	<hr/>	<hr/>
Deferred Outflows of Resources		
Pension	1,361,542	1,617,642
OPEB	14,555	14,555
	<hr/>	<hr/>
Total Deferred Outflows of Resources	1,376,097	1,632,197
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$29,878,145</u>	<u>\$30,750,656</u>

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

LIABILITIES AND NET POSITION

	<u>2018</u>	<u>2017</u>
Current Liabilities:		
<u>Payable from Unrestricted Assets</u>		
Accrued Interest	\$0	13,931
Accounts Payable	455,129	972,439
Health & Dental Insurance Provision	59,606	45,780
Retained Percentage on Contracts	126,205	88,821
Accrued Payroll	114,568	121,719
Accrued Vacation	159,833	175,590
Accrued Property Taxes	6,069	5,920
Unearned Revenue - Dark Fiber Lease	18,600	18,500
Miscellaneous Accrued Expenses	146,314	120,847
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	1,086,324	1,563,547
<u>Payable from Restricted Assets</u>		
Notes Payable:		
Banks	1,945,397	1,875,198
	<hr/>	<hr/>
Total Payable from Restricted Assets	1,945,397	1,875,198
	<hr/>	<hr/>
Total Current Liabilities	3,031,721	3,438,745
Non-Current Liabilities:		
Health & Dental Insurance Provision	80,777	124,111
Post-Employment Health Benefit Provision	126,628	120,370
Unearned Revenue - Dark Fiber Lease	193,479	211,979
Net Pension Liability	1,699,129	2,481,937
Notes Payable:		
Banks	6,178,568	8,124,802
Electric Utility	8,078,994	8,562,844
	<hr/>	<hr/>
Total Non-Current Liabilities	16,357,575	19,626,043
Deferred Inflows of Resources		
Pension	769,285	179,957
OPEB	16,682	16,682
	<hr/>	<hr/>
Total Deferred Inflows of Resources	785,967	196,639
Net Position:		
Net Investment in Capital Assets	7,434,663	2,997,277
Unrestricted	2,268,219	4,491,952
	<hr/>	<hr/>
Total Net Position	9,702,882	7,489,229
TOTAL LIABILITIES AND NET POSITION	<u>\$29,878,145</u>	<u>\$30,750,656</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$221,997	\$2,315,251
Noncash items in operating income:		
Converter/modem write-off	---	25,906
Depreciation of utility plant	126,791	1,521,492
Change in deferred inflows of resources	589,328	589,328
Change in deferred outflows of resources	653,637	256,100
Changes in assets and liabilities:		
Consumer accounts receivable	(270,625)	(147,955)
Inventories	(5,293)	(68,540)
Prepaid and deferred expenses	242,762	13,553
Accounts payable	(9,600)	(517,310)
Net pension liability	(1,300,860)	(782,808)
Health & dental insurance provision	(5,781)	(29,508)
Other post-employment benefit provision	521	6,258
Unearned revenue	(1,459)	(18,400)
Retained percentage on contracts	---	37,384
Accrued payroll	5,970	(7,151)
Accrued vacation	(1,661)	(15,757)
Accrued property taxes	541	149
Miscellaneous accrued expenses	23,587	25,467
	269,855	3,203,459
Net cash flows from operating activities		
Cash flows from capital and related financing activities:		
Capital expenditures, net	(297,630)	(4,073,362)
Bank loan closing costs	---	(17,500)
Loan principal payments	(961,331)	(2,359,885)
Loan interest payments	(84,843)	(347,944)
	(1,343,804)	(6,798,691)
Net cash flows from capital and related financing activities		
Cash flows from investing activities:		
Interest received on investments	21,734	204,156
	21,734	204,156
Net cash flows from investing activities		
Net decrease in cash and investments	(1,052,215)	(3,391,076)
Cash and investments at beginning of period	\$12,006,720	\$14,345,581
Cash and investments at end of period	\$10,954,505	\$10,954,505

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>Video</u>			
Program Acquisition Expense (751-758)	\$373,895	\$438,258	\$353,860
Promotional Expense (960)	4,523	964	15,320
Electricity Expense (736)	---	3,055	2,513
Pole Attachment Expense (715)	2,043	2,014	3,949
Changes of Service (742)	1,899	1,193	811
Underground Line Expense (743)	8,031	1,458	2,865
Ad Insertion - Marketing/Production (964, 965)	6,912	5,414	8,075
Miscellaneous Video Expense (710, 738, 739)	23,543	29,906	22,592
Vehicle Expense (760)	5,215	3,200	5,176
Maintenance:			
Fiber (711)	563	3,536	871
Coax (712)	1,383	584	205
Drops (713)	2,180	4,479	3,113
Conduit System (714)	1,566	102	103
Headend (721-725)	29,112	28,455	26,220
Line Equipment (731-735)	1,365	877	2,327
Converters (741)	3,871	2,496	1,598
Ad Insertion (966)	5,043	3,730	5,176
Vacation, Holiday, Sick Leave (799)	9,402	11,117	9,465
Property Taxes (794)	314	314	286
Depreciation (793)	69,399	70,512	76,631
	<hr/>	<hr/>	<hr/>
Total Video	550,259	611,664	541,156
<u>Data/Internet</u>			
Data/Internet Access Charges (851-853)	25,112	27,944	28,613
Promotional Expense (961)	4,523	934	16,112
Electricity Expense (836)	---	494	334
Pole Attachment Expense (837)	359	354	694
Changes of Service (842)	633	398	270
Customer Wireless Equipment Expense (846)	---	---	---
Underground Line Expense (843)	346	486	955
Miscellaneous Data/Internet Expense (839, 844, 848)	9,907	16,929	6,515
Vehicle Expense (860)	844	721	629
Maintenance:			
Fiber (811)	235	1,473	363
Coax (813)	461	195	68
Drops (814)	727	1,493	1,038
Conduit System (816)	653	42	43
Headend (820, 821)	28,779	27,544	34,244
Line Equipment (831-835)	367	292	520
Modems (841)	5,307	2,223	2,287
Vacation, Holiday, Sick Leave (879)	4,587	7,881	5,109
Property Taxes (894)	55	55	50
Depreciation (893)	31,528	28,720	26,898
	<hr/>	<hr/>	<hr/>
Total Data/Internet	114,423	118,178	124,742

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>MAN</u>			
Pole Attachment Expense (838)	\$1,120	\$1,204	\$2,265
Tools Expense (845)	208	291	903
Maintenance:			
Fiber (812)	375	2,357	581
Conduit System (817)	1,044	68	2,468
MAN Equipment (818, 819)	2,424	9,027	2,259
Vacation, Holiday, Sick Leave (899)	437	192	422
Property Taxes (896)	172	172	157
Depreciation (840)	20,579	18,747	22,038
Total MAN	<u>26,359</u>	<u>32,058</u>	<u>31,093</u>
Phone Expenses (880)	<u>7,034</u>	---	---
<u>Customer Service Expense</u>			
Customer Information Expense (909)	<u>3,858</u>	<u>248</u>	<u>6,601</u>
<u>Consumer Accounts</u>			
Consumer Records and Collections (901/903)	54,607	48,991	45,232
Uncollectible Accounts Expense (904)	1,170	1,386	(7,281)
Vacation, Holiday, Sick Leave (906)	9,090	8,625	7,791
Total Consumer Accounts	<u>64,867</u>	<u>59,002</u>	<u>45,742</u>
<u>Administrative and General</u>			
Administrative and General Salaries (920)	85,541	63,123	61,756
Office Supplies and Expense (921)	3,706	4,374	4,637
Outside Services Employed (923)	9,705	(5,717)	11,799
Property Insurance (924)	1,229	1,307	1,173
Casualty Ins, Injuries & Damages (925)	7,484	6,919	4,728
Employee Pensions and Benefits (926)	102,261	54,202	332,052
Fringe Benefits Charged to Construction (927)	(5,982)	(4,035)	(7,569)
Rents (931)	9,844	9,844	9,656
Miscellaneous General Expense (930)	9,969	3,740	4,657
Maintenance of General Plant (932)	5,563	3,917	14,146
Vacation, Holiday, Sick Leave (936)	20,380	12,616	21,450
Depreciation (933)	13,343	8,812	9,359
Total Administrative and General	<u>263,043</u>	<u>159,102</u>	<u>467,844</u>
Total Operating Expenses	<u><u>\$1,029,843</u></u>	<u><u>\$980,252</u></u>	<u><u>\$1,217,178</u></u>

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

<u>Video</u>	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
Program Acquisition Expense (751-758)	\$4,550,699	\$4,546,040	\$4,330,174
Promotional Expense (960)	61,791	29,622	36,834
Electricity Expense (736)	5,808	30,692	30,300
Pole Attachment Expense (715)	24,511	25,666	25,589
Changes of Service (742)	22,201	17,258	13,105
Underground Line Expense (743)	74,963	34,930	44,972
Ad Insertion - Marketing/Production (964, 965)	83,492	73,363	101,793
Miscellaneous Video Expense (710, 738, 739)	280,229	252,934	231,115
Vehicle Expense (760)	63,228	63,758	54,506
Maintenance:			
Fiber (711)	6,441	31,136	15,293
Coax (712)	16,595	12,881	8,868
Drops (713)	25,711	62,097	29,557
Conduit System (714)	20,272	6,017	10,292
Headend (721-725)	348,760	301,305	260,762
Line Equipment (731-735)	19,916	23,418	34,958
Converters (741)	46,555	26,600	30,205
Ad Insertion (966)	60,179	46,478	57,682
Vacation, Holiday, Sick Leave (799)	78,090	71,081	79,673
Property Taxes (794)	3,765	3,362	3,268
Depreciation (793)	832,787	846,144	919,572
Total Video	6,625,993	6,504,782	6,318,518
<u>Data/Internet</u>			
Data/Internet Access Charges (851-853)	303,544	329,241	318,419
Promotional Expense (961)	61,791	29,619	37,044
Electricity Expense (836)	1,025	3,663	4,077
Pole Attachment Expense (837)	4,311	4,514	4,500
Changes of Service (842)	7,400	5,753	4,368
Customer Wireless Equipment Expense (846)	---	---	240
Underground Line Expense (843)	8,188	11,643	14,540
Miscellaneous Data/Internet Expense (839, 844, 848)	119,358	108,918	94,416
Vehicle Expense (860)	10,131	12,224	6,579
Maintenance:			
Fiber (811)	2,684	13,199	6,372
Coax (813)	5,532	4,242	2,956
Drops (814)	8,570	20,699	9,804
Conduit System (816)	8,447	2,507	4,288
Headend (820, 821)	344,779	297,547	386,196
Line Equipment (831-835)	4,872	7,680	9,556
Modems (841)	64,941	32,099	37,767
Vacation, Holiday, Sick Leave (879)	37,508	42,239	36,880
Property Taxes (894)	665	491	575
Depreciation (893)	378,332	344,640	322,776
Total Data/Internet	1,372,078	1,270,918	1,301,353

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>MAN</u>			
Pole Attachment Expense (838)	\$13,439	\$15,272	\$15,231
Tools Expense (845)	2,600	4,367	3,052
Maintenance:			
Fiber (812)	4,292	21,633	12,291
Conduit System (817)	13,513	4,011	9,261
MAN Equipment (818, 819)	59,507	47,745	37,239
Vacation, Holiday, Sick Leave (899)	3,435	2,688	3,516
Property Taxes (896)	2,065	1,793	1,792
Depreciation (840)	246,952	224,964	264,456
Total MAN	<u>345,803</u>	<u>322,473</u>	<u>346,838</u>
Phone Expenses (880)	<u>67,796</u>	<u>45,083</u>	<u>---</u>
<u>Customer Service Expense</u>			
Customer Information Expense (909)	<u>37,016</u>	<u>31,400</u>	<u>34,045</u>
<u>Consumer Accounts</u>			
Consumer Records and Collections (901/903)	653,423	636,396	607,779
Uncollectible Accounts Expense (904)	14,040	14,256	10,033
Vacation, Holiday, Sick Leave (906)	74,591	73,175	65,784
Total Consumer Accounts	<u>742,054</u>	<u>723,827</u>	<u>683,596</u>
<u>Administrative and General</u>			
Administrative and General Salaries (920)	1,011,353	862,203	923,803
Office Supplies and Expense (921)	48,080	66,307	51,472
Outside Services Employed (923)	113,010	115,493	122,303
Property Insurance (924)	14,576	15,279	13,954
Casualty Ins, Injuries & Damages (925)	90,651	90,089	83,312
Employee Pensions and Benefits (926)	1,216,854	1,274,793	1,344,835
Fringe Benefits Charged to Construction (927)	(71,700)	(67,251)	(80,028)
Rents (931)	118,128	118,128	115,875
Miscellaneous General Expense (930)	173,971	140,714	164,089
Maintenance of General Plant (932)	66,330	60,777	73,115
Vacation, Holiday, Sick Leave (936)	168,493	146,934	164,044
Depreciation (933)	160,116	105,744	112,308
Total Administrative and General	<u>3,109,862</u>	<u>2,929,210</u>	<u>3,089,082</u>
Total Operating Expenses	<u>\$12,300,602</u>	<u>\$11,827,693</u>	<u>\$11,773,432</u>

Muscatine Power and Water - Communications Utility
Statistical Data
December 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>Video</u>					
Residential	4,979	(4.9)	4,737	(6.8)	5,084
Commercial/Hospitality	<u>159</u>	(10.7)	<u>142</u>	(10.7)	<u>159</u>
Total Video	<u><u>5,138</u></u>	(5.0)	<u><u>4,879</u></u>	(6.9)	<u><u>5,243</u></u>
<u>Bulk Equivalent Services</u>					
Bulk Equivalent Services	<u>319</u>	(4.1)	<u>306</u>	(4.4)	<u>320</u>
Bulk Master Services	<u>24</u>	---	<u>24</u>	---	<u>25</u>
<u>Data/Internet</u>					
Residential	8,237	(1.6)	8,104	0.8	8,040
Commercial	<u>555</u>	(14.6)	<u>474</u>	(11.9)	<u>538</u>
Total Data/Internet	<u><u>8,792</u></u>	(2.4)	<u><u>8,578</u></u>	0.0	<u><u>8,578</u></u>
<u>Phone</u>					
Residential	565	(81.9)	102	---	---
Commercial	<u>43</u>	(41.9)	<u>25</u>	---	<u>---</u>
Total Phone	<u><u>608</u></u>	(79.1)	<u><u>127</u></u>	---	<u><u>---</u></u>
<u>MAN</u>	<u>82</u>	4.9	<u>86</u>	0.0	<u>86</u>

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

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

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

	(Unfavorable)/ Favorable Compared to Budget	Items equal to or greater than \$25,000
Sales of Electricity		
Native System Sales	\$ 437,694	2.8% higher kWhs sold; offset by a 2.0% lower average sales price (\$.06688/kWh versus \$.06825/kWh budgeted)
Wholesale Sales	5,743,430	12.7% higher average sale price (\$.03269/kWh versus \$.02901/kWh), plus 9.1% higher kWhs sold
	<u>6,181,125</u>	
Steam Sales	<u>(877,899)</u>	12.8% lower pounds of steam sold
Other Revenue		
By-Product Revenue	116,163	Fly ash sales higher than budgeted
Miscellaneous Revenue	34,473	Alliant Energy easement, not budgeted
	24,726	Higher penalty revenue
	<u>53,791</u>	Other miscellaneous variances - net
	<u>229,153</u>	
Operating Expense		
Purchased Power - Native System	(5,730,819)	Average purchase price is 20.8% higher (\$.03071/kwh vs \$.02541/kwh), plus 3.0% higher kWhs purchased
Purchased Power - Wind	12,914	1.1% lower kWhs purchased
	<u>(5,717,905)</u>	
Production Fuel	(1,175,219)	8.4% or 55,473 higher number of coal tons burned, offset by a 0.8% lower price/ton
	30,517	Unit 9's lower cost of fuel oil
	(30,778)	Higher landfill operation cost for landfill rock, propane, and diesel fuel
	(113,190)	Higher labor cost
	<u>(14,197.00)</u>	Other miscellaneous variances - net
	<u>(1,302,867)</u>	
Emissions Allowance	<u>4,110</u>	Market price lower than assumed
Operation	87,327	Lower PAC injection system costs
	52,588	Lower cost for wastewater chemicals and analysis
	(110,741)	Higher limestone usage
	(36,713)	Higher cost for IDNR Title V permit fee
	245,663	Lower cost for stack testing
	98,386	Lower cost for 316(b) cooling water impingement/entrainment study
	32,664	Lower cost for IDNR fees
	(40,458)	Higher cost for MISO operating & administrative fees
	394,281	Lower cost for MISO's multi-value transmission and market efficiency projects
	41,900	Electric line workers' tools & lean supplies not needed
	41,703	Lower cost for energy efficiency rebates
	49,918	Lower cost for succession planning
	69,936	Lower cost of legal services
	(58,201)	Higher cost for worker's compensation claims
	(795,199)	Pension expense is greater than budget primarily due to GASB 68
	174,804	Lower cost for healthcare costs
	30,612	Lower cost for unemployment expenses
	(45,360)	Higher cost for GMCCI Economic Pledge/Projects
	29,592	Lower cost for general CIP Expense
	111,880	Lower training/travel
	(82,686)	Higher cost for temporary labor services
	(62,914)	Higher cost for vacation expense
	217,617	Lower labor cost
	<u>281,888</u>	Other miscellaneous variances - net
	<u>728,488</u>	
Maintenance	300,000	Unit 9 turbine roof restoration, deferred to 2019
	115,940	Lower cost for Plant roof maintenance
	(43,476)	Higher cost for Spray foam and coat Unit 9 Crusher House
	(79,181)	Higher cost for Fly ash system materials
	(113,536)	Higher cost for 8A reboiler repairs
	(34,315)	Unit 7 boiler tube repair, not budgeted

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

(Unfavorable)/ Favorable Compared to Budget	Items equal to or greater than \$25,000
40,000	Unit 7 grit blast furnace and scaffold boiler, postponed
75,000	Unit 7 NDE of steam drum, mud drum, penthouse headers, postponed
27,000	Replace Unit 8 LPAP housing, not done
35,000	Unit 8 boiler layup , not done
(75,089)	Unit 8 boiler superheat tube alignment clips, not budgeted
56,377	Lower cost for Unit 8 restud/refractory
(30,655)	Unit 8 vacuum services, not budgeted
(211,569)	Grit blast the finishing superheat on Unit 9 boiler, not budgeted
(156,768)	Main steam, hot and cold reheat piping NDE, not budgeted
31,500	Rebuild Unit 9 sootblowers, not done
(96,328)	Remove/Reinstall header and HEP insulation for NDE work, not budgeted
(284,242)	Scaffolding for Unit 9 NDE boiler work, not budgeted
(44,780)	Unit 9 boiler major inspection, not budgeted
(46,093)	Higher cost for Unit 9 boiler tube repairs/NDE
(130,857)	Unit 9 boiler tube shield repair, not budgeted
(44,631)	Higher cost for Unit 9 boiler vent, drain and blowdown valve repairs
(165,342)	Unit 9 LTSH tube replacement, not budgeted
(35,360)	Unit 9 preparation of welds for boiler examination, not budgeted
80,000	Unit 9 pulverizer journal rebuild, not done
(27,018)	Unit 9 replace alignment bars in LTSH section, not budgeted
58,063	Lower cost for Unit 9 routine pulverizer maintenance
(87,757)	Vacuum services during Unit 9 outage, not budgeted
36,000	Oxidation air compressor 901 rebuild, not done
(29,796)	T901 WFC pump inspection, not budgeted
(26,240)	902 WFC pump motor repair, not budgeted
(26,608)	Higher cost for unit 9 auxiliary transformer repairs, hot oil process
28,000	Unit 9 harmonic noise inspection (HNI) testing, not done
(2,177,675)	Unit 9 generator overhaul, not budgeted
35,000	Unit 8 turbine layup, not done
193,000	Unit 7 generator inspection/overhaul, deferred to 2019
252,618	Unit 7 turbine inspection/overhaul, deferred to 2019
(50,593)	Unit 9 service water storage tank, not budgeted
(119,877)	Higher cost for Rail car maintenance
53,601	Lower cost for Dozer maintenance
(127,558)	Higher cost for Coal conveyor maintenance
50,042	Lower cost for Track maintenance
(133,496)	Higher overhead lines materials expense, distribution
(34,077)	Higher underground lines materials expense, distribution
(41,839)	Higher street lighting materials expense, distribution
75,000	A/O Center staining/cleaning postponed
(35,000)	Higher cost for asphalt overlay
(148,805)	Higher labor cost
379,805	Other miscellaneous variances - net
<u>(2,736,615)</u>	
Depreciation	<u>718,143</u> Net value of the A&G assets were overestimated for the budget
Nonoperating Revenue (Expense)	
Interest Income	787,681 Higher average cash balances
Interest Expense	<u>(3,163)</u>
	<u>784,518</u>
Change in Net Position	<u>\$ (1,989,749)</u> Total Variance from Budgeted Net Position

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

Items equal to or greater than \$5,000

		(Unfavorable)/ Favorable Compared to Budget	
Sales of Water			
Contract Customers	\$ 8,862		GPC consumption is 0.5% higher than budget, offset by a 0.3% lower billing rate
	(19,601)		Power plants' consumption is 8.5% lower than budgeted offset by a 3.6% higher billing rate
	(20,283)		Commercial consumption is 0.2% higher than budgeted offset by a 3.2% lower billing rate
	(6,479)		Other miscellaneous variances
	<u>(37,501)</u>		
Other Revenue			
Merchandise & Job Sales-Net	6,462		Higher job sales revenue
Miscellaneous Revenue	3,298		Other miscellaneous variances
	<u>9,760</u>		
Operating Expense			
Operation	69,029		Fuel/power purchased lower due to 3.4% lower kWh consumed, 3.5% lower cost per kWh, offset by 0.6% lower gallons pumped
	(5,275)		Water treatment expenses, other than chemicals, are higher than budgeted
	(13,378)		Storage facilities materials expense higher than budgeted
	(32,660)		Meter expense higher than budgeted
	(8,988)		Vehicle fuel usage expense higher than budgeted; budgeted \$6K in maintenance account
	(22,453)		Vehicle materials expense higher than budgeted
	(7,304)		Office supplies and expenses higher than budgeted
	18,979		Lower health care cost
	(62,953)		Higher pension expense
	33,363		Lower FICA expense
	30,081		Lower IPERS expense
	7,618		Lower travel and training expenses
	177,868		Lower labor, sick, personal and vacation expense
	(10,448)		Other miscellaneous variances - net
	<u>173,479</u>		
Maintenance	5,000		No pumping structure maintenance expended
	50,757		Fewer repairs to pumping equipment
	(18,793)		Higher cost for water treatment structures due to replacing heater
	6,788		Lower cost of main repairs
	(10,754)		Higher cost of valves materials due to more repairs
	(14,990)		Higher cost of meter materials due to more repairs at GPC
	10,369		Lower cost of hydrant materials due to fewer repairs
	14,090		Lower cost of maintenance agreements
	6,000		Vehicle fuel usage expense lower than budgeted; expensed in operations
	(5,631)		Temporary services expense higher than budgeted
	36,685		Maintenance labor under budget
	18,664		Other miscellaneous variances - net
	<u>98,185</u>		
Depreciation	<u>28,250</u>		
Nonoperating Revenue (Expense)			
Interest Income	105,894		Water bond project fund interest rate higher than budgeted
Interest Expense	1,500		Refund of bond issuance cost overpayment
	<u>107,394</u>		
Change in Net Position	<u>\$ 379,567</u>		Total Variance in Budgeted Net Position

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

	(Unfavorable)/ Favorable Compared to Budget	
Operating Revenue		
Video Revenue	\$ 80,681	Higher CATV revenues due to changes in subscriber mix offset by fewer subscribers (5,185 actual vs. 5,457 budget).
	(32,441)	Broadcast fee lower than budget, due to less subscribers
	(8,315)	Higher marketing promotional discounts due to more promotional programs offered
	(54,607)	Lower VOD/PPV sales due to fewer subscribers and less buys
	(48,839)	Lower ad sales
	(153,202)	Lower converter rentals due to less subscribers
	(38,154)	Other miscellaneous variances - net
	<u>(254,877)</u>	
Data/Internet Revenue	2,588,860	Higher cable modem revenues due to customers migrating to a higher level of service offset by fewer subscribers (Subscribers = 8,578 actual & 8,792 budget)
	(2,528,615)	Fiber service installs are behind schedule
	133,820	Lower promotional discounts due to fewer promotional programs offered
	54,035	Higher Wi-fi @ Home due to more subscribers
	18,123	Other miscellaneous variances - net
	<u>266,223</u>	
Phone	<u>(117,408)</u>	Service availability was budgeted to begin in February but was not available until late April in addition to fewer subscribers than budgeted (127 actual vs. 608 budget)
MAN	<u>77,596</u>	More customers than budgeted
Miscellaneous Revenue	<u>(13,064)</u>	Other miscellaneous variances - net
Operating Expense		
Operation	92,904	Lower temp labor than budgeted, primarily due to DSRs and cable tech areas
	(24,884)	Higher electricity expense than budgeted due to timing of FTTH construction
	(5,467)	Griffin Media Research, not budgeted
	154,094	Fewer cable modems and set-top boxes have been retired than anticipated
	(49,391)	Higher cost of miscellaneous video materials expense, primarily stores issues
	(25,697)	Data/Internet access charges higher than budget
	(23,631)	Higher cost of miscellaneous data/internet materials expense, primarily stores issues
	22,713	VoIP management fee and service expenses are lower than budget due to delay in service availability
	10,274	Lower cost of promotional materials
	(5,046)	Higher credit card processing fees
	(12,958)	Miscellaneous office supplies higher than budget
	7,395	Succession planning lower than budget
	(10,800)	Communications IUB/FCC consulting, not budgeted
	193,244	Labor & vacation under budget
	32,008	Lower FICA than budgeted
	31,725	Health care expenses lower than budgeted
	(127,204)	Pension expense is over budget due to accruing expense at a higher rate to approximate GASB 68 effects
	20,482	Travel and training under budget
	(9,372)	Other miscellaneous variances - net
	<u>270,389</u>	
Maintenance	45,847	Labor under budget
	6,458	CATV headend maintenance materials lower than budget
	10,661	Line equipment maintenance materials lower than budget
	5,068	Converter maintenance materials lower than budget
	(8,920)	MAN equipment maintenance materials higher than budget
	54,500	Maintenance agreements are lower than budget
	(7,934)	Temp services are higher than budget
	145	Other miscellaneous variances - net
	<u>105,825</u>	
Depreciation	<u>96,695</u>	Lower depreciation due to fewer fixed assets purchases in 2017 than anticipated
Nonoperating Revenue (Expense)		
Interest Income	198,743	More interest income due to higher cash balances & higher rate of return
Interest Expense	<u>3,801</u>	2017 loan fees expensed in 2018
Change in Net Position before Capital Contributions	<u>633,923</u>	
Capital Contributions	<u>1,506</u>	
Change in Net Position	<u>\$ 635,429</u>	Total Variance from Budgeted Net Position