

**Muscatine Power and Water**

**Electric Utility**

**Financial Operating Statements & Balance Sheets**

**March 2019**

**Muscatine Power and Water  
Electric Utility**

**Table of Contents**

	Page
Classification of Electric Energy Distribution.....	1 - 2
Statements of Revenues, Expenses, and Changes in Net Position.....	3 - 4
Statements of Net Position.....	5 - 6
Statements of Cash Flows.....	7
Funds Appropriated for Specific Purposes.....	8
Summary of Expenses.....	9 - 14
Statistical Data.....	15
Wholesale Sales Analysis.....	16
Wind Sales Analysis.....	17

**Muscatine Power and Water - Electric Utility**  
**Classification of Electric Energy/Steam Sales**  
**Current Month - March 2019**

	<u>Budget</u> <u>Estimate</u>	<u>% Increase</u> <u>(Decrease)</u> <u>From Budget</u>	<u>This</u> <u>Year</u>	<u>% Increase</u> <u>(Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last</u> <u>Year</u>
<b><u>KWH Generated and Sold</u></b>					
Gross Generation	60,643,738	45.5	88,264,536	(6.3)	94,224,144
Less: Plant Use	7,236,516	43.9	10,412,954	(0.5)	10,462,632
Net Generation/Wholesale Sales	53,407,222	45.8	77,851,582	(7.1)	83,761,512
Wholesale Sales - Wind	5,300,000	1.1	5,356,727	4.9	5,108,669
Total Wholesale Sales	58,707,222	41.7	83,208,309	(6.4)	88,870,181
<b><u>Net Capacity Factors</u></b>					
Unit 9	35.43	44.8	51.29	(18.6)	63.03
Unit 8/8A	31.09	49.1	46.35	49.5	31.00
Unit 7	---	---	---	---	---
Total Plant	31.41	45.6	45.73	(10.3)	50.99
<b><u>KWH Distribution</u></b>					
Residential	7,485,344	5.6	7,908,080	9.7	7,207,439
Commercial I	2,212,202	10.4	2,442,209	(8.0)	2,655,441
Commercial II	8,026,763	(1.6)	7,895,380	7.6	7,338,620
Industrial I	10,459,823	6.7	11,160,840	7.2	10,411,880
Industrial II	41,567,958	(4.5)	39,685,218	(2.7)	40,792,793
City Enterprise Funds	450,017	15.6	520,023	24.9	416,320
Water & Communications Utilities	1,412,792	4.8	1,480,318	2.8	1,439,673
Native System Sales	71,614,899	(0.7)	71,092,068	1.2	70,262,166
City Lighting	132,804	(17.9)	109,059	(10.6)	121,978
City Buildings	589,518	(5.3)	558,230	(1.7)	567,855
Offline Power Plant Usage	59,520	94.1	115,510	(18.6)	141,991
Losses & Cycle Billing	1,966,319	(1.1)	1,944,715	(38.6)	3,166,309
Total Native System KWH Distributed	74,363,060	(0.7)	73,819,582	(0.6)	74,260,299
Wind KWH Purchases	5,300,000	1.1	5,356,727	4.9	5,108,669
Total Purchased Power KWH	79,663,060	(0.6)	79,176,309	(0.2)	79,368,968
<b><u>STEAM SALES - 1,000 lbs</u></b>	260,400	(16.0)	218,689	(16.8)	262,957

**Muscatine Power and Water - Electric Utility**  
**Classification of Electric Energy/Steam Sales**  
**Calendar Year-to-Date - March 2019**

	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<b><u>KWH Generated and Sold</u></b>					
Gross Generation	234,824,054	17.5	276,000,884	(2.3)	282,596,449
Less: Plant Use	<u>26,145,504</u>	19.1	<u>31,136,935</u>	(0.6)	<u>31,310,612</u>
Net Generation/Wholesale Sales	208,678,550	17.3	244,863,949	(2.6)	251,285,837
Wholesale Sales - Wind	<u>15,000,000</u>	(5.7)	<u>14,145,783</u>	(7.0)	<u>15,215,569</u>
Total Wholesales Sales	<u><u>223,678,550</u></u>	15.8	<u><u>259,009,732</u></u>	(2.8)	<u><u>266,501,406</u></u>
<b><u>Net Capacity Factors</u></b>					
Unit 9	50.56	9.6	55.41	(10.7)	62.06
Unit 8/8A	31.09	54.1	47.91	30.3	36.78
Unit 7	---	---	6.78	(49.2)	13.35
Total Plant	42.27	17.3	49.59	(5.8)	52.65
<b><u>KWH Distribution</u></b>					
Residential	25,207,997	4.5	26,340,877	1.9	25,855,899
Commercial I	7,124,436	8.9	7,755,976	(11.8)	8,793,359
Commercial II	24,650,529	(4.6)	23,517,260	(0.0)	23,526,420
Industrial I	30,303,005	4.7	31,712,120	4.7	30,302,660
Industrial II	119,744,931	(3.2)	115,927,208	(1.1)	117,189,366
City Enterprise Funds	1,361,978	9.7	1,494,377	26.0	1,185,660
Water & Communications Utilities	<u>4,057,893</u>	4.7	<u>4,249,461</u>	2.7	<u>4,135,966</u>
Native System Sales	212,450,769	(0.7)	210,997,279	0.0	210,989,330
City Lighting	403,945	(18.3)	330,066	(15.8)	391,992
City Buildings	1,943,067	(1.5)	1,914,416	(4.4)	2,003,141
Offline Power Plant Usage	168,960	3.2X	710,127	87.8	378,085
Losses & Cycle Billing	<u>5,057,072</u>	7.6	<u>5,443,061</u>	(2.9)	<u>5,607,193</u>
Total Native System KWH Distributed	220,023,813	(0.3)	219,394,949	0.0	219,369,741
Wind KWH Purchases	<u>15,000,000</u>	(5.7)	<u>14,145,783</u>	(7.0)	<u>15,215,569</u>
Total Purchased Power KWH	<u><u>235,023,813</u></u>	(0.6)	<u><u>233,540,732</u></u>	(0.4)	<u><u>234,585,310</u></u>
<b><u>STEAM SALES - 1,000 lbs</u></b>	<u><u>756,000</u></u>	(2.6)	<u><u>736,663</u></u>	1.0	<u><u>729,061</u></u>

**Muscatine Power and Water - Electric Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Current Month - March 2019**

	<b>Budget Estimate</b>	<b>Avg. Price</b>	<b>% Increase (Decrease) from Budget</b>	<b>This Year</b>	<b>Avg. Price</b>	<b>% Increase (Decrease) from Last Year</b>	<b>Last Year</b>	<b>Avg. Price</b>
<b><u>Sales of Electricity</u></b>								
Residential	\$861,732	\$ 0.11512	10.8	\$954,970	\$ 0.12076	16.6	\$818,820	\$ 0.11361
Commercial I	241,491	0.10916	14.7	277,104	0.11346	1.0	274,474	0.10336
Commercial II	643,974	0.08023	5.9	682,103	0.08639	16.2	586,922	0.07998
Industrial I	675,028	0.06454	17.5	793,435	0.07109	22.2	649,153	0.06235
Industrial II	2,205,721	0.05306	7.2	2,364,113	0.05957	14.2	2,070,171	0.05075
City Enterprise Funds	34,278	0.07617	28.4	44,017	0.08464	43.3	30,727	0.07381
Water & Communication Utilities	<u>86,024</u>	0.06089	21.8	<u>104,817</u>	0.07081	21.8	<u>86,061</u>	0.05978
Native System Sales	4,748,248	0.06630	9.9	5,220,559	0.07343	15.6	4,516,328	0.06428
Wholesale Sales	<u>1,806,464</u>	0.03077	35.7	<u>2,451,420</u>	0.02946	(8.6)	<u>2,682,985</u>	0.03019
Energy Sales	<u>6,554,712</u>		17.0	<u>7,671,978</u>		6.6	<u>7,199,313</u>	
<b><u>Steam Sales</u></b>	<u>999,954</u>	3.84	(16.0)	<u>840,009</u>	3.84	(16.0)	<u>999,647</u>	3.80
<b><u>Other Revenue</u></b>								
By-Product Revenue	16,934		13.6	19,243		(12.6)	22,005	
Miscellaneous Revenue	<u>54,227</u>		(2.2)	<u>53,013</u>		1.9	<u>52,000</u>	
Total Other Revenue	<u>71,161</u>		1.5	<u>72,256</u>		(2.4)	<u>74,005</u>	
Operating Revenue	<u>7,625,827</u>		12.6	<u>8,584,243</u>		3.8	<u>8,272,965</u>	
<b><u>Operating Expense</u></b>								
Purchased Power	2,171,527	0.02726	(0.2)	2,167,816	0.02738	(1.6)	2,204,050	0.02777
Production Fuel	1,684,363		28.1	2,156,959		2.8	2,099,147	
Emissions Allowance	526		---	763		53.8	496	
Operation	2,368,944		(9.4)	2,146,482		4.0	2,063,152	
Maintenance	833,550		(24.9)	625,795		12.2	557,962	
Depreciation	<u>869,891</u>		18.1	<u>1,027,147</u>		7.1	<u>958,835</u>	
Total Operating Expense	<u>7,928,800</u>		2.5	<u>8,124,962</u>		3.1	<u>7,883,642</u>	
Operating Income (Loss)	<u>(302,974)</u>		-2.5X	<u>459,281</u>		18.0	<u>389,323</u>	
<b><u>Nonoperating Revenue (Expense)</u></b>								
Interest Income	70,101		79.2	125,606		80.7	69,494	
Interest Expense	<u>(1,451)</u>		30.3	<u>(1,890)</u>		96.3	<u>(963)</u>	
Total Nonoperating Revenue (Expense)	<u>68,650</u>		80.2	<u>123,715</u>		80.5	<u>68,531</u>	
<b>Net Income (Loss) Before Revenue Adjustment</b>	<u>(234,324)</u>		-3.5X	<u>582,996</u>		27.3	<u>457,854</u>	
Capital Contributions	---		---	---		---	---	
<b>Change in Net Position</b>	<u>(234,324)</u>		-3.5X	<u>582,996</u>		27.3	<u>457,854</u>	
<b>Beginning Net Position</b>	<u>106,670,687</u>			<u>107,158,890</u>			<u>114,026,153</u>	
Prior Period Adj. GASB 18- Landfill	---			---			<u>(1,069,701)</u>	
<b>Ending Net Position</b>	<u>\$106,436,363</u>			<u>\$107,741,886</u>			<u>\$113,414,306</u>	
Net Income (Loss) Before Rev Adj to Op Revenue	(3.1)			6.8			5.5	
Change in Net Position to Operating Revenue	<u>(3.1)</u>			<u>6.8</u>			<u>5.5</u>	

**Muscatine Power and Water - Electric Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Calendar Year-to-Date - March 2019**

	Budget Estimate	Avg. Price	% Increase (Decrease) from Budget	This Year	Avg. Price	% Increase (Decrease) from Last Year	Last Year	Avg. Price
<b>Sales of Electricity</b>								
Residential	\$2,832,522	\$ 0.11237	8.5	\$3,074,006	\$ 0.11670	8.1	\$2,843,200	\$ 0.10996
Commercial I	769,828	0.10805	11.9	861,547	0.11108	(4.8)	905,084	0.10293
Commercial II	1,966,851	0.07979	2.5	2,016,481	0.08574	8.7	1,855,715	0.07888
Industrial I	1,968,511	0.06496	13.3	2,229,627	0.07031	14.7	1,944,703	0.06418
Industrial II	6,417,419	0.05359	5.6	6,774,390	0.05844	11.0	6,104,426	0.05209
City Enterprise Funds	103,191	0.07577	20.2	124,079	0.08303	37.0	90,578	0.07639
Water & Communications Utilities	246,422	0.06073	18.8	292,790	0.06890	15.0	254,597	0.06156
Native System Sales	14,304,744	0.06733	7.5	15,372,920	0.07286	9.8	13,998,303	0.06635
Wholesale Sales	6,877,071	0.03075	13.9	7,834,168	0.03025	(7.5)	8,467,243	0.03177
Energy Sales	21,181,815		9.6	23,207,088		3.3	22,465,546	
<b>Steam Sales</b>	2,903,093	3.84	(2.5)	2,829,260	3.84	2.1	2,771,529	3.80
<b>Other Revenue</b>								
By-Product Revenue	70,157		(31.5)	48,048		(32.5)	71,232	
Miscellaneous Revenue	155,819		(4.5)	148,818		2.4	145,329	
Total Other Revenue	225,976		(12.9)	196,866		(9.1)	216,561	
Operating Revenue	24,310,883		7.9	26,233,214		3.1	25,453,636	
<b>Operating Expense</b>								
Purchased Power	6,538,681	0.02782	0.0	6,539,349	0.02800	(2.4)	6,698,218	0.02855
Production Fuel	5,978,970		15.2	6,890,212		9.8	6,274,344	
Emissions Allowance	1,578		37.2	2,166		52.0	1,425	
Operation	6,965,441		(5.6)	6,577,438		5.5	6,236,923	
Maintenance	2,644,908		(8.9)	2,409,634		22.9	1,960,151	
Depreciation	2,609,673		18.1	3,081,441		7.1	2,876,502	
Total Operating Expense	24,739,251		3.1	25,500,240		6.0	24,047,563	
Operating Income (Loss)	(428,368)		-2.7X	732,974		(47.9)	1,406,073	
<b>Nonoperating Revenue (Expense)</b>								
Interest Income	210,304		67.5	352,280		89.7	185,745	
Interest Expense	(4,354)		25.2	(5,449)		96.6	(2,772)	
Total Nonoperating Revenue (Expense)	205,950		68.4	346,831		89.6	182,973	
<b>Net Income (Loss) Before Revenue Adjustment and Capital Contributions</b>	(222,418)		-5.9X	1,079,805		(32.0)	1,589,046	
Capital Contributions	---		---	3,300		---	---	
<b>Change in Net Position</b>	(222,418)		-5.9X	1,083,105		(31.8)	1,589,046	
<b>Beginning Net Position</b>	106,658,781			106,658,781			112,894,961	
Prior Period Adj. GASB 18- Landfill	---			---			(1,069,701)	
<b>Ending Net Position</b>	\$106,436,363			\$107,741,886			\$113,414,306	
Net Income (Loss) Before Rev Adj to Op Revenue	(0.9)			4.1			6.2	
Change in Net Position to Operating Revenue	(0.9)			4.1			6.2	

**Muscatine Power and Water - Electric Utility**  
**Statements of Net Position**  
**March 2019**

**ASSETS**

	<u>2019</u>	<u>2018</u>
<b>Current Assets:</b>		
Cash - interest bearing	\$23,331,488	\$31,270,645
Investments	42,090,653	26,300,000
Receivables:		
Consumer Accounts	6,967,317	6,037,052
Refined Coal	3,704,993	3,708,519
Wholesale	188,063	326,483
Steam Sales	839,712	999,997
Interest	532,703	192,432
Inventories	5,608,855	5,219,787
Fuel	2,182,550	8,454,788
Prepaid Expenses	708,962	1,423,810
	<u>86,155,296</u>	<u>83,933,513</u>
<b>Property and Equipment:</b>		
At Cost	430,299,964	429,969,620
Less Accumulated Depreciation	<u>368,573,708</u>	<u>361,814,604</u>
	<u>61,726,256</u>	<u>68,155,016</u>
<b>Other Assets:</b>		
Note Receivable - Communications Utility	8,078,994	8,562,844
Joint Venture Rights	<u>99,290</u>	<u>119,831</u>
	<u>8,178,284</u>	<u>8,682,675</u>
<b>Deferred Outflows of Resources</b>		
Pension	7,697,276	10,659,993
OPEB	79,020	79,019
	<u>7,776,296</u>	<u>10,739,012</u>
<b>TOTAL ASSETS</b>	<u><u>\$163,836,132</u></u>	<u><u>\$171,510,216</u></u>

**Muscatine Power and Water - Electric Utility**  
**Statements of Net Position**  
**March 2019**

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

	<u>2019</u>	<u>2018</u>
<b>Current Liabilities:</b>		
<u>Unrestricted</u>		
Accounts Payable	\$5,803,944	\$5,580,622
Health & Dental Insurance Provision	293,070	248,520
Accrued Payroll	332,141	280,423
Accrued Vacation	1,321,272	1,253,824
Accrued Emission Allowance Expense	14,376	9,307
Consumers' Deposits	864,263	800,379
Retained Percentage on Contracts	---	30,281
Accrued Property Taxes	74,067	72,150
Miscellaneous Accrued Expenses	835,607	726,154
Unearned Revenue	---	37,449
	<hr/>	<hr/>
Total Unrestricted Current Liabilities	<u>9,538,740</u>	<u>9,039,109</u>
<b>Non-Current Liabilities:</b>		
Health & Dental Insurance Provision	1,226,640	1,268,312
Post-Employment Health Benefit Provision	692,638	661,258
Landfill closure and post closure liability	1,580,457	1,069,701
Net Pension Liability	11,843,019	16,770,535
	<hr/>	<hr/>
Total Non-Current Liabilities	<u>15,342,754</u>	<u>19,769,806</u>
<b>Deferred Inflows of Resources</b>		
Extraordinary O&M	28,032,866	28,032,866
Pension	3,089,325	1,163,568
OPEB	90,561	90,561
	<hr/>	<hr/>
Total Deferred Inflows of Resources	<u>31,212,752</u>	<u>29,286,995</u>
<b>Net Position:</b>		
Net Investment in Capital Assets	61,726,256	68,155,016
Unrestricted	46,015,630	45,259,290
	<hr/>	<hr/>
Total Net Position	<u>107,741,886</u>	<u>113,414,306</u>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	 <u>\$163,836,132</u>	 <u>\$171,510,216</u>

**Muscatine Power and Water - Electric Utility**  
**Statements of Cash Flows**  
**March 2019**

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$459,281	\$732,974
Noncash items in operating income:		
Depreciation of electric utility plant	1,027,147	3,081,441
Amortization of joint venture rights	8,840	24,502
Change in deferred outflows of resources	(235,240)	(705,721)
Changes in assets and liabilities:		
Consumer accounts receivable	(291,291)	(139,845)
Refined coal	(283,545)	(1,989,610)
Wholesale receivable	190,941	(183,399)
Steam sales receivable	115,624	60,523
Inventories	(98,020)	(275,200)
Fuel	1,269,132	5,091,668
Prepaid expenses	(29,919)	(225,068)
Accounts payable	(347,221)	(554,690)
Net pension liability	262,830	788,490
Health & dental insurance provision	26,322	(39,449)
Other post-employment benefit provision	2,637	7,910
Accrued payroll	64,344	(470,770)
Accrued vacation	16,253	89,585
Accrued emission allowance expense	763	2,166
Consumers' deposits	16,475	18,710
Accrued property taxes	(39,570)	(23,896)
Unearned revenue	0	(7,567)
Miscellaneous accrued expenses	46,531	(6,091)
Net cash flows from operating activities	<u>2,182,314</u>	<u>5,276,664</u>
Cash flows from capital financing activities:		
Sale of Rail cars	---	200,005
Capital expenditures, net	(248,002)	(1,054,219)
Net cash flows from capital and related financing activities	<u>(248,002)</u>	<u>(854,214)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	(25,995)	(25,995)
Interest received on investments	82,656	200,263
Net cash flows from investing activities	<u>56,661</u>	<u>174,268</u>
Net increase in cash and investments	<u>1,990,973</u>	<u>4,596,718</u>
Cash and investments at beginning of period	<u>\$63,431,168</u>	<u>\$60,825,423</u>
Cash and investments at end of period	<u>\$65,422,141</u>	<u>\$65,422,141</u>

**Muscatine Power and Water - Electric Utility  
Funds Appropriated for Specific Purposes  
March 2019**

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

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Current Month - March 2019**

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Purchased Power</u></b>	<u>\$2,171,527</u>	28.5	<u>\$2,167,816</u>	25.3	<u>\$2,204,050</u>	26.6
Average price per kWh	\$0.02726		\$0.02738		\$0.02777	
<b><u>Generation</u></b>						
Operation Supervision (500)	76,919		82,442		73,413	
Fuel: (501)						
Coal	1,561,816		2,047,682		2,023,487	
Fuel Oil	143		360		11,478	
Gas	20,654		13,524		4,216	
Coal Handling Expense (501-003)	34,846		63,537		42,710	
Landfill Operation Expense (501-925)	66,903		31,857		17,256	
Emissions Allowance Expense (509)	526		763		496	
Steam Expense:						
Boiler (502-004)	137,073		99,250		144,767	
Pollution Control (502-005)	47,696		55,459		27,601	
Electric Expense (505)	97,221		110,211		101,946	
Miscellaneous Steam Power Expense (506)	259,920		132,927		155,131	
Maintenance:						
Supervision (510)	69,035		70,960		64,490	
Structures (511)	49,610		42,508		64,011	
Boiler Plant:						
Boiler (512-006)	194,692		109,232		45,312	
Pollution Control (512-007)	63,472		66,476		42,572	
Electric Plant (513-008)	65,327		(907)		34,880	
System Control (513-009)	21,335		22,029		17,917	
Miscellaneous Steam Plant (514)	47,256		42,254		43,890	
Coal Handling Equipment (516)	86,101		63,700		33,909	
System Control and Load Dispatch (556)	26,996		32,956		32,715	
Vacation, Holiday, Sick Leave (557)	67,497		77,868		86,054	
Depreciation (558)	642,982		630,825		641,039	
<b>Total Generation Expense</b>	<u>\$3,638,020</u>	47.7	<u>\$3,795,912</u>	44.2	<u>\$3,709,290</u>	44.8

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Current Month - March 2019**

	<b>Budget Estimate</b>		<b>This Year</b>		<b>Last Year</b>	
<b><u>Transmission</u></b>						
Operation Supervision (560)	\$9,217		\$8,833		\$7,070	
Load Dispatching (561)	75,298		77,070		76,297	
Station Expense (562)	12,731		11,299		10,387	
Overhead Line Expense (563)	---		4,223		2,525	
Transmission of Electricity by Others (565)	126,060		106,338		77,920	
Miscellaneous Transmission Expense (566)	12,193		9,557		9,149	
Maintenance:						
Supervision (568)	2,847		2,367		1,922	
Structures (569)	139		---		---	
Station Equipment (570)	5,305		13,467		9,003	
Overhead Lines (571)	19,791		18,882		7,425	
Vacation, Holiday, Sick Leave (575)	10,208		9,028		12,500	
Depreciation (576)	46,015		44,433		43,048	
Tax on Rural Property (577)	5,621		5,508		5,782	
	<u>325,424</u>	4.3	<u>311,005</u>	3.6	<u>263,028</u>	3.2
<b><u>Distribution</u></b>						
Operation Supervision (580)	15,178		12,368		11,272	
Load Dispatching (581)	31,674		29,327		33,630	
Station Expense (582)	13,435		7,486		6,472	
Overhead Line Expense (583)	2,021		---		---	
Vehicle Expense (589)	15,416		11,181		12,945	
Underground Line Expense (584)	3,411		3,576		4,506	
Street Lighting (585-418)	2,522		121		1,622	
Signal Expense (585-419)	2,027		---		---	
Meter Expense (586)	13,456		12,375		3,304	
Consumer Installation Expense (587)	719		1,732		350	
Miscellaneous Distribution Expense (588)	70,950		75,963		69,140	
Maintenance:						
Supervision (590)	11,700		9,388		6,995	
Structures (591)	465		---		---	
Station Equipment (592)	9,229		14,482		5,988	
Overhead Lines (593)	62,373		59,341		57,915	
Underground Lines (594)	25,076		20,708		16,880	
Line Transformers (595)	4,515		(19,653)		1,380	
Street Lighting (596-418)	6,324		8,511		11,965	
Signal System (596-419)	5,115		4,237		4,253	
Meters (597)	2,898		2,936		1,915	
Miscellaneous Distribution Plant (598)	2,750		1,371		1,472	
Vacation, Holiday, Sick Leave (599)	26,039		35,723		38,352	
Depreciation (578)	180,895		179,112		175,558	
Tax on Rural Property (579)	1,679		1,645		1,727	
	<u>\$509,865</u>	6.7	<u>\$471,930</u>	5.5	<u>\$467,641</u>	5.7

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Current Month - March 2019**

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense (909)	\$11,726		\$14,933		\$16,355	
Energy Efficiency Rebates (912)	12,810		---		6,442	
Electric Ranges/Dryers Maintenance (910)	464		202		274	
Electric Water Heaters Maintenance (911)	166		69		67	
	<u>25,165</u>	0.3	<u>15,204</u>	0.2	<u>23,138</u>	0.3
<b><u>Consumer Accounts</u></b>						
Meter Reading Expense (902)	9,770		10,943		9,272	
Consumer Records and Collection (901/903)	47,249		43,522		43,485	
Uncollectible Accounts Expense (904)	3,811		3,811		4,253	
Vacation, Holiday, Sick Leave (906)	4,594		4,924		7,147	
	<u>65,423</u>	0.9	<u>63,199</u>	0.7	<u>64,157</u>	0.8
<b><u>Administrative and General</u></b>						
Administrative and General Salaries (920)	195,413		176,222		154,075	
Office Supplies and Expenses (921)	17,718		18,970		14,965	
Outside Services Employed (923)	73,559		40,773		26,899	
Property Insurance (924)	61,609		62,067		55,721	
Casualty Ins, Injuries & Damages (925)	42,619		49,202		32,367	
Employee Pensions and Benefits (926)	623,564		622,214		608,835	
Fringe Benefits Charged to Constr. (927)	(22,794)		(21,954)		(29,391)	
Regulatory Commission (928)	9,140		5,000		8,492	
Miscellaneous General Expense (930)	89,474		71,380		58,148	
Maintenance of General Plant (932)	45,493		47,777		48,757	
Maintenance of A/O Center (934)	32,701		25,731		35,111	
Vacation, Holiday, Sick Leave (936)	24,878		29,738		39,169	
Depreciation (933)	---		172,778		99,190	
	<u>1,193,375</u>	15.6	<u>1,299,896</u>	15.1	<u>1,152,338</u>	13.9
Total Operating Expense	<u>\$7,928,800</u>		<u>\$8,124,962</u>		<u>\$7,883,642</u>	
Percent to Operating Revenue		104.0		94.6		95.3

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - March 2019**

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Purchased Power</u></b>	\$6,538,681	26.9	\$6,539,349	24.9	\$6,698,218	26.3
Average price per kWh	\$0.02782		\$0.02800		\$0.02855	
<b><u>Generation</u></b>						
Operation Supervision (500)	233,459		245,826		234,710	
Fuel: (501)						
Coal	5,559,966		6,496,581		6,027,253	
Fuel Oil	40,143		45,442		13,859	
Gas	61,966		45,814		60,165	
Coal Handling Expense (501-003)	101,803		222,271		124,623	
Landfill Operation Expense (501-925)	215,092		80,104		48,444	
Emissions Allowance Expense (509)	1,578		2,166		1,425	
Steam Expense:						
Boiler (502-004)	326,451		309,657		341,305	
Pollution Control (502-005)	163,806		143,782		115,532	
Electric Expense (505)	293,387		321,465		298,554	
Miscellaneous Steam Power Expense (506)	631,876		473,640		460,905	
Maintenance:						
Supervision (510)	206,318		230,212		219,754	
Structures (511)	206,600		138,837		144,382	
Boiler Plant:						
Boiler (512-006)	638,320		286,554		280,542	
Pollution Control (512-007)	201,063		160,837		164,702	
Electric Plant (513-008)	224,240		511,829		144,806	
System Control (513-009)	63,247		63,609		56,273	
Miscellaneous Steam Plant (514)	187,009		128,551		133,248	
Coal Handling Equipment (516)	198,129		189,423		220,843	
System Control and Load Dispatch (556)	82,065		90,466		85,328	
Vacation, Holiday, Sick Leave (557)	232,566		242,113		268,378	
Depreciation (558)	1,928,945		1,892,474		1,923,118	
<b>Total Generation Expense</b>	<u>\$11,798,030</u>	48.5	<u>\$12,321,651</u>	47.0	<u>\$11,368,149</u>	44.7

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - March 2019**

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Transmission</u></b>						
Operation Supervision (560)	\$27,651		\$27,671		\$20,629	
Load Dispatching (561)	233,166		231,664		219,119	
Station Expense (562)	40,344		37,196		37,002	
Overhead Line Expense (563)	160		11,910		3,686	
Transmission of Electricity by Others (565)	398,180		316,046		273,523	
Miscellaneous Transmission Expense (566)	40,365		38,347		35,909	
Maintenance:						
Supervision (568)	8,541		7,493		5,790	
Structures (569)	314		---		---	
Station Equipment (570)	20,343		22,636		20,195	
Overhead Lines (571)	58,674		46,185		27,977	
Vacation, Holiday, Sick Leave (575)	35,368		29,601		35,513	
Depreciation (576)	138,044		133,298		129,142	
Tax on Rural Property (577)	16,863		16,750		17,162	
	<u>1,018,012</u>	4.2	<u>918,796</u>	3.5	<u>825,647</u>	3.2
<b><u>Distribution</u></b>						
Operation Supervision (580)	44,893		39,491		33,052	
Load Dispatching (581)	95,022		92,932		102,734	
Station Expense (582)	38,970		26,890		19,559	
Overhead Line Expense (583)	13,212		3		841	
Vehicle Expense (589)	46,248		38,749		39,068	
Underground Line Expense (584)	12,847		11,081		10,202	
Street Lighting (585-418)	7,565		1,116		2,829	
Signal Expense (585-419)	4,340		186		295	
Meter Expense (586)	35,665		34,947		32,506	
Consumer Installation Expense (587)	2,258		3,388		3,214	
Miscellaneous Distribution Expense (588)	199,064		234,704		201,157	
Maintenance:						
Supervision (590)	33,599		27,601		20,997	
Structures (591)	1,499		---		---	
Station Equipment (592)	30,516		32,489		16,132	
Overhead Lines (593)	180,332		218,671		145,710	
Underground Lines (594)	70,496		48,829		59,069	
Line Transformers (595)	11,315		(439)		3,939	
Street Lighting (596-418)	20,173		10,288		39,964	
Signal System (596-419)	11,727		31,793		7,038	
Meters (597)	9,312		7,373		6,640	
Miscellaneous Distribution Plant (598)	8,250		7,467		5,433	
Vacation, Holiday, Sick Leave (599)	90,265		112,560		116,428	
Depreciation (578)	542,684		537,336		526,673	
Tax on Rural Property (579)	5,037		5,003		5,127	
	<u>\$1,515,288</u>	6.2	<u>\$1,522,460</u>	5.8	<u>\$1,398,607</u>	5.5

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - March 2019**

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense (909)	\$36,608		\$18,587		\$19,912	
Energy Efficiency Rebates (912)	37,430		11,919		62,222	
Electric Ranges/Dryers Maintenance (910)	1,491		990		745	
Electric Water Heaters Maintenance (911)	597		268		433	
Total Customer Service Expense	<u>\$76,126</u>	0.3	<u>\$31,763</u>	0.1	<u>\$83,312</u>	0.3
<b><u>Consumer Accounts</u></b>						
Meter Reading Expense (902)	29,530		33,809		28,721	
Consumer Records and Collection (901/903)	140,551		128,136		133,454	
Uncollectible Accounts Expense (904)	11,432		11,432		12,759	
Vacation, Holiday, Sick Leave (906)	15,941		15,244		17,043	
Total Consumer Accounts Expense	<u>197,454</u>	0.8	<u>188,621</u>	0.7	<u>191,977</u>	0.8
<b><u>Administrative and General</u></b>						
Administrative and General Salaries (920)	586,239		555,880		516,280	
Office Supplies and Expenses (921)	50,501		54,746		43,200	
Outside Services Employed (923)	261,942		130,291		123,284	
Property Insurance (924)	184,828		186,200		167,164	
Casualty Ins, Injuries & Damages (925)	129,205		206,552		120,409	
Employee Pensions and Benefits (926)	1,863,722		1,901,661		1,838,832	
Fringe Benefits Charged to Constr. (927)	(63,759)		(66,228)		(110,280)	
Regulatory Commission (928)	27,420		14,515		24,841	
Miscellaneous General Expense (930)	214,650		137,536		123,644	
Maintenance of General Plant (932)	162,575		121,724		134,570	
Maintenance of A/O Center (934)	92,317		117,672		102,147	
Vacation, Holiday, Sick Leave (936)	86,020		98,719		99,993	
Depreciation (933)	0		518,333		297,569	
Total Administrative and General	<u>3,595,660</u>	14.8	<u>3,977,600</u>	15.2	<u>3,481,653</u>	13.7
Total Operating Expense	<u>\$24,739,251</u>		<u>\$25,500,240</u>		<u>\$24,047,563</u>	
Percent to Operating Revenue		101.8		97.2		94.5

**Muscatine Power and Water - Electric Utility  
Statistical Data  
March 2019**

**Total Fuel Cost**

(To & Including Ash Handling, Gas & Oil)

	<b><u>Current Month</u></b>	
	<b><u>2019</u></b>	<b><u>2018</u></b>
Per Million Btu.	\$1.926	\$1.724
Per Net MW Generated	\$22.43	\$19.33
Net Peak Monthly Demand-KW	119,690	114,340
Date of Peak	3/4	3/14
Hour of Peak	1200	900

	<b><u>Calendar Year-To-Date</u></b>	
	<b><u>2019</u></b>	<b><u>2018</u></b>
Per Million Btu.	\$1.939	\$1.726
Per Net MW Generated	\$21.60	\$19.67
Net Peak Monthly Demand-KW	119,790	121,470
Date of Peak	1/29	1/4
Hour of Peak	1900	1000
Average Temperature	35.1°	36.7°

<b><u>Services</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
Residential	9,934	9,931
Commercial I	1,352	1,359
Commercial II	147	134
Industrial I	12	11
Industrial II	2	2
City Enterprise Funds	24	24
Water & Communications Utility	36	35
Total	<u>11,507</u>	<u>11,496</u>

**Muscatine Power and Water - Electric Utility**  
**Wholesale Sales Analysis - Excluding Wind**  
**Current Month - March 2019**

	Modified <u>Budget</u>	\$/kWh	This Year	\$/kWh	Last Year	\$/kWh
<b>Wholesale kWh Sales*</b>	<u>53,407,222</u>		<u>77,851,582</u>		<u>83,761,512</u>	
<b>Wholesale Sales*</b>	<u>\$1,740,214</u>	<u>\$0.03258</u>	<u>\$2,370,757</u>	<u>\$0.03045</u>	<u>\$2,599,852</u>	<u>\$0.03104</u>
<b>Variable Costs</b>						
Fuel (Coal, Gas & Fuel Oil)	1,054,929	0.01975	1,635,722	0.02101	1,545,483	0.01845
Emissions:						
SO <sup>2</sup> Allowances-ARP <sup>fn1</sup>	115	0.00007	40	0.00002	20	---
SO <sup>2</sup> Allowances-CSAPR <sup>fn2</sup>	231	---	116	---	25	---
NO <sub>x</sub> Allowances <sup>fn3</sup>	309	0.00029	314	0.00019	141	---
Other <sup>fn4</sup>	<u>194,640</u>	<u>0.00364</u>	<u>194,638</u>	<u>0.00250</u>	<u>166,971</u>	<u>0.00199</u>
Total Variable Costs	<u>1,250,224</u>	<u>0.02341</u>	<u>1,830,830</u>	<u>0.02352</u>	<u>1,712,640</u>	<u>0.02045</u>
<b>Gross Margin</b>	<u>\$489,990</u>	<u>\$0.00917</u>	<u>\$539,927</u>	<u>\$0.00694</u>	<u>\$887,212</u>	<u>\$0.01059</u>
Percent Gross Margin	28.2%		22.8%		34.1%	

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

**Calendar Year To Date**

	Modified <u>Budget</u>	\$/kWh	This Year	\$/kWh	Last Year	\$/kWh
<b>Wholesale kWh Sales*</b>	<u>208,678,550</u>		<u>244,863,949</u>		<u>251,285,837</u>	
<b>Wholesale Sales*</b>	<u>\$6,642,741</u>	<u>\$0.03183</u>	<u>\$7,615,764</u>	<u>\$0.03110</u>	<u>\$8,186,055</u>	<u>\$0.03258</u>
<b>Variable Costs</b>						
Fuel (Coal, Gas & Fuel Oil)	4,199,017	0.02012	4,930,466	0.02014	4,725,585	0.01881
Emissions:						
SO <sup>2</sup> Allowances-ARP <sup>fn1</sup>	334	0.00000	111	0.00000	74	0.00000
SO <sup>2</sup> Allowances-CSAPR <sup>fn2</sup>	555	0.00000	241	0.00000	93	0.00000
NO <sub>x</sub> Allowances <sup>fn3</sup>	897	0.00000	792	0.00000	456	0.00000
Other <sup>fn4</sup>	<u>583,920</u>	<u>0.00280</u>	<u>583,913</u>	<u>0.00238</u>	<u>500,914</u>	<u>0.00199</u>
Total Variable Costs	<u>4,784,723</u>	<u>0.02293</u>	<u>5,515,523</u>	<u>0.02252</u>	<u>5,227,122</u>	<u>0.02080</u>
<b>Gross Margin</b>	<u>\$1,858,018</u>	<u>\$0.00890</u>	<u>\$2,100,241</u>	<u>\$0.00858</u>	<u>\$2,958,933</u>	<u>\$0.01178</u>
Percent Gross Margin	28.0%		27.6%		36.1%	

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

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

	<u>Budget</u>	<u>2019</u>	<u>2018</u>
<b>fn1</b> SO <sup>2</sup> ARP	\$1.00	\$0.70	\$0.70
YTD SO <sup>2</sup> ARP	1.00	0.70	0.70
<b>fn2</b> SO <sup>2</sup> CSAPR	1.00	2.00	0.88
YTD SO <sup>2</sup> CSAPR	1.00	1.52	0.88
<b>fn3</b> NO <sub>x</sub> annual	2.00	2.50	1.50
YTD NO <sub>x</sub> annual	2.00	2.09	1.50

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

**Muscatine Power and Water - Electric Utility  
Wind Sales Analysis  
Current Month - March 2019**

	<u>Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<b>Revenue</b>						
<b>Wholesale kWh Sales</b>	<u>5,300,000</u>		<u>5,356,727</u>		<u>5,108,669</u>	
<b>Wholesale Sales</b>	<u>\$66,250</u>	<u>\$0.01250</u>	<u>\$80,663</u>	<u>\$0.01506</u>	<u>\$83,133</u>	<u>\$0.01627</u>
<b>Expense</b>						
<b>Purchased Power kWh</b>	5,300,000		5,356,727		5,108,669	
<b>Purchased Power</b>	\$143,948	0.02716	\$145,489	0.02716	\$135,737	0.02657
<b>Gross Margin/(Loss)</b>	<u>(\$77,698)</u>	<u>(\$0.01466)</u>	<u>(\$64,826)</u>	<u>(\$0.01210)</u>	<u>(\$52,604)</u>	<u>(\$0.01030)</u>
Percent Gross Margin	-117.3%		-80.4%		-63.3%	
RECs Sold	---		---		---	
REC Net Proceeds	\$0		\$0		\$0	
Misc Wind Revenues/Charges	\$0		\$0		\$0	
<b>Wind Net Margin/(Loss)</b>	<b>(\$77,698)</b>		<b>(\$64,826)</b>		<b>(\$52,604)</b>	

**Calendar Year To Date**

	<u>Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<b>Revenue</b>						
<b>Wholesale kWh Sales</b>	<u>15,000,000</u>		<u>14,145,783</u>		<u>15,215,569</u>	
<b>Wholesale Sales</b>	<u>\$234,330</u>	<u>\$0.01562</u>	<u>\$218,404</u>	<u>\$0.01544</u>	<u>\$281,188</u>	<u>\$0.01848</u>
<b>Expense</b>						
<b>Purchased Power kWh</b>	15,000,000		14,145,783		15,215,569	
<b>Purchased Power</b>	\$407,400	0.02716	\$384,199	0.02716	\$404,278	0.02657
<b>Gross Margin/(Loss)</b>	<u>(\$173,070)</u>	<u>(\$0.01154)</u>	<u>(\$165,795)</u>	<u>(\$0.01172)</u>	<u>(\$123,090)</u>	<u>(\$0.00809)</u>
Percent Gross Margin	-73.9%		-75.9%		-43.8%	
RECs Sold	---		2,500		1,000	
REC Net Proceeds	\$0	---	\$1,875	0.75	\$750	0.75
Misc Wind Revenues/Charges	\$0		\$0		\$0	
<b>Wind Net Margin/(Loss)</b>	<b>(\$173,070)</b>		<b>(\$163,920)</b>		<b>(\$122,340)</b>	

	<u>Budget</u>	<u>This Year</u>	<u>Last Year</u>
RECs at end of Prior Period		53,161	32,618
RECs Added This Period		14,283	5,730
RECs Sold This Period		2,500	1,000
Number of RECs on hand		64,944	37,348
Market Value per REC		\$0.75	\$0.75
Value of RECs on Hand		\$48,708.00	\$28,011.00

**Electric Utility**  
**Review of Operating Results**  
**March 2019**

**MUSCATINE POWER AND WATER - ELECTRIC UTILITY**  
**VARIANCES FROM BUDGETED NET POSITION - MARCH 31, 2019**

	(Unfavorable)/ Favorable Compared to Budget	
<b>Sales of Electricity</b>		
Native System Sales	\$ 1,068,176	0.7% lower kWhs sold; offset by a 8.2% higher average sales price (\$.07286/kWh versus \$.06733/kWh budgeted)
Wholesale Sales	957,097	15.8% higher kWhs sold; offset by a 1.6% lower average sale price (\$.03025/kWh versus \$.03075/kWh)
	<u>2,025,274</u>	
<b>Steam Sales</b>	<u>(73,833)</u>	2.6% lower pounds of steam sold
<b>Other Revenue</b>		
By-Product Revenue	(23,713)	Fly ash sales lower than budgeted
	1,604	Gypsum sales higher than budgeted
Miscellaneous Revenue	(11,280)	Lower job sales, net of expenses
	4,279	Other miscellaneous variances - net
	<u>(29,110)</u>	
<b>Operating Expense</b>		
Purchased Power - Native System	(23,869)	Average purchase price is 0.6% higher (\$.02800/kwh vs \$.02782/kwh), offset by 0.3% lower kWhs purchased
Purchased Power - Wind	<u>23,201</u>	5.7% lower kWhs purchased
	<u>(668)</u>	
Production Fuel	(936,615)	18.3% or 34,243 higher number of coal tons burned, offset by a 1.8% lower price/ton
	85,866	Lower cost for phase I landfill partial cover
	13,000	CCR federal reports cost not incurred
	12,831	Lower Unit 8 natural gas usage
	12,000	AWQR cost not incurred
	8,700	CCR compliance engineering services cost not incurred
	6,000	Landfill site inspection cost not incurred
	5,000	Landfill financial assurance cost not incurred
	(6,472)	Higher coal handling gas and diesel fuel cost
	(110,768)	Higher labor cost
	<u>(784)</u>	Other miscellaneous variances - net
	<u>(911,242)</u>	
Emissions Allowance	<u>(588)</u>	Market price higher than assumed
<b>Operation</b>		
	45,000	Lower cost for bottom ash system chemicals
	8,473	Lower cost for wastewater chemicals and analysis
	(15,261)	Higher limestone usage
	(30,759)	Higher cost for IDNR Title V permit fee
	5,001	PM2.5 modeling cost not incurred
	33,843	Lower cost for stack testing
	(10,788)	Higher cost for engineering services for CCR rule compliance
	45,000	316(b) cooling water impingement/entrainment study, not done
	6,800	Coal and by-product analysis, not done
	10,382	Lower cost for IDNR Non-Title V permit fee
	13,581	Lower cost for plant safety material expenses
	(36,327)	Higher cost for rail car storage/switching costs/admin fees
	82,134	Lower cost for MISO's multi-value transmission and market efficiency projects
	12,300	Electric line workers' tools & lean supplies not needed
	11,525	Lower cost for share in MAGIC's operating expenses
	7,401	Promotional materials cost not incurred
	7,881	Lower cost for Questline-EE newsletter service and customer awareness programs
	25,511	Lower cost for energy efficiency rebates
	34,036	Lower cost for legal services and transmission/reliability standards
	28,484	Lower cost for CIP compliance consulting
	7,157	Lower cost for financial audit services
	13,732	Lower cost for cost of service study
	10,124	Pension study / GASB 67/68 report cost not incurred
	17,070	Lower cost for employee search services
	8,100	Engineering compensation review cost not incurred
	8,100	Employee survey cost not incurred
	(80,506)	Higher cost for worker's compensation claims
	7,146	Lower cost for healthcare
	(14,274)	Higher cost for FICA
	(33,115)	Higher cost for deferred comp utility match
	(7,526)	Higher cost for LTD insurance
	8,100	Unemployment cost not incurred
	12,905	Lower cost for regulatory commission
	17,826	Lower cost for employment expenses
	16,198	Lower cost for employee team expenses
	80,172	Lower cost for training/travel
	(26,750)	Higher cost for temporary labor services
	(19,991)	Higher cost for vacation expense
	(97,584)	Higher labor cost
	<u>176,900</u>	Other miscellaneous variances - net
	<u>388,003</u>	

**MUSCATINE POWER AND WATER - ELECTRIC UTILITY  
VARIANCES FROM BUDGETED NET POSITION - MARCH 31, 2019**

	(Unfavorable)/ Favorable Compared to Budget	
Maintenance	63,800	A17.3 Code required elevator upgrades (all), not done
	(15,717)	Unit 9 turbine roof maintenance, not budgeted
	(5,503)	Submersible pump replacement, not budgeted
	5,850	Backflow preventer inspection/repairs, not done
	37,926	Lower cost for fly ash system materials
	(11,652)	Unit 7 chimney inspection, not budgeted
	(6,476)	Unit 7 duct balloon, not budgeted
	(8,498)	Higher cost for unit 8 sootblower repairs
	(5,375)	Scaffolding and replace insulation for Unit 9 hot reheat Y-block, not budgeted
	12,000	Purchase a spare coal feeder GRRD for overhauls, not done
	8,000	Inspect & clean 7B condensate pump motor, not done
	49,094	Unit 9 boiler scaffolding, over accrued in 2018
	(12,427)	Replace 9B precipitator expansion joint, not budgeted
	(13,596)	Unit 9 LTSH tube replacement, not budgeted
	(11,902)	Replace motor in 9D pulverizer, not budgeted
	40,000	Unit 9 pulverizer Beck Drive control retrofit, not done
	29,421	Lower cost for unit 9 update air heater outlet O2 probes
	5,625	Unit 9 boiler vent, drain and blowdown valve repairs, not done
	7,468	Lower cost for unit 9 miscellaneous valve repairs
	31,251	Unit 9 routine pulverizer maintenance, not done
	80,000	Unit 9 pulverizer journal rebuilds, not done
	10,015	Lower cost for continuous emission monitoring
	10,710	Lower PAC (powdered activated carbon) injection system costs
	13,498	Lower cost for miscellaneous precipitator repairs
	(6,788)	Higher cost for wastewater equipment maintenance
	15,000	Process piping repairs, not done
	7,500	Stack duct balloon, not done
	(8,731)	Repair 300 horsepower motor, not budgeted
	6,000	Absorber spray impeller replacement, not done
	(10,224)	Replace T-902 A&B valves, not budgeted
	(8,316)	Repair expansion joint for 902 tower, not budgeted
	(5,471)	FGD 902 absorber spray pump discharge expansion joint, not budgeted
	(7,932)	Higher cost for FGD hydroclone repairs/replacements
	8,000	902 WFC motor inspection/repair, not done
	8,000	902 absorber spray pump motor, not done
	14,000	901 booster fan motor clean/inspect/repair, not done
	6,000	Unit 8 UPS battery replacement, not done
	5,000	Unit 9 replace CV-2 relay, not done
	55,000	Rebuild two unit 9 traveling screens, not done
	32,000	Replace Unit 9 screen covers, not done
	(10,914)	Unit 9 PDA online data collection and analysis, not budgeted
	(405,507)	Unit 9 turbine/generator overhaul, not budgeted
	9,800	Unit 9 replace chlorine injection pump, not done
	10,360	Lower cost for unit 9 miscellaneous plant maintenance
	6,575	Lower cost for unit 7 miscellaneous plant maintenance
	28,000	Update air dryer controls, not done
	13,500	Chain fall hoist inspection, not done
	5,775	Annual Spider inspection and repair, not done
	13,274	Lower cost for rail car maintenance
	(7,647)	Higher cost for coal conveyor maintenance
	18,100	9B coal gate replacement, not done
	10,000	DC-14A double flight screw, not done
	(8,423)	Hydromatic sump pump and impeller, not budgeted
	(12,322)	Higher cost for rail unloader maintenance
	(7,864)	Higher overhead lines materials expense, distribution
	6,780	Lower underground lines materials expense, distribution
	(12,576)	Repair three padmount transformers, not budgeted
	26,413	Returned 15 kV switchgear back into stores, not budgeted
	(9,448)	Higher signals materials expense, distribution
	28,155	Lower cost for general plant maintenance agreements
	5,122	Lower general plant materials expense
	(6,172)	Semi-annual HVAC preventative maintenance inspection, not budgeted
	(4,356)	Repair yard gate, not budgeted
	(27,640)	Higher labor cost
	143,740	Other miscellaneous variances - net
	<u>235,274</u>	
Depreciation	<u>(471,768)</u>	Net value of the A&G assets was underestimated for the budget
<b>Nonoperating Revenue (Expense)</b>		
Interest Income	141,976	Higher average cash balances
Interest Expense	<u>(1,095)</u>	
	<u>140,881</u>	
<b>Capital Contributions</b>	<u>3,300</u>	3 transformers for job sale
<b>Change in Net Position</b>	<u>\$ 1,305,523</u>	Total Variance from Budgeted Net Position

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

### Sales of Electricity

#### Native System Sales

0.7% lower kWhs sold, offset by a 8.2% higher average sales price per kWh (\$.07286/kWh versus \$.06733/kWh budgeted), resulted in \$1,068,176 higher revenue than projected.

#### Wholesale Sales

15.8% higher kWhs sold, offset by a 1.6% lower average sales price (\$.03025/kWh versus \$.03075/kWh budgeted), resulted in \$957,097 higher revenue than projected.

#### Steam Sales

2.6% lower pounds of steam sold, resulted in \$73,833 lower revenue than projected.

### Other Revenue

#### By-Product Revenue

Gypsum sales are \$1,604 higher than budgeted and fly ash sales are \$23,713 lower than budgeted, due to the unit 9 outage and colder temperatures.

#### Miscellaneous Revenue

Net job sales revenue is \$11,280 lower than budget. Transmission-related revenue is \$424 higher than budget. Recycling revenue is \$411 lower. Penalty revenue is \$1,433 higher than budgeted. Included in revenue is \$1,741 for renewable energy credits sold that were not budgeted.

### Nonoperating Revenue (Expense)

#### Interest Income

Interest income is \$141,976 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)

A 0.6% higher average purchase price (\$.02800/kWh versus \$.02782/kWh budgeted), offset by 0.3% lower kWhs purchased for native system sales, resulted in \$23,869 higher cost. Wind energy kWh purchases were 5.7% or \$23,201 lower than budgeted.

## Generation

### Operation Supervision – (500)

Total labor expense is \$12,366 higher than budget due to more overtime than expected.

### Fuel – Coal – (501-001)

18.3% or 34,243 higher tons of coal burned, offset by a 1.8% lower price/ton, resulted in \$936,615 higher coal expense.

### Fuel – Fuel Oil – (501-921)

Cost of fuel oil for Unit 9 start-ups is \$3,932 higher than budgeted. Other materials expenses are \$1,206 higher than budgeted.

### Fuel – Gas – (501-002)

Unit 7's natural gas usage is \$3,321 lower than budgeted and unit 8's natural gas usage is \$12,831 lower than budgeted.

### Coal Handling Expense - (501-003)

Labor expenses are \$112,082 higher than budgeted. Gasoline and diesel fuel expenses are \$6,472 higher than budgeted.

### Landfill Operation Expense - (501-925)

Phase I landfill partial cover expenses are \$85,866 lower than budgeted due to timing. CCRL groundwater sampling and analysis expenses are \$3,212 lower than budgeted. The budget includes \$8,700 for engineering services relating to CCR compliance, \$12,000 for state AWQR, \$13,000 for CCR federal reports, \$6,000 for a landfill site inspection, and \$5,000 for landfill financial assurance; each of these budgeted items has not occurred.

### Steam Expense – Boiler – (502-004)

Labor expenses are \$21,748 higher than budgeted. Bottom ash system chemicals are \$45,000 lower than budget due to timing.

### Steam Expense – Pollution Control – (502-005)

PAC (powdered activated carbon) injection system costs, wastewater chemicals/analysis, and labor expenses are \$781, \$8,473, and \$24,963 lower than budgeted, respectively. Limestone expense is \$15,261 higher than budgeted.

### Electric Expense – (505)

Labor expense is \$29,206 higher than budget. A 14.5% higher average price, offset by 14.9% lower gallons consumed, resulted in \$2,697 lower cost for power plant water bills. Hydrogen and other material expenses are \$1,569 higher than budgeted.

Generation (cont'd)

<u>Miscellaneous Steam Power Expense - (506)</u>	2019	2019
	<u>Budget</u>	<u>Actual</u>
Labor	\$241,839	\$185,142
IDNR Title V permit fee	68,379	99,138
PM2.5 modeling	5,001	-
Stack testing	52,033	18,190
Engineering services for CCR rule compliance	3,000	13,788
316(b) cooling water impingement/entrainment study	45,000	-
Universal waste recycling/hazardous waste disposal	4,949	5,191
Calibration testing for predictive maintenance tools	2,500	-
Calibration testing for Optalign Transducer	1,200	-
Machine Analyst and Microlog maintenance agreements	5,800	5,115
Units 8/9/FGD industrial gas cylinder lease	-	2,137
Coal and by-product analysis	6,800	-
IDNR Non-Title V fees	15,000	4,618
ESC software engineering time/maintenance	8,253	6,171
Plant safety material expenses	41,425	27,844
Plant road and railroad crossing repairs	5,550	2,805
Rail car storage/switching costs/admin fees	28,885	65,212
PEPSI/PMAX/Aware maintenance agreements	2,001	4,664
Travel/training	39,256	8,792
Temporary labor services	13,750	-
Ground maintenance	1,050	292
Membership/subscriptions	7,465	4,627
Gasoline/diesel fuel	3,500	5,394
Other expenses	<u>29,240</u>	<u>14,519</u>
	<u>\$631,876</u>	<u>\$473,640</u>

Maintenance Supervision – (510)

Labor expense is \$23,894 higher than budgeted.

Generation (cont'd)

<u>Maintenance of Structures - (511)</u>	2019	2019
	<u>Budget</u>	<u>Actual</u>
Labor	\$69,495	\$63,533
Elevator maintenance	15,039	10,584
Contracted insulation replacement/repair	8,247	10,576
CHMB maintenance and MH building repairs	3,000	-
A17.3 Code required elevator upgrades (all)	63,800	-
Motor for Trane steam heater	-	689
Install walk-thru door in FGD	-	2,619
Unit 9 turbine roof maintenance	-	15,717
Submersible pump replacement	-	5,503
Vacuum sumps	-	1,816
Explosion proof receptacle replacement	-	716
Heater	-	1,669
Backflow preventer inspection/repairs	5,850	-
Other expenses	41,169	25,414
	<u>\$206,600</u>	<u>\$138,837</u>

Generation (cont'd)

<u>Maintenance of Boiler Plant - Boiler - (512-006)</u>	2019	2019
	<u>Budget</u>	<u>Actual</u>
Labor	\$211,348	\$148,449
Bottom ash system materials	28,512	32,126
Fly ash system materials	40,988	3,062
Reverse osmosis system	2,000	-
Unit 7 chimney inspection	-	11,652
Update unit 7 sootblower motor starters	5,200	3,859
Unit 7 duct balloon	-	6,476
Unit 8 miscellaneous valve repairs	240	3,669
Unit 8 sootblower repairs	2,295	10,793
8A reboiler repairs	4,363	9,318
Rebuild Unit 9 sootblowers	6,249	2,130
Scaffolding and replace insulation for Unit 9 hot reheat Y-block	-	5,375
Purchase a spare coal feeder GRRD for overhauls	12,000	-
Inspect & clean 7B condensate pump motor	8,000	-
Reinforced rubber hose for unit 9 boiler ignitor air system	-	2,658
Unit 9 boiler scaffolding *	-	(49,094)
Replace 9B precipitator expansion joint	-	12,427
Clean coal out of 9B plant silo	-	3,445
Unit 9 LTSH tube replacement	-	13,596
Replace motor in 9D pulverizer	-	11,902
Replace blades in 9B pulverizer	-	4,589
Unit 9 pulverizer Beck Drive control retrofit	40,000	-
Unit 9 update air heater outlet O2 probes	35,000	5,579
Unit 9 boiler vent, drain and blowdown valve repairs	5,625	-
Unit 9 miscellaneous valve repairs	11,250	3,782
Unit 9 routine pulverizer maintenance	31,251	-
Unit 9 pulverizer journal rebuilds	80,000	-
Software/plant controls maintenance agreements	14,330	17,508
Other expenses	99,670	23,253
	<u>\$638,320</u>	<u>\$286,554</u>

\*2018 expense over accrued

## Generation (cont'd)

Maintenance of Boiler Plant – Pollution Control - (512-007)	2019	2019
	Budget	Actual
Labor	\$76,188	\$65,582
Continuous emission monitoring expenses	34,088	24,073
PAC (powdered activated carbon) injection system costs	3,375	-7,335
Miscellaneous precipitator repairs	13,689	191
Miscellaneous limestone handling equipment repairs	1,000	-
Wastewater equipment maintenance	2,475	9,263
Scrubber waste equipment repairs	1,250	71
Process piping repairs	15,000	-
Stack duct balloon	7,500	-
Repair motor for 9B reheat condensate return unit pump #1	-	1,997
Repair 300 horsepower motor	-	8,731
Absorber spray impeller replacement	6,000	-
Install deflector in 902 limestone silo	-	4,687
Replace T-902 A&B valves	-	10,224
Replace T-901 A&B demister valves	-	2,489
Repair expansion joint for 902 tower	-	8,316
901 waste disposal hydraulic feed pump A inspection	-	2,124
901 waste disposal hydraulic feed pump B inspection	-	3,131
FGD 902 absorber spray pump discharge expansion joint	-	5,471
FGD insulation repair	-	3,306
FGD hydroclone repairs/replacements	3,750	11,682
Install Stackvision client in unit 9 control room	2,100	-
902 WFC motor inspection/repair	8,000	-
902 absorber spray pump motor	8,000	-
901 booster fan motor clean/inspect/repair	14,000	-
Other expenses	4,648	6,834
	<u>\$201,063</u>	<u>\$160,837</u>

Generation (cont'd)

<u>Maintenance of Electric Plant - (513-008)</u>	2019	2019
	<u>Budget</u>	<u>Actual</u>
Labor	\$71,900	\$69,055
Unit 8 repair 2,400 volt auxillary supply breaker	-	4,483
Unit 8 UPS battery replacement	6,000	-
Unit 9 replace CV-2 relay	5,000	-
Unit 9 rebuild two traveling screens	55,000	-
Unit 9 replace screen covers	32,000	-
Unit 9 transformer & turbine oil samples	3,700	2,552
Unit 9 PDA online data collection and analysis	-	10,914
Unit 9 turbine/generator overhaul *	-	405,507
Unit 9 replace chlorine injection pump	9,800	-
Unit 9 miscellaneous plant maintenance	18,625	8,265
Unit 8A miscellaneous plant maintenance	4,375	1,864
Unit 8 miscellaneous plant maintenance	4,550	5,529
Unit 7 miscellaneous plant maintenance	6,740	165
GE, EX-2000, and Mark V service agreement	6,300	3,420
Other expenses	250	75
	<u>\$224,240</u>	<u>\$511,829</u>

\*2018 expense not accrued.

Maintenance of Miscellaneous Steam Plant -- (514)

Materials expenses are lower than budgeted primarily due to \$28,000 budgeted for updating air dryer controls, \$13,500 for chain fall hoist inspection and repair, and \$5,775 for the annual Spider inspection and repair; each of these budgeted items has not occurred. Labor expenses are \$7,630 lower than budgeted.

<u>Maintenance of Coal Handling Equipment - (516)</u>	2019	2019
	<u>Budget</u>	<u>Actual</u>
Labor	\$67,947	\$75,352
Rail car maintenance	50,875	37,601
Dozer maintenance	20,025	19,675
Coal conveyor maintenance	17,450	25,097
9B coal gate replacement	18,100	-
PC-1 load chute door inspection	-	1,814
Belt roller/idler replacement	2,000	-
DC-14A double flight screw	10,000	-
Hydromatic sump pump and impeller	-	8,423
Rail unloader maintenance	3,123	15,445
Other expenses	8,608	6,015
	<u>\$198,129</u>	<u>\$189,423</u>

Generation (cont'd)

<u>System Control and Load Dispatch - (556)</u>	2019	2019
	<u>Budget</u>	<u>Actual</u>
Labor	\$31,167	\$41,355
SCADA Dark Fiber service & BUCC MME services	4,879	4,734
MISO operating & administrative fees	42,999	41,837
MISO & APDA memberships	1,126	1,000
Other expenses	1,895	1,540
	<u>\$82,065</u>	<u>\$90,466</u>

Depreciation – (558)

At the end of 2018, 80 railcars were sold. This was not anticipated in the budget.

TransmissionOverhead Line Expense – (563)

Labor expense is \$11,750 higher than budgeted.

Transmission of Electricity by Others – (565)

The cost of MISO's multi-value transmission and market efficiency projects are \$82,134 lower than budgeted.

Maintenance of Overhead Lines – (571)

Labor expense is \$8,191 lower than the budget. Materials expenses are \$4,298 lower than budgeted.

DistributionOperation Supervision – (580)

Labor expense is \$5,402 lower than budgeted.

Station Expense – (582)

Labor expense is \$12,893 lower than budgeted. Materials expenses are \$813 higher than budgeted.

Overhead Line Expense – (583)

The budget includes \$10,300 for electric line workers' tools and tool repairs, plus \$2,000 for Lean initiative expenses that have not been needed.

Vehicle Expense – (589)

Vehicle labor and materials expenses are lower than the budget by \$5,332 and \$3,347 respectively. Gasoline and diesel fuel usage is \$1,179 greater than budgeted.

Street Lighting – (585-418)

Labor and materials expenses are \$3,905 and \$2,544 lower than budgeted, respectively.

Distribution (cont'd)Miscellaneous Distribution Expense – (588)

Labor expense is \$24,861 higher than budgeted; the electric line workers' labor makes up \$12,332 or 49.6% of this total. The share in MAGIC's operating expenses is \$11,525 lower than budgeted. Temporary labor services, totaling \$21,440, were not budgeted. Travel and training expenses are \$3,207 lower than budgeted. Fire retardant clothing expenses are \$2,378 higher than budgeted.

Maintenance Supervision – (590)

Labor expense is \$5,998 lower than budgeted.

Maintenance of Overhead Lines – (593)

Labor and material expenses are \$30,476 and \$7,864 higher than the budgeted, respectively, due to more repairs.

Maintenance of Underground Lines – (594)

Labor and materials expenses are \$14,887 and \$6,780 lower than budgeted, respectively, due to less repairs.

Maintenance of Line Transformers – (595)

Labor expense is \$1,901 lower than budgeted. Materials expenses are lower than budgeted primarily due to \$12,576, not budgeted, for repairing three padmount transformers and returning a 15 kV switchgear back into stores for \$26,413, also not budgeted. Other miscellaneous materials expenses are \$3,984 higher than budgeted.

Maintenance of Street Lighting – (596-STL)

Labor expenses are \$5,070 lower than budgeted. Materials expenses are \$4,816 lower than budgeted due to returning decorative street lights back into stores, offset by more repairs.

Maintenance of Signal Expense – (596-419)

More than anticipated signal repairs resulted in \$10,618 higher labor than budgeted. Materials expenses are \$9,448 higher than budgeted. This includes \$3,301 for a video detection video processing card, \$2,590 for replacing the signal cabinet at the bridge, and \$3,283 for replacing the signal cabinet and output file at Dick Drake Way due to failure; none of these items were budgeted.

Vacation, Holiday, Sick Leave – (599)

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

Depreciation – (578)

Substation, underground, street light, and signal system assets were estimated at a higher cost than 2018 year-end actual due to capital projects not being completed.

Customer Service Expense

<u>Customer Information Expense - (909)</u>	2019	2019	2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b><u>Marketing</u></b>			
Media advertising	\$3,807	\$2,354	\$3,955
MP&W Newsletter	619	816	775
Billing services	1,375	121	-
Promotional materials	7,401	-	154
Photo library	1,006	-	162
<b>Subtotal - Marketing</b>	<b>14,208</b>	<b>3,291</b>	<b>5,046</b>
<b><u>Energy Services</u></b>			
Trees Forever	13,000	13,000	13,000
Questline-EE newsletter service and customer awareness programs	8,001	120	-
Customized energy efficiencies	300	-	-
Customer light bulb exchange program (LED/CFL)	999	716	1,095
Youth education (science fair/poster contest)	100	170	349
<b>Subtotal - Energy Services</b>	<b>22,400</b>	<b>14,006</b>	<b>14,444</b>
Miscellaneous	0	1,290	422
	<b>\$36,608</b>	<b>\$18,587</b>	<b>\$19,912</b>

<u>Energy Efficiency Rebates - (912)</u>	2019	2019	2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Commercial lighting	\$10,200	\$7,916	\$11,048
Compact fluorescent lighting	750	115	1,055
Air conditioning	6,725	2,913	5,079
Refrigerator	1,155	200	1,270
City building improvement	1,500	-	-
Washing machine	1,000	300	1,500
Customized energy efficiency	-	-	20
Water heater	1,800	400	1,700
Geo-thermal	1,800	-	1,900
Motor	12,000	-	38,150
Dishwasher	500	75	500
	<b>\$37,430</b>	<b>\$11,919</b>	<b>\$62,222</b>

Consumer Accounts

<u>Consumer Records and Collection - (901 &amp; 903)</u>	2019	2019	2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Labor	\$109,068	\$103,712	\$97,831
Temporary labor services	3,474	4,371	2,927
Postage	7,209	7,101	9,200
Payment processing fees *	14,789	10,554	18,733
Collection fees	2,271	579	2,912
Integrated voice response service	461	541	463
Travel/training	370	184	-
Gasoline/diesel fuel	750	344	238
Other	<u>2,159</u>	<u>749</u>	<u>1,151</u>
	<u>\$140,551</u>	<u>\$128,136</u>	<u>\$133,454</u>

\*Refund of prior fees of \$4,309 received.

Administrative and GeneralAdministrative and General Salaries – (920)

Labor expenses are \$30,359 lower than budgeted.

Administrative and General (cont'd)

<u>Outside Services Employed - (923)</u>	<u>Resp</u>	<u>2019</u>	<u>2019</u>	<u>2018</u>
	<u>Code</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Organizational development consulting	120-Sal	\$10,125	\$6,733	\$17,902
Succession planning	110-Board	-	737	-
Legal services	140-Brandy	10,600	-	2,978
Environmental legal services	140-Brandy	6,250	-	-
Transmission/reliability standards legal services	140-Brandy	15,750	528	4,398
Coal & transportation attorney	140-Brandy	1,248	-	-
Bond counsel	140-Brandy	375	-	-
Labor attorney	140-Brandy	1,260	919	-
CIP compliance consulting	145-Seth	30,000	1,516	758
NERC compliance consulting	145-Seth	26,875	29,400	-
Web design service	224-Rick	1,120	262	705
Insurance advisor	310-Jerry	10,206	10,206	10,206
Financial audit services	320-Jerry	40,604	33,447	37,674
Cost of service study	320-Jerry	25,000	11,268	-
Coal & transportation consulting	331-Brad	19,500	18,750	19,500
Fuel procurement committee consulting	331-Brad	1,500	-	-
IS department professional services	350-Greg	-	-	4,050
509A Actuary	410-Erika	891	790	790
Benefits consulting	410-Erika	9,388	8,505	8,505
Pension Study / GASB 67/68 Report	410-Erika	10,124	-	(12,150)
Employee search services	410-Erika	24,300	7,230	27,519
Engineering compensation review	410-Erika	8,100	-	-
Employee survey	410-Erika	8,100	-	-
MISO consultant	610-Gage	626	-	-
Coal pile survey	612-Neal	-	-	449
		<u>\$261,942</u>	<u>\$130,291</u>	<u>\$123,284</u>

Injuries and Damages – (925)

Workers compensation claims are \$80,506 higher 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 \$3,159 lower expense.

Administrative and General (cont'd)

<u>Employee Pensions and Benefits (926)</u>	2019	2019	2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Pension	\$788,490	\$788,490	\$753,510
Healthcare costs	606,074	598,928	590,214
FICA	319,420	333,694	315,137
Deferred comp utility match *	71,610	104,725	98,003
Dental	21,900	23,180	22,933
Educational reimbursements	7,088	5,257	2,599
LTD insurance *	14,773	22,298	14,236
Life insurance	11,454	11,618	11,072
Post-employment health benefit	7,910	7,910	7,823
Recognition dinner	405	379	12,796
Unemployment expenses	8,100	-	1,788
Other expenses	6,500	5,184	8,721
	<u>\$1,863,722</u>	<u>\$1,901,661</u>	<u>\$1,838,832</u>

\*Deferred compensation higher than budget due to higher employee contribution in the early months of the year; budget spreads evenly.

\*LTD premiums increased 50%

Regulatory Commission – (928)

Iowa Utilities Board assessments have not been determined and no expense has been accrued.

<u>Miscellaneous General Expense (930)</u>	2019	2019	2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Employment expenses	\$24,805	\$6,979	\$29,372
APPA dues	9,498	7,194	6,708
IUB Iowa Energy Center	13,689	14,380	13,422
IAMU membership	10,500	10,366	9,938
GMCCI Economic Pledge/Projects	34,020	34,020	915
Legal publications	1,316	2,361	1,349
General CIP Expense	-	244	-
Continuous Improvement	4,982	1,785	-
Subscriptions/memberships	5,655	3,717	7,325
Employee team expenses	19,035	2,837	4,446
Training/travel	46,255	14,110	13,538
Safety-related expenses	1,337	1,059	1,134
Labor	12,987	8,749	7,816
Temporary labor services	9,973	13,079	11,309
Board trustee fees	1,823	1,823	1,823
Freight	3,255	-	5,617
Other expenses	15,522	14,834	8,932
	<u>\$214,650</u>	<u>\$137,536</u>	<u>\$123,644</u>

Administrative and General (cont'd)Maintenance of General Plant – (932)

Maintenance agreements are \$28,155 lower than budgeted; \$21,141 of this variance is for larger agreements with Advanced Business Systems and Microsoft where expense was budgeted but not incurred due to timing. Materials expenses are \$5,122 lower than budgeted. Memberships and subscriptions are \$7,290 lower than budgeted.

Maintenance of A/O Center – (934)

Labor expenses are \$10,720 higher than budgeted. Materials expenses are \$17,775 higher than budgeted; \$6,172 of this variance is for a semi-annual HVAC preventative maintenance inspection, \$4,356 is for repairing the yard gate, \$2,732 is for installing a new exterior PTZ camera overlooking the north parking lot, and \$1,242 is for servicing the two pond pumps; each of these items were not budgeted. Temporary labor services are \$3,141 lower than budgeted.

Vacation, Holiday, Sick Leave – (936)

The A/O Center workers' sick leave usage was higher than anticipated.

Depreciation – (933)

The budget, in error, did not include any depreciation due to the assumption that accumulated depreciation would be higher than the asset values.

**Muscatine Power and Water**

**Water Utility**

**Financial Operating Statements & Balance Sheets**

**March 2019**

**Muscatine Power and Water  
Water Utility**

**Table of Contents**

	Page
Classification of Water Distribution.....	1
Statements of Revenues, Expenses, and Changes in Net Position.....	2-3
Statements of Net Position.....	4-5
Statements of Cash Flows.....	6
Summary of Expenses.....	7-10
Statistical Data.....	11

**Muscatine Power and Water - Water Utility**  
**Classification of Water Distribution**  
**Current Month - March 2019**

	<u>Budget Estimate</u>	<u>%Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>%Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<b><u>Water Distribution - 1,000 Gallons</u></b>					
Contract Customers	700,876	0.1	701,543	0.6	697,571
Power Plants	69,574	(2.6)	67,784	3.2	65,689
Residential	31,901	(6.0)	29,999	(5.2)	31,637
Commercial	24,154	11.1	26,824	8.6	24,698
Total Metered Customers	826,505	(0.0)	826,150	0.8	819,595
Rated Customers - Estimate	---	---	4	(66.0)	11
City Use, Line Loss, Cycle Billing	49,590	(0.0)	49,569	0.8	49,176
Total Water Pumped	876,095	(0.0)	875,723	0.8	868,782

**Calendar Year-to-Date**

	<u>Budget Estimate</u>	<u>%Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>%Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<b><u>Water Distribution - 1,000 Gallons</u></b>					
Contract Customers	2,032,840	(3.4)	1,963,693	(1.7)	1,998,334
Power Plants	226,230	(14.9)	192,588	(9.5)	212,900
Residential	102,230	(4.1)	98,065	---	101,382
Commercial	76,017	4.4	79,381	2.1	77,731
Total Metered Customers	2,437,317	(4.3)	2,333,727	(2.4)	2,390,347
Rated Customers - Estimate	---	---	11	(57.7)	26
City Use, Line Loss, Cycle Billing	146,239	(4.3)	140,024	(2.4)	143,421
Total Water Pumped	2,583,556	(4.2)	2,473,762	(2.4)	2,533,794

**Muscatine Power and Water - Water Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Current Month - March 2019**

	Budget		% Increase (Decrease) from Budget	This Year	% Increase (Decrease) from Last Year		Last Year	Avg. Price
	Estimate	Avg. Price			Avg. Price	Year		
<b><u>Sales of Water</u></b>								
Contract Customers	\$305,365	\$ 0.43569	(0.5)	\$303,829	\$ 0.43309	5.9	\$286,912	\$ 0.41130
Power Plants	34,369	0.49399	28.9	44,287	0.65335	39.5	31,749	0.48332
Residential	167,130	5.23902	(2.0)	163,736	5.45805	4.1	157,221	4.96953
Commercial	<u>50,513</u>	2.09132	(0.3)	<u>50,338</u>	1.87660	3.5	<u>48,643</u>	1.96951
Water Sales	<u>557,377</u>	0.67438	0.9	<u>562,190</u>	0.68049	7.2	<u>524,525</u>	0.63998
<b><u>Other Revenue</u></b>								
Penalty Revenue	1,200		---	939		(22.7)	1,214	
Merchandise & Job Sales-Net	1,368		(91.5)	116		(94.4)	2,059	
Miscellaneous Revenue	<u>1,039</u>		2.0X	<u>3,084</u>		(8.1)	<u>3,355</u>	
Total Other Revenue	<u>3,607</u>		14.7	<u>4,139</u>		(37.6)	<u>6,628</u>	
Operating Revenue	<u>560,984</u>		1.0	<u>566,329</u>		6.6	<u>531,153</u>	
<b><u>Operating Expense</u></b>								
Operation	372,771		(3.5)	359,664		3.5	347,668	
Maintenance	53,170		(9.1)	48,330		(20.1)	60,510	
Depreciation	<u>83,678</u>		(4.3)	<u>80,090</u>		11.9	<u>71,558</u>	
Total Operating Expense	<u>509,619</u>		(4.2)	<u>488,084</u>		1.7	<u>479,736</u>	
Operating Income	<u>51,365</u>		52.3	<u>78,245</u>		52.2	<u>51,417</u>	
<b><u>Nonoperating Revenues (Expenses)</u></b>								
Interest Income	7,122		1.7X	19,345		1.6X	7,368	
Interest Expense	<u>(39,231)</u>		0.0	<u>(39,231)</u>		(1.3)	<u>(39,754)</u>	
Net Nonoperating Revenues (Expenses)	<u>(32,109)</u>		(38.1)	<u>(19,886)</u>		(38.6)	<u>(32,386)</u>	
Change in Net Position	19,256		2.0X	58,359		2.1X	19,031	
Beginning Net Position	<u>17,339,605</u>			<u>17,312,013</u>			<u>16,690,319</u>	
Ending Net Position	<u>\$17,358,861</u>			<u>\$17,370,372</u>			<u>\$16,709,350</u>	
Net Income (Loss) to Operating Revenue	3.4			10.3			3.6	
Debt Service Coverage	1.74			2.17			1.94	

**Muscatine Power and Water - Water Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Calendar Year-to-Date - March 2019**

	Budget		% Increase (Decrease) from Budget	% Increase (Decrease) from Last Year			Last Year	
	Estimate	Avg. Price		This Year	Avg. Price	Year	Last Year	Avg. Price
<b><u>Sales of Water</u></b>								
Contract Customers	\$900,324	\$ 0.44289	(2.5)	\$878,107	\$ 0.44717	4.4	\$841,324	\$ 0.42101
Power Plants	107,319	0.47438	(2.5)	104,622	0.54324	5.9	98,839	0.46425
Residential	510,272	4.99141	(1.6)	502,079	5.11986	4.7	479,758	4.73218
Commercial	154,872	2.03734	(3.2)	149,872	1.88801	0.5	149,139	1.91866
Water Sales	<u>1,672,787</u>	0.68632	(2.3)	<u>1,634,680</u>	0.70046	4.2	<u>1,569,060</u>	0.65642
<b><u>Other Revenue</u></b>								
Penalty Revenue	2,200		(11.4)	1,949		(22.5)	2,516	
Merchandise & Job Sales-Net	5,187		(75.0)	1,296		(77.6)	5,784	
Miscellaneous Revenue	3,465		81.3	6,283		(1.1)	6,356	
Total Other Revenue	<u>10,852</u>		(12.2)	<u>9,528</u>		(35.0)	<u>14,656</u>	
Operating Revenue	<u>1,683,639</u>		(2.3)	<u>1,644,208</u>		3.8	<u>1,583,716</u>	
<b><u>Operating Expense</u></b>								
Operation	1,074,927		(0.4)	1,071,059		4.6	1,024,241	
Maintenance	174,805		(15.7)	147,298		11.6	131,970	
Depreciation	251,034		(4.3)	240,274		11.9	214,671	
Total Operating Expense	<u>1,500,766</u>		(2.8)	<u>1,458,631</u>		6.4	<u>1,370,882</u>	
Operating Income	<u>182,873</u>		1.5	<u>185,577</u>		(12.8)	<u>212,834</u>	
<b><u>Nonoperating Revenues (Expenses)</u></b>								
Interest Income	21,707		40.6	30,515		34.5	22,690	
Interest Expense	(117,694)		0.0	(117,694)		(0.1)	(117,763)	
Net Nonoperating Revenues (Expenses)	<u>(95,987)</u>		(9.2)	<u>(87,179)</u>		(8.3)	<u>(95,073)</u>	
Change in Net Position	86,886		13.2	98,398		(16.4)	117,761	
Beginning Net Position	<u>17,271,974</u>			<u>17,271,974</u>			<u>16,591,589</u>	
Ending Net Position	<u>\$17,358,860</u>			<u>\$17,370,372</u>			<u>\$16,709,350</u>	
Net Income (Loss) to Operating Revenue	5.2			6.0			7.4	
Debt Service Coverage	1.86			1.86			1.95	

**Muscatine Power and Water - Water Utility**  
**Statements of Net Position**  
**March 31, 2019**

**ASSETS**

	<u>2019</u>	<u>2018</u>
<b>Current Assets:</b>		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$1,433,049	\$357,399
Receivables:		
Consumer Accounts	768,696	725,868
Interest	101	59
Inventories	371,221	321,709
Prepaid Expenses	47,186	63,714
Total Unrestricted Current Assets	<u>2,620,253</u>	<u>1,468,749</u>
<u>Restricted Assets</u>		
Cash - interest bearing	<u>4,414,995</u>	<u>7,519,197</u>
Total Restricted Current Assets	<u>4,414,995</u>	<u>7,519,197</u>
Total Current Assets	<u>7,035,248</u>	<u>8,987,946</u>
<b>Non-Current Assets:</b>		
Unamortized debt issuance costs	<u>51,506</u>	<u>55,532</u>
<b>Property and Equipment:</b>		
At Cost	39,472,369	37,444,476
Less Accumulated Depreciation	<u>11,757,783</u>	<u>11,211,143</u>
Net Property and Equipment	<u>27,714,586</u>	<u>26,233,333</u>
<b>Deferred Outflows of Resources</b>		
Pension	555,100	753,383
IPERS	237,547	197,472
OPEB	<u>10,397</u>	<u>10,397</u>
Total Deferred Outflows of Resources	<u>803,044</u>	<u>961,252</u>
<b>TOTAL ASSETS</b>	<u><u>\$35,604,384</u></u>	<u><u>\$36,238,063</u></u>

**Muscatine Power and Water - Water Utility**  
**Statements of Net Position**  
**March 31, 2019**

**LIABILITIES AND NET POSITION**

	<u>2019</u>	<u>2018</u>
<b>Current Liabilities:</b>		
<b><u>Payable from Unrestricted Assets</u></b>		
Accounts Payable	\$305,607	\$842,129
Health & Dental Insurance Provision	40,380	32,700
Retained Percentage on Contracts	56,176	104,573
Consumer Advances for Construction	600	600
Accrued Payroll	37,616	34,926
Accrued Vacation	150,744	146,447
Accrued Property Taxes	2,475	1,892
Miscellaneous Accrued Expenses	77,680	69,632
	<u>671,278</u>	<u>1,232,899</u>
Total Payable from Unrestricted Assets		
<b><u>Payable from Restricted Assets</u></b>		
State Revolving Loan - Current Portion	33,000	32,000
Water Revenue Bonds - Current Portion	380,000	375,000
Accrued Interest	189,672	192,558
	<u>602,672</u>	<u>599,558</u>
Total Payable from Restricted Assets		
	<u>1,273,950</u>	<u>1,832,457</u>
Total Current Liabilities		
<b>Non-Current Liabilities:</b>		
State Revolving Loan	35,000	68,000
Water Revenue Bond Series 2017	14,935,440	15,418,960
Health & Dental Insurance Provision	41,083	74,710
Post-Employment Health Benefit Provision	91,336	87,021
Net Pension Liability	1,328,381	1,654,896
Consumer Advances for Construction	197,650	198,259
	<u>16,628,890</u>	<u>17,501,846</u>
Total Non-Current Liabilities		
<b>Deferred Inflows of Resources</b>		
Pension	245,846	79,730
IPERS	73,410	102,764
OPEB	11,916	11,916
	<u>331,172</u>	<u>194,410</u>
Total Deferred Inflows of Resources		
<b>Net Position:</b>		
Net Investment in Capital Assets	12,132,896	10,140,514
Restricted	4,225,323	7,326,639
Unrestricted	1,012,153	(757,803)
	<u>17,370,372</u>	<u>16,709,350</u>
Total Net Position		
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$35,604,384</u></u>	<u><u>\$36,238,063</u></u>

**Muscatine Power and Water - Water Utility**  
**Statements of Cash Flows**  
**March 2019**

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$78,245	\$185,577
Noncash item in operating income:		
Depreciation of utility plant	80,090	240,274
Change in deferred outflows of resources	106,930	69,681
Change in deferred inflows of resources	(125,554)	(125,554)
Changes in assets and liabilities:		
Consumer accounts receivable	(24,565)	(13,146)
Inventories	16,484	(27,512)
Prepaid and deferred expenses	(532)	(24,885)
Accounts payable	(83,353)	(1,389)
Net pension liability	20,967	62,900
Health & dental insurance provision	1,782	(12,682)
Other post-employment benefit provision	395	1,185
Retained percentage	---	---
Accrued payroll	8,189	(47,346)
Accrued vacation	(2,727)	3,127
Accrued property taxes	(1,246)	(728)
Unearned revenue	---	(1,200)
Miscellaneous accrued expenses	1,023	15,383
Net cash flows from operating activities	76,128	323,685
Cash flows from capital and related financing activities:		
Capital expenditures, net	(92,626)	(305,548)
Net cash flows from capital and related financing activities	(92,626)	(305,548)
Cash flows from investing activities:		
Interest received on investments	19,330	30,505
Net cash flows from investing activities	19,330	30,505
Net increase in cash and investments	2,832	48,642
Cash and investments at beginning of period	\$5,845,212	\$5,799,402
Cash and investments at end of period	\$5,848,044	\$5,848,044

**Muscatine Power and Water - Water Utility**  
**Summary of Expenses**  
**Current Month - March 2019**

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Source of Supply</u></b>						
Operation Supervision (600)	\$3,647		\$3,721		\$3,273	
Operation Labor and Expenses (601)	135		915		803	
Miscellaneous Expense (603)	80		512		---	
Maintenance of Wells (614)	---		1,350		---	
Maintenance of Supply Mains (616)	401		---		---	
Depreciation (618)	<u>11,109</u>		<u>10,498</u>		<u>9,449</u>	
Total Source of Supply Expense	<u>15,372</u>	2.7	<u>16,996</u>	3.0	<u>13,525</u>	2.5
<b><u>Pumping</u></b>						
Operation Supervision (620)	3,954		3,547		3,601	
Fuel or Power Purchased (623)	78,490		92,079		76,355	
Pumping Labor and Expenses (624)	4,971		2,700		5,143	
Miscellaneous Expense (626)	284		357		306	
Maintenance of Structures (631)	34		---		---	
Maintenance of Pumping Equipment (632/633)	5,196		2,462		7,161	
Depreciation (634)	<u>6,717</u>		<u>6,497</u>		<u>6,240</u>	
Total Pumping Expense	<u>99,646</u>	17.8	<u>107,642</u>	19.0	<u>98,806</u>	18.6
<b><u>Water Treatment</u></b>						
Operation Supervision (640)	3,634		3,738		3,154	
Chemicals (641)	19,706		17,626		20,845	
Operation Labor and Expenses (642)	16,778		22,294		16,288	
Miscellaneous Expense (643)	4,249		1,977		1,745	
Maintenance of Structures (651)	4,018		4,857		16	
Maintenance of Purification Equip. (652)	1,956		7,262		738	
Depreciation (654)	<u>5,446</u>		<u>3,388</u>		<u>3,262</u>	
Total Water Treatment Expense	<u>55,787</u>	9.9	<u>61,142</u>	10.8	<u>46,048</u>	8.7
<b><u>Distribution</u></b>						
Operation Supervision (660)	3,816		3,239		3,489	
Storage Facilities Expense (661)	4,686		5,933		4,579	
Trans. & Distr. Lines Expense (662)	2,361		2,304		6,072	
Meter Expense (663)	12,261		14,177		9,406	
Consumer Installation Expense (664)	5,123		3,434		5,898	
Miscellaneous Expense (665)	18,308		15,917		20,313	
Vehicle Expense (667)	4,871		5,941		6,691	
Maintenance:						
Supervision (670)	5,189		4,490		4,426	
Structures (671)	239		26		153	
Reservoirs and Standpipes (672)	217		---		50	
Mains (673)	18,048		6,689		17,973	
Valves (674)	4,864		7,869		15,516	
Meters (676)	2,587		4,746		3,518	
Hydrants (677)	770		1,497		1,306	
Miscellaneous Plant (678)	3,318		1,354		4,258	
Vacation, Holiday, Sick Leave (679)	13,428		8,883		19,538	
Depreciation (680)	<u>43,838</u>		<u>43,665</u>		<u>39,456</u>	
Total Distribution Expense	<u>\$143,924</u>	25.7	<u>\$130,164</u>	23.0	<u>\$162,642</u>	30.6

**Muscatine Power and Water - Water Utility**  
**Summary of Expenses**  
**Current Month - March 2019**

	<u>Budget Est.</u>		<u>This Year</u>		<u>This Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense (909)	\$753	0.1	\$641	0.1	\$1,070	0.2
<b><u>Consumer Accounts</u></b>						
Meter Reading Expense (902)	4,028		5,056		3,905	
Consumer Records and Collection (901/903)	19,526		18,140		18,074	
Uncollectible Accounts Expense (904)	638		637		811	
Vacation, Holiday, Sick Leave (906)	1,911		1,129		2,983	
Total Consumer Accounts Expense	26,103	4.7	24,962	4.4	25,773	4.9
<b><u>Administrative and General</u></b>						
Administrative and General Salaries (920)	22,969		20,058		18,363	
Office Supplies and Expenses (921)	1,838		2,306		3,031	
Outside Services Employed (923)	24,485		6,222		657	
Property Insurance (924)	2,221		1,960		1,760	
Casualty Ins, Injuries & Damages (925)	4,263		4,988		3,072	
Employee Pensions and Benefits (926)	75,338		69,447		67,408	
Fringe Benefits Charged to Constr. (927)	(10,818)		(2,406)		(6,347)	
Miscellaneous General Expense (930)	15,294		13,331		14,324	
Rents (931)	6,270		6,270		6,207	
Maintenance of General Plant (932)	6,333		5,728		5,395	
Vacation, Holiday, Sick Leave (936)	3,273		2,591		4,851	
Depreciation (933)	16,568		16,042		13,151	
Total Administrative and General	168,034	30.0	146,537	25.9	131,872	24.8
Total Operating Expense	<u>\$509,619</u>		<u>\$488,084</u>		<u>\$479,736</u>	
Percent to Operating Revenue		90.8		86.2		90.3

**Muscatine Power and Water - Water Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - March 2019**

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Source of Supply</u></b>						
Operation Supervision (600)	\$10,892		\$11,339		\$10,523	
Operation Labor and Expenses (601)	3,556		2,318		2,730	
Miscellaneous Expense (603)	240		530		---	
Maintenance of Wells (614)	---		1,350		---	
Maintenance of Supply Mains (616)	1,180		(18)		---	
Depreciation (618)	<u>33,326</u>		<u>31,494</u>		<u>28,346</u>	
Total Source of Supply Expense	<u>49,194</u>	2.9	<u>47,013</u>	2.9	<u>41,599</u>	2.6
<b><u>Pumping</u></b>						
Operation Supervision (620)	11,863		10,821		11,564	
Fuel or Power Purchased (623)	222,537		255,984		222,725	
Pumping Labor and Expenses (624)	14,951		7,587		17,408	
Miscellaneous Expense (626)	850		1,075		1,069	
Maintenance of Structures (631)	935		---		---	
Maintenance of Pumping Equipment (632/633)	14,586		14,022		17,255	
Depreciation (634)	<u>20,151</u>		<u>19,492</u>		<u>18,721</u>	
Total Pumping Expense	<u>285,873</u>	17.0	<u>308,981</u>	18.8	<u>288,742</u>	18.2
<b><u>Water Treatment</u></b>						
Operation Supervision (640)	10,902		11,295		10,474	
Chemicals (641)	58,111		52,144		63,950	
Operation Labor and Expenses (642)	52,200		71,849		51,931	
Miscellaneous Expense (643)	12,747		9,885		9,237	
Maintenance of Structures (651)	22,929		9,318		1,427	
Maintenance of Purification Equip. (652)	5,471		11,510		4,768	
Depreciation (654)	<u>16,339</u>		<u>10,166</u>		<u>9,785</u>	
Total Water Treatment Expense	<u>178,699</u>	10.6	<u>176,167</u>	10.7	<u>151,572</u>	9.6
<b><u>Distribution</u></b>						
Operation Supervision (660)	11,330		10,111		11,262	
Storage Facilities Expense (661)	14,225		19,508		16,082	
Trans. & Distr. Lines Expense (662)	5,821		7,579		17,550	
Meter Expense (663)	35,127		37,968		33,203	
Consumer Installation Expense (664)	15,540		9,533		16,695	
Miscellaneous Expense (665)	56,157		39,183		49,774	
Vehicle Expense (667)	14,708		18,723		18,017	
Maintenance:						
Supervision (670)	15,566		13,959		14,503	
Structures (671)	716		45		199	
Reservoirs and Standpipes (672)	652		384		366	
Mains (673)	58,118		41,948		34,714	
Valves (674)	14,591		16,321		23,067	
Meters (676)	7,860		16,695		9,589	
Hydrants (677)	3,155		1,705		1,844	
Miscellaneous Plant (678)	9,955		7,293		11,549	
Vacation, Holiday, Sick Leave (679)	46,297		39,892		51,551	
Depreciation (680)	<u>131,513</u>		<u>130,996</u>		<u>118,367</u>	
Total Distribution Expense	<u>\$441,331</u>	26.2	<u>\$411,843</u>	25.0	<u>\$428,332</u>	27.0

**Muscatine Power and Water - Water Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - March 2019**

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense (909)	<u>\$3,862</u>	0.2	<u>\$1,937</u>	0.1	<u>\$1,548</u>	0.1
<b><u>Consumer Accounts</u></b>						
Meter Reading Expense (902)	12,138		14,712		12,263	
Consumer Records and Collection (901/903)	58,160		53,197		55,570	
Uncollectible Accounts Expense (904)	1,913		1,913		2,433	
Vacation, Holiday, Sick Leave (906)	<u>6,624</u>		<u>4,818</u>		<u>6,990</u>	
Total Consumer Accounts Expense	<u>78,835</u>	4.7	<u>74,640</u>	4.5	<u>77,256</u>	4.9
<b><u>Administrative and General</u></b>						
Administrative and General Salaries (920)	68,905		62,415		62,048	
Office Supplies and Expenses (921)	5,604		6,441		6,858	
Outside Services Employed (923)	32,024		17,396		6,088	
Property Insurance (924)	6,664		5,880		5,279	
Casualty Ins, Injuries & Damages (925)	12,945		21,221		11,763	
Employee Pensions and Benefits (926)	226,099		209,691		203,612	
Fringe Benefits Charged to Constr. (927)	(26,638)		(8,325)		(26,296)	
Miscellaneous General Expense (930)	38,464		30,779		29,399	
Rents (931)	18,810		18,810		18,621	
Maintenance of General Plant (932)	19,091		12,766		12,689	
Vacation, Holiday, Sick Leave (936)	11,299		12,850		12,320	
Depreciation (933)	<u>49,705</u>		<u>48,126</u>		<u>39,452</u>	
Total Administrative and General	<u>462,972</u>	27.5	<u>438,050</u>	26.6	<u>381,833</u>	24.1
Total Operating Expense	<u>\$1,500,766</u>		<u>\$1,458,631</u>		<u>\$1,370,882</u>	
Percent to Operating Revenue		89.1		88.7		86.6

**Muscatine Power and Water - Water Utility  
Statistical Data  
Current Month - March 2019**

	<u>2019</u>		<u>2018</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.642	0.680	0.604	0.640
Cost Per 1,000 Gallons	<u>0.557</u>	<u>0.591</u>	<u>0.552</u>	<u>0.585</u>
Margin	<u>0.085</u>	<u>0.090</u>	<u>0.052</u>	<u>0.055</u>
		<u>2019</u>		<u>2018</u>
Maximum Daily Water Pumped (1,000 gallons)		30,004		29,331
Date of Maximum		03/14		03/16

Calendar Year-to-Date

	<u>2019</u>		<u>2018</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.661	0.700	0.619	0.656
Cost Per 1,000 Gallons	<u>0.590</u>	<u>0.625</u>	<u>0.541</u>	<u>0.574</u>
Margin	<u>0.071</u>	<u>0.075</u>	<u>0.078</u>	<u>0.083</u>
		<u>2019</u>		<u>2018</u>
Maximum Daily Water Pumped (1,000 gallons)		30,004		29,406
Date of Maximum		03/14		01/04

Services

Contract Customers	2	2
Power Plants	2	2
Residential	8,777	8,777
Commercial	<u>1,070</u>	<u>1,070</u>
Total	<u>9,851</u>	<u>9,851</u>

**Water Utility**  
**Review of Operating Results**  
**March 2019**

**MUSCATINE POWER AND WATER - WATER UTILITY**  
**VARIANCES FROM BUDGETED NET POSITION - March 31, 2019**

	(Unfavorable)/ Favorable Compared to <u>Budget</u>	
<b>Sales of Water</b>		
Contract Customers	\$ (21,236)	GPC consumption is 3.3% lower than budget, offset by a 0.7% higher billing rate
	(981)	Heinz's consumption is 5.1% lower than budgeted, offset by a 4.1% higher billing rate
	(2,697)	Power plants' consumption is 14.9% lower than budgeted, offset by a 14.5% higher billing rate.
	(8,193)	Residential consumption is 4.1% lower than budgeted, offset by a 2.6% higher billing rate
	<u>(5,000)</u>	Commercial consumption is 4.4% higher than budgeted offset by a 7.3% lower billing rate
	<u>(38,107)</u>	
<b>Other Revenue</b>		
Merchandise & Job Sales-Net	(3,891)	Lower job sales revenue
Miscellaneous Revenue	2,567	Other miscellaneous variances
	<u>(1,324)</u>	
<b>Operating Expense</b>		
Operation	1,458	Dehumidifier for West Hill pumping station, not expended
	<u>(33,447)</u>	Higher fuel/power purchased due to a 20.2% higher cost per gallons pumped, offset by 4.2% lower gallons pumped
	5,967	Lower chemicals expense due to fewer gallons pumped compared to budget
	(7,971)	Higher water treatment materials expenses, including \$4,898 for electricity
	(5,303)	Higher electricity expense for storage facilities
	(5,882)	Professional engineering services, not budgeted
	(4,347)	Higher cost for vehicle operations expenses
	1,925	Lower cost for customer information expenses
	1,828	Lower cost of credit card processing fees, due to receiving \$1,904 refund
	8,732	Timing of cost of service study
	1,474	Employee search services, not expended
	(8,553)	Higher workers compensation claims
	3,154	Lower health care cost
	13,482	Lower FICA expense
	(1,204)	Higher cost for gasoline/diesel fuel
	<u>(18,313)</u>	Lower fringe benefits charged to construction, due to timing of capital projects
	6,725	Travel and training lower than budgeted
	1,400	Lower wellness committee expenses
	1,557	Lower employment expenses
	(1,126)	Higher cost of temporary labor services
	25,362	Lower labor, sick, personal and vacation expense
	16,950	Other miscellaneous variances - net
	<u>3,868</u>	
Maintenance	(1,350)	Well 40 chlorination, not budgeted
	1,198	Supply main maintenance not begun
	935	Well building repairs, fencing at wells, and roof repairs not begun
	<u>(7,927)</u>	Timing of valve purchases varies from budget
	8,491	Lower labor expense for pumping equipment repairs
	9,000	Two exhaust fans at Grandview treatment building, not expended
	8,000	Fresh air heater in fluoride room, not expended
	(4,025)	Higher cost of water treatment structure maintenance, including piping repairs
	(6,480)	Relocating chemical feed pumps at Progress Park treatment building, not budgeted
	16,170	Lower cost of main repairs due to concrete repairs delayed
	(1,730)	Higher cost for valve repairs
	(8,835)	Higher cost for meter maintenance
	1,450	Lower cost of hydrant repairs
	1,500	Gasoline and diesel fuel is being expensed to operations
	5,357	Lower cost for software/hardware maintenance agreements
	5,753	Other miscellaneous variances - net
	<u>27,507</u>	
Depreciation	<u>10,760</u>	
<b>Nonoperating Revenue (Expense)</b>		
Interest Income	<u>8,808</u>	Higher average cash balances than projected
	<u>8,808</u>	
<b>Change in Net Position</b>	<u>\$ 11,512</u>	Total Variance in Budgeted Net Position

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

### Sales of Water

- Contract customers' water usage is 3.4% lower than budgeted resulting in \$22,217 lower revenue. GPC's usage was 3.3% lower than budget offset by a 0.7% higher billing rate, resulting in \$21,236 lower revenue. Heinz's usage was 5.1% lower than budget offset by a 4.1% higher billing rate, resulting in \$981 lower revenue.
- Power plants' usage was 14.9% lower than budget, offset by a 14.5% higher billing rate, resulting in \$2,697 lower revenue. In January, a lightning strike causing equipment malfunction affected Unit 8's recorded usage. The \$11,509 billing adjustment was completed in March.
- Residential customers' water usage was 4.1% lower than budgeted, offset by a 2.6% higher billing rate, resulting in \$8,193 lower revenue.
- Commercial customers' water usage was 4.4% higher than budgeted, offset by a 7.3% lower billing rate, resulting in \$5,000 lower revenue.

### Nonoperating Revenue (Expense)

- Interest income is \$8,808 higher than budget due to higher cash balances than projected.

## Year-To-Date Summary of Expenses

### Source of Supply

#### Operation Labor and Expenses – (601)

- Budget includes \$1,458 for a dehumidifier for West Hill pumping station that has not been expended.
- Labor expense is \$287 higher than budgeted.

#### Maintenance of Wells – (614)

- Actual expense is for chlorination of Well 40.

#### Maintenance of Supply Mains – (616)

- Reversal of estimated labor expense resulted in a negative expense.
- Maintenance has not begun; budget included \$875 for materials and \$305 for labor.

#### Depreciation – (618)

- Depreciation under budget \$1,832 primarily due to well projects not closed at the end of 2018.

PumpingFuel or Purchased Power – (623)

- The cost per kWh was 13.1% higher than budget, plus the wells required more kWhs than budgeted due to extreme cold weather resulting in the need to run wells to prevent freezing. For these reasons, power expense was \$33,447 higher than budgeted.

	2019 Budget	2019 Actual	2018 Actual
Fuel or Power Purchased	\$ 222,537	\$ 255,984	\$ 222,725
1,000 Gallons Pumped	2,583,556	2,473,762	2,533,794
Cost per 1,000 Gal. Pumped	0.0861	0.1035	0.0879
kWhs Consumed	3,725,194	3,787,920	3,781,420
kWh per 1,000 Gal. Pumped	1.44	1.53	1.49

Pumping Labor and Expenses – (624)

- Water production labor under budget \$3,388.
- Water distribution labor greater than budget \$1,883.
- Control center labor budget equals \$5,657; actual labor is not being charged to this account.

Maintenance of Structures – (631)

- Budgeted materials of \$833 and \$102 labor for well buildings, fencing at the wells, and roof repairs has not been expended.

Maintenance of Pumping Equipment – (632/633)

- Materials expenses over budget by \$7,927, due to timing of valve purchases.
- Labor expense is under budget by \$8,491, which includes \$3,917 for the planning & scheduling department, \$3,238 for substation electricians, and \$1,495 for power plant electrician's labor.

Water TreatmentChemicals Expense – (641)

- Chemical expense year-to-date is \$5,967 lower than budgeted primarily due to lower gallons pumped compared to budget.

	2019 Budget			2019 Actual			2018 Actual		
	Units	\$	Per Unit	Units	\$	Per Unit	Units	\$	Per Unit
1,000 Gal. Pumped	2,583,556			2,473,762			2,533,794		
(lbs)	Units	\$	Per Unit	Units	\$	Per Unit	Units	\$	Per Unit
Chlorine	38,240	\$ 11,625	\$ 0.304	38,690	\$ 11,994	\$ 0.310	38,020	\$ 11,406	\$ 0.300
Hydrofluoro-silic Acid	52,286	\$ 16,993	\$ 0.325	46,015	\$ 13,137	\$ 0.285	53,329	\$ 23,967	\$ 0.449
Phosphate	29,761	\$ 29,493	\$ 0.991	26,741	\$ 27,013	\$ 1.010	29,887	\$ 28,577	\$ 0.956
Total		\$ 58,111			\$ 52,144			\$ 63,950	

Water Treatment (cont'd)Operation Labor and Expenses – (642)

- Water production labor over budget \$9,768; other labor is over budget \$1,910.
- Materials expense over budget \$7,971, including \$4,898 for electricity.

Miscellaneous Expense – (643)

- Water distribution labor is under budget \$1,966.
- Materials expense under budget \$726.

Maintenance of Structures – (651)

- Budget includes \$9,000 for two exhaust fans at Grandview treatment building and \$8,000 to replace fresh air heater in fluoride room that have not been expended.
- Labor expense is \$4,025 higher than budgeted; plant electricians charged \$2,043 more time to this account than budgeted.

Maintenance of Purification Equipment – (652)

- The water distribution operators charged \$6,480 labor to this account that was not budgeted. The operators relocated chemical feed pumps at Progress Park treatment building away from the new communications fiber installation.

Depreciation – (654)

- Depreciation under budget due to the new well field water treatment plant project not completed in 2018.

DistributionStorage Facilities Expense (661)

- Electricity expense over budget \$5,303.

Transmission & Distribution Lines Expense (662)

- Water distribution labor expense over budget \$1,169.

Meter Expense (663)

- Labor expense under budget \$3,154.
- Material expense is \$5,995 over budget

Customer Installation Expense – (664)

- Outside services department labor under budget \$3,848 primarily due to fewer locates.
- Other labor is lower than budget by \$1,017; and material expense is under budget by \$1,142.

Miscellaneous Expense – (665)

- Engineering department labor under budget \$21,956.
- Professional engineering services, not budgeted, totaled \$5,882.

Distribution (cont'd)Vehicle Expense – (667)

- Labor under budget \$1,900.
- Gasoline/diesel fuel usage is \$1,568 higher than budgeted.
- Material maintenance costs \$4,347 higher.

Maintenance of Mains – (673)

- Water distribution department labor over budget \$3,574 due to a high number of main breaks repaired at overtime rates.
- Other labor expense over budget \$2,299.
- Materials expense under budget \$22,043 due to lower number of concrete repairs.

Maintenance of Valves – (674)

- Water distribution operators' labor expense is \$2,850 higher than budget.
- Materials expense under budget \$1,234 due to less costly repairs.

Maintenance of Meters – (676)

- Materials expense over budget \$10,562 primarily due to higher cost for remote meter repairs.
- Labor expense under budget \$1,727.

Maintenance of Hydrants – (677)

- Water distribution department labor under budget \$1,217.
- Materials expenses under budget \$130.

Maintenance of Miscellaneous Plant – (678)

- Vehicle material repairs under budget \$1,308.
- Fuel usage, budgeted at \$1,500, is being charged to vehicle expense (account 667).

Vacation, Holiday, Sick Leave – (679)

- Vacation accrual expense lower by \$16,198, due to departmental expenses being allocated to different accounts compared to budget.
- Sick leave and holiday pay higher than budget by \$9,793.

Customer Service ExpenseCustomer Information Expense – (909)

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Billtrust	\$ 90	\$ 54	\$ 57
Postage	143	-	-
Promotional Material/Education	1,585	-	276
Media Advertising	1,683	944	879
Newsletter	274	339	322
Marketing intern	-	547	-
Customer Awareness Programs	-	53	-
Presentation Materials	-	-	-
Photo Library	87	-	14
	<u>\$ 3,862</u>	<u>\$ 1,937</u>	<u>\$ 1,548</u>

Consumer AccountsMeter Reading Expense – (902)

- Labor expense is \$2,960 over budget.
- Materials expenses under budget \$386.

Consumer Records and Collection – (901/903)

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Labor	\$ 44,204	\$ 41,875	\$ 39,864
Credit Card Processing	3,420	1,592 *	4,799
Billtrust Expense	1,454	1,395	1,862
Postage	3,186	3,138	4,043
Temp Services	1,535	1,816	1,293
Fuel	450	159	105
Invoice Cloud	591	672	633
Collection Expense	989	256	1,271
IVR	203	239	205
Other Expenses	2,128	2,055	1,495
	<u>\$ 58,160</u>	<u>\$ 53,197</u>	<u>\$ 55,570</u>
*Includes \$1,904 refund for prior period fee			

Vacation, Holiday, Sick Leave – (906)

- Sick leave usage was lower than expected.

Administrative and GeneralAdministrative and General Salaries – (920)

- Expense allocation varied from budget for human resources, marketing, water utility's supervision, and system administrators.

Outside Services Employed – (923)

	Resp Code	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Succession Planning	110-Board	\$ -	\$ 64	\$ -
Organizational Development	120-Sal	875	582	1,547
Labor Legal Services	140-Brandy	300	173	-
General Legal Services	140-Brandy	700	-	239
Web Graphics	224-Rick	495	108	61
Insurance Advisor	310-Jerry	882	882	882
Bond Services	310-Jerry	-	-	-
Audit Services	320-Cassie	3,509	2,890	3,256
Water Cost of Service Study	320-Cassie	20,000	11,268	-
ACS Services	350-Greg	-	-	350
509A Actuary Service	410-Erika	77	68	68
Compensation Reviews	410-Erika	700	-	-
Employee Search Services	410-Erika	2,100	626	-
Pension Study/ GASB Rpt	410-Erika	875	-	(1,050)
Employee Survey	410-Erika	700	-	-
Benefits Consulting	410-Erika	811	735	735
		<u>\$ 32,024</u>	<u>\$ 17,396</u>	<u>\$ 6,088</u>

Injuries & Damages – (925)

- Workers compensation claims over budget \$8,553.
- Insurance premiums are \$277 under budget.

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

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Health Care Cost	\$ 91,326	\$ 88,172	\$ 78,695
Pension	62,901	62,901	53,144
FICA	39,955	26,473	38,536
IPERS	13,842	14,161	12,362
Deferred comp utility match	8,370	8,345	11,165
Life, LTD & ADD	3,173	2,778	2,981
Dental	3,300	3,417	3,058
OPEB	1,185	1,185	1,043
Other Expenses	2,047	2,259	2,628
	<u>\$ 226,099</u>	<u>\$ 209,691</u>	<u>\$ 203,612</u>

Fringe Benefits Charged to Construction – (927)

- Less time has been charged to capital projects than budgeted.

Miscellaneous General Expense – (930)

- Travel & training expenses under budget \$4,836.
- Wellness committee expenses under budget \$1,400.
- Employment expenses under budget \$1,557.
- Labor \$582 under budget.

Maintenance of General Plant – (932)

- Maintenance agreements under budget \$5,357.
- Vehicle maintenance subscription, not expended, totaled \$630.

Vacation, Holiday, Sick Leave – (936)

- Sick leave usage was \$1,290 higher than budgeted.
- Vacation accrual \$261 higher than the budget.

Depreciation – (654)

- Depreciation under budget due to fewer additions of vehicles, tools, lab and communications equipment in 2018 than anticipated.

**Muscatine Power and Water**

**Communications Utility**

**Financial Operating Statements & Balance Sheets**

**March 2019**

**Muscatine Power and Water  
Communications Utility**

**Table of Contents**

	Page
Statements of Revenues, Expenses, and Changes in Net Position.....	1-2
Statements of Net Position.....	3-4
Statements of Cash Flows.....	5
Summary of Expenses.....	6-9
Statistical Data.....	10

**Muscatine Power and Water - Communications Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Current Month - March 2019**

	<u>Budget</u> <u>Estimate</u>	<u>% Increase</u> <u>(Decrease)</u> <u>From Budget</u>	<u>This</u> <u>Year</u>	<u>% Increase</u> <u>(Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last</u> <u>Year</u>
<b><u>Operating Revenue</u></b>					
Video	\$566,219	(1.4)	\$558,228	(3.5)	\$578,447
Data/Internet	520,907	4.1	542,107	9.4	495,732
Phone	4,620	(23.1)	3,553	---	---
MAN	67,000	6.1	71,068	8.7	65,367
Miscellaneous	10,740	22.8	13,187	19.8	11,006
Total Operating Revenues	<u>1,169,486</u>	1.6	<u>1,188,143</u>	3.3	<u>1,150,552</u>
<b><u>Operating Expense</u></b>					
Operation	820,314	(3.1)	794,839	3.2	770,474
Maintenance	102,333	0.2	102,500	24.7	82,165
Depreciation	103,637	(3.5)	99,966	(21.2)	126,791
Total Operating Expenses	<u>1,026,284</u>	(2.8)	<u>997,305</u>	1.8	<u>979,430</u>
Operating Income	<u>143,202</u>	33.3	<u>190,838</u>	11.5	<u>171,122</u>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	10,098	1.2X	22,208	38.6	16,027
Interest Expense	<u>(23,338)</u>	0.0	<u>(23,338)</u>	(14.6)	<u>(27,332)</u>
Net Nonoperating Expense	<u>(13,240)</u>	(91.5)	<u>(1,130)</u>	(90.0)	<u>(11,305)</u>
<b>Net Income before Capital Contributions</b>	129,962	46.0	189,708	18.7	159,817
Capital Contributions	<u>600</u>	1.6X	<u>1,574</u>	1.2X	<u>703</u>
<b>Change in Net Position</b>	130,562		191,282		160,520
<b>Beginning Net Position</b>	<u>9,935,347</u>		<u>10,117,991</u>		<u>7,784,052</u>
<b>Ending Net Position</b>	<u>\$10,065,909</u>		<u>\$10,309,273</u>		<u>\$7,944,572</u>
Net Income (Loss) to Operating Revenue	11.1		16.0		13.9
Debt Service Coverage on Bank Debt	1.45		1.74		1.74
Debt Service Coverage on Electric Utility Debt	1.86		3.02		3.04

**Muscatine Power and Water - Communications Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Calendar Year-to-Date - March 2019**

	<u>Budget</u> <u>Estimate</u>	<u>% Increase</u> <u>(Decrease)</u> <u>From Budget</u>	<u>This</u> <u>Year</u>	<u>% Increase</u> <u>(Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last</u> <u>Year</u>
<b><u>Operating Revenue</u></b>					
Video	\$1,688,958	(1.4)	\$1,664,894	(1.0)	\$1,681,561
Data/Internet	1,553,582	3.9	1,613,543	6.4	1,516,319
Phone	10,731	(11.6)	9,490	---	---
MAN	201,000	5.6	212,184	8.2	196,100
Miscellaneous	32,220	14.3	36,821	11.1	33,154
Total Operating Revenues	<u>3,486,491</u>	1.4	<u>3,536,932</u>	3.2	<u>3,427,134</u>
<b><u>Operating Expense</u></b>					
Operation	2,459,875	(5.3)	2,329,922	2.2	2,279,666
Maintenance	316,677	(5.9)	297,888	18.1	252,242
Depreciation	310,912	(3.5)	299,898	(21.2)	380,373
Total Operating Expenses	<u>3,087,464</u>	(5.2)	<u>2,927,708</u>	0.5	<u>2,912,281</u>
Operating Income	<u>399,027</u>	52.7	<u>609,224</u>	18.3	<u>514,853</u>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	32,214	90.5	61,376	55.3	39,514
Interest Expense	(70,013)	0.0	(70,013)	(30.8)	(101,134)
Net Nonoperating Expense	<u>(37,799)</u>	(77.2)	<u>(8,637)</u>	(86.0)	<u>(61,620)</u>
<b>Net Income before Capital Contributions</b>	<b>361,228</b>	<b>66.3</b>	<b>600,587</b>	<b>32.5</b>	<b>453,233</b>
Capital Contributions	<u>1,800</u>	2.2X	<u>5,805</u>	1.8X	<u>2,110</u>
<b>Change in Net Position</b>	<b>363,028</b>		<b>606,392</b>		<b>455,343</b>
<b>Beginning Net Position</b>	<u>9,702,881</u>		<u>9,702,881</u>		<u>7,489,229</u>
<b>Ending Net Position</b>	<u>\$10,065,909</u>		<u>\$10,309,273</u>		<u>\$7,944,572</u>
Net Income (Loss) to Operating Revenue	10.4		17.0		13.2
Debt Service Coverage on Bank Debt	1.38		1.79		1.73
Debt Service Coverage on Electric Utility Debt	1.57		3.26		2.99

**Muscatine Power and Water - Communications Utility**  
**Statements of Net Position**  
**March 2019**

**ASSETS**

	<u>2019</u>	<u>2018</u>
<b>Current Assets:</b>		
Cash - interest bearing	\$1,685,802	\$9,894,349
Investments	8,879,651	3,754,260
Receivables:		
Consumer Accounts	1,400,889	1,342,831
Interest	20,624	15,071
Inventories	197,443	181,971
Prepaid Expenses	586,942	419,392
	<u>12,771,351</u>	<u>15,607,874</u>
<b>Property and Equipment:</b>		
At Cost	45,111,478	41,940,766
Less Accumulated Depreciation	28,721,697	28,476,711
	<u>16,389,781</u>	<u>13,464,055</u>
<b>Deferred Outflows of Resources</b>		
Pension	1,200,822	1,656,071
OPEB	14,555	14,555
	<u>1,215,377</u>	<u>1,670,626</u>
<b>TOTAL ASSETS</b>	<u><u>\$30,376,509</u></u>	<u><u>\$30,742,555</u></u>

**Muscatine Power and Water - Communications Utility**  
**Statements of Net Position**  
**March 2019**

**LIABILITIES AND NET POSITION**

	<u>2019</u>	<u>2018</u>
<b>Current Liabilities:</b>		
<b><u>Payable from Unrestricted Assets</u></b>		
Accrued Interest	\$10,099	10,704
Accounts Payable	1,012,039	928,979
Health & Dental Insurance Provision	59,606	45,780
Retained Percentage on Contracts	126,205	103,546
Accrued Payroll	61,163	48,894
Accrued Vacation	167,810	168,929
Accrued Property Taxes	3,805	4,583
Unearned Revenue - Dark Fiber Lease	18,600	18,500
Miscellaneous Accrued Expenses	154,693	121,492
	<u>1,614,020</u>	<u>1,451,407</u>
<b><u>Payable from Restricted Assets</u></b>		
Notes Payable:		
Banks	1,959,744	1,875,198
Electric Utility	972,540	483,850
	<u>2,932,284</u>	<u>2,359,048</u>
Total Payable from Restricted Assets	<u>2,932,284</u>	<u>2,359,048</u>
Total Current Liabilities	<u>4,546,304</u>	<u>3,810,455</u>
<b>Non-Current Liabilities:</b>		
Health & Dental Insurance Provision	63,286	113,310
Post-Employment Health Benefit Provision	128,309	121,933
Unearned Revenue - Dark Fiber Lease	189,004	206,604
Net Pension Liability	1,838,304	2,599,301
Notes Payable:		
Banks	5,683,219	7,670,747
Electric Utility	7,106,454	8,078,994
	<u>15,008,576</u>	<u>18,790,889</u>
Total Non-Current Liabilities	<u>15,008,576</u>	<u>18,790,889</u>
<b>Deferred Inflows of Resources</b>		
Pension	495,674	179,957
OPEB	16,682	16,682
	<u>512,356</u>	<u>196,639</u>
Total Deferred Inflows of Resources	<u>512,356</u>	<u>196,639</u>
<b>Net Position:</b>		
Net Investment in Capital Assets	8,746,818	3,918,110
Unrestricted	1,562,455	4,026,462
	<u>10,309,273</u>	<u>7,944,572</u>
Total Net Position	<u>10,309,273</u>	<u>7,944,572</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$30,376,509</u></u>	<u><u>\$30,742,555</u></u>

**Muscatine Power and Water - Communications Utility**  
**Statements of Cash Flows**  
**March 2019**

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$190,838	\$609,224
Noncash items in operating income:		
Converter/modem write-off	(5,714)	6,877
Depreciation of utility plant	99,966	299,898
Change in deferred outflows of resources	(37,631)	(112,891)
Changes in assets and liabilities:		
Consumer accounts receivable	25,514	218,054
Inventories	11,471	18,626
Prepaid and deferred expenses	(10,962)	(452,471)
Accounts payable	(160,768)	(103,766)
Net pension liability	46,392	139,175
Health & dental insurance provision	2,537	(17,491)
Other post-employment benefit provision	560	1,681
Unearned revenue	(1,459)	(4,475)
Accrued payroll	15,529	(53,405)
Accrued vacation	3,522	7,977
Accrued property taxes	(3,252)	(2,264)
Miscellaneous accrued expenses	33,877	8,379
Net cash flows from operating activities	210,420	563,128
Cash flows from capital and related financing activities:		
Capital expenditures, net	(585,411)	(1,132,123)
Loan principal payments	(481,002)	(481,002)
Loan interest payments	(59,913)	(59,914)
Net cash flows from capital and related financing activities	(1,126,326)	(1,673,039)
Cash flows from investing activities:		
Interest received on investments	19,806	60,184
Net cash flows from investing activities	19,806	60,184
Net decrease in cash and investments	(896,100)	(1,049,727)
Cash and investments at beginning of period	\$11,461,553	\$11,615,180
Cash and investments at end of period	\$10,565,453	\$10,565,453

**Muscatine Power and Water - Communications Utility**  
**Summary of Expenses**  
**Current Month - March 2019**

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b>Video</b>			
Program Acquisition Expense (751-758)	\$388,914	\$370,448	\$397,369
Promotional Expense (960)	4,433	775	3,741
Electricity Expense (736)	1,383	1,853	3,213
Pole Attachment Expense (715)	2,071	2,071	2,043
Changes of Service (742)	2,764	1,815	1,473
Underground Line Expense (743)	2,481	1,637	2,395
Ad Insertion - Marketing/Production (964, 965)	7,418	3,837	6,386
Miscellaneous Video Expense (710, 738, 739)	18,398	34,764	17,398
Vehicle Expense (760)	5,309	7,147	4,239
Maintenance:			
Fiber (711)	691	7,440	2,025
Coax (712)	1,428	1,546	645
Drops (713)	2,643	2,041	3,507
Conduit System (714)	1,918	302	257
Headend (721-725)	27,970	26,288	24,036
Line Equipment (731-735)	2,288	2,494	2,459
Converters (741)	4,305	2,072	1,773
Ad Insertion (966)	4,773	3,634	4,265
Vacation, Holiday, Sick Leave (799)	4,947	5,455	6,280
Property Taxes (794)	237	(343)	314
Depreciation (793)	56,663	51,588	70,512
<b>Total Video</b>	<u>541,034</u>	<u>526,864</u>	<u>554,330</u>
<b>Data/Internet</b>			
Data/Internet Access Charges (851-853)	28,920	27,947	20,916
Promotional Expense (961)	4,433	745	3,784
Electricity Expense (836)	155	63	497
Pole Attachment Expense (837)	364	364	359
Changes of Service (842)	921	605	491
Customer Wireless Equipment Expense (846)	---	---	---
Underground Line Expense (843)	424	546	798
Miscellaneous Data/Internet Expense (839, 844, 848)	7,648	11,498	9,377
Vehicle Expense (860)	844	2,021	599
Maintenance:			
Fiber (811)	288	3,100	844
Coax (813)	476	515	215
Drops (814)	881	680	1,169
Conduit System (816)	799	126	107
Headend (820, 821)	36,167	32,099	28,623
Line Equipment (831-835)	594	677	797
Modems (841)	6,323	1,488	2,092
Vacation, Holiday, Sick Leave (879)	3,713	4,177	2,974
Property Taxes (894)	99	(143)	55
Depreciation (893)	26,959	28,019	28,720
<b>Total Data/Internet</b>	<u>120,008</u>	<u>114,527</u>	<u>102,417</u>

**Muscatine Power and Water - Communications Utility**  
**Summary of Expenses**  
**Current Month - March 2019**

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>MAN</u></b>			
Pole Attachment Expense (838)	\$1,135	\$1,135	\$1,220
Tools Expense (845)	208	605	412
Maintenance:			
Fiber (812)	460	4,960	1,350
Conduit System (817)	1,600	201	171
MAN Equipment (818, 819)	3,093	5,598	2,240
Vacation, Holiday, Sick Leave (899)	264	101	405
Property Taxes (896)	158	(229)	172
Depreciation (840)	8,468	8,060	18,747
Total MAN	<u>15,386</u>	<u>20,431</u>	<u>24,717</u>
<b>Phone Expenses (880)</b>	<u>7,553</u>	<u>6,700</u>	<u>---</u>
<b><u>Customer Service Expense</u></b>			
Customer Information Expense (909)	<u>7,279</u>	<u>2,744</u>	<u>5,090</u>
<b><u>Consumer Accounts</u></b>			
Customer Records and Collections (901/903)	55,451	55,005	53,349
Uncollectible Accounts Expense (904)	1,110	1,110	1,170
Vacation, Holiday, Sick Leave (906)	4,698	5,650	6,763
Total Consumer Accounts	<u>61,259</u>	<u>61,765</u>	<u>61,282</u>
<b><u>Administrative and General</u></b>			
Administrative and General Salaries (920)	74,405	74,106	57,896
Office Supplies and Expense (921)	4,380	5,073	6,392
Outside Services Employed (923)	13,332	9,731	6,767
Property Insurance (924)	1,503	1,307	1,173
Casualty Ins, Injuries & Damages (925)	6,954	7,922	4,833
Employee Pensions and Benefits (926)	120,254	119,516	104,728
Fringe Benefits Charged to Construction (927)	(8,169)	(5,052)	(6,201)
Rents (931)	10,139	10,139	9,844
Miscellaneous General Expense (930)	24,324	15,751	14,974
Maintenance of General Plant (932)	5,636	7,239	5,590
Vacation, Holiday, Sick Leave (936)	9,460	6,243	16,786
Depreciation (933)	11,547	12,299	8,812
Total Administrative and General	<u>273,765</u>	<u>264,274</u>	<u>231,594</u>
Total Operating Expenses	<u>\$1,026,284</u>	<u>\$997,305</u>	<u>\$979,430</u>

**Muscatine Power and Water - Communications Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - March 2019**

	<b>Budget Estimate</b>	<b>This Year</b>	<b>Last Year</b>
<b>Video</b>			
Program Acquisition Expense (751-758)	\$1,166,418	\$1,073,126	\$1,137,765
Promotional Expense (960)	14,712	3,132	9,274
Electricity Expense (736)	4,564	6,735	8,364
Pole Attachment Expense (715)	6,212	6,212	6,128
Changes of Service (742)	8,225	4,269	4,296
Underground Line Expense (743)	7,393	4,158	5,116
Ad Insertion - Marketing/Production (964, 965)	21,864	9,084	22,324
Miscellaneous Video Expense (710, 738, 739)	55,846	87,222	59,444
Vehicle Expense (760)	15,884	14,745	12,470
Maintenance:			
Fiber (711)	2,007	13,858	3,643
Coax (712)	4,258	5,010	2,147
Drops (713)	7,863	12,423	10,345
Conduit System (714)	5,626	574	556
Headend (721-725)	85,206	78,819	77,185
Line Equipment (731-735)	7,457	17,142	7,399
Converters (741)	12,798	7,926	6,485
Ad Insertion (966)	14,319	8,981	13,813
Vacation, Holiday, Sick Leave (799)	17,334	15,294	16,850
Property Taxes (794)	711	131	942
Depreciation (793)	169,988	154,764	211,536
<b>Total Video</b>	<b>1,628,685</b>	<b>1,523,605</b>	<b>1,616,082</b>
<b>Data/Internet</b>			
Data/Internet Access Charges (851-853)	86,760	83,996	74,038
Promotional Expense (961)	14,712	3,042	9,390
Electricity Expense (836)	511	611	1,120
Pole Attachment Expense (837)	1,093	1,093	1,078
Changes of Service (842)	2,742	1,423	1,432
Customer Wireless Equipment Expense (846)	---	---	---
Underground Line Expense (843)	1,269	1,386	1,705
Miscellaneous Data/Internet Expense (839, 844, 848)	23,116	33,062	24,215
Vehicle Expense (860)	2,533	3,653	1,785
Maintenance:			
Fiber (811)	836	5,755	1,518
Coax (813)	1,419	1,670	716
Drops (814)	2,621	4,141	3,448
Conduit System (816)	2,344	239	231
Headend (820, 821)	111,441	87,867	86,169
Line Equipment (831-835)	1,659	5,249	2,383
Modems (841)	18,771	4,863	7,577
Vacation, Holiday, Sick Leave (879)	13,219	11,233	7,632
Property Taxes (894)	297	55	165
Depreciation (893)	80,878	84,057	86,160
<b>Total Data/Internet</b>	<b>366,221</b>	<b>333,395</b>	<b>310,762</b>

**Muscatine Power and Water - Communications Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - March 2019**

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>MAN</u></b>			
Pole Attachment Expense (838)	\$3,406	\$3,606	\$3,660
Tools Expense (845)	725	1,132	1,777
Maintenance:			
Fiber (812)	1,336	9,207	2,429
Conduit System (817)	4,714	383	370
MAN Equipment (818, 819)	9,279	15,663	6,690
Vacation, Holiday, Sick Leave (899)	930	271	1,015
Property Taxes (896)	474	87	516
Depreciation (840)	25,404	24,180	56,241
Total MAN	<u>46,268</u>	<u>54,529</u>	<u>72,698</u>
<b>Phone Expenses (880)</b>	<u>17,786</u>	<u>15,700</u>	<u>83</u>
<b><u>Customer Service Expense</u></b>			
Customer Information Expense (909)	<u>16,365</u>	<u>6,419</u>	<u>9,852</u>
<b><u>Consumer Accounts</u></b>			
Consumer Records and Collections (901/903)	167,357	161,606	162,113
Uncollectible Accounts Expense (904)	3,330	3,330	3,510
Vacation, Holiday, Sick Leave (906)	<u>16,350</u>	<u>16,249</u>	<u>16,454</u>
Total Consumer Accounts	<u>187,037</u>	<u>181,185</u>	<u>182,077</u>
<b><u>Administrative and General</u></b>			
Administrative and General Salaries (920)	227,574	230,848	198,887
Office Supplies and Expense (921)	13,089	15,855	14,193
Outside Services Employed (923)	37,674	35,152	27,465
Property Insurance (924)	4,508	3,920	3,519
Casualty Ins, Injuries & Damages (925)	21,108	34,070	17,931
Employee Pensions and Benefits (926)	361,538	358,676	316,714
Fringe Benefits Charged to Construction (927)	(24,088)	(14,364)	(18,736)
Rents (931)	30,418	30,418	29,532
Miscellaneous General Expense (930)	64,234	43,967	41,861
Maintenance of General Plant (932)	22,723	18,118	19,138
Vacation, Holiday, Sick Leave (936)	31,682	19,318	43,787
Depreciation (933)	<u>34,642</u>	<u>36,897</u>	<u>26,436</u>
Total Administrative and General	<u>825,102</u>	<u>812,875</u>	<u>720,727</u>
Total Operating Expenses	<u><u>\$3,087,464</u></u>	<u><u>\$2,927,708</u></u>	<u><u>\$2,912,281</u></u>

**Muscatine Power and Water - Communications Utility**  
**Statistical Data**  
**March 2019**

<u>Services</u>	<u>Budget</u> <u>Estimate</u>	<u>% Increase</u> <u>(Decrease)</u> <u>From Budget</u>	<u>This Year</u> <sup>fn1</sup>	<u>% Increase</u> <u>(Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last Year</u>
<u>Video</u>					
Residential	4,733	(2.6)	4,612	(7.9)	5,009
Commercial/Hospitality	<u>156</u>	0.6	<u>157</u>	(1.9)	<u>160</u>
Total Video	<u>4,889</u>	(2.5)	<u>4,769</u>	(7.7)	<u>5,169</u>
Bulk Equivalent Services	<u>302</u>	1.0	<u>305</u>	(4.7)	<u>320</u>
Bulk Master Services	<u>23</u>	0.0	<u>23</u>	(8.0)	<u>25</u>
<u>Data/Internet</u>					
Residential	8,224	(0.9)	8,148	0.7	8,090
Commercial	<u>543</u>	5.7	<u>574</u>	4.4	<u>550</u>
Total Data/Internet	<u>8,767</u>	(0.5)	<u>8,722</u>	0.9	<u>8,640</u>
<u>Phone</u>					
Residential	184	(26.6)	135	---	---
Commercial	<u>38</u>	2.6	<u>39</u>	---	---
Total Phone	<u>222</u>	(21.6)	<u>174</u>	---	---
<u>MAN</u>	<u>82</u>	4.9	<u>86</u>	---	<u>86</u>

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

**Communications Utility**  
**Review of Operating Results**  
**March 2019**

**MUSCATINE POWER AND WATER - COMMUNICATIONS UTILITY  
VARIANCES FROM BUDGETED NET POSITION -MARCH 31, 2019**

(Unfavorable)/  
Favorable  
Compared to  
Budget

**Operating Revenue**

Video Revenue	\$ (11,865)	Lower CATV revenues due to changes in subscriber mix offset by fewer subscribers (5,074 actual vs. 5,191 budget).
	13,757	Broadcast fee higher than budget due to bulk broadcast fee not budgeted
	14,905	Lower marketing promotional discounts due to more promotional programs offered
	(10,445)	Lower VOD/PPV sales due to fewer subscribers and less buys
	(24,264)	Lower ad sales
	(4,179)	Lower converter rentals due to less subscribers
	(1,973)	Other miscellaneous variances - net
	<u>(24,064)</u>	
Data/Internet Revenue	83,459	Higher cable modem revenues due to customers migrating to a higher level of service offset by fewer subscribers (Subscribers = 8,722 actual & 8,767 budget)
	(52,324)	Fiber service installs are behind schedule
	16,457	Lower promotional discounts due to fewer promotional programs offered
	8,980	Higher Wi-fi @ Home due to more subscribers
	3,389	Other miscellaneous variances - net
	<u>59,961</u>	
Phone	<u>(1,241)</u>	More customers than budgeted (174 actual vs. 222 budget)
MAN	<u>11,184</u>	More contracts than budgeted
Miscellaneous Revenue	<u>4,601</u>	Other miscellaneous variances - net

**Operating Expense**

Operation	56,630	Programming expense credit related to negotiated lower prior year expense
	36,662	Programming expense lower than budget due to fewer subscribers than budget
	14,736	Lower temp labor than budgeted, primarily due to DSRs and cable tech areas
	(1,786)	More cable modems and set-top boxes have been retired than anticipated
	(22,149)	Higher cost of miscellaneous video materials expense, primarily stores issues
	(6,631)	Higher cost of miscellaneous data/internet materials expense, primarily stores issues
	9,202	Lower cost of promotional materials
	1,670	Lower cost of media advertising
	3,656	Lower credit card processing fees than budgeted, due to fee reimbursement
	(2,500)	Higher cost of records and collections temp labor
	1,495	Lower cost of collection expense
	2,000	FTTH OTT Hardware not purchased yet
	(4,729)	Higher cost of communications legal services
	1,060	Lower cost of audit fees
	2,530	Employee search services, not expended yet
	1,500	Pension study, not expended yet
	(1,870)	FTTH support, not budgeted
	(13,449)	Higher cost of workers' compensation claims
	3,544	Lower cost of FICA expense
	34,580	Labor & vacation under budget
	6,606	Health care expenses lower than budgeted
	(5,190)	Higher cost of deferred compensation due to increased employee contributions
	2,400	Lower cost of wellness expenses
	7,295	Travel and training under budget
	2,691	Other miscellaneous variances - net
	<u>129,953</u>	
Maintenance	9,971	Labor under budget
	(1,354)	CATV drops maintenance materials higher than budget
	(3,214)	CATV fiber maintenance materials higher than budget
	1,169	CATV headend maintenance materials lower than budget
	(1,623)	CATV Line equipment maintenance materials higher than budget
	(1,319)	Internet fiber maintenance materials higher than budget
	2,145	Internet headend maintenance materials lower than budget
	(798)	Internet line equipment maintenance materials higher than budget
	14,539	Maintenance agreements are lower than budget
	1,080	Memberships and subscriptions are lower than budget
	(2,114)	MAN fiber maintenance materials higher than budget
	1,054	MAN equipment maintenance materials lower than budget
	1,014	General plant maintenance materials lower than budget
	(1,761)	Other miscellaneous variances - net
	<u>18,789</u>	
Depreciation	<u>11,014</u>	Lower depreciation due to fewer fixed assets purchases in 2018 than anticipated

**MUSCATINE POWER AND WATER - COMMUNICATIONS UTILITY  
VARIANCES FROM BUDGETED NET POSITION -MARCH 31, 2019**

<b>Nonoperating Revenue (Expense)</b>		
Interest Income	<u>29,162</u>	More interest income due to higher cash balances & higher rate of return
<b>Change in Net Position before Capital Contributions</b>	<u>239,359</u>	
Capital Contributions	<u>4,005</u>	
<b>Change in Net Position</b>	<u>\$ 243,364</u>	Total Variance from Budgeted Net Position

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

### Operating Revenues

#### Video

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Total Subscribers (incl. Bulk)	5,191	5,074	5,489
Revenue:			
Basic	\$ 36,628	\$ 38,731	\$ 38,633
Select	724,487	856,308	889,842
Preferred	325,940	169,931	161,208
Premium	39,209	50,758	55,337
Bulk	57,000	55,671	57,520
Broadcast fee	195,065	208,822	172,398
PPV	6,396	3,334	3,059
VOD	<u>24,122</u>	<u>16,739</u>	<u>24,259</u>
Subtotal	\$ 1,408,847	\$ 1,400,294	\$ 1,402,256
Set top box rentals	232,347	228,168	235,875
Ad insertion revenue	83,500	59,236	69,555
Other Video revenues	<u>11,679</u>	<u>9,706</u>	<u>9,404</u>
Gross Video revenue	\$ 1,736,373	\$ 1,697,404	\$ 1,717,090
Discounts	<u>(47,415)</u>	<u>(32,510)</u>	<u>(35,529)</u>
Net Video Revenue	<u>\$ 1,688,958</u>	<u>\$ 1,664,894</u>	<u>\$ 1,681,561</u>
Net Monthly Revenue per Subscriber	\$ 108.45	\$ 109.37	\$ 102.12
Year-over-Year Increase		7.1%	

- Broadcast fee revenue is higher than budgeted due to bulk subscriber broadcast fee not budgeted.
- Discounts are lower than budgeted due to fewer promotional discounts offered to date.
- Revenue allocation between select, preferred and premium packages incorrectly budgeted.

Data/Internet Revenue

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Customers	8,767	8,722	8,640
Revenue:			
Cable modem	\$ 957,324	\$ 1,040,783	\$ 1,346,430
Fiber service	471,139	418,815	33,106
Wi-fi @ Home	72,343	81,323	72,810
Wimax	20,859	21,916	23,497
Modem rentals	77,370	79,796	75,791
Other internet revenues	<u>13,354</u>	<u>13,260</u>	<u>12,745</u>
Gross internet revenues	\$ 1,612,389	\$ 1,655,893	\$ 1,564,379
Discounts	<u>(58,807)</u>	<u>(42,350)</u>	<u>(48,060)</u>
Net internet revenues	<u>\$ 1,553,582</u>	<u>\$ 1,613,543</u>	<u>\$ 1,516,319</u>
Net monthly revenue per subscriber	\$ 59.07	\$ 61.67	\$ 58.50

- 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.

Phone

Revenue is \$1,241 lower than budget due to 174 customers receiving service compared to the 222 customers budgeted.

MAN

Revenue is \$11,184 higher than budget due to more contracts than budgeted in addition to changes in services received.

Nonoperating Revenue (Expense)

- Interest income is over budget \$29,162 due to higher than projected cash balances and a higher rate of return.

Year-To-Date Summary of ExpensesVideoProgram Acquisition Expense (751-758)

Programming is lower due to lower subscribers than budgeted.

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Basic	\$ 295,304	\$ 223,916	\$ 257,998
Select	733,616	720,757	731,800
Premium	37,633	36,957	43,279
Digital	79,967	76,247	85,491
Pay-per-View	5,503	2,755	2,332
Video on Demand	<u>14,395</u>	<u>12,494</u>	<u>16,865</u>
Total	<u>\$ 1,166,418</u>	<u>\$ 1,073,126</u>	<u>\$ 1,137,765</u>
Total Subscribers (incl. Bulk)	5,191	5,074	5,489
Per Subscriber	\$ 74.90	\$ 70.50	\$ 69.09
Year over Year Increase		2.0%	

- Basic programming includes a credit of \$56,630 for a negotiated lower rate of prior year programming expenses.

Promotional Expense – (960)

- Temp services for DSRs are under budget \$7,368.
- Labor is under budget \$2,942.
- Materials expense is under budget \$951.

Changes of Service – (742)

- Labor is under budget \$3,956.

Underground Line Expense – (743)

- Labor is under budget \$2,414.
- Materials expense is under budget \$822.

Ad Insertion – Marketing/Production (964.965)

- Labor is under budget \$11,565.
- Mileage under budget \$600.
- Telephone expense under budget \$375.

Miscellaneous Video Expense (710, 738, 739)

- Labor is over budget \$7,443.
- More boxes have been retired than budgeted in the amount of \$1,786.
- Materials expense is over budget \$22,149.

Maintenance of Fiber (711)

- Labor is over budget \$8,636.
- Materials expense is over budget \$3,214.

Video cont'dMaintenance of Drops (713)

- Labor is over budget \$3,028.
- Materials expense is over budget \$1,354.

Maintenance of Conduit System (714)

- Labor expense is under budget \$5,005.

Maintenance of Headend (721-725)

- Maintenance agreements are under budget \$5,386.
- Materials expense is under budget \$1,169.
- Labor is over budget \$167.

Maintenance of Line Equipment (731-735)

- Labor is over budget \$8,061.
- Materials expense is over budget \$1,623.

Maintenance of Ad Insertion (966)

- Labor is under budget \$5,299.

Depreciation Expense (793)

Depreciation is lower than budget due to fewer than expected expenditures for fiber coax nodes prior to year-end 2018. This type of equipment has five- and ten-year lives.

Data/InternetPromotional Expense – (961)

- Temp services for DSRs are under budget \$7,368.
- Labor under budget \$2,942.
- Materials expense is under budget \$1,359.

Miscellaneous Data/Internet Expense – (847)

- Labor is over budget \$3,320.
- Other miscellaneous materials are over budget \$6,631.

Maintenance of Fiber – (811)

- Labor is over budget \$3,599.
- Materials expense is over budget \$1,319.

Maintenance of Headend – (820, 821)

- Labor is under budget \$7,389.
- Maintenance agreements are under budget by \$14,041.
- Materials expense is under budget by \$2,145.

Maintenance of Line Equipment – (831-835)

- Labor is over budget \$2,791.
- Materials expense is over budget by \$798.

Data/Internet Cont'dMaintenance of Modems – (841)

- Labor is under budget \$13,908.

Depreciation – (893)

Depreciation is higher than budget due to more modems retired than expected.

MANMaintenance of Fiber – (812)

- Labor is over budget \$5,758.
- Materials expense is over budget by \$2,114.

Maintenance of Conduit System – (817)

- Labor is under budget \$4,300.

Maintenance of MAN Equipment – (818-819)

- Maintenance agreements over budget \$7,437.
- Materials expense under budget \$1,054.

Customer Service Expense – (909)

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Billtrust	\$ 156	\$ 107	114
Postage	285	---	---
Promotional Material/Education	9,202	---	6,033
Media Advertising	6,026	4,356	2,690
Newsletter	547	721	685
Customer Awareness Programs	---	106	---
Marketing Intern	---	1,093	---
Photo Library	149	---	24
Miscellaneous	---	36	306
	<u>\$ 16,365</u>	<u>\$ 6,419</u>	<u>\$ 9,852</u>

Consumer AccountsCustomer Records and Collections – (901/903)

	2019 Budget	2019 Actual	2018 Actual
Labor	\$ 135,587	\$ 135,149	\$ 128,707
Credit Card Processing	6,840	3,184	9,654
Bill Trust Expense	2,907	2,790	3,699
ACH Fees	2,140	2,009	1,996
Postage	6,371	6,275	8,037
Temp Services	3,070	5,570	2,587
Invoice Cloud	1,182	1,344	1,266
Collection Expense	2,007	512	2,573
IVR	407	478	410
Travel & Training	799	284	---
NOVO Knowledge Base	750	---	---
FTTH OTT Hardware	2,000	---	---
Other Expenses	<u>3,297</u>	<u>4,104</u>	<u>3,184</u>
	\$ 167,357	\$ 161,699	\$ 162,113

Administrative & GeneralA&G Salaries – (920)

- Salaries in the Employee Services, System Admin and Telecommunications departments are under budget by \$9,138, \$2,795 and \$24,141, respectively.
- Salaries in the Marketing, Cable Tech and Utility Services Delivery departments are over budget by \$30,467, \$3,245 and \$7,828.

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

	Responsibility Code	2019 Budget	2019 Actual	2018 Actual
Succession Planning	110-Sal	\$ -	\$ 109	\$ -
Organizational Development	120-Sal	1,500	998	2,652
Employment Legal Services	140-Brandy	300	-	-
Communications Legal Services	140-Brandy	1,200	5,929	430
MCC Public Access	224-Rick	14,434	14,400	14,225
Web/Graphics Services	224-Rick	990	232	188
Insurance Advisor	310-Jerry	1,512	1,512	1,512
Audit Fees	320-Cassie	6,015	4,955	5,581
ACS Services	350-Greg	-	-	600
Benefits Consulting	410-Erika	1,391	1,260	1,260
Employee Search Services	410-Erika	3,600	1,070	-
Pension Study/GASB 67/68	410-Erika	1,500	-	(1,800)
Compensation Review	410-Erika	1,200	-	-
509A Actuary	410-Erika	132	117	117
Employee Survey	410-Erika	1,200	-	-
FTTH Support	920-Brad	-	1,870	-
Communications Consulting - IUB/FCC	920-Brad	2,700	2,700	2,700
		<u>\$ 37,674</u>	<u>\$ 35,152</u>	<u>\$ 27,465</u>

Injuries & Damages – (925)

- Workers compensation claims over budget \$13,449.
- Insurance premiums are \$486 under budget.

Employee Pensions & Benefits – (926)

	2019 Budget	2019 Actual	2018 Actual
Health care cost	\$ 132,838	\$ 126,232	\$ 118,043
Pension	139,174	139,174	117,364
FICA	61,713	58,169	51,835
Deferred compensation	13,020	18,210	14,887
Dental	4,800	4,889	4,587
Life, LTD & ADD	4,935	6,094	3,975
OPEB	1,681	1,681	1,565
Other expenses	3,377	4,227	4,458
	<u>\$ 361,538</u>	<u>\$ 358,676</u>	<u>\$ 316,714</u>

- Deferred compensation higher than budget due to higher employee contributions.
- LTD premiums increased 50%.

Fringe Benefits Charged to Construction – (927)

- Less time has been charged to capital projects than budgeted.

Administrative & General (cont'd)Miscellaneous General Expense – (930)

- Labor is under budget \$3,910.
- Travel & training are under budget by \$6,779.
- Membership & subscriptions under budget by \$2,622.
- Wellness expenses are under budget by \$2,400.
- Employment expenses are under budget by \$2,669.
- Temp services are under budget \$461.

Maintenance of General Plant – (932)

- Maintenance agreements under budget by \$2,510.
- Memberships and subscriptions under budget by \$1,080.
- Material expenses under budget by \$1,014.

Vacation, Holiday, Sick Leave – (936)

- Sick leave and personal leave are under budget \$4,666.
- Vacation is under budget \$7,697.

**MUSCATINE POWER AND WATER**  
**REVIEW OF YEAR-TO-DATE OPERATING RESULTS**  
**MARCH 31, 2019**

**MUSCATINE POWER AND WATER - ELECTRIC UTILITY**  
**VARIANCES FROM BUDGETED NET POSITION - MARCH 31, 2019**

	(Unfavorable)/ Favorable Compared to Budget	Items equal to or greater than \$25,000
<b>Sales of Electricity</b>		
Native System Sales	\$ 1,068,176	0.7% lower kWhs sold; offset by a 8.2% higher average sales price (\$.07286/kWh versus \$.06733/kWh budgeted)
Wholesale Sales	957,097	15.8% higher kWhs sold; offset by a 1.6% lower average sale price (\$.03025/kWh versus \$.03075/kWh)
	<u>2,025,274</u>	
Steam Sales	<u>(73,833)</u>	2.6% lower pounds of steam sold
<b>Other Revenue</b>		
By-Product Revenue	(23,713)	Fly ash sales lower than budgeted
	1,604	Gypsum sales higher than budgeted
Miscellaneous Revenue	(11,280)	Lower job sales, net of expenses
	<u>4,279</u>	Other miscellaneous variances - net
	<u>(29,110)</u>	
<b>Operating Expense</b>		
Purchased Power - Native System	(23,869)	Average purchase price is 0.6% higher (\$.02800/kwh vs \$.02782/kwh), offset by 0.3% lower kWhs purchased
Purchased Power - Wind	<u>23,201</u>	5.7% lower kWhs purchased
	<u>(668)</u>	
Production Fuel	(936,615)	18.3% or 34,243 higher number of coal tons burned, offset by a 1.8% lower price/ton
	85,866	Lower cost for phase I landfill partial cover
	(110,768)	Higher labor cost
	<u>50,275</u>	Other miscellaneous variances - net
	<u>(911,242)</u>	
Emissions Allowance	<u>(588)</u>	Market price higher than assumed
<b>Operation</b>		
	45,000	Lower cost for bottom ash system chemicals
	(30,759)	Higher cost for IDNR Title V permit fee
	33,843	Lower cost for stack testing
	45,000	316(b) cooling water impingement/entrainment study, not done
	(36,327)	Higher cost for rail car storage/switching costs/admin fees
	82,134	Lower cost for MISO's multi-value transmission and market efficiency projects
	25,511	Lower cost for energy efficiency rebates
	34,036	Lower cost for legal services and transmission/reliability standards
	28,484	Lower cost for CIP compliance consulting
	(80,506)	Higher cost for worker's compensation claims
	(33,115)	Higher cost for deferred comp utility match
	80,172	Lower cost for training/travel
	(26,750)	Higher cost for temporary labor services
	(97,584)	Higher labor cost
	<u>318,863</u>	Other miscellaneous variances - net
	<u>388,003</u>	
<b>Maintenance</b>		
	63,800	A17.3 Code required elevator upgrades (all), not done
	37,926	Lower cost for fly ash system materials
	49,094	Unit 9 boiler scaffolding, over accrued in 2018
	40,000	Unit 9 pulverizer Beck Drive control retrofit, not done
	29,421	Lower cost for unit 9 update air heater outlet O2 probes
	31,251	Unit 9 routine pulverizer maintenance, not done
	80,000	Unit 9 pulverizer journal rebuilds, not done
	55,000	Rebuild two unit 9 traveling screens, not done
	32,000	Replace Unit 9 screen covers, not done
	(405,507)	Unit 9 turbine/generator overhaul, not budgeted
	28,000	Update air dryer controls, not done
	26,413	Returned 15 kV switchgear back into stores, not budgeted
	28,155	Lower cost for general plant maintenance agreements
	(27,640)	Higher labor cost
	<u>167,362</u>	Other miscellaneous variances - net
	<u>235,274</u>	
Depreciation	<u>(471,768)</u>	Net value of the A&G assets was underestimated for the budget
<b>Nonoperating Revenue (Expense)</b>		
Interest Income	141,976	Higher average cash balances
Interest Expense	<u>(1,095)</u>	
	<u>140,881</u>	
Capital Contributions	<u>3,300</u>	3 transformers for job sale
<b>Change in Net Position</b>	<u>\$ 1,305,523</u>	Total Variance from Budgeted Net Position

**MUSCATINE POWER AND WATER - WATER UTILITY**  
**VARIANCES FROM BUDGETED NET POSITION - March 31, 2019**  
Items equal to or greater than \$5,000

	(Unfavorable)/ Favorable Compared to <u>Budget</u>	
<b>Sales of Water</b>		
Contract Customers	\$ (21,236)	GPC consumption is 3.3% lower than budget, offset by a 0.7% higher billing rate
	(8,193)	Residential consumption is 4.1% lower than budgeted, offset by a 2.6% higher billing rate
	(5,000)	Commercial consumption is 4.4% higher than budgeted offset by a 7.3% lower billing rate
	(3,678)	Other miscellaneous variances
	<u>(38,107)</u>	
<b>Other Revenue</b>		
Miscellaneous Revenue	(1,324)	Other miscellaneous variances
	<u>(1,324)</u>	
<b>Operating Expense</b>		
Operation	(33,447)	Higher fuel/power purchased due to a 20.2% higher cost per gallons pumped, offset by 4.2% lower gallons pumped
	5,967	Lower chemicals expense due to fewer gallons pumped compared to budget
	(7,971)	Higher water treatment materials expenses, including \$4,898 for electricity
	(5,303)	Higher electricity expense for storage facilities
	(5,882)	Professional engineering services, not budgeted
	8,732	Timing of cost of service study
	(8,553)	Higher workers compensation claims
	13,482	Lower FICA expense
	(18,313)	Lower fringe benefits charged to construction, due to timing of capital projects
	6,725	Travel and training lower than budgeted
	25,362	Lower labor, sick, personal and vacation expense
	23,069	Other miscellaneous variances - net
	<u>3,868</u>	
Maintenance	(7,927)	Timing of valve purchases varies from budget
	8,491	Lower labor expense for pumping equipment repairs
	9,000	Two exhaust fans at Grandview treatment building, not expended
	8,000	Fresh air heater in fluoride room, not expended
	(6,480)	Relocating chemical feed pumps at Progress Park treatment building, not budgeted
	16,170	Lower cost of main repairs due to concrete repairs delayed
	(8,835)	Higher cost for meter maintenance
	5,357	Lower cost for software/hardware maintenance agreements
	3,731	Other miscellaneous variances - net
	<u>27,507</u>	
Depreciation	<u>10,760</u>	
<b>Nonoperating Revenue (Expense)</b>		
Interest Income	8,808	Higher average cash balances than projected
	<u>8,808</u>	
<b>Change in Net Position</b>	<u>\$ 11,512</u>	Total Variance in Budgeted Net Position

**MUSCATINE POWER AND WATER - COMMUNICATIONS UTILITY**  
**VARIANCES FROM BUDGETED NET POSITION -MARCH 31, 2019**  
**Items equal or greater than \$5,000**

(Unfavorable)/  
Favorable  
Compared to  
Budget

<b>Operating Revenue</b>		
Video Revenue	\$ (11,865)	Lower CATV revenues due to changes in subscriber mix offset by fewer subscribers (5,074 actual vs. 5,191 budget).
	13,757	Broadcast fee higher than budget due to bulk broadcast fee not budgeted
	14,905	Lower marketing promotional discounts due to more promotional programs offered
	(10,445)	Lower VOD/PPV sales due to fewer subscribers and less buys
	(24,264)	Lower ad sales
	(6,152)	Other miscellaneous variances - net
	<u>(24,064)</u>	
Data/Internet Revenue	83,459	Higher cable modem revenues due to customers migrating to a higher level of service offset by fewer subscribers (Subscribers = 8,722 actual & 8,767 budget)
	(52,324)	Fiber service installs are behind schedule
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	3,389	Other miscellaneous variances - net
	<u>59,961</u>	
Phone	<u>(1,241)</u>	More customers than budgeted (174 actual vs. 222 budget)
MAN	<u>11,184</u>	More contracts than budgeted
Miscellaneous Revenue	<u>4,601</u>	Other miscellaneous variances - net
<b>Operating Expense</b>		
Operation	56,630	Programming expense credit related to negotiated lower prior year expense
	36,662	Programming expense lower than budget due to fewer subscribers than budget
	14,736	Lower temp labor than budgeted, primarily due to DSRs and cable tech areas
	(22,149)	Higher cost of miscellaneous video materials expense, primarily stores issues
	(6,631)	Higher cost of miscellaneous data/internet materials expense, primarily stores issues
	9,202	Lower cost of promotional materials
	(13,449)	Higher cost of workers' compensation claims
	34,580	Labor & vacation under budget
	6,606	Health care expenses lower than budgeted
	(5,190)	Higher cost of deferred compensation due to increased employee contributions
	7,295	Travel and training under budget
	11,661	Other miscellaneous variances - net
	<u>129,953</u>	
Maintenance	9,971	Labor under budget
	14,539	Maintenance agreements are lower than budget
	(5,721)	Other miscellaneous variances - net
	<u>18,789</u>	
Depreciation	<u>11,014</u>	Lower depreciation due to fewer fixed assets purchases in 2018 than anticipated
<b>Nonoperating Revenue (Expense)</b>		
Interest Income	<u>29,162</u>	More interest income due to higher cash balances & higher rate of return
<b>Change in Net Position before Capital Contributions</b>	<u>239,359</u>	
Capital Contributions	<u>4,005</u>	
<b>Change in Net Position</b>	<u>\$ 243,364</u>	Total Variance from Budgeted Net Position