

**Muscatine Power and Water**

**Electric Utility**

**Financial Operating Statements & Balance Sheets**

**August 2019**

**Muscatine Power and Water  
Electric Utility**

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

	<b>Budget Estimate</b>	<b>% Increase (Decrease) From Budget</b>	<b>This Year</b>	<b>% Increase (Decrease) Fr. Last Yr.</b>	<b>Last Year</b>
<b><u>KWH Generated and Sold</u></b>					
Gross Generation	83,829,010	(1.0)	82,949,241	(19.9)	103,559,517
Less: Plant Use	7,214,940	46.6	10,579,899	13.8	9,295,122
Net Generation/Wholesale Sales	76,614,070	(5.5)	72,369,342	(23.2)	94,264,395
Wholesale Sales - Wind	2,770,000	(2.0)	2,713,453	(13.7)	3,142,730
Total Wholesales Sales	79,384,070	(5.4)	75,082,795	(22.9)	97,407,125
<b><u>Net Capacity Factors</u></b>					
Unit 9	60.32	(19.6)	48.52	(36.6)	76.50
Unit 8/8A	---	---	34.01	---	---
Unit 7	19.39	(31.9)	13.20	(59.5)	32.59
Total Plant	45.06	(5.5)	42.56	(25.8)	57.35
<b><u>KWH Distribution</u></b>					
Residential	10,911,792	5.4	11,500,092	0.0	11,495,682
Commercial I	2,862,919	4.7	2,998,876	(7.4)	3,238,861
Commercial II	9,406,839	(10.7)	8,397,300	(6.6)	8,990,520
Industrial I	13,713,952	(0.2)	13,691,100	(1.6)	13,911,480
Industrial II	38,713,316	(1.4)	38,178,790	(0.3)	38,287,781
City Enterprise Funds	393,917	27.1	500,831	2.5	488,540
Water & Communications Utilities	1,505,608	5.1	1,582,224	(2.8)	1,628,616
Native System Sales	77,508,343	(0.9)	76,849,213	(1.5)	78,041,480
City Lighting	132,648	(16.0)	111,477	(8.6)	121,973
City Buildings	624,134	(11.0)	555,333	(10.6)	621,456
Offline Power Plant Usage	390,480	(87.2)	50,134	(84.7)	327,786
Losses & Cycle Billing	2,186,400	(54.8)	988,185	(59.8)	2,457,700
Total Native System KWH Distributed	80,842,005	(2.8)	78,554,342	(3.7)	81,570,395
Wind KWH Purchases	2,770,000	(2.0)	2,713,453	(13.7)	3,142,730
Total Purchased Power KWH	83,612,005	(2.8)	81,267,795	(4.1)	84,713,125
<b><u>STEAM SALES - 1,000 lbs</u></b>					
	---	---	258,808	---	---

**Muscatine Power and Water - Electric Utility**  
**Classification of Electric Energy/Steam Sales**  
**Calendar Year-to-Date - August 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	634,283,866	(11.0)	564,827,451	(21.7)	721,053,923
Less: Plant Use	<u>62,252,235</u>	20.9	<u>75,237,304</u>	2.0	<u>73,733,299</u>
Net Generation/Wholesale Sales	572,031,631	(14.4)	489,590,147	(24.4)	647,320,624
Wholesale Sales - Wind	<u>33,250,000</u>	(7.7)	<u>30,675,954</u>	(9.4)	<u>33,872,768</u>
Total Wholesale Sales	<u>605,281,631</u>	(14.0)	<u>520,266,101</u>	(23.6)	<u>681,193,392</u>
<b><u>Net Capacity Factors</u></b>					
Unit 9	54.31	(24.7)	40.91	(34.4)	62.35
Unit 8/8A	16.86	1.1X	35.68	86.7	19.11
Unit 7	7.59	(26.1)	5.61	(75.9)	23.25
Total Plant	42.92	(14.4)	36.73	(26.9)	50.24
<b><u>KWH Distribution</u></b>					
Residential	68,837,728	3.3	71,078,121	(4.6)	74,524,607
Commercial I	19,324,420	5.7	20,417,033	(13.3)	23,537,840
Commercial II	68,552,602	(7.5)	63,393,420	(5.9)	67,367,180
Industrial I	91,702,068	2.5	94,030,880	2.8	91,491,680
Industrial II	314,666,532	(2.6)	306,339,287	(1.6)	311,469,595
City Enterprise Funds	3,442,361	25.2	4,308,374	25.8	3,425,702
Water & Communications Utilities	<u>11,273,373</u>	3.3	<u>11,645,022</u>	1.2	<u>11,505,518</u>
Native System Sales	577,799,084	(1.1)	571,212,137	(2.1)	583,322,122
City Lighting	1,108,900	(18.5)	903,233	(13.5)	1,044,280
City Buildings	4,914,792	(7.5)	4,545,276	(8.2)	4,951,229
Offline Power Plant Usage	1,835,280	(24.7)	1,382,473	(47.3)	2,625,016
Losses & Cycle Billing	<u>18,387,699</u>	(6.6)	<u>17,180,029</u>	(5.2)	<u>18,115,881</u>
Total Native System KWH Distributed	604,045,755	(1.5)	595,223,148	(2.4)	610,058,528
Wind KWH Purchases	<u>33,250,000</u>	(7.7)	<u>30,675,954</u>	(9.4)	<u>33,872,768</u>
Total Purchased Power KWH	<u>637,295,755</u>	(1.8)	<u>625,899,102</u>	(2.8)	<u>643,931,296</u>
<b><u>STEAM SALES - 1,000 lbs</u></b>	<u>1,008,000</u>	75.6	<u>1,769,793</u>	80.4	<u>980,791</u>

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

	Budget		% Increase (Decrease) from Budget	This Year	Avg. Price	% Increase (Decrease) from Last Year	Last Year	Avg. Price
	Estimate	Avg. Price						
<b><u>Sales of Electricity</u></b>								
Residential	\$1,207,915	\$ 0.11070	5.2	\$1,271,058	\$ 0.11053	2.8	\$1,236,043	\$ 0.10752
Commercial I	313,883	0.10964	4.0	326,377	0.10883	(4.1)	340,414	0.10510
Commercial II	735,373	0.07817	(6.3)	688,881	0.08204	(2.2)	704,682	0.07838
Industrial I	871,033	0.06351	1.7	885,833	0.06470	2.6	863,091	0.06204
Industrial II	2,112,216	0.05456	(1.2)	2,087,657	0.05468	3.7	2,012,986	0.05258
City Enterprise Funds	30,752	0.07807	24.2	38,184	0.07624	1.6	37,574	0.07691
Water & Communication Utilities	93,481	0.06209	7.2	100,170	0.06331	0.2	99,952	0.06137
Native System Sales	5,364,652	0.06921	0.6	5,398,161	0.07024	2.0	5,294,743	0.06785
Wholesale Sales	2,733,376	0.03443	(26.5)	2,008,251	0.02675	(38.2)	3,251,981	0.03339
Energy Sales	8,098,028		(8.5)	7,406,411		(13.3)	8,546,724	
<b><u>Steam Sales</u></b>	---	---	---	776,493	3.00	---	---	---
<b><u>Other Revenue</u></b>								
By-Product Revenue	28,833		21.5	35,046		(47.2)	66,383	
Miscellaneous Revenue	57,784		8.5	62,708		20.2	52,180	
Total Other Revenue	86,617		12.9	97,754		(17.6)	118,563	
Operating Revenue	8,184,645		1.2	8,280,658		(4.4)	8,665,287	
<b><u>Operating Expense</u></b>								
Purchased Power	2,578,530	0.03084	(21.9)	2,014,904	0.02479	(24.1)	2,655,736	0.03135
Production Fuel	1,856,107		14.9	2,132,235		1.3	2,104,944	
Emissions Allowance	---		---	430		25.0X	17	
Operation	2,239,761		2.4	2,293,966		5.3	2,179,438	
Maintenance	773,565		9.2	844,607		0.3	842,097	
Depreciation	869,891		(1.8)	854,369		(10.9)	958,834	
Total Operating Expense	8,317,853		(2.1)	8,140,511		(6.9)	8,741,066	
Operating Income (Loss)	(133,208)		-2.1X	140,147		-2.8X	(75,778)	
<b><u>Nonoperating Revenue (Expense)</u></b>								
Interest Income	70,101		75.9	123,342		21.4	101,608	
Interest Expense	(1,451)		37.9	(2,001)		1.2X	(907)	
Total Nonoperating Revenue (Expense)	68,650		76.8	121,340		20.5	100,700	
<b>Net Income (Loss) Before Revenue Adjustment</b>	<b>(64,558)</b>		<b>-5.1X</b>	<b>261,487</b>		<b>9.5X</b>	<b>24,922</b>	
Capital Contributions	---		---	---		---	---	
<b>Change in Net Position</b>	<b>(64,558)</b>		<b>-5.1X</b>	<b>261,487</b>		<b>9.5X</b>	<b>24,922</b>	
<b>Beginning Net Position</b>	<b>104,047,303</b>			<b>107,267,035</b>			<b>113,371,209</b>	
Prior Period Adj. GASB 18- Landfill	---			---			(1,069,701)	
<b>Ending Net Position</b>	<b>\$103,982,744</b>			<b>\$107,528,522</b>			<b>\$112,326,430</b>	
Net Income (Loss) Before Rev Adj to Op Revenue	(0.8)			3.2			0.3	
Change in Net Position to Operating Revenue	(0.8)			3.2			0.3	

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

	Budget		% Increase (Decrease) from Budget	This Year	Avg. Price	% Increase (Decrease) from Last Year	Last Year	Avg. Price
	Estimate	Avg. Price						
<b>Sales of Electricity</b>								
Residential	\$7,756,318	\$ 0.11268	7.7	\$8,357,417	\$ 0.11758	3.3	\$8,088,910	\$ 0.10854
Commercial I	2,103,549	0.10885	9.3	2,299,702	0.11264	(5.2)	2,426,700	0.10310
Commercial II	5,416,567	0.07901	1.2	5,484,273	0.08651	4.9	5,228,691	0.07761
Industrial I	5,900,533	0.06434	12.1	6,615,940	0.07036	15.1	5,746,331	0.06281
Industrial II	16,891,301	0.05368	7.0	18,074,947	0.05900	12.9	16,014,768	0.05142
City Enterprise Funds	266,632	0.07746	30.1	346,866	0.08051	36.2	254,767	0.07437
Water & Communications Utilities	689,103	0.06113	17.0	805,995	0.06921	14.1	706,405	0.06140
Native System Sales	39,024,002	0.06754	7.6	41,985,140	0.07350	9.1	38,466,572	0.06594
Wholesale Sales	19,748,113	0.03263	(22.1)	15,375,554	0.02955	(30.8)	22,231,913	0.03264
Energy Sales	58,772,115		(2.4)	57,360,694		(5.5)	60,698,484	
<b>Steam Sales</b>	3,870,790	3.84	58.7	6,142,614	3.47	64.7	3,728,503	3.80
<b>Other Revenue</b>								
By-Product Revenue	203,486		1.4	206,408		(32.8)	306,938	
Miscellaneous Revenue	432,872		4.5	452,177		(1.6)	459,383	
Total Other Revenue	636,358		3.5	658,585		(14.1)	766,321	
Operating Revenue	63,279,263		1.4	64,161,892		(1.6)	65,193,308	
<b>Operating Expense</b>								
Purchased Power	18,666,987	0.02929	(10.2)	16,767,802	0.02679	(12.7)	19,201,074	0.02982
Production Fuel	15,222,241		(3.8)	14,637,184		(3.5)	15,171,622	
Emissions Allowance	2,104		1.0X	4,227		1.1X	2,040	
Operation	18,177,446		(2.1)	17,786,855		6.0	16,774,456	
Maintenance	7,476,594		(6.0)	7,029,930		8.5	6,477,174	
Depreciation	6,959,128		15.6	8,044,399		4.9	7,670,673	
Total Operating Expense	66,504,499		(3.4)	64,270,396		(1.6)	65,297,038	
Operating Loss	(3,225,236)		(96.6)	(108,503)		4.6	(103,730)	
<b>Nonoperating Revenue (Expense)</b>								
Interest Income	560,809		76.5	990,079		61.6	612,587	
Interest Expense	(11,610)		30.4	(15,136)		96.9	(7,687)	
Total Nonoperating Revenue (Expense)	549,199		77.5	974,943		61.2	604,900	
<b>Net Income (Loss) Before Revenue Adjustment and Capital Contributions</b>	(2,676,037)		-1.3X	866,440		72.9	501,170	
Capital Contributions	---		---	3,300		---	---	
<b>Change in Net Position</b>	(2,676,037)		-1.3X	869,740		73.5	501,170	
<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>	\$103,982,744			\$107,528,522			\$112,326,430	
Net Income (Loss) Before Rev Adj to Op Revenue	(4.2)			1.4			0.8	
Change in Net Position to Operating Revenue	(4.2)			1.4			0.8	

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

**ASSETS**

	<u>2019</u>	<u>2018</u>
<b>Current Assets:</b>		
Cash - interest bearing	\$17,384,756	\$25,654,773
Investments	48,169,597	32,007,427
Receivables:		
Consumer Accounts	7,212,357	6,567,044
Refined Coal	2,102,287	3,403,853
Wholesale	56,418	487,674
Steam Sales	776,764	---
Interest	336,059	234,344
Inventories	5,542,338	5,236,097
Fuel	4,092,240	9,588,897
Prepaid Expenses	1,041,858	942,428
	<u>86,714,674</u>	<u>84,122,536</u>
<b>Total Current Assets</b>		
<b>Property and Equipment:</b>		
At Cost	433,258,784	433,013,349
Less Accumulated Depreciation	373,538,110	366,550,498
	<u>59,720,674</u>	<u>66,462,851</u>
<b>Net Property and Equipment</b>		
<b>Other Assets:</b>		
Note Receivable - Communications Utility	8,078,994	8,562,844
Joint Venture Rights	105,208	74,731
	<u>8,184,202</u>	<u>8,637,575</u>
<b>Total Other Assets</b>		
<b>Deferred Outflows of Resources</b>		
Pension	8,776,406	11,941,941
OPEB	79,020	79,020
	<u>8,855,426</u>	<u>12,020,961</u>
<b>Total Deferred Outflows of Resources</b>		
<b>TOTAL ASSETS</b>	<u><u>\$163,474,976</u></u>	<u><u>\$171,243,923</u></u>

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

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

	<u>2019</u>	<u>2018</u>
<b>Current Liabilities:</b>		
<u>Unrestricted</u>		
Accounts Payable	\$3,976,889	\$4,933,578
Health & Dental Insurance Provision	293,070	248,520
Accrued Payroll	328,766	287,770
Accrued Vacation	1,182,627	1,218,454
Accrued Emission Allowance Expense	16,437	9,922
Consumers' Deposits	902,301	824,962
Retained Percentage on Contracts	---	24,225
Accrued Property Taxes	113,893	112,674
Miscellaneous Accrued Expenses	960,714	730,012
Unearned Revenue	27,390	19,806
	<u>7,802,087</u>	<u>8,409,923</u>
<b>Total Unrestricted Current Liabilities</b>		
	<u>7,802,087</u>	<u>8,409,923</u>
<b>Non-Current Liabilities:</b>		
Health & Dental Insurance Provision	1,046,692	1,257,285
Post-Employment Health Benefit Provision	705,820	674,297
Landfill closure and post closure liability	1,580,457	1,069,701
Net Pension Liability	13,598,646	18,219,293
	<u>16,931,615</u>	<u>21,220,576</u>
<b>Total Non-Current Liabilities</b>		
	<u>16,931,615</u>	<u>21,220,576</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	90,560
	<u>31,212,752</u>	<u>29,286,994</u>
<b>Total Deferred Inflows of Resources</b>		
	<u>31,212,752</u>	<u>29,286,994</u>
<b>Net Position:</b>		
Net Investment in Capital Assets	59,720,674	66,462,851
Unrestricted	47,807,848	45,863,579
	<u>107,528,522</u>	<u>112,326,430</u>
<b>Total Net Position</b>		
	<u>107,528,522</u>	<u>112,326,430</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>		
	<u>\$163,474,976</u>	<u>\$171,243,923</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$140,147	(\$108,503)
Noncash items in operating income:		
Depreciation of electric utility plant	854,369	8,044,399
Amortization of joint venture rights	11,609	75,210
Change in deferred outflows of resources	(214,262)	(1,784,851)
Changes in assets and liabilities:		
Consumer accounts receivable	219,528	(384,885)
Refined coal	532,901	(386,904)
Wholesale receivable	(49,788)	(51,754)
Steam sales receivable	11,885	123,471
Inventories	(59,501)	(208,683)
Fuel	308,999	3,181,978
Prepaid expenses	149,158	(557,964)
Accounts payable	(1,194,325)	(2,381,745)
Net pension liability	409,989	2,544,117
Health & dental insurance provision	(24,924)	(219,397)
Other post-employment benefit provision	2,636	21,092
Accrued payroll	(90,034)	(474,145)
Accrued vacation	(19,134)	(49,060)
Accrued emission allowance expense	430	4,227
Consumers' deposits	(11,253)	56,748
Accrued property taxes	8,400	15,930
Unearned revenue	(2,609)	19,823
Miscellaneous accrued expenses	49,296	119,016
Net cash flows from operating activities	1,033,517	7,598,120
Cash flows from capital financing activities:		
Sale of Rail cars	---	200,005
Capital expenditures, net	(286,430)	(4,021,281)
Net cash flows from capital and related financing activities	(288,433)	(3,821,276)
Cash flows from investing activities:		
Purchase of joint venture rights	(30,630)	(82,620)
Interest received on investments	115,915	1,034,706
Net cash flows from investing activities	85,285	952,086
Net increase in cash and investments	830,369	4,728,930
Cash and investments at beginning of period	\$64,723,984	\$60,825,423
Cash and investments at end of period	\$65,554,353	\$65,554,353

**Muscatine Power and Water - Electric Utility  
Funds Appropriated for Specific Purposes  
August 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>\$28,032,866</u>	<u>\$28,032,866</u>

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Purchased Power</u></b>	<u>\$2,578,530</u>	31.5	<u>\$2,014,904</u>	24.3	<u>\$2,655,736</u>	30.6
Average price per kWh	\$0.03084		\$0.02479		\$0.03135	
 <b><u>Generation</u></b>						
Operation Supervision (500)	78,593		87,537		96,186	
Fuel: (501)						
Coal	1,660,087		2,059,867		2,059,376	
Fuel Oil	---		---		96	
Gas	2,083		9,883		4,642	
Coal Handling Expense (501-003)	34,417		47,534		31,295	
Landfill Operation Expense (501-925)	159,519		14,952		9,536	
Emissions Allowance Expense (509)	---		430		17	
Steam Expense:						
Boiler (502-004)	91,246		104,543		138,950	
Pollution Control (502-005)	46,596		55,520		37,607	
Electric Expense (505)	97,457		103,801		92,778	
Miscellaneous Steam Power Expense (506)	306,873		144,134		178,403	
Maintenance:						
Supervision (510)	70,767		69,663		77,587	
Structures (511)	87,787		46,072		42,151	
Boiler Plant:						
Boiler (512-006)	170,462		102,020		56,574	
Pollution Control (512-007)	45,545		40,418		97,411	
Electric Plant (513-008)	35,133		54,215		29,484	
System Control (513-009)	21,249		20,569		19,577	
Miscellaneous Steam Plant (514)	46,184		69,384		57,729	
Coal Handling Equipment (516)	55,981		44,105		47,715	
System Control and Load Dispatch (556)	27,308		22,725		31,837	
Vacation, Holiday, Sick Leave (557)	68,401		60,588		51,698	
Depreciation (558)	<u>642,982</u>		<u>630,825</u>		<u>641,039</u>	
 Total Generation Expense	 <u>\$3,748,671</u>	 45.8	 <u>\$3,788,784</u>	 45.8	 <u>\$3,801,687</u>	 43.9

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

	<b>Budget Estimate</b>		<b>This Year</b>		<b>Last Year</b>	
<b><u>Transmission</u></b>						
Operation Supervision (560)	\$9,494		\$11,222		\$9,559	
Load Dispatching (561)	76,560		55,978		70,350	
Station Expense (562)	12,047		11,882		7,704	
Overhead Line Expense (563)	160		4,241		4,233	
Transmission of Electricity by Others (565)	126,060		120,443		101,614	
Miscellaneous Transmission Expense (566)	11,789		24,995		10,639	
Maintenance:	---		---		---	
Supervision (568)	2,932		3,814		2,331	
Structures (569)	105		---		---	
Station Equipment (570)	2,774		14,474		1,059	
Overhead Lines (571)	21,348		20,390		3,005	
Vacation, Holiday, Sick Leave (575)	10,432		5,329		5,716	
Depreciation (576)	46,015		44,433		43,048	
Tax on Rural Property (577)	5,621		6,007		5,690	
	<hr/>		<hr/>		<hr/>	
Total Transmission Expense	325,336	4.0	323,208	3.9	264,948	3.1
<b><u>Distribution</u></b>						
Operation Supervision (580)	15,487		14,436		12,381	
Load Dispatching (581)	32,421		28,533		33,284	
Station Expense (582)	13,489		9,505		7,169	
Overhead Line Expense (583)	1,851		5,141		---	
Vehicle Expense (589)	15,477		12,215		21,653	
Underground Line Expense (584)	7,731		5,636		7,454	
Street Lighting (585-418)	2,535		2,223		1,692	
Signal Expense (585-419)	1,299		268		539	
Meter Expense (586)	11,240		13,915		12,136	
Consumer Installation Expense (587)	755		630		2,729	
Miscellaneous Distribution Expense (588)	62,044		79,433		82,921	
Maintenance:						
Supervision (590)	12,198		11,068		7,744	
Structures (591)	985		---		---	
Station Equipment (592)	6,296		10,016		7,093	
Overhead Lines (593)	64,862		129,591		100,148	
Underground Lines (594)	23,449		43,987		12,924	
Line Transformers (595)	4,745		20,164		13,935	
Street Lighting (596-418)	6,370		12,228		18,059	
Signal System (596-419)	2,252		4,317		16,239	
Meters (597)	3,158		6,955		2,843	
Miscellaneous Distribution Plant (598)	2,750		4,280		1,724	
Vacation, Holiday, Sick Leave (599)	26,544		28,834		20,561	
Depreciation (578)	180,895		179,112		175,558	
Tax on Rural Property (579)	1,679		1,794		1,700	
	<hr/>		<hr/>		<hr/>	
Total Distribution Expense	\$500,511	6.1	\$624,281	7.5	\$560,485	6.5

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Current Month - August 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)	\$6,186		\$2,828		\$2,273	
Energy Efficiency Rebates (912)	13,810		7,351		1,986	
Electric Ranges/Dryers Maintenance (910)	464		85		263	
Electric Water Heaters Maintenance (911)	166		---		117	
	<hr/>		<hr/>		<hr/>	
Total Customer Service Expense	20,625	0.3	10,264	0.1	4,639	0.1
	<hr/>		<hr/>		<hr/>	
<b><u>Consumer Accounts</u></b>						
Meter Reading Expense (902)	7,896		11,549		11,942	
Consumer Records and Collection (901/903)	47,981		42,571		50,422	
Uncollectible Accounts Expense (904)	3,811		3,811		4,253	
Vacation, Holiday, Sick Leave (906)	4,695		4,121		4,177	
	<hr/>		<hr/>		<hr/>	
Total Consumer Accounts Expense	64,383	0.8	62,051	0.7	70,794	0.8
	<hr/>		<hr/>		<hr/>	
<b><u>Administrative and General</u></b>						
Administrative and General Salaries (920)	201,277		199,730		199,906	
Office Supplies and Expenses (921)	14,064		19,740		16,138	
Outside Services Employed (923)	22,743		16,191		32,196	
Property Insurance (924)	65,994		76,226		62,067	
Casualty Ins, Injuries & Damages (925)	42,619		63,493		58,814	
Employee Pensions and Benefits (926)	614,018		771,381		687,025	
Fringe Benefits Charged to Constr. (927)	(41,399)		(13,001)		(34,681)	
Regulatory Commission (928)	9,140		5,166		(21,965)	
Miscellaneous General Expense (930)	39,555		39,574		33,335	
Maintenance of General Plant (932)	48,750		56,525		62,802	
Maintenance of A/O Center (934)	37,484		60,352		163,963	
Vacation, Holiday, Sick Leave (936)	25,551		21,643		23,988	
Depreciation (933)	---		---		99,190	
	<hr/>		<hr/>		<hr/>	
Total Administrative and General	1,079,797	13.2	1,317,020	15.9	1,382,777	16.0
	<hr/>		<hr/>		<hr/>	
Total Operating Expense	<u>\$8,317,853</u>		<u>\$8,140,511</u>		<u>\$8,741,066</u>	
	<hr/>		<hr/>		<hr/>	
Percent to Operating Revenue		101.6		98.3		100.9

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Purchased Power</u></b>	<u>\$18,666,987</u>	29.5	<u>\$16,767,802</u>	26.1	<u>\$19,201,074</u>	29.5
Average price per kWh	\$0.02929		\$0.02679		\$0.02982	
<b><u>Generation</u></b>						
Operation Supervision (500)	624,574		674,769		645,537	
Fuel: (501)						
Coal	13,849,040		13,891,741		14,623,248	
Fuel Oil	47,643		47,833		47,334	
Gas	90,954		106,494		87,748	
Coal Handling Expense (501-003)	279,336		441,019		293,277	
Landfill Operation Expense (501-925)	955,267		150,097		120,014	
Emissions Allowance Expense (509)	2,104		4,227		2,040	
Steam Expense:						
Boiler (502-004)	792,131		855,964		831,846	
Pollution Control (502-005)	409,960		309,042		411,923	
Electric Expense (505)	761,906		815,668		745,520	
Miscellaneous Steam Power Expense (506)	1,760,312		1,211,106		1,272,571	
Maintenance:						
Supervision (510)	552,912		584,394		608,404	
Structures (511)	798,605		551,678		418,678	
Boiler Plant:						
Boiler (512-006)	1,606,254		1,477,995		1,603,699	
Pollution Control (512-007)	478,592		439,594		391,247	
Electric Plant (513-008)	672,541		849,683		411,829	
System Control (513-009)	166,328		163,134		162,885	
Miscellaneous Steam Plant (514)	427,631		374,801		346,347	
Coal Handling Equipment (516)	748,432		530,793		567,457	
System Control and Load Dispatch (556)	220,569		226,478		249,636	
Vacation, Holiday, Sick Leave (557)	662,474		643,565		644,159	
Depreciation (558)	<u>5,143,855</u>		<u>5,046,596</u>		<u>5,128,314</u>	
<b>Total Generation Expense</b>	<u>\$31,051,422</u>	49.1	<u>\$29,396,671</u>	45.8	<u>\$29,613,712</u>	45.4

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Transmission</u></b>						
Operation Supervision (560)	\$74,289		\$71,434		\$62,687	
Load Dispatching (561)	614,040		586,356		563,542	
Station Expense (562)	114,304		80,162		97,766	
Overhead Line Expense (563)	808		30,768		15,145	
Transmission of Electricity by Others (565)	1,028,480		843,062		749,284	
Miscellaneous Transmission Expense (566)	100,933		105,108		90,349	
Maintenance:						
Supervision (568)	22,947		22,486		16,465	
Structures (569)	1,116		---		---	
Station Equipment (570)	45,190		75,789		66,576	
Overhead Lines (571)	205,082		166,344		60,723	
Vacation, Holiday, Sick Leave (575)	101,125		82,015		86,183	
Depreciation (576)	368,116		355,461		344,380	
Tax on Rural Property (577)	44,967		45,503		45,612	
	<hr/>		<hr/>		<hr/>	
Total Transmission Expense	2,721,398	4.3	2,464,488	3.8	2,198,711	3.4
<b><u>Distribution</u></b>						
Operation Supervision (580)	121,117		103,611		91,805	
Load Dispatching (581)	254,886		238,232		256,017	
Station Expense (582)	128,328		69,875		59,262	
Overhead Line Expense (583)	26,201		5,845		957	
Vehicle Expense (589)	123,501		113,838		123,104	
Underground Line Expense (584)	48,803		37,113		39,845	
Street Lighting (585-418)	20,199		8,012		8,882	
Signal Expense (585-419)	10,598		1,545		5,345	
Meter Expense (586)	92,640		87,173		82,637	
Consumer Installation Expense (587)	5,927		6,017		9,436	
Miscellaneous Distribution Expense (588)	504,828		621,303		584,957	
Maintenance:						
Supervision (590)	90,196		74,651		57,663	
Structures (591)	12,717		---		---	
Station Equipment (592)	73,150		75,753		52,307	
Overhead Lines (593)	454,637		646,480		537,801	
Underground Lines (594)	178,982		138,019		171,417	
Line Transformers (595)	46,794		34,918		40,228	
Street Lighting (596-418)	71,932		46,476		118,223	
Signal System (596-419)	27,368		55,491		60,597	
Meters (597)	22,938		28,081		17,760	
Miscellaneous Distribution Plant (598)	22,000		18,980		21,001	
Vacation, Holiday, Sick Leave (599)	258,133		294,323		272,709	
Depreciation (578)	1,447,157		1,432,897		1,404,461	
Tax on Rural Property (579)	13,432		13,592		13,628	
	<hr/>		<hr/>		<hr/>	
Total Distribution Expense	\$4,056,463	6.4	\$4,152,226	6.5	\$4,030,042	6.2

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - August 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)	\$65,268		\$46,080		\$44,029	
Energy Efficiency Rebates (912)	106,980		41,346		91,493	
Electric Ranges/Dryers Maintenance (910)	3,808		1,700		1,447	
Electric Water Heaters Maintenance (911)	1,358		474		1,053	
	<u>          </u>		<u>          </u>		<u>          </u>	
Total Customer Service Expense	\$177,414	0.3	\$89,600	0.1	\$138,021	0.2
	<u>          </u>		<u>          </u>		<u>          </u>	
<b><u>Consumer Accounts</u></b>						
Meter Reading Expense (902)	69,451		90,621		81,471	
Consumer Records and Collection (901/903)	379,067		346,344		348,232	
Uncollectible Accounts Expense (904)	30,485		30,485		34,024	
Vacation, Holiday, Sick Leave (906)	45,640		41,239		41,436	
	<u>          </u>		<u>          </u>		<u>          </u>	
Total Consumer Accounts Expense	524,643	0.8	508,689	0.8	505,163	0.8
	<u>          </u>		<u>          </u>		<u>          </u>	
<b><u>Administrative and General</u></b>						
Administrative and General Salaries (920)	1,575,033		1,519,967		1,471,740	
Office Supplies and Expenses (921)	122,884		149,714		122,084	
Outside Services Employed (923)	459,433		251,355		283,000	
Property Insurance (924)	514,795		567,329		477,498	
Casualty Ins, Injuries & Damages (925)	344,995		618,016		334,331	
Employee Pensions and Benefits (926)	4,969,710		5,434,443		4,976,769	
Fringe Benefits Charged to Constr. (927)	(236,040)		(230,479)		(233,170)	
Regulatory Commission (928)	73,120		52,804		39,645	
Miscellaneous General Expense (930)	485,723		365,156		354,671	
Maintenance of General Plant (932)	407,171		313,191		337,517	
Maintenance of A/O Center (934)	343,078		361,198		408,350	
Vacation, Holiday, Sick Leave (936)	246,267		278,780		244,363	
Depreciation (933)	0		1,209,445		793,518	
	<u>          </u>		<u>          </u>		<u>          </u>	
Total Administrative and General	9,306,171	14.7	10,890,919	17.0	9,610,315	14.7
	<u>          </u>		<u>          </u>		<u>          </u>	
Total Operating Expense	<u>\$66,504,499</u>		<u>\$64,270,396</u>		<u>\$65,297,038</u>	
Percent to Operating Revenue		105.1		100.2		100.2

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

	<u>Current Month</u>	
	<u>2019</u>	<u>2018</u>
Total Fuel Cost Per Million Btu.*	\$1.898	\$1.950
Coal Burn Cost Per Million Btu.	\$1.823	\$1.887
Total Fuel Cost Per Net MW Generated*	\$24.62	\$22.54
Coal Burn Cost Per Net MW Generated	\$23.46	\$21.81
Net Peak Monthly Demand-KW	130,370	134,730
Date of Peak	8/19	8/9
Hour of Peak	1800	1800
	<u>Calendar Year-To-Date</u>	
	<u>2019</u>	<u>2018</u>
Total Fuel Cost Per Million Btu.*	\$1.911	\$1.806
Coal Burn Cost Per Million Btu.	\$1.798	\$1.716
Total Fuel Cost Per Net MW Generated*	\$22.45	\$20.88
Coal Burn Cost Per Net MW Generated	\$20.67	\$19.70
Net Peak Monthly Demand-KW	138,590	145,010
Date of Peak	6/27	6/18
Hour of Peak	1500	1800
Average Temperature	71.3°	72.9°
<b><u>Services</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
Residential	9,905	9,904
Commercial I	1,350	1,354
Commercial II	148	142
Industrial I	12	12
Industrial II	2	2
City Enterprise Funds	25	24
Water & Communications Utility	36	36
Total	<u>11,478</u>	<u>11,474</u>

\*Total Fuel Cost includes FERC 501 (All) & FERC 502 (Locations 940/943)

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

	<u>Modified Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<b><u>Wholesale kWh Sales*</u></b>	<u>76,614,070</u>		<u>72,369,342</u>		<u>94,264,395</u>	
<b><u>Wholesale Sales*</u></b>	<u>\$2,682,131</u>	<u>\$0.03501</u>	<u>\$1,969,077</u>	<u>\$0.02721</u>	<u>\$3,189,051</u>	<u>\$0.03383</u>
<b><u>Variable Costs</u></b>						
Fuel (Coal, Gas & Fuel Oil)	1,657,129	0.02163	1,707,680	0.02360	2,061,163	0.02187
Emissions:						
SO <sup>2</sup> Allowances-ARP <sup>fn1</sup>	---	---	3	---	4	---
SO <sup>2</sup> Allowances-CSAPR <sup>fn2</sup>	---	---	21	---	5	---
NO <sub>x</sub> Allowances <sup>fn3</sup>	---	---	6,937	0.00406	19,847	---
Other <sup>fn4</sup>	194,640	0.00254	194,349	0.00269	162,080	0.00172
Total Variable Costs	<u>1,851,769</u>	<u>0.02417</u>	<u>1,908,990</u>	<u>0.02638</u>	<u>2,243,099</u>	<u>0.02380</u>
<b><u>Gross Margin</u></b>	<u>\$830,362</u>	<u>\$0.01084</u>	<u>\$60,087</u>	<u>\$0.00083</u>	<u>\$945,952</u>	<u>\$0.01004</u>
Percent Gross Margin	31.0%		3.1%		29.7%	

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

**Calendar Year To Date**

	<u>Modified Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<b><u>Wholesale kWh Sales*</u></b>	<u>\$72,031,631</u>		<u>489,590,147</u>		<u>647,320,624</u>	
<b><u>Wholesale Sales*</u></b>	<u>\$19,197,030</u>	<u>\$0.03356</u>	<u>\$14,922,571</u>	<u>\$0.03048</u>	<u>\$21,598,950</u>	<u>\$0.03337</u>
<b><u>Variable Costs</u></b>						
Fuel (Coal, Gas & Fuel Oil)	11,984,910	0.02095	10,272,910	0.02098	12,888,047	0.01991
Emissions:						
SO <sup>2</sup> Allowances-ARP <sup>fn1</sup>	445	---	159	---	122	0.00000
SO <sup>2</sup> Allowances-CSAPR <sup>fn2</sup>	764	---	508	---	154	0.00000
NO <sub>x</sub> Allowances <sup>fn3</sup>	1,196	---	37,120	0.00008	65,516	0.00010
Other <sup>fn4</sup>	1,557,119	0.00272	1,556,237	0.00318	1,321,096	0.00204
Total Variable Costs	<u>13,544,434</u>	<u>0.02368</u>	<u>11,866,934</u>	<u>0.02424</u>	<u>14,274,935</u>	<u>0.02205</u>
<b><u>Gross Margin</u></b>	<u>\$5,652,596</u>	<u>\$0.00988</u>	<u>\$3,055,637</u>	<u>\$0.00624</u>	<u>\$7,324,015</u>	<u>\$0.01131</u>
Percent Gross Margin	29.4%		20.5%		33.9%	

\*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	\$0.50	\$0.70
YTD SO <sup>2</sup> ARP	1.00	0.62	0.70
<b>fn2</b> SO <sup>2</sup> CSAPR	1.00	3.50	0.88
YTD SO <sup>2</sup> CSAPR	1.00	2.33	0.88
<b>fn3</b> NO <sub>x</sub> annual	2.00	3.50	1.50
NO <sub>x</sub> seasonal	270.00	112.50	270.00
YTD NO <sub>x</sub> annual	2.00	2.69	1.50
YTD NO <sub>x</sub> seasonal	270.00	144.60	239.53

**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 - August 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>2,770,000</u>		<u>2,713,453</u>		<u>3,142,730</u>	
<b>Wholesale Sales</b>	<u>\$51,245</u>	<u>\$0.01850</u>	<u>\$39,174</u>	<u>\$0.01444</u>	<u>\$62,930</u>	<u>\$0.02002</u>
<b>Expense</b>						
<b>Purchased Power kWh</b>	<u>2,770,000</u>		<u>2,713,453</u>		<u>3,142,730</u>	
<b>Purchased Power</b>	<u>\$75,233</u>	<u>0.02716</u>	<u>\$73,697</u>	<u>0.02716</u>	<u>\$83,502</u>	<u>0.02657</u>
<b>Gross Margin/(Loss)</b>	<u>(\$23,988)</u>	<u>(\$0.00866)</u>	<u>(\$34,523)</u>	<u>(\$0.01272)</u>	<u>(\$20,572)</u>	<u>(\$0.00655)</u>
Percent Gross Margin	-46.8%		-88.1%		-32.7%	
RECs Sold	---		---		---	
REC Net Proceeds	\$0		\$0		\$0	
Misc Wind Revenues/Charges	\$0		\$0		\$0	
<b>Wind Net Margin/(Loss)</b>	<b>(\$23,988)</b>		<b>(\$34,523)</b>		<b>(\$20,572)</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>33,250,000</u>		<u>30,675,954</u>		<u>33,872,768</u>	
<b>Wholesale Sales</b>	<u>\$551,083</u>	<u>\$0.01657</u>	<u>\$452,983</u>	<u>\$0.01477</u>	<u>\$632,963</u>	<u>\$0.01869</u>
<b>Expense</b>						
<b>Purchased Power kWh</b>	<u>33,250,000</u>		<u>30,675,954</u>		<u>33,872,768</u>	
<b>Purchased Power</b>	<u>\$903,070</u>	<u>0.02716</u>	<u>\$834,088</u>	<u>0.02719</u>	<u>\$900,661</u>	<u>0.02659</u>
<b>Gross Margin/(Loss)</b>	<u>(\$351,987)</u>	<u>(\$0.01059)</u>	<u>(\$381,105)</u>	<u>(\$0.01242)</u>	<u>(\$267,698)</u>	<u>(\$0.00790)</u>
Percent Gross Margin	-63.9%		-84.1%		-42.3%	
RECs Sold	---		25,000		1,000	
REC Net Proceeds	\$0	---	\$18,750	0.75	\$750	0.75
Misc Wind Revenues/Charges	\$0		\$0		\$0	
<b>Wind Net Margin/(Loss)</b>	<b>(\$351,987)</b>		<b>(\$362,355)</b>		<b>(\$266,948)</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		34,631	23,493
RECs Sold This Period		25,000	1,000
Number of RECs on hand		62,792	55,111
Market Value per REC		\$0.75	\$0.75
Value of RECs on Hand		\$47,094.00	\$41,333.25

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

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

	(Unfavorable)/ Favorable Compared to Budget	
<b>Sales of Electricity</b>		
Native System Sales	\$ 2,961,138	1.1% lower kWhs sold, offset by a 8.8% higher average sales price (\$.07350/kWh versus \$.06754/kWh budgeted)
Wholesale Sales	<u>(4,372,559)</u> <u>(1,411,421)</u>	14.0% lower kWhs sold and a 9.4% lower average sale price (\$.02955/kWh versus \$.03263/kWh)
<b>Steam Sales</b>	<u>2,271,824</u>	75.6% higher pounds of steam sold
<b>Other Revenue</b>		
By-Product Revenue	9,821 (6,899)	Fly ash sales higher than budgeted Gypsum sales lower than budgeted
Miscellaneous Revenue	(23,019) 18,750 14,048 8,352 5,320 <u>(4,146)</u> <u>22,227</u>	Lower job sales, net of expenses Revenue from RECs, not budgeted Higher transmission revenue Higher penalty revenue Revenue from RESCO for patronage dividends Other miscellaneous variances - net
<b>Operating Expense</b>		
Purchased Power - Native System	1,830,203	Average purchase price is 8.5% lower (\$.02679/kwh vs \$.02929/kwh) and 1.5% lower kWhs purchased
Purchased Power - Wind	<u>68,982</u> <u>1,899,185</u>	7.7% lower kWhs purchased
Production Fuel	744,458 (42,701) 23,200 17,922 13,000 12,000 7,654 6,000 5,000 (5,731) (13,850) (23,195) (168,119) <u>9,419</u> <u>585,057</u>	Lower cost for phase I landfill partial cover 4.3% or 19,374 higher tons of coal burned, offset by a 0.9% lower price/ton CCR compliance engineering services cost not incurred Spraying herbicide for weed control, cost not incurred CCR federal reports cost not incurred AWQR cost not incurred Lower Unit 7 natural gas usage Landfill site inspection cost not incurred Landfill financial assurance cost not incurred Unit 9's higher cost of fuel oil Higher coal handling gas and diesel fuel cost Higher Unit 8 natural gas usage Higher labor cost Other miscellaneous variances - net
Emissions Allowance	<u>(2,123)</u>	Market price higher than assumed
Operation	24,853 (16,785) 13,167 40,774 (11,174) (16,628) (9,662) 13,336 24,548 43,067 (30,966) 88,777 7,600 6,259 7,500 8,000 80,000 6,800 21,982 5,552 12,451 10,801 5,072 10,819 19,473	Lower cost for bottom ash system chemicals Higher cost for steam expense boiler miscellaneous materials expense Lower PAC injection system costs Lower cost for wastewater chemicals and analysis Higher limestone usage Higher cost for power plant water bills Higher cost for IDNR Title V permit fee PM2.5 modeling, cost not incurred Lower cost for stack testing Lower cost for RATA testing Higher cost for engineering services for CCR rule compliance Lower cost for 316(b) cooling water impingement/entrainment study EPA protocol-1 cal. & linearity gasses & demurrage, not done Lower cost for universal waste recycling/hazardous waste disposal Process hazard analysis support consulting, not done COOP student, cost not incurred Power supply study, cost not incurred yet Coal and by-product analysis, not done Lower cost for IDNR Non-Title V permit fee Lower cost for ESC software engineering time/maintenance Lower cost for plant safety materials expense Lower cost for plant road and railroad crossing repairs Lower cost for PEPSI/PMAX/Aware maintenance agreements Lower cost for MISO operating & administrative fees Lower cost for transmission load dispatching materials expense

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

(Unfavorable)/  
 Favorable Compared  
 to Budget

185,418	Lower cost for MISO's multi-value transmission and market efficiency projects
20,000	Replacement of Wiggins Road sub-step, not done
18,909	Electric line workers' tools lower than budget, lean supplies not needed, & hoist testing not done
20,863	Lower cost for share in MAGIC's operating expenses
(8,033)	Higher cost for other miscellaneous distribution materials expense
(11,865)	Higher cost for fire retardant clothing
11,186	Lower cost for promotional materials
8,370	Lower cost for Questline-EE newsletter service and customer awareness programs
65,634	Lower cost for energy efficiency rebates
(6,967)	Higher cost for office supplies
20,267	Lower cost for organizational development consulting
(15,333)	Succession planning, not budgeted
57,761	Lower cost for legal services and transmission/reliability standards
25,957	Lower cost for CIP compliance consulting
7,731	Lower cost for financial audit services
13,170	Lower cost for cost of service study
5,484	Lower cost for benefits consulting
20,250	Pension study / GASB 67/68 report, cost not incurred
24,300	Employee search services, cost not incurred
(10,135)	Director professional counseling, not budgeted
40,500	Engineering compensation review, cost not incurred
8,100	Employee survey, cost not incurred
(281,475)	Higher cost for worker's compensation claims
8,454	Lower premium cost for casualty insurance
(441,478)	Higher cost for pension
49,200	Lower cost for healthcare
(24,149)	Higher cost for FICA
(35,028)	Higher cost for deferred comp utility match
(20,259)	Higher cost for LTD insurance
16,200	Unemployment, cost not incurred
(5,561)	Less fringe benefits charged to construction & capital projects than projected
20,316	Lower cost for regulatory commission
22,222	Lower cost for employment expenses
34,370	Lower cost for general CIP expenses
10,157	Lower cost for continuous improvement expenses
10,546	Lower cost for employee team expenses
8,680	Freight, cost not incurred
106,834	Lower cost for training/travel
(81,866)	Higher cost for temporary labor services
(53,792)	Higher cost for vacation expense
187,986	Lower labor cost
(7,951)	Other miscellaneous variances - net
<u>390,591</u>	

Maintenance

8,337	Lower cost for elevator maintenance
8,000	CHMB maintenance and MH building repairs, not done
63,800	A17.3 Code required elevator upgrades (all), not done
25,000	Unit 7 roof maintenance, not done
20,000	Unit 8 roof maintenance, not done
51,795	Lower cost for unit 9 roof maintenance
38,772	Lower cost for unit 9 turbine roof maintenance
(5,503)	Submersible pump replacement, not budgeted
22,000	Replace SE corner vacuum header, not done
6,000	Cathodic protection inspection service agreement, not done
(24,049)	Unit 9 extend 8" carbon steel vacuum line, not budgeted
(10,719)	Higher cost for bottom ash system materials
54,875	Lower cost for fly ash system materials
5,333	Reverse osmosis system, cost not incurred
(20,743)	Field service for Ovation domain controller, not budgeted
(11,652)	Unit 7 chimney inspection, not budgeted
(6,476)	Unit 7 duct balloon, not budgeted
(41,124)	Unit 7 chain assembly, not budgeted
(57,647)	Repairs to 7A & 7B traveling grate, not budgeted
(9,831)	Unit 7 replace seals, air, intermediate, not budgeted
(30,385)	Higher cost for unit 8 miscellaneous valve repairs
(69,413)	Higher cost for 8A reboiler repairs
(59,340)	Unit 8A reboiler NDE examination, not budgeted
(7,837)	Unit 8 repair gear reducer on coal feeder belts, not budgeted

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

(Unfavorable)/  
 Favorable Compared  
 to Budget

(5,830)	Replace unit 8 injector assembly, not budgeted
9,706	Lower cost for unit 8 waterblast/gritblast furnace
(22,895)	Higher cost for unit 8 boiler vacuum services
(24,715)	Unit 8 deaerator inspection and repair, not budgeted
(10,912)	Replace 8C stockfeeder belt, not budgeted
(5,858)	Replace TG2 branch 1 & 2 modules in I/O cabinet, not budgeted
14,534	Lower cost for rebuild unit 9 sootblowers
(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
91,000	Replace 9C mill exhaust discharge VLV body, not done
49,094	Unit 9 boiler scaffolding, over accrued in 2018
(12,427)	Replace 9B precipitator expansion joint, not budgeted
(15,509)	Unit 9 LTSH tube replacement, not budgeted
(6,913)	Replace journal wear liners in 9A pulverizer, not budgeted
(7,418)	Replace journal wear liners in 9C pulverizer, not budgeted
(11,902)	Replace motor in 9D pulverizer, not budgeted
(34,614)	Unit 9 boiler tube shield replacement, not budgeted
(10,600)	Unit 9 boiler tube analysis, not budgeted
29,421	Lower cost for unit 9 update air heater outlet O2 probes
15,000	Unit 9 boiler vent, drain and blowdown valve repairs, not done
(6,160)	Higher cost for unit 9 miscellaneous valve repairs
83,336	Unit 9 routine pulverizer maintenance, not done
80,000	Unit 9 pulverizer journal rebuilds, not done
15,000	Unit 9 boiler feed PMP evaluation, not done
21,000	Unit 9 reheat spray valve trim replacement, not done
(14,359)	Unit 9 replace stockfeeder gearbox, not budgeted
(48,526)	Unit 9 repair grinding rolls, not budgeted
9,500	Unit 9 replace 14" heating steam check valve, not done
18,000	Unit 9 fuel piping inspection and replacement, not done
14,179	Lower cost for continuous emission monitoring
6,407	Lower cost for miscellaneous precipitator repairs
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
(16,367)	Absorber spray tower 901 inspection and cleaning, not budgeted
(10,224)	Replace T-902 A&B valves, not budgeted
(8,316)	Repair expansion joint for 902 tower, not budgeted
(6,813)	Replace expansion joint, not budgeted
(5,857)	Replace impeller on Roth pump, not budgeted
(5,471)	FGD 902 absorber spray pump discharge expansion joint, not budgeted
(19,578)	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
9,800	WDHFP discharge valves to Clarkson, not done
(5,165)	Unit 8 repair 2,400 volt auxillary supply breaker, not budgeted
6,000	Unit 8 UPS battery replacement, not done
81,769	Lower cost for unit 8 stop valve and CV valve inspection and repair
8,000	8B CW pump motor inspection and repair, not done
45,000	Unit 8 traveling screen chains, not done
80,000	Unit 8 replace CW river gate, not done
5,000	Unit 9 replace CV-2 relay, not done
(32,894)	Unit 9 fabricate four traveling screen covers, not budgeted
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
7,200	Unit 9 clean heat exchangers, not done
(8,607)	Unit 9 Peerless centrifugal pump, not budgeted
(7,775)	Unit 9 test and analyze bus couplers, not budgeted
(17,726)	Unit 9 replace wire for aux feed to FGD 4160 gear switch, not budgeted
(5,819)	Unit 9 replace turbine hood spray control valve, not budgeted
22,000	Unit 9 auxiliary transformer repairs, hot oil process, not done
13,939	Lower cost for unit 9 miscellaneous plant maintenance
13,952	Lower cost for unit 8A miscellaneous plant maintenance
(7,843)	Higher cost for unit 8 miscellaneous plant maintenance

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

(Unfavorable)/  
 Favorable Compared  
 to Budget

15,841	Lower cost for unit 7 miscellaneous plant maintenance
7,772	Lower cost for GE, EX-2000, and Mark V service agreement
13,500	Chain fall hoist inspection, not done
69,428	Lower cost for rail car maintenance
53,580	Lower cost for dozer maintenance
(53,963)	Higher cost for coal conveyor maintenance
(5,701)	9B inplant silo inlet gate valve replacement, not budgeted
18,000	Coal silo leak repairs units 7 & 8, not done
15,000	L conveyor belt, not done
42,000	RC2 conveyor belt, not done
5,000	Stammler feeder drag chain conveyor, not done
15,000	Dust collector bags, not done
17,500	Radial stacker tire repair, not done
15,000	Replace 8B crusher hammers, not done
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
7,437	Lower cost for annual track maintenance
(13,728)	Higher cost for rail unloader maintenance
(7,061)	Higher cost for maintenance of station equipment materials expense
10,066	Lower cost for maintenance of overhead lines materials expense
8,650	Lower cost for distribution maintenance of structures materials expense
(32,068)	Replacement of Trayer PMH-9 switchgear at MCC, not budgeted
(58,357)	Higher cost for overhead lines, distribution, for other materials expense
(12,576)	Repair three padmount transformers, not budgeted
(16,703)	Padmount transformer reconditioning, not budgeted
26,413	Returned 15 kV switchgear back into stores, not budgeted
14,000	Re-gasket and paint two 2,500 kVA transformers, not done
13,697	Lower street lighting materials expense
(8,781)	Higher signals materials expense
50,545	Lower cost for general plant maintenance agreements
25,135	Lower general plant materials expense
(10,010)	Replace cabinets in the head end, not budgeted
(14,239)	Cubicles and chairs for system control; not budgeted
(5,045)	Door repair, not budgeted
(9,523)	Abandoning the vault under the driveway, not budgeted
(6,172)	Semi-annual HVAC preventative maintenance inspection, not budgeted
(4,356)	Repair yard gate, not budgeted
7,500	Miscellaneous concrete repairs, cost not incurred
5,000	Restroom updates, not done
30,000	Key-scan system maintenance, not done
10,218	Lower cost for A/O Center lawn care expense
68,149	Lower labor cost
130,131	Other miscellaneous variances - net
<u>446,664</u>	

Depreciation (1,085,271) Net value of the A&G assets was underestimated for the budget

**Nonoperating Revenue (Expense)**

Interest Income	429,270	Higher average cash balances
Interest Expense	<u>(3,526)</u>	
	<u>425,744</u>	

**Capital Contributions** 3,300 3 transformers for job sale

**Change in Net Position** \$ 3,545,777 Total Variance from Budgeted Net Position

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

### Sales of Electricity

#### Native System Sales

1.1% lower kWhs sold, offset by a 8.8% higher average sales price per kWh (\$.07350/kWh versus \$.06754/kWh budgeted), resulted in \$2,961,138 higher revenue than projected.

#### Wholesale Sales

14.0% lower kWhs sold and a 9.4% lower average sales price (\$.02955/kWh versus \$.03263/kWh budgeted), resulted in \$4,372,559 lower revenue than projected.

#### Steam Sales

75.6% higher pounds of steam sold, resulted in \$2,271,824 higher revenue than projected.

### Other Revenue

#### By-Product Revenue

Gypsum sales are \$6,899 lower than budgeted and fly ash sales are \$9,821 higher than budgeted.

#### Miscellaneous Revenue

Net job sales revenue is \$23,019 lower than budget. Transmission-related revenue is \$14,048 higher than budgeted. Recycling revenue is \$2,798 lower than budgeted. Penalty revenue is \$8,352 higher than budgeted. Included in revenue is \$18,750 for renewable energy credits sold that were not budgeted, and \$5,320 from RESCO for patronage dividends.

### Nonoperating Revenue (Expense)

#### Interest Income

Interest income is \$429,270 higher than budgeted due to higher average cash balances.

## Statement of Net Position

### Liabilities

#### Health and Dental Insurance Provision

Health care claims have been less than premiums accrued. The current portion is based on the third-party administrator's estimate of incurred but unpaid health claims at year end. This estimate is adjusted in December each year.

## Summary of Expenses

### Purchased Power – (555)

An 8.5% lower average purchase price (\$.02679/kWh versus \$.02929/kWh budgeted) and 1.5% lower kWhs purchased for native system sales, resulted in \$1,830,203 lower cost. Wind energy kWh purchases were 7.7% or \$68,982 lower than budgeted.

GenerationOperation Supervision – (500)

Total labor expense is \$50,195 higher than budget due to more overtime than expected.

Fuel – Coal – (501-001)

4.3% or 19,374 higher tons of coal burned, offset by a 0.9% lower price/ton, resulted in \$42,701 higher coal expense.

Fuel – Fuel Oil – (501-921)

Cost of fuel oil for Unit 9 start-ups is \$5,731 higher than budgeted. Other materials expenses are \$5,703 lower than budgeted.

Fuel – Gas – (501-002)

Unit 7's natural gas usage is \$7,654 lower than budgeted and unit 8's natural gas usage is \$23,195 higher than budgeted.

Coal Handling Expense - (501-003)

Labor expenses are \$146,758 higher than budgeted. Gasoline and diesel fuel expenses are \$13,850 higher than budgeted. Other materials expenses are \$1,075 higher than budgeted.

Landfill Operation Expense - (501-925)

Labor expenses are \$17,867 higher than budgeted. Phase I landfill partial cover expenses are \$744,458 lower than budgeted due to timing. The budget includes \$17,922 for spraying herbicide to control weeds, \$23,200 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 \$70,065 higher than budgeted. Bottom ash system chemicals are \$24,853 lower than budget due to timing; other materials expenses are \$16,785 higher than budget.

Steam Expense – Pollution Control – (502-005)

PAC (powdered activated carbon) injection system costs, wastewater chemicals/analysis, and labor expenses are \$13,167, \$40,774, and \$55,105 lower than budgeted, respectively. Limestone expense is \$11,174 higher than budgeted.

Electric Expense – (505)

Labor expense is \$33,816 higher than budget. A 8.5% lower average price, offset by 16.6% higher gallons consumed, resulted in \$16,628 higher cost for power plant water bills. Hydrogen and other materials expenses are \$3,318 higher than budgeted.

Generation (cont'd)

<u>Miscellaneous Steam Power Expense - (506)</u>	2019 <u>Budget</u>	2019 <u>Actual</u>
Labor	\$637,509	\$495,100
IDNR Title V permit fee	182,344	192,006
PM2.5 modeling	13,336	-
Stack testing	112,367	87,819
RATA testing	61,000	17,933
Engineering services for CCR rule compliance	8,000	38,966
316(b) cooling water impingement/entrainment study	120,000	31,223
EPA protocol-1 cal. & linearity gasses & demurrage	7,600	-
Universal waste recycling/hazardous waste disposal	15,514	9,255
Process hazard analysis support consulting	7,500	-
COOP student	8,000	-
Calibration testing for predictive maintenance tools	5,000	-
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
Units 8/9 service agreement for aware boiler monitoring software	-	3,180
Power supply study	80,000	-
Coal and by-product analysis	6,800	-
IDNR Non-Title V fees	30,000	8,018
ESC software engineering time/maintenance	22,008	16,456
Plant safety material expenses	99,234	86,783
Plant road and railroad crossing repairs	14,800	3,999
Rail car storage/switching costs/admin fees	73,080	69,285
PEPSI/PMAX/Aware maintenance agreements	9,736	4,664
Travel/training	78,053	35,717
Temporary labor services	42,667	16,914
Ground maintenance	24,150	28,531
Membership/subscriptions	9,305	7,094
Gasoline/diesel fuel	9,333	11,897
Other expenses	<u>75,976</u>	<u>39,014</u>
	<u>\$1,760,312</u>	<u>\$1,211,106</u>

Maintenance Supervision – (510)

Labor expense is \$31,482 higher than budgeted.

Generation (cont'd)

<u>Maintenance of Structures - (511)</u>	2019 <u>Budget</u>	2019 <u>Actual</u>
Labor	\$186,851	\$171,118
Elevator maintenance	50,100	41,763
Contracted insulation replacement/repair	21,994	18,659
CHMB maintenance and MH building repairs	8,000	-
A17.3 Code required elevator upgrades (all)	63,800	-
Motor for Trane steam heater	-	689
Install walk-thru door in FGD	-	2,619
Unit 7 roof maintenance	25,000	-
Unit 8 roof maintenance	20,000	-
Unit 9 roof maintenance	57,000	5,206
Unit 9 turbine roof maintenance	200,000	161,228
DC-11 explosion isolation system	1,800	-
Submersible pump replacement	-	5,503
Vacuum sumps	-	1,816
Miscellaneous door repairs	-	3,709
Unit 9 power roof exhauster belt replacement	-	2,094
Explosion proof receptacle replacement	-	716
Heater	-	1,669
Replace SE corner vacuum header	22,000	-
Annual CO2 tank inspection	1,200	-
Cathodic protection inspection service agreement	6,000	-
Units 7,8,9 fire protection panel inspection	16,500	12,680
Rental of JLG high boom lift	-	1,168
Replace bent ground bar and clamps for FGD reheater hoist	-	3,577
Unit 9 extend 8" carbon steel vacuum line	-	24,049
Troubleshoot and repair node card on backup drop 72	-	3,048
Repair #800 FGD south coiling door	-	3,183
Repair FGD area drain sump float switch	-	2,966
Replace 25HP motor for PRE-39	-	1,712
Backflow preventer inspection/repairs	7,700	3,596
Other expenses	<u>110,660</u>	<u>78,910</u>
	<u>\$798,605</u>	<u>\$551,678</u>

Generation (cont'd)

<u>Maintenance of Boiler Plant - Boiler - (512-006)</u>	2019	2019
	<u>Budget</u>	<u>Actual</u>
Labor	\$566,660	\$482,725
Bottom ash system materials	82,033	92,752
Fly ash system materials	77,633	22,758
Reverse osmosis system	5,333	-
Field service for Ovation domain controller	-	20,743
Unit 7 chimney inspection	-	11,652
Update unit 7 sootblower motor starters	5,200	3,859
Unit 7 duct balloon	-	6,476
Unit 7 chain assembly	-	41,124
Repairs to 7A & 7B traveling grate	-	57,647
Unit 7 replace seals, air, intermediate	-	9,831
Unit 8 miscellaneous valve repairs	640	31,025
Unit 8 sootblower repairs	6,120	10,793
8A reboiler repairs	11,633	81,046
8A reboiler NDE examination	-	59,340
Unit 8 repair gear reducer on coal feeder belts	-	7,837
Replace unit 8 injector assembly	-	5,830
Unit 8 deslag furnace	15,000	16,120
Unit 8 waterblast/gritblast furnace	22,500	12,794
Unit 8 cyclone repairs	20,000	24,706
Unit 8 boiler vacuum services	15,000	37,895
Unit 8 deaerator inspection and repair	-	24,715
Unit 8 boiler tube shields	-	4,922
Unit 8 U-channel tray assemblies	-	4,672
Unit 8 AC unit for SS4 cabinet to prevent overheating	-	3,917
Replace 8C stockfeeder belt	-	10,912
Replace TG2 branch 1 & 2 modules in I/O cabinet	-	5,858
Replace steam drum level guage	-	3,305
Replace & calibrate 8B oxygen probe	-	2,059
Rebuild unit 9 sootblowers	16,664	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
Replace 9C mill exhaust discharge VLV body	91,000	-
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	-	15,509
Replace journal wear liners in 9A pulverizer	-	6,913

Generation (cont'd)

<u>Maintenance of Boiler Plant - Boiler - (512-006) (cont'd)</u>	2019 <u>Budget</u>	2019 <u>Actual</u>
Replace journal wear liners in 9C pulverizer	-	7,418
9C pulverizer mechanical inspection and blade replacement	-	4,598
Replace motor in 9D pulverizer	-	11,902
Replace blades in 9B pulverizer	-	4,589
Unit 9 boiler tube shield replacement	-	34,614
Unit 9 boiler tube analysis	-	10,600
Unit 9 and FGD annual lubrication	-	3,879
Unit 9 pulverizer Beck Drive control retrofit	40,000	40,872
Unit 9 update air heater outlet O2 probes	35,000	5,579
Unit 9 boiler vent, drain and blowdown valve repairs	15,000	-
Unit 9 miscellaneous valve repairs	30,000	36,160
Unit 9 routine pulverizer maintenance	83,336	-
Unit 9 pulverizer journal rebuilds	80,000	-
Unit 9 boiler feed PMP evaluation	15,000	-
Unit 9 reheat spray valve trim replacement	21,000	-
Unit 9 service packing gland	-	2,915
Unit 9 replace stock feeder gearbox	-	14,359
Unit 9 repair grinding rolls	-	48,526
Unit 9 replace 14" heating steam check valve	9,500	-
Unit 9 fuel piping inspection and replacement	18,000	-
Unit 9 replace Swagelock valve & filter housing on sample panel	-	3,200
Software/plant controls maintenance agreements	38,213	42,521
Other expenses	265,788	109,587
	<u>\$1,606,254</u>	<u>\$1,477,995</u>

\*2018 expense over accrued

Generation (cont'd)

<u>Maintenance of Boiler Plant – Pollution Control - (512-007)</u>	2019	2019
	<u>Budget</u>	<u>Actual</u>
Labor	\$206,092	\$172,767
Continuous emission monitoring expenses	87,403	73,224
PAC (powdered activated carbon) injection system costs	9,000	7,222
Miscellaneous precipitator repairs	40,204	33,797
Miscellaneous limestone handling equipment repairs	2,667	327
Wastewater equipment maintenance	16,103	20,718
Scrubber waste equipment repairs	3,333	2,219
Quencher pump impeller replacement	5,000	-
Process piping repairs	15,000	-
Stack duct baloon	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
Absorber spray tower 901 inspection and cleaning	-	16,367
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
Replace flush valve in 902 absorber spray pump	-	2,456
Replace expansion joint	-	6,813
Replace impeller on Roth pump	-	5,857
FGD 902 absorber spray pump discharge expansion joint	-	5,471
FGD insulation repair	-	3,529
FGD hydroclone repairs/replacements	10,000	29,578
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	-
WDHFP discharge valves to Clarkson	9,800	-
Other expenses	<u>28,390</u>	<u>17,550</u>
	<u>\$478,592</u>	<u>\$439,594</u>

Generation (cont'd)

<u>Maintenance of Electric Plant - (513-008)</u>	2019 <u>Budget</u>	2019 <u>Actual</u>
Labor	\$184,801	\$199,952
Unit 7 videoscope rental	-	3,415
Unit 8 repair 2,400 volt auxillary supply breaker	-	5,165
Unit 8 UPS battery replacement	6,000	-
Unit 8 stop valve and CV valve inspection and repair	87,000	5,231
8B CW pump motor inspection and repair	8,000	-
Unit 8 station battery annual inspection	2,500	2,119
Unit 8 condenser cleaning	2,800	-
Unit 8 traveling screen chains	45,000	-
Unit 8 flux probe and PDA testing	-	3,793
Unit 8 replace two insulation blankets on turbine	-	2,761
Unit 8 turbine MSV weld repairs	-	4,146
Unit 8 replace CW river gate	80,000	-
Unit 8A generator minor electrical testing	8,000	6,516
Unit 8A flux probe and PDA testing	-	337
Unit 9 replace CV-2 relay	5,000	-
Unit 9 rebuild two traveling screens	55,000	51,313
Unit 9 fabricate four traveling screen covers	-	32,894
Unit 9 replace screen covers	32,000	-
Unit 9 transformer & turbine oil samples	6,200	2,976
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 clean heat exchangers	7,200	-
Unit 9 annual H2 tank inspection with relief valve	2,500	-
Unit 9 Peerless centrifugal pump	-	8,607
Unit 9 flux probe and PDA testing	-	3,793
Unit 9 test and analyze bus couplers	-	7,775
Unit 9 test and analyze bus couplers	-	4,433
Unit 9 replace wire for aux feed to FGD 4160 gear switch	-	17,726
Unit 9 replace turbine hood spray control valve	-	5,819
Unit 9 auxiliary transformer repairs, hot oil process	22,000	-
Unit 9 miscellaneous plant maintenance	49,000	35,061
Unit 8A miscellaneous plant maintenance	11,666	-2,286
Unit 8 miscellaneous plant maintenance	12,634	20,477
Unit 7 miscellaneous plant maintenance	17,975	2,134
GE, EX-2000, and Mark V service agreement	16,800	9,028
Other expenses	<u>665</u>	<u>77</u>
	<u>\$672,541</u>	<u>\$849,683</u>

\*2018 expense not accrued

Generation (cont'd)Maintenance of Miscellaneous Steam Plant – (514)

Materials expenses are lower than budgeted primarily due to air dryer control updates which were \$3,362 lower than budgeted and \$13,500 for a chain fall hoist inspection and repair which has not occurred. Labor expenses are \$31,672 lower than budgeted. Gasoline and diesel fuel expenses are \$2,333 lower than budgeted.

<u>Maintenance of Coal Handling Equipment - (516)</u>	2019 <u>Budget</u>	2019 <u>Actual</u>
Labor	\$184,694	\$193,044
Rail car maintenance	135,667	66,239
Dozer maintenance	113,400	59,820
Coal conveyor maintenance	43,868	97,831
9B inplant silo inlet gate valve replacement	-	5,701
LSCS-1 primary & secondary scrapers	2,500	-
Unit 8 coal crushers & feeders inspection	-	3,036
Coal silo leak repairs units 7 & 8	18,000	-
L conveyor belt	15,000	-
RC2 conveyor belt	42,000	-
Stammler feeder drag chain conveyor	5,000	-
Stammler feeder tail shaft rebuild kit	4,500	-
Dust collector bags	15,000	-
Radial stacker tire repair	17,500	-
Replace 8B crusher hammers	15,000	-
Unit 9 crusher house wash down pump	-	2,879
9B coal gate replacement	18,100	-
PC-1 load chute door inspection	-	1,814
Belt roller/idler replacement	2,000	-
DC14A rotary lock gear reducer replacement	-	1,469
DC-14A double flight screw	10,000	-
Hydromatic sump pump and impeller	-	8,423
Annual track maintenance	54,000	46,563
Rail unloader maintenance	8,332	22,060
Temporary labor services	18,500	-
Other expenses	<u>25,371</u>	<u>21,914</u>
	<u>\$748,432</u>	<u>\$530,793</u>

<u>System Control and Load Dispatch - (556)</u>	2019 <u>Budget</u>	2019 <u>Actual</u>
Labor	\$83,816	\$104,235
SCADA Dark Fiber service & BUCC MME services	13,010	12,624
MISO operating & administrative fees	114,664	103,845
MISO & APDA memberships	1,126	1,000
Travel and training	2,900	3,004
Other expenses	<u>5,053</u>	<u>1,770</u>
	<u>\$220,569</u>	<u>\$226,478</u>

Generation (cont'd)Vacation, Holiday, Sick Leave – (557)

Generation workers' sick leave usage was lower than anticipated.

Depreciation – (558)

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

TransmissionLoad Dispatching – (561)

Labor expense is \$7,597 lower than budgeted. Travel and training expenses are \$614 lower than budgeted. Materials expenses are \$19,473 lower than budgeted.

Station Expense – (562)

Labor and materials expenses are \$30,475 and \$4,131 lower than budgeted, respectively.

Overhead Line Expense – (563)

Labor expense is \$29,960 higher than budgeted.

Transmission of Electricity by Others – (565)

The cost of MISO's multi-value transmission and market efficiency projects are \$185,418 lower than budgeted.

Maintenance of Station Equipment – (570)

Labor expense is \$23,538 higher than the budget. Materials expenses are \$7,061 higher than budgeted.

Maintenance of Overhead Lines – (571)

Labor expense is \$28,672 lower than the budget. Tree-trimming and vegetation control expense was \$1,274 higher than budgeted. Other materials expenses are \$11,340 lower than budgeted.

Vacation, Holiday, Sick Leave – (575)

Transmission workers' sick leave usage was lower than anticipated.

Depreciation – (576)

Prior year capital additions were less than budgeted resulting in less depreciation than budgeted for 2019.

DistributionOperation Supervision – (580)

Labor expense is \$17,506 lower than budgeted.

Load Dispatching – (581)

Labor expense is \$16,357 lower than budgeted.

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

Labor expense is \$38,623 lower than budgeted. Materials expenses are lower than budgeted primarily due to \$20,000 budgeted for replacing the sub-step at Wiggins Road which did not occur.

Overhead Line Expense – (583)

Labor expense is \$2,151 lower than budgeted. Materials expenses are lower than budgeted primarily due to electric line workers' tools and tool repairs which are \$15,159 lower than budgeted, \$2,000 for Lean initiative expenses that have not been needed, as well as \$1,750 for hoist testing that has not been done.

Vehicle Expense – (589)

Vehicle labor is \$17,665 lower than budgeted. Materials expenses are \$1,019 lower than budgeted. Gasoline and diesel fuel usage is \$6,192 greater than budgeted.

Underground Line Expense – (584)

Labor and materials expenses are \$8,360 and \$3,395 lower than budgeted, respectively.

Street Lighting – (585-418)

Labor and materials expenses are \$9,022 and \$3,166 lower than budgeted, respectively.

Signal Expense – (585-419)

Labor expense is \$8,563 lower than budgeted.

Meter Expense – (586)

Labor expense is \$3,591 lower than budgeted. Materials expenses are \$1,876 lower than budgeted.

Miscellaneous Distribution Expense – (588)

Labor expense is \$46,745 higher than budgeted. The share in MAGIC's operating expenses is \$20,863 lower than budgeted; other materials expenses are \$8,033 higher than budgeted. Temporary labor services, totaling \$76,291, were not budgeted. Travel and training expenses are \$3,052 lower than budgeted. Fire retardant clothing expenses are \$11,865 higher than budgeted.

Maintenance Supervision – (590)

Labor expense is \$15,545 lower than budgeted.

Maintenance of Structures – (591)

Labor and materials expenses are \$4,067 and \$8,650 lower than budgeted, respectively.

Maintenance of Overhead Lines – (593)

Labor and materials expenses are \$101,418 and \$90,425 higher than budgeted, respectively, due to more repairs. \$32,068 of the materials expense variance is due to the preventative replacement of a Trayer PMH-9 switchgear at MCC, not budgeted.

Maintenance of Underground Lines – (594)

Labor and materials expenses are \$39,159 and \$1,804 lower than budgeted, respectively, due to less repairs.

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

Labor expense is \$6,819 lower than budgeted. Materials expenses are lower than budgeted primarily due to \$12,576, not budgeted, for repairing three padmount transformers and \$16,703 for padmount transformer reconditioning, offset by returning a 15-kV switchgear back into stores for \$26,413, also not budgeted. Additionally, \$14,000 to re-gasket and paint two 2500 kVA transformers did not occur. Other miscellaneous materials expenses are \$6,077 higher than budgeted.

Maintenance of Street Lighting – (596-STL)

Labor expenses are \$11,682 lower than budgeted. Materials expenses are \$13,697 lower than budgeted; this is primarily due to \$12,938 lower than budgeted expenses for painting 40 poles and returning decorative streetlights back into stores for \$9,016, offset by \$3,450 for Grandview Avenue foundation design, not budgeted, and more repairs.

Maintenance of Signal Expense – (596-419)

More than anticipated signal repairs resulted in \$19,342 higher labor than budgeted. Materials expenses are \$8,781 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.

Maintenance of Meters – (597)

Labor expenses are \$3,240 higher than budgeted and materials expenses are \$1,903 higher than budgeted.

Vacation, Holiday, Sick Leave – (599)

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

Depreciation – (578)

Substation, underground, streetlight, 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 <u>Budget</u>	2019 <u>Actual</u>	2018 <u>Actual</u>
<b><u>Marketing</u></b>			
Media advertising	\$10,174	\$7,376	\$8,681
MP&W Newsletter	2,477	3,265	2,364
Billing services	3,668	501	838
Promotional materials	17,966	6,780	337
Photo library	2,683	-	162
<b>Subtotal - Marketing</b>	<b>36,968</b>	<b>17,923</b>	<b>12,382</b>
<b><u>Energy Services</u></b>			
Trees Forever	13,000	13,000	13,000
Questline-EE newsletter service and customer awareness programs	8,836	466	13,389
Customized energy efficiencies	800	-	-
Customer light bulb exchange program (LED/CFL)	2,664	1,891	2,520
Youth education (science fair/poster contest)	2,500	2,813	2,315
<b>Subtotal - Energy Services</b>	<b>27,800</b>	<b>18,170</b>	<b>31,224</b>
Miscellaneous	500	9,988	423
	<b><u>\$65,268</u></b>	<b><u>\$46,080</u></b>	<b><u>\$44,029</u></b>

<u>Energy Efficiency Rebates - (912)</u>	2019 <u>Budget</u>	2019 <u>Actual</u>	2018 <u>Actual</u>
Commercial lighting	\$27,200	\$19,732	\$14,319
Compact fluorescent lighting	2,000	479	1,394
Air conditioning	25,100	14,315	23,725
Refrigerator	3,080	1,620	3,010
City building improvement	4,000	-	-
Washing machine	2,667	950	2,550
Customized energy efficiency	-	-	20
Water heater	4,800	1,950	2,900
Geo-thermal	4,800	1,675	4,200
Motor	32,000	-	38,150
Dishwasher	1,333	625	1,225
	<b><u>\$106,980</u></b>	<b><u>\$41,346</u></b>	<b><u>\$91,493</u></b>

Consumer AccountsMeter Reading Expense – (902)

Labor expenses are \$24,222 higher than budgeted. Temporary services are \$2,392 lower than budgeted.

<u>Consumer Records and Collection - (901 &amp; 903)</u>	2019	2019	2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Labor	\$294,108	\$267,070	\$265,766
Temporary labor services	9,263	13,845	7,622
Postage	19,225	18,193	20,610
Payment processing fees *	39,435	37,113	42,445
Collection fees	6,056	2,820	5,850
Integrated voice response service	1,228	1,016	1,091
Travel/training	2,063	530	47
Gasoline/diesel fuel	2,000	1,001	979
Other	<u>5,688</u>	<u>4,758</u>	<u>3,822</u>
	<u>\$379,067</u>	<u>\$346,344</u>	<u>\$348,232</u>

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

Administrative and GeneralAdministrative and General Salaries – (920)

Labor expenses are \$55,066 lower than budgeted.

<u>Office Supplies - (921)</u>	2019	2019	2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
General office supplies/phone	\$30,407	\$37,374	\$32,192
Memberships/subscriptions	10,471	20,719	13,961
Internet/MME	11,752	11,174	11,450
Office furniture	9,399	8,182	8,168
Computer hardware/software	16,592	14,702	28,799
Postage	7,290	1,537	4,712
Maintenance agreements	-	6,751	-
Vehicle allowance	9,508	9,503	8,544
Vehicle maintenance	6,467	1,506	2,597
Gasoline/diesel fuel	2,667	2,359	2,073
Other	<u>18,331</u>	<u>35,908</u>	<u>9,588</u>
	<u>\$122,884</u>	<u>\$149,714</u>	<u>\$122,084</u>

Administrative and General (cont'd)

<u>Outside Services Employed - (923)</u>	<u>Resp Code</u>	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Organizational development consulting	120-Gage	\$27,000	\$6,733	\$47,385
Succession planning	110-Board	-	15,333	14,167
Legal services	140-Brandy	23,700	797	6,295
Environmental legal services	140-Brandy	12,500	14,430	-
Transmission/reliability standards legal services	140-Brandy	42,000	8,834	18,709
Coal & transportation attorney	140-Brandy	3,328	-	-
Bond counsel	140-Brandy	1,125	-	-
Labor attorney	140-Brandy	3,360	3,787	124
CIP compliance consulting	145-Seth	30,000	4,043	3,285
NERC compliance consulting	145-Seth	30,625	30,863	7,463
Web design service	224-Rick	2,604	849	1,734
Insurance advisor	310-Jerry	27,216	27,216	27,216
Financial audit services	320-Diana	40,604	32,873	37,675
Cost of service study	320-Diana	25,000	11,830	-
Coal & transportation consulting	331-Brad	52,000	50,000	52,142
Fuel procurement committee consulting	331-Brad	4,500	-	-
IS department professional services	350-Greg	-	-	4,050
509A Actuary	410-Erika	891	790	790
Benefits consulting	410-Erika	28,164	22,680	22,680
Labor attorney	410-Erika	-	404	-
Pension Study / GASB 67/68 Report	410-Erika	20,250	-	(12,150)
Employee search services	410-Erika	24,300	-	50,410
Director professional counseling	410-Erika	-	10,135	-
Engineering compensation review	410-Erika	40,500	-	-
Employee survey	410-Erika	8,100	-	-
MISO consultant	610-Doug	1,667	-	-
Coal pile survey	612-Neal	10,000	9,757	450
Engineering services	760-Mark	-	-	575
		<u>\$459,433</u>	<u>\$251,355</u>	<u>\$283,000</u>

Property Insurance – (924)

The premium for property insurance was budgeted to increase 7%; the actual year over year increase is 18.8%.

Injuries and Damages – (925)

Workers compensation claims are \$281,475 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 \$8,454 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	\$2,102,639	\$2,544,117	\$2,202,268
Healthcare costs	1,599,602	1,550,402	1,546,014
FICA	863,101	887,250	828,317
Deferred comp utility match *	184,030	219,058	206,433
Dental	58,400	61,343	61,087
Educational reimbursements	18,900	16,378	12,126
LTD insurance *	39,394	59,652	38,072
Life insurance	30,543	31,064	29,806
Post-employment health benefit	21,092	21,092	20,862
Recognition dinner	14,426	16,544	14,907
Unemployment expenses	16,200	-	1,788
Other expenses	<u>21,382</u>	<u>27,544</u>	<u>15,089</u>
	<u>\$4,969,710</u>	<u>\$5,434,443</u>	<u>\$4,976,769</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%

Fringe Benefits Charged to Construction – (927)

Less time has been charged to capital projects than projected.

Regulatory Commission – (928)

Iowa Utilities Board assessments were lower than budgeted.

Administrative and General (cont'd)

<u>Miscellaneous General Expense (930)</u>	2019	2019	2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Employment expenses	\$51,363	\$29,141	\$22,046
APPA dues	25,328	23,340	22,372
IUB Iowa Energy Center	36,504	38,347	35,792
IAMU membership	28,000	27,986	27,044
GMCCI Economic Pledge/Projects	34,020	34,020	54,270
Legal publications	3,510	6,147	3,069
General CIP Expense	35,000	630	-
Continuous Improvement	13,284	3,127	586
Financial Annual Report	4,455	631	670
Subscriptions/memberships	13,867	11,723	12,552
Employee team expenses	27,176	16,630	20,187
Training/travel	102,845	43,106	47,656
Safety-related expenses	2,729	2,355	2,728
Labor	32,190	19,166	17,898
Temporary labor services	26,238	46,484	33,265
Board trustee fees	4,860	4,860	4,860
Freight	8,680	-	9,304
Other expenses	<u>35,675</u>	<u>57,464</u>	<u>40,372</u>
	<u>\$485,723</u>	<u>\$365,156</u>	<u>\$354,671</u>

Maintenance of General Plant – (932)

Labor expenses are \$2,784 lower than budgeted. Maintenance agreements are \$50,545 lower than budgeted; \$29,565 of this variance is for larger agreements with Microsoft, Advanced Business Systems, SecureWorks, and AutoCad where expense was either lower than budgeted or budgeted but not incurred due to timing, offset by agreements with Associated Computer Systems and DLT where expense was incurred but not budgeted. Materials expenses are \$25,135 lower than budgeted. Memberships and subscriptions are \$16,740 lower than budgeted.

Maintenance of A/O Center – (934)

Labor expenses are \$14,413 higher than budgeted. Materials expenses are \$11,907 higher than budgeted; \$14,239 of this variance is for cubicles and chairs in System Control, \$10,010 is for cabinets in the head end, \$9,523 is for abandoning the vault under the driveway, \$6,172 is for a semi-annual HVAC preventative maintenance inspection, \$5,045 is for a door repair, \$4,356 is for repairing the yard gate, and \$2,732 is for installing a new exterior PTZ camera overlooking the north parking lot. Each of the aforementioned items were not budgeted and are offset by the following items budgeted but not incurred; \$30,000 is for maintenance of the key-scan system, \$7,500 for miscellaneous concrete repairs, \$5,000 for restroom updates, and \$5,000 is for maintenance on security cameras. Temporary labor services are \$2,018 higher than budgeted. Lawn care expenses are \$10,218 lower than budgeted.

Administrative and General (cont'd)

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**

**August 2019**

**Muscatine Power and Water  
Water Utility**

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

	<b><u>Budget</u></b> <b><u>Estimate</u></b>	<b><u>%Increase</u></b> <b><u>(Decrease)</u></b> <b><u>From Budget</u></b>	<b><u>This</u></b> <b><u>Year</u></b>	<b><u>%Increase</u></b> <b><u>(Decrease)</u></b> <b><u>Fr. Last Yr.</u></b>	<b><u>Last</u></b> <b><u>Year</u></b>
<b><u>Water Distribution - 1,000 Gallons</u></b>					
Contract Customers	767,074	(4.9)	729,376	(4.6)	764,543
Power Plants	28,706	1.6X	73,324	46.7	49,967
Residential	42,180	8.1	45,591	6.1	42,972
Commercial	<u>38,602</u>	2.9	<u>39,727</u>	0.0	<u>39,712</u>
Total Metered Customers	876,562	1.3	888,018	(1.0)	897,194
Rated Customers - Estimate	---	---	7	---	---
City Use, Line Loss, Cycle Billing	<u>52,594</u>	1.3	<u>53,281</u>	(1.0)	<u>53,831</u>
Total Water Pumped	<u><u>929,156</u></u>	1.3	<u><u>941,306</u></u>	(1.0)	<u><u>951,025</u></u>

**Calendar Year-to-Date**

	<b><u>Budget</u></b> <b><u>Estimate</u></b>	<b><u>%Increase</u></b> <b><u>(Decrease)</u></b> <b><u>From Budget</u></b>	<b><u>This</u></b> <b><u>Year</u></b>	<b><u>%Increase</u></b> <b><u>(Decrease)</u></b> <b><u>Fr. Last Yr.</u></b>	<b><u>Last</u></b> <b><u>Year</u></b>
<b><u>Water Distribution - 1,000 Gallons</u></b>					
Contract Customers	5,502,662	(0.4)	5,481,043	(1.1)	5,539,467
Power Plants	413,193	16.6	481,983	13.3	425,344
Residential	295,584	(3.0)	286,833	(2.7)	294,901
Commercial	<u>244,172</u>	(0.6)	<u>242,587</u>	(3.3)	<u>250,977</u>
Total Metered Customers	6,455,611	0.6	6,492,446	(0.3)	6,510,689
Rated Customers - Estimate	---	---	45	9.8	41
City Use, Line Loss, Cycle Billing	<u>387,337</u>	0.6	<u>389,547</u>	(0.3)	<u>390,641</u>
Total Water Pumped	<u><u>6,842,948</u></u>	0.6	<u><u>6,882,038</u></u>	(0.3)	<u><u>6,901,372</u></u>

**Muscatine Power and Water - Water Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Current Month - August 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	\$337,015	\$ 0.43935	(4.9)	\$320,564	\$ 0.43950	1.3	\$316,562	\$ 0.41405
Power Plants	25,811	0.89915	37.5	35,487	0.48398	19.6	29,664	0.59367
Residential	191,029	4.52890	2.6	195,946	4.29791	7.5	182,261	4.24141
Commercial	68,027	1.76227	(3.1)	65,898	1.65877	5.2	62,664	1.57796
Water Sales	621,882	0.70946	(0.6)	617,895	0.69581	4.5	591,151	0.65889
<b><u>Other Revenue</u></b>								
Penalty Revenue	1,200		---	1,442		29.6	1,112	
Merchandise & Job Sales-Net	500		(91.8)	41		(97.8)	1,854	
Miscellaneous Revenue	774		(37.1)	487		(31.7)	713	
Total Other Revenue	2,474		(20.4)	1,970		(46.5)	3,679	
Operating Revenue	624,356		(0.7)	619,865		4.2	594,830	
<b><u>Operating Expense</u></b>								
Operation	356,002		(0.3)	354,825		4.9	338,354	
Maintenance	110,208		(74.1)	28,530		53.2	18,627	
Depreciation	83,678		(4.3)	80,091		11.9	71,558	
Total Operating Expense	549,888		(15.7)	463,446		8.1	428,538	
Operating Income	74,468		1.1X	156,419		(5.9)	166,292	
<b><u>Nonoperating Revenues (Expenses)</u></b>								
Interest Income	6,553		57.1	10,294		(1.5)	10,447	
Interest Expense	(39,142)		0.0	(39,142)		(1.3)	(39,668)	
Net Nonoperating Revenues (Expenses)	(32,589)		(11.5)	(28,848)		(1.3)	(29,221)	
Change in Net Position	41,879		2.0X	127,571		(6.9)	137,072	
Beginning Net Position	17,405,166			17,545,963			16,931,955	
Ending Net Position	\$17,447,045			\$17,673,534			\$17,069,027	
Net Income (Loss) to Operating Revenue	6.7			20.6			23.0	
Debt Service Coverage	2.01			2.99			3.03	

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

	Budget		% Increase (Decrease) from Budget	% Increase (Decrease) from Last Year		Last Year	Avg. Price	
	Estimate	Avg. Price		This Year	Avg. Price			
<b><u>Sales of Water</u></b>								
Contract Customers	\$2,501,905	\$ 0.45467	(1.0)	\$2,476,820	\$ 0.45189	4.9	\$2,361,837	\$ 0.42637
Power Plants	247,858	0.59986	6.7	264,485	0.54874	10.9	238,487	0.56069
Residential	1,440,227	4.87248	(1.1)	1,424,595	4.96664	4.7	1,360,737	4.61421
Commercial	463,873	1.89978	(4.2)	444,484	1.83226	1.4	438,505	1.74719
<b>Water Sales</b>	<b>4,653,863</b>	<b>0.72090</b>	<b>(0.9)</b>	<b>4,610,384</b>	<b>0.71012</b>	<b>4.8</b>	<b>4,399,566</b>	<b>0.67575</b>
<b><u>Other Revenue</u></b>								
Penalty Revenue	8,200		(6.7)	7,649		(7.7)	8,283	
Merchandise & Job Sales-Net	8,197		(61.2)	3,180		(69.7)	10,483	
Miscellaneous Revenue	8,991		27.5	11,468		26.5	9,067	
<b>Total Other Revenue</b>	<b>25,388</b>		<b>(12.2)</b>	<b>22,297</b>		<b>(19.9)</b>	<b>27,833</b>	
<b>Operating Revenue</b>	<b>4,679,251</b>		<b>(1.0)</b>	<b>4,632,681</b>		<b>4.6</b>	<b>4,427,399</b>	
<b><u>Operating Expense</u></b>								
Operation	2,851,296		1.6	2,897,103		7.2	2,701,770	
Maintenance	725,483		(36.2)	463,079		7.2	432,175	
Depreciation	669,427		(4.3)	640,729		11.9	572,457	
<b>Total Operating Expense</b>	<b>4,246,206</b>		<b>(5.8)</b>	<b>4,000,911</b>		<b>7.9</b>	<b>3,706,402</b>	
<b>Operating Income</b>	<b>433,045</b>		<b>45.9</b>	<b>631,770</b>		<b>(12.4)</b>	<b>720,997</b>	
<b><u>Nonoperating Revenues (Expenses)</u></b>								
Interest Income	55,610		49.9	83,374		14.7	72,715	
Interest Expense	(313,584)		0.0	(313,584)		(0.9)	(316,274)	
<b>Net Nonoperating Revenues (Expenses)</b>	<b>(257,974)</b>		<b>(10.8)</b>	<b>(230,210)</b>		<b>(5.5)</b>	<b>(243,559)</b>	
<b>Change in Net Position</b>	<b>175,071</b>		<b>1.3X</b>	<b>401,560</b>		<b>(15.9)</b>	<b>477,438</b>	
<b>Beginning Net Position</b>	<b>17,271,974</b>			<b>17,271,974</b>			<b>16,591,589</b>	
<b>Ending Net Position</b>	<b>\$17,447,045</b>			<b>\$17,673,534</b>			<b>\$17,069,027</b>	
Net Income (Loss) to Operating Revenue	3.7			8.7			10.8	
Debt Service Coverage	1.76			2.07			2.08	

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

**ASSETS**

	<u>2019</u>	<u>2018</u>
<b>Current Assets:</b>		
<b><u>Unrestricted Assets</u></b>		
Cash - interest bearing	\$1,653,536	\$571,803
Receivables:		
Consumer Accounts	819,017	771,103
Interest	73	78
Inventories	325,469	355,486
Prepaid Expenses	52,748	39,518
	<hr/>	<hr/>
Total Unrestricted Current Assets	2,850,843	1,737,988
	<hr/>	<hr/>
<b><u>Restricted Assets</u></b>		
Cash - interest bearing	4,033,386	6,026,814
	<hr/>	<hr/>
Total Restricted Current Assets	4,033,386	6,026,814
	<hr/>	<hr/>
Total Current Assets	6,884,229	7,764,802
	<hr/>	<hr/>
<b>Non-Current Assets:</b>		
Unamortized debt issuance costs	49,973	53,783
	<hr/>	<hr/>
<b>Property and Equipment:</b>		
At Cost	40,169,182	38,649,226
Less Accumulated Depreciation	12,157,073	11,491,169
	<hr/>	<hr/>
Net Property and Equipment	28,012,109	27,158,057
	<hr/>	<hr/>
<b>Deferred Outflows of Resources</b>		
Pension	641,636	854,876
IPERS	237,547	197,472
OPEB	10,397	10,397
	<hr/>	<hr/>
Total Deferred Outflows of Resources	889,580	1,062,745
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<u>\$35,835,891</u>	<u>\$36,039,387</u>

**Muscatine Power and Water - Water Utility**  
**Statements of Net Position**  
**August 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	\$254,970	\$350,373
Health & Dental Insurance Provision	40,380	32,700
Retained Percentage on Contracts	46,576	58,270
Consumer Advances for Construction	600	600
Accrued Payroll	38,231	33,452
Accrued Vacation	131,899	147,562
Accrued Property Taxes	3,864	3,624
Miscellaneous Accrued Expenses	102,967	64,329
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	619,487	690,910
	<hr/>	<hr/>
<b><u>Payable from Restricted Assets</u></b>		
State Revolving Loan - Current Portion	---	33,000
Water Revenue Bonds - Current Portion	380,000	375,000
Accrued Interest	141,922	144,065
	<hr/>	<hr/>
Total Payable from Restricted Assets	521,922	552,065
	<hr/>	<hr/>
Total Current Liabilities	1,141,409	1,242,975
	<hr/>	<hr/>
<b>Non-Current Liabilities:</b>		
State Revolving Loan	35,000	35,000
Water Revenue Bond Series 2017	14,893,082	15,375,439
Health & Dental Insurance Provision	2,282	62,053
Post-Employment Health Benefit Provision	93,311	88,760
Net Pension Liability	1,468,451	1,774,073
Consumer Advances for Construction	197,650	197,650
	<hr/>	<hr/>
Total Non-Current Liabilities	16,689,776	17,532,975
	<hr/>	<hr/>
<b>Deferred Inflows of Resources</b>		
Pension	245,846	79,730
IPERS	73,410	102,764
OPEB	11,916	11,916
	<hr/>	<hr/>
Total Deferred Inflows of Resources	331,172	194,410
	<hr/>	<hr/>
<b>Net Position:</b>		
Net Investment in Capital Assets	12,505,777	11,141,368
Restricted	3,891,464	5,882,749
Unrestricted	1,276,293	44,910
	<hr/>	<hr/>
Total Net Position	17,673,534	17,069,027
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$35,835,891</u>	<u>\$36,039,387</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$156,419	\$631,770
Noncash item in operating income:		
Depreciation of utility plant	80,091	640,730
Change in deferred outflows of resources	(17,096)	(16,855)
Change in deferred inflows of resources	---	(125,554)
Changes in assets and liabilities:		
Consumer accounts receivable	(9,199)	(63,468)
Inventories	19,170	18,240
Prepaid and deferred expenses	8,382	(30,447)
Accounts payable	(59,651)	(52,028)
Net pension liability	32,712	202,970
Health & dental insurance provision	(6,311)	(51,483)
Other post-employment benefit provision	395	3,160
Retained percentage	---	(9,600)
Accrued payroll	(9,948)	(46,731)
Accrued vacation	(1,679)	(15,718)
Accrued property taxes	290	661
Unearned revenue	---	(1,200)
Miscellaneous accrued expenses	2,310	40,670
Net cash flows from operating activities	195,885	1,125,117
Cash flows from capital and related financing activities:		
State revolving loan fund principal & interest payment	---	(34,190)
Water revenue bond interest & principal payments	---	(283,275)
Capital expenditures, net	(130,566)	(1,003,524)
Net cash flows from capital and related financing activities	(130,566)	(1,320,989)
Cash flows from investing activities:		
Interest received on investments	10,299	83,392
Net cash flows from investing activities	10,299	83,392
Net increase (decrease) in cash and investments	75,618	(112,480)
Cash and investments at beginning of period	\$5,611,304	\$5,799,402
Cash and investments at end of period	\$5,686,922	\$5,686,922

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision (600)	\$3,705		\$3,926		\$4,220	
Operation Labor and Expenses (601)	812		697		1,290	
Miscellaneous Expense (603)	2,185		940		954	
Maintenance of Wells (614)	40,000		---		27,300	
Maintenance of Supply Mains (616)	389		---		---	
Depreciation (618)	<u>11,109</u>		<u>10,498</u>		<u>9,449</u>	
Total Source of Supply Expense	<u>58,200</u>	9.3	<u>16,061</u>	2.6	<u>43,213</u>	7.3
 <b><u>Pumping</u></b>						
Operation Supervision (620)	4,118		3,725		4,022	
Fuel or Power Purchased (623)	87,167		89,834		90,070	
Pumping Labor and Expenses (624)	5,027		2,483		2,590	
Miscellaneous Expense (626)	283		469		648	
Maintenance of Structures (631)	451		---		---	
Maintenance of Pumping Equipment (632/633)	24,563		723		7,653	
Depreciation (634)	<u>6,717</u>		<u>6,497</u>		<u>6,240</u>	
Total Pumping Expense	<u>128,326</u>	20.6	<u>103,731</u>	16.7	<u>111,221</u>	18.7
 <b><u>Water Treatment</u></b>						
Operation Supervision (640)	3,743		4,530		3,975	
Chemicals (641)	20,900		23,006		21,021	
Operation Labor and Expenses (642)	16,027		15,298		14,689	
Miscellaneous Expense (643)	1,137		2,007		1,601	
Maintenance of Structures (651)	1,046		68		1,530	
Maintenance of Purification Equip. (652)	2,573		2,813		774	
Depreciation (654)	<u>5,446</u>		<u>3,389</u>		<u>3,262</u>	
Total Water Treatment Expense	<u>50,872</u>	8.1	<u>51,111</u>	8.2	<u>46,852</u>	7.9
 <b><u>Distribution</u></b>						
Operation Supervision (660)	3,931		4,064		4,040	
Storage Facilities Expense (661)	4,621		6,463		5,940	
Trans. & Distr. Lines Expense (662)	5,276		4,460		2,129	
Meter Expense (663)	11,419		10,453		6,439	
Consumer Installation Expense (664)	8,610		5,944		5,001	
Miscellaneous Expense (665)	16,432		17,942		11,661	
Vehicle Expense (667)	4,974		4,374		5,332	
Maintenance:						
Supervision (670)	5,367		5,558		5,103	
Structures (671)	306		55		115	
Reservoirs and Standpipes (672)	217		6,121		87	
Mains (673)	17,033		1,627		(45,570)	
Valves (674)	4,864		1,931		8,727	
Meters (676)	2,861		3,500		1,582	
Hydrants (677)	1,769		62		1,854	
Miscellaneous Plant (678)	3,318		1,258		3,794	
Vacation, Holiday, Sick Leave (679)	13,577		4,934		8,120	
Depreciation (680)	<u>43,838</u>		<u>43,665</u>		<u>39,456</u>	
Total Distribution Expense	<u>\$148,413</u>	23.8	<u>\$122,411</u>	19.7	<u>\$63,810</u>	10.7

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>This Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense (909)	\$1,663	0.3	\$1,081	0.2	\$894	0.2
<b><u>Consumer Accounts</u></b>						
Meter Reading Expense (902)	3,346		5,028		4,992	
Consumer Records and Collection (901/903)	19,808		17,407		20,756	
Uncollectible Accounts Expense (904)	638		638		811	
Vacation, Holiday, Sick Leave (906)	1,953		1,303		1,730	
<b>Total Consumer Accounts Expense</b>	<b>25,745</b>	<b>4.1</b>	<b>24,376</b>	<b>3.9</b>	<b>28,289</b>	<b>4.8</b>
<b><u>Administrative and General</u></b>						
Administrative and General Salaries (920)	23,658		22,134		22,455	
Office Supplies and Expenses (921)	1,758		2,014		1,770	
Outside Services Employed (923)	817		875		2,185	
Property Insurance (924)	2,379		2,748		1,960	
Casualty Ins, Injuries & Damages (925)	4,263		6,789		5,418	
Employee Pensions and Benefits (926)	74,993		78,972		77,067	
Fringe Benefits Charged to Constr. (927)	(11,844)		(8,850)		(14,109)	
Miscellaneous General Expense (930)	8,987		9,916		8,595	
Rents (931)	6,270		6,270		6,207	
Maintenance of General Plant (932)	5,451		4,814		5,678	
Vacation, Holiday, Sick Leave (936)	3,369		2,951		3,880	
Depreciation (933)	16,568		16,042		13,151	
<b>Total Administrative and General</b>	<b>136,669</b>	<b>21.9</b>	<b>144,675</b>	<b>23.3</b>	<b>134,258</b>	<b>22.6</b>
<b>Total Operating Expense</b>	<b>\$549,888</b>		<b>\$463,446</b>		<b>\$428,538</b>	
<b>Percent to Operating Revenue</b>		<b>88.1</b>		<b>74.8</b>		<b>72.0</b>

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

<b><u>Source of Supply</u></b>	<b><u>Budget Est.</u></b>		<b><u>This Year</u></b>		<b><u>Last Year</u></b>	
Operation Supervision (600)	\$29,194		\$29,318		\$29,293	
Operation Labor and Expenses (601)	8,023		5,690		9,599	
Miscellaneous Expense (603)	4,220		5,401		3,900	
Maintenance of Wells (614)	150,000		36,750		27,300	
Maintenance of Supply Mains (616)	2,851		2,164		51	
Depreciation (618)	<u>88,870</u>		<u>83,983</u>		<u>75,589</u>	
<b>Total Source of Supply Expense</b>	<u>283,158</u>	6.1	<u>163,306</u>	3.5	<u>145,733</u>	3.3
<b><u>Pumping</u></b>						
Operation Supervision (620)	32,092		27,916		31,122	
Fuel or Power Purchased (623)	631,298		715,037		626,672	
Pumping Labor and Expenses (624)	39,660		18,571		39,312	
Miscellaneous Expense (626)	2,267		3,071		3,197	
Maintenance of Structures (631)	2,771		---		---	
Maintenance of Pumping Equipment (632/633)	158,449		66,567		36,160	
Depreciation (634)	<u>53,737</u>		<u>51,978</u>		<u>49,923</u>	
<b>Total Pumping Expense</b>	<u>920,274</u>	19.7	<u>883,140</u>	19.1	<u>786,385</u>	17.8
<b><u>Water Treatment</u></b>						
Operation Supervision (640)	29,291		31,168		28,931	
Chemicals (641)	153,890		154,563		151,850	
Operation Labor and Expenses (642)	131,872		161,108		127,686	
Miscellaneous Expense (643)	15,430		15,844		20,644	
Maintenance of Structures (651)	30,744		18,054		11,477	
Maintenance of Purification Equip. (652)	17,091		22,616		9,500	
Depreciation (654)	<u>43,570</u>		<u>27,108</u>		<u>26,093</u>	
<b>Total Water Treatment Expense</b>	<u>421,888</u>	9.0	<u>430,461</u>	9.3	<u>376,182</u>	8.5
<b><u>Distribution</u></b>						
Operation Supervision (660)	30,461		27,605		30,416	
Storage Facilities Expense (661)	39,860		52,171		44,187	
Trans. & Distr. Lines Expense (662)	39,851		38,872		46,544	
Meter Expense (663)	93,082		81,985		77,187	
Consumer Installation Expense (664)	57,726		38,520		44,658	
Miscellaneous Expense (665)	128,350		115,408		128,569	
Vehicle Expense (667)	39,362		71,821		58,772	
Maintenance:						
Supervision (670)	41,888		38,603		39,707	
Structures (671)	1,977		236		648	
Reservoirs and Standpipes (672)	24,538		24,896		4,149	
Mains (673)	141,609		127,489		147,195	
Valves (674)	38,550		35,388		52,917	
Meters (676)	21,817		28,749		28,669	
Hydrants (677)	20,619		7,597		14,872	
Miscellaneous Plant (678)	26,546		23,486		28,504	
Vacation, Holiday, Sick Leave (679)	131,848		90,835		108,969	
Depreciation (680)	<u>350,703</u>		<u>349,323</u>		<u>315,647</u>	
<b>Total Distribution Expense</b>	<u>\$1,228,787</u>	26.3	<u>\$1,152,984</u>	24.9	<u>\$1,171,610</u>	26.5

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense (909)	\$9,892	0.2	\$11,177	0.2	\$4,615	0.1
<b><u>Consumer Accounts</u></b>						
Meter Reading Expense (902)	29,060		39,586		34,450	
Consumer Records and Collection (901/903)	156,794		143,583		144,090	
Uncollectible Accounts Expense (904)	5,100		5,100		6,488	
Vacation, Holiday, Sick Leave (906)	18,958		12,463		15,669	
Total Consumer Accounts Expense	209,912	4.5	200,732	4.3	200,697	4.5
<b><u>Administrative and General</u></b>						
Administrative and General Salaries (920)	185,126		168,916		173,273	
Office Supplies and Expenses (921)	14,996		17,531		16,856	
Outside Services Employed (923)	42,106		25,141		15,705	
Property Insurance (924)	18,561		19,622		15,079	
Casualty Ins, Injuries & Damages (925)	34,573		66,017		31,501	
Employee Pensions and Benefits (926)	605,530		585,165		552,626	
Fringe Benefits Charged to Constr. (927)	(86,929)		(45,377)		(76,059)	
Miscellaneous General Expense (930)	97,289		78,825		76,787	
Rents (931)	50,160		50,160		49,656	
Maintenance of General Plant (932)	46,033		30,484		31,025	
Vacation, Holiday, Sick Leave (936)	32,303		34,290		29,526	
Depreciation (933)	132,547		128,337		105,205	
Total Administrative and General	1,172,295	25.1	1,159,111	25.0	1,021,181	23.1
Total Operating Expense	<u>\$4,246,206</u>		<u>\$4,000,911</u>		<u>\$3,706,402</u>	
Percent to Operating Revenue		90.7		86.4		83.7

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

	<u>Pumped</u>	<u>2019</u> <u>Sold</u>	<u>Pumped</u>	<u>2018</u> <u>Sold</u>
Average Revenue Per 1,000 Gallons	0.656	0.696	0.622	0.659
Cost Per 1,000 Gallons	<u>0.492</u>	<u>0.522</u>	<u>0.451</u>	<u>0.478</u>
Margin	<u>0.164</u>	<u>0.174</u>	<u>0.171</u>	<u>0.181</u>
		<u>2019</u>		<u>2018</u>
Maximum Daily Water Pumped (1,000 gallons)		31,931		33,398
Date of Maximum		08/07		08/14

**Calendar Year-to-Date**

	<u>Pumped</u>	<u>2019</u> <u>Sold</u>	<u>Pumped</u>	<u>2018</u> <u>Sold</u>
Average Revenue Per 1,000 Gallons	0.670	0.710	0.637	0.676
Cost Per 1,000 Gallons	<u>0.581</u>	<u>0.616</u>	<u>0.537</u>	<u>0.569</u>
Margin	<u>0.089</u>	<u>0.094</u>	<u>0.100</u>	<u>0.106</u>
		<u>2019</u>		<u>2018</u>
Maximum Daily Water Pumped (1,000 gallons)		32,291		33,398
Date of Maximum		07/25		08/14

**Services**

Contract Customers	2	2
Power Plants	2	2
Residential	8,806	8,803
Commercial	<u>1,079</u>	<u>1,089</u>
Total	<u>9,889</u>	<u>9,896</u>

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

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

	(Unfavorable)/ Favorable Compared to Budget	
<b>Sales of Water</b>		
Contract Customers	\$ (30,898)	GPC consumption is 0.5% lower than budget, plus a 0.9% lower billing rate
	5,813	Heinz's consumption is 0.9% higher than budgeted, plus a 1.8% higher billing rate
	16,627	Power plants' consumption is 16.6% higher than budgeted, offset by a 8.5% lower billing rate.
	(15,632)	Residential consumption is 3.0% lower than budgeted, offset by a 1.9% higher billing rate
	(19,389)	Commercial consumption is 0.6% lower than budgeted plus a 3.6% lower billing rate
	<u>(43,479)</u>	
<b>Other Revenue</b>		
Penalty Revenue	(551)	Timing different than budget
Merchandise & Job Sales-Net	(5,017)	Lower job sales revenue
Miscellaneous Revenue	2,477	Posting fees \$1,550 higher
	<u>(3,091)</u>	
<b>Operating Expense</b>		
Operation	1,458	Dehumidifier for West Hill pumping station, not expended
	(83,739)	Higher fuel/power purchased due to a 12.6% higher cost per gallons pumped, plus 0.6% higher gallons pumped
	(673)	Lower chemicals expense due to the lower price of fluoride
	(17,042)	Higher water treatment materials expenses, including \$10,749 for electricity
	(11,720)	Higher electricity expense for storage facilities
	(16,939)	Professional engineering services, not budgeted
	(34,400)	Higher cost for vehicle operations expenses, including \$22,596 for dump truck repairs
	(3,927)	Marketing intern, not budgeted
	1,349	Lower cost of credit card processing fees, due to receiving \$1,904 refund
	1,430	Lower cost for collection of customer debt
	8,170	Cost of service study
	3,500	Compensation reviews, not expended
	2,100	Employee search services, not expended
	1,750	GASB report not expended
	(32,188)	Higher workers compensation claims
	10,860	Lower health care cost
	(35,235)	Higher pension expense
	39,186	Lower FICA expense
	4,042	Lower deferred compensation utility match
	(2,770)	Higher cost for lawncare
	(4,737)	Higher cost for gasoline/diesel fuel
	(41,552)	Lower fringe benefits charged to construction, due to timing of capital projects
	6,756	Travel and training lower than budgeted
	97,677	Lower labor, sick, personal and vacation expense
	60,837	Other miscellaneous variances - net
	<u>(45,807)</u>	
Maintenance	113,250	Lower cost for well cleaning, due to timing of budgeted expenses
	2,771	Well building repairs, fencing at wells, and roof repairs not begun
	67,047	Lower cost of pumping equipment repairs and valves
	24,835	Lower labor expense for pumping equipment repairs
	5,150	Cost for two exhaust fans at Grandview treatment building, not expended
	8,000	Fresh air heater in fluoride room, not expended
	6,000	Removal of asbestos tiles at the mainfield, not completed
	(6,460)	Higher cost of water treatment structure maintenance, including piping repairs
	(8,121)	Relocating chemical feed pumps at Progress Park treatment building, not budgeted
	1,400	Inspection of East Hill reservoir and Bidwell water tower to be completed later this summer
	5,912	Reservoir repairs, not completed
	14,120	Lower cost of main repairs/concrete repairs
	(6,932)	Higher cost for meter maintenance
	13,022	Lower cost of hydrant repairs
	4,000	Gasoline and diesel fuel is being expensed to operations
	12,148	Lower cost for software/hardware maintenance agreements
	6,262	Other miscellaneous variances - net
	<u>262,404</u>	
Depreciation	<u>28,698</u>	
<b>Nonoperating Revenue (Expense)</b>		
Interest Income	27,764	Higher average cash balances than projected
	<u>27,764</u>	
<b>Change in Net Position</b>	<u>\$ 226,489</u>	<b>Total Variance in Budgeted Net Position</b>

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

### Sales of Water

- Contract customers' average billing rate is 0.6% lower than budget plus a 0.4% lower water usage resulting in \$25,085 lower revenue. GPC's usage was 0.5% lower than budget along with a 0.9% lower billing rate, resulting in \$30,898 lower revenue. Heinz's usage was 0.9% higher than budget plus a 1.8% higher billing rate, resulted in \$5,813 higher revenue.
- Power plants' usage was 16.6% higher than budget, offset by a 8.5% lower billing rate, resulting in \$16,627 higher revenue.
- Residential customers' water usage was 3.0% lower than budgeted, offset by a 1.9% higher billing rate, resulting in \$15,632 lower revenue.
- Commercial customers' water usage was 0.6% lower than budgeted, plus a 3.6% lower billing rate, resulting in \$19,389 lower revenue.

### Other Revenue

- Penalty revenue is \$551 lower than budget.
- Job sales revenue is \$5,017 lower than budget.
- Posting fees are \$1,550 higher than budgeted.

### Nonoperating Revenue (Expense)

- Interest income is \$27,764 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 \$972 lower than budgeted.

#### Miscellaneous Expenses – (603)

- Lawncare expense is \$1,405 higher than budgeted.

#### Maintenance of Wells – (614)

- The budget includes five well cleanings; actual expense is for cleaning Well 35 at \$35,400 and chlorination of Well 40, resulting in \$113,250 lower expenses.

#### Depreciation – (618)

- Depreciation under budget \$4,887 primarily due to well projects not closed at the end of 2018.

PumpingOperation Supervision – (620)

- The planning and scheduling department budgeted labor to this account that has not been expended.

Fuel or Purchased Power – (623)

- The cost per kWh was 12.1% higher than budget primarily due to the energy adjustment charge, resulting in power expense being \$83,739 higher than budgeted.

	2019 Budget	2019 Actual	2018 Actual
Fuel or Power Purchased	\$ 631,298	\$ 715,037	\$ 626,672
1,000 Gallons Pumped	6,842,948	6,882,038	6,901,372
Cost per 1,000 Gal. Pumped	0.0923	0.1039	0.0908
kWhs Consumed	10,518,379	10,628,600	10,648,020
kWh per 1,000 Gal. Pumped	1.54	1.54	1.54

Pumping Labor and Expenses – (624)

- Water production labor under budget \$7,104.
- Water distribution labor greater than budget \$2,107.
- Control center labor budget equals \$15,134; actual labor is not being charged to this account.
- Material expenses are \$1,419 lower than budgeted.

Maintenance of Structures – (631)

- Budgeted materials of \$2,500 and \$271 labor for well buildings, fencing at the wells, and roof repairs has not been expended.

Maintenance of Pumping Equipment – (632/633)

- Materials expenses under budget by \$67,047, due to timing of valve purchases, and repairs.
- Labor expense is under budget by \$24,835, which includes \$9,606 for the planning & scheduling department, \$11,078 for substation electricians, and \$3,347 for power plant electrician's labor.

Water TreatmentChemicals Expense – (641)

Chemical expense year-to-date is \$673 higher than budgeted

	2019 Budget			2019 Actual			2018 Actual		
1,000 Gal. Pumped	Units	\$	Per Unit	Units	\$	Per Unit	Units	\$	Per Unit
Chlorine	98,421	\$ 30,786	\$0.313	114,965	\$ 35,639	\$0.310	100,840	\$ 30,635	\$ 0.304
Hydrofluoro-silic Acid	140,634	\$ 45,003	\$0.320	140,824	\$ 42,695	\$0.303	137,439	\$ 44,013	\$ 0.320
Phosphate	82,212	\$ 78,101	\$0.950	74,775	\$ 76,228	\$1.019	80,651	\$ 77,202	\$ 0.957
Total		\$ 153,890			\$154,563			\$ 151,850	

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

- Water department labor over budget \$20,412; system control budgeted \$8,218 labor expense that has not been needed.
- Materials expense over budget \$17,042, including \$10,749 for electricity.

Maintenance of Structures – (651)

- Budget includes \$9,000 for two exhaust fans at Grandview treatment building, \$8,000 to replace fresh air heater in fluoride room, and \$6,000 for removal of asbestos tiles at the main field that have not been expended. One exhaust fan was expended at \$3,850; other material expenses are \$3,552 higher than budgeted.
- Labor expense is \$2,908 higher than budgeted; plant electricians charged \$1,144 more time to this account than budgeted.

Maintenance of Purification Equipment – (652)

- The water distribution operators charged \$8,121 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.
- Other departments' labor expenses are \$2,156 lower than budgeted.

Depreciation – (654)

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

DistributionOperation Supervision (660)

- A percent of the director position labor expense equal to \$3,349 was budgeted, but not allocated to this account.

Storage Facilities Expense (661)

- Electricity expense over budget \$11,720.
- Facilities maintenance labor expense is \$1,009 lower than the budget.
- Lawncare is \$1,365 higher than budgeted.

Meter Expense (663)

- Labor expense under budget \$11,201.

Customer Installation Expense – (664)

- Outside services department labor under budget \$18,143 primarily due to fewer locates.
- Material expense is lower than budget by \$1,045.

Miscellaneous Expense – (665)

- Engineering department labor under budget \$42,135; outside services department's labor is \$14,113 higher than budgeted.
- Professional engineering services, not budgeted, totaled \$16,939.

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

- Labor under budget \$7,549.
- Gasoline/diesel fuel usage is \$5,608 higher than budgeted.
- Material maintenance costs are \$34,400 higher, including \$22,596 for the Freightliner dump truck repair, \$4,888 for the Peterbilt dump truck (V66) repairs, and \$3,081 for a salt spreader.

Maintenance Supervision – (670)

- The director position budgeted \$3,349 higher labor expense to this account; actual expenses are primarily allocated to operation expenses.

Maintenance of Reservoirs & Standpipes – (672)

- The budget includes \$12,800 for the inspection of East Hill reservoir and the Bidwell water tower that will be completed this summer at a cost of \$15,300; \$11,400 has been expended through August.
- Reservoir repairs, including site sod removal, pressure washing, and patching in top of structure, were budgeted at \$10,000; \$4,088 has been expended.
- Labor expense is \$7,670 higher than budgeted.

Maintenance of Mains – (673)

- Labor expense is higher than budgeted by \$2,131.
- Materials expense under budget \$16,250 due to the timing of water main breaks and concrete repairs.

Maintenance of Valves – (674)

- Power plant labor, not budgeted, totaled \$967.
- Materials for valve repairs are lower than budget by \$4,405.

Maintenance of Meters – (676)

- Materials expense over budget \$6,573 due to higher cost for remote meter repairs and timing of repairs.

Maintenance of Hydrants – (677)

- Materials expenses for hydrant repairs and painting are under budget \$13,336.

Maintenance of Miscellaneous Plant – (678)

- Vehicle material repairs greater than budgeted by \$725.
- Fuel usage, budgeted at \$4,000, is being charged to vehicle expense (account 667).

Vacation, Holiday, Sick Leave – (679)

- Vacation accrual expense is lower than budgeted by \$44,164, due to departmental expenses being allocated to different accounts compared to budget.
- Sick leave and holiday pay are higher than budget by \$3,151.

Customer Service ExpenseCustomer Information Expense – (909)

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Billtrust	\$ 240	\$ 222	\$ 370
Postage	380	-	-
Promotional Material/Education	3,447	2,485	333
Media Advertising	4,498	2,986	2,757
Newsletter	1,095	1,358	1,003
Marketing intern	-	3,927	-
Customer Awareness Programs	-	199	138
Presentation Materials	-	-	-
Photo Library	232	-	14
	<u>\$ 9,892</u>	<u>\$ 11,177</u>	<u>\$ 4,615</u>

Consumer AccountsMeter Reading Expense – (902)

- Labor expense is \$12,506 over budget.
- Temporary labor services are under budget \$1,025.

Consumer Records and Collection – (901/903)

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Labor	\$ 119,102	\$ 108,455	\$ 108,090
Credit Card/ACH Processing	11,973	10,624	* 10,407
Billtrust Expense	3,876	3,669	4,157
Postage	8,495	8,039	9,085
Temp Services	4,093	5,899	3,362
Fuel	1,200	462	447
Invoice Cloud	2,119	2,554	1,979
Collection Expense	2,676	1,246	2,555
Other Expenses	3,260	2,635	4,008
	<u>\$ 156,794</u>	<u>\$ 143,583</u>	<u>\$ 144,090</u>

\*Includes \$1,904 refund for prior period fee

Vacation, Holiday, Sick Leave – (906)

- Sick leave usage was lower than expected by \$4,248.
- Vacation accrual expense is \$2,247 lower than budgeted.

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	2019 Budget	2019 Actual	2018 Actual
Succession Planning	110-Board	\$ -	\$ 1,254	\$ 1,155
Organizational Development	120-Gage	2,334	582	4,095
Labor Legal Services	140-Brandy	800	443	124
General Legal Services	140-Brandy	1,400	1,379	256
Web Graphics	224-Rick	1,150	360	265
Insurance Advisor	310-Jerry	2,352	2,352	2,352
Bond Services	310-Jerry	-	1,000	1,000
Audit Services	320-Diana	3,509	2,864	3,256
Water Cost of Service Study	320-Diana	20,000	11,830	-
IS Professional Services	350-Greg	-	-	350
509A Actuary Service	410-Erika	77	68	68
Compensation Reviews	410-Erika	3,500	-	-
Employee Search Services	410-Erika	2,100	-	1,874
Director Professional Services	410-Erika	-	876	-
Labor Legal Services	410-Erika	-	173	-
Pension Study/ GASB Rpt	410-Erika	1,750	-	(1,050)
Employee Survey	410-Erika	700	-	-
Benefits Consulting	410-Erika	2,434	1,960	1,960
		<u>\$ 42,106</u>	<u>\$ 25,141</u>	<u>\$ 15,705</u>

Injuries & Damages – (925)

- Workers compensation claims over budget \$32,188.
- Insurance premiums are \$744 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	\$ 241,036	\$ 230,176	\$ 206,993
Pension	167,736	202,971	165,673
FICA	109,327	70,141	93,662
IPERS	39,007	38,726	40,269
Deferred comp utility match	21,510	17,468	22,462
Life, LTD & ADD	8,459	7,434	7,376
Dental	8,800	9,114	8,179
OPEB	3,161	3,161	2,782
Other Expenses	6,494	5,974	5,230
	<u>\$ 605,530</u>	<u>\$ 585,165</u>	<u>\$ 552,626</u>

Fringe Benefits Charged to Construction – (927)

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

Miscellaneous General Expense – (930)

- Memberships/subscriptions higher than budget by \$2,165.
- Wellness committee expenses under budget \$755.
- Hazardous waste disposal expense is under budget \$1,000.
- Employment expenses under budget \$1,224.
- Labor expense is under budget by \$7,214.
- Temporary labor services are greater than budget by \$1,750.
- Continuous improvement expenses are lower than budget by \$1,053.
- Travel and training expenses are \$3,547 lower than budgeted.
- Environmental department budgeted \$7,500 for process hazard analysis support that has not been expended.

Maintenance of General Plant – (932)

- Maintenance agreements under budget \$12,148.
- Vehicle maintenance subscription, not expended, totaled \$1,447.
- Miscellaneous software/hardware repairs are \$1,381 lower than budgeted.

Vacation, Holiday, Sick Leave – (936)

- Sick leave usage was \$504 higher than budgeted.
- Vacation accrual \$1,482 higher than the budget.

Depreciation – (654)

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

**Water Utility  
Statement of Net Position Review  
August 2019**

	<u>2019</u>	<u>2018</u>
<b><u>Current Assets</u></b>		
<u>Receivables - Consumer Accounts</u>		
Customer water accounts	\$728,988	\$692,151
Unbilled revenue	78,259	71,717
Utility loan program	4,532	2,782
Merchandise accounts	10,322	9,587
Allowance for doubtful accounts	(3,084)	(5,134)
	<u>\$819,017</u>	<u>\$771,103</u>
 <u>Inventories</u>		
Inventory	\$318,244	\$350,120
Stores expense (a/c 163)	7,225	5,366
	<u>\$325,469</u>	<u>\$355,486</u>
 <u>Prepaid Expenses</u>		
Prepaid insurance	\$31,557	\$25,696
Prepaid maintenance contracts	18,859	17,479
Other prepaid expenses	2,332	(3,657)
	<u>\$52,748</u>	<u>\$39,518</u>
 <b><u>Current Liabilities</u></b>		
<u>Accounts Payable (amounts over \$2,500 itemized)</u>		
Electric bills	\$98,527	\$100,080
Alexander Chemical Corp - chlorine	---	6,944
Brown Supply	15,337	---
C&C Contractors	---	52,541
Cahoy Pump Service - well construction	5,153	5,153
Calacci - water plant expansion	17,589	7,057
Carus Corp - phosphate	---	39,544
Cogsdale - business system implementation	---	5,609
Core & Main - hydrants	15,977	---
Ditch Witch	16,430	---
Dixon Engineering - professional services	---	8,400
Elan - supplies	8,306	---
James Orr Coatings Inspection LLC	4,000	---
Metering & Tech Solutions - encoders/meters	8,463	5,922
Municipal Pipe Services	25,000	---
Utility Equipment - valves/fittings	3,951	---
Watersmith	4,075	---
Other	36,237	119,123
	<u>\$254,970</u>	<u>\$350,373</u>
 <u>Customer Advances for Construction</u>		
R.L. Fridley Theaters, Inc	\$600	\$600
 <u>Miscellaneous Accrued Expenses</u>		
Excise/sales/use tax collections payable	\$15,721	\$12,628
Payroll tax collections payable	12,836	14,432
IPERS payable	10,209	4,430
Workers' comp self insurance reserves	55,098	24,538
Comp time payable	9,103	8,301
	<u>\$102,967</u>	<u>\$64,329</u>

**Muscatine Power and Water**

**Communications Utility**

**Financial Operating Statements & Balance Sheets**

**August 2019**

**Muscatine Power and Water  
Communications Utility**

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**Muscatine Power and Water - Communications Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Current Month - August 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	\$588,257	(2.2)	\$575,070	(0.3)	\$577,076
Data/Internet	532,838	(1.4)	525,201	(1.7)	534,140
Phone	11,562	(49.0)	5,899	---	935
MAN	67,000	6.9	71,654	6.0	67,584
Miscellaneous	<u>10,767</u>	(43.0)	<u>6,137</u>	(39.0)	<u>10,062</u>
Total Operating Revenues	<u>1,210,423</u>	(2.2)	<u>1,183,962</u>	(0.5)	<u>1,189,797</u>
<b><u>Operating Expense</u></b>					
Operation	819,625	0.3	822,423	2.5	802,119
Maintenance	107,021	17.9	126,132	35.4	93,135
Depreciation	<u>103,637</u>	(3.5)	<u>99,966</u>	(21.2)	<u>126,791</u>
Total Operating Expenses	<u>1,030,283</u>	1.8	<u>1,048,521</u>	2.6	<u>1,022,045</u>
Operating Income	<u>180,140</u>	(24.8)	<u>135,440</u>	(19.3)	<u>167,752</u>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	6,984	93.1	13,488	(34.9)	20,703
Interest Expense	<u>(20,964)</u>	0.0	<u>(20,964)</u>	(19.0)	<u>(25,878)</u>
Net Nonoperating Expense	<u>(13,981)</u>	(46.5)	<u>(7,476)</u>	44.5	<u>(5,175)</u>
<b>Net Income before Capital Contributions</b>	166,160	(23.0)	127,964	(21.3)	162,577
Capital Contributions	<u>600</u>	(45.2)	<u>329</u>	(79.3)	<u>1,589</u>
<b>Change in Net Position</b>	166,760		128,293		164,166
<b>Beginning Net Position</b>	<u>10,715,579</u>		<u>11,109,756</u>		<u>8,768,609</u>
<b>Ending Net Position</b>	<u>10,882,341</u>		<u>\$11,238,049</u>		<u>\$8,932,775</u>
Net Income (Loss) to Operating Revenue	13.7		10.8		13.7
Debt Service Coverage on Bank Debt	1.61		1.38		1.75
Debt Service Coverage on Electric Utility Debt	2.52		1.56		3.07

**Muscatine Power and Water - Communications Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Calendar Year-to-Date - August 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	\$4,619,280	(1.3)	\$4,557,162	(0.9)	\$4,598,823
Data/Internet	4,195,729	3.8	4,353,699	4.8	4,154,947
Phone	53,019	(35.6)	34,171	---	2,482
MAN	536,000	6.1	568,914	7.7	528,028
Miscellaneous	<u>85,974</u>	<u>(10.6)</u>	<u>76,838</u>	<u>(8.3)</u>	<u>83,811</u>
Total Operating Revenues	<u>9,490,002</u>	<u>1.1</u>	<u>9,590,785</u>	<u>2.4</u>	<u>9,368,091</u>
<b><u>Operating Expense</u></b>					
Operation	6,536,420	(2.4)	6,381,020	3.9	6,139,698
Maintenance	844,452	2.4	864,353	28.0	675,343
Depreciation	<u>829,096</u>	<u>(3.5)</u>	<u>799,728</u>	<u>(21.2)</u>	<u>1,014,328</u>
Total Operating Expenses	<u>8,209,968</u>	<u>(2.0)</u>	<u>8,045,101</u>	<u>2.8</u>	<u>7,829,369</u>
Operating Income	<u>1,280,035</u>	<u>20.8</u>	<u>1,545,685</u>	<u>0.5</u>	<u>1,538,722</u>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	73,032	1.1X	154,380	17.5	131,422
Interest Expense	(178,407)	0.0	(178,407)	(23.8)	(233,996)
Gain on Sale of Assets	<u>---</u>		<u>1,636</u>		<u>---</u>
Net Nonoperating Expense	<u>(105,375)</u>	<u>(78.8)</u>	<u>(22,390)</u>	<u>(78.2)</u>	<u>(102,574)</u>
<b>Net Income before Capital Contributions</b>	<u>1,174,660</u>	<u>29.7</u>	<u>1,523,294</u>	<u>6.1</u>	<u>1,436,148</u>
Capital Contributions	<u>4,800</u>	<u>1.5X</u>	<u>11,874</u>	<u>60.5</u>	<u>7,398</u>
<b>Change in Net Position</b>	<u>1,179,460</u>		<u>1,535,168</u>		<u>1,443,546</u>
<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>\$10,882,341</u>		<u>\$11,238,049</u>		<u>\$8,932,775</u>
Net Income (Loss) to Operating Revenue	12.4		15.9		15.3
Debt Service Coverage on Bank Debt	1.51		1.73		1.86
Debt Service Coverage on Electric Utility Debt	2.11		3.01		3.54

**Muscatine Power and Water - Communications Utility**  
**Statements of Net Position**  
**Aug-19**

**ASSETS**

	<u>2019</u>	<u>2018</u>
<b>Current Assets:</b>		
Cash - interest bearing	\$1,207,808	\$6,687,666
Investments	7,963,969	5,787,481
Receivables:		
Consumer Accounts	1,685,713	1,332,791
Interest	14,658	18,763
Inventories	216,945	436,698
Prepaid Expenses	<u>183,888</u>	<u>358,657</u>
Total Current Assets	<u>11,272,981</u>	<u>14,622,056</u>
<b>Property and Equipment:</b>		
At Cost	47,169,872	43,471,018
Less Accumulated Depreciation	<u>28,987,876</u>	<u>28,549,545</u>
Net Property and Equipment	<u>18,181,996</u>	<u>14,921,473</u>
<b>Deferred Outflows of Resources</b>		
Pension	1,403,038	1,861,138
OPEB	<u>14,555</u>	<u>14,555</u>
Total Deferred Outflows of Resources	<u>1,417,593</u>	<u>1,875,693</u>
<b>TOTAL ASSETS</b>	<u><u>\$30,872,570</u></u>	<u><u>\$31,419,222</u></u>

**Muscatine Power and Water - Communications Utility**  
**Statements of Net Position**  
**Aug-19**

**LIABILITIES AND NET POSITION**

	<u>2019</u>	<u>2018</u>
<b>Current Liabilities:</b>		
<b><u>Payable from Unrestricted Assets</u></b>		
Accrued Interest	\$41,928	\$73,164
Accounts Payable	801,233	795,846
Health & Dental Insurance Provision	59,606	45,780
Retained Percentage on Contracts	126,205	129,794
Accrued Payroll	64,891	54,690
Accrued Vacation	156,215	162,096
Accrued Property Taxes	5,874	7,288
Unearned Revenue - Dark Fiber Lease	18,600	18,500
Miscellaneous Accrued Expenses	141,201	114,985
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	1,415,753	1,402,143
	<hr/>	<hr/>
<b><u>Payable from Restricted Assets</u></b>		
Notes Payable:		
Banks	1,974,197	1,875,198
Electric Utility	972,540	511,610
	<hr/>	<hr/>
Total Payable from Restricted Assets	2,946,737	2,386,808
	<hr/>	<hr/>
Total Current Liabilities	4,362,490	3,788,951
	<hr/>	<hr/>
<b>Non-Current Liabilities:</b>		
Health & Dental Insurance Provision	8,080	95,542
Post-Employment Health Benefit Provision	131,111	124,542
Unearned Revenue - Dark Fiber Lease	181,713	199,313
Net Pension Liability	2,148,100	2,829,994
Notes Payable:		
Banks	5,184,217	7,200,232
Electric Utility	7,106,454	8,051,234
	<hr/>	<hr/>
Total Non-Current Liabilities	14,759,675	18,500,857
	<hr/>	<hr/>
<b>Deferred Inflows of Resources</b>		
Pension	495,674	179,957
OPEB	16,682	16,682
	<hr/>	<hr/>
Total Deferred Inflows of Resources	512,356	196,639
	<hr/>	<hr/>
<b>Net Position:</b>		
Net Investment in Capital Assets	11,023,582	5,846,043
Unrestricted	214,467	3,086,732
	<hr/>	<hr/>
Total Net Position	11,238,049	8,932,775
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$30,872,570</u>	<u>\$31,419,222</u>

**Muscatine Power and Water - Communications Utility**  
**Statements of Cash Flows**  
**Aug-19**

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$135,440	\$1,545,685
Noncash items in operating income:		
Converter/modem write-off		22,373
Depreciation of utility plant	99,966	799,728
Change in deferred outflows of resources	(37,827)	(315,107)
Changes in assets and liabilities:		
Consumer accounts receivable	(11,054)	(66,770)
Inventories	(12,892)	(876)
Prepaid and deferred expenses	40,799	(49,417)
Accounts payable	(102,274)	(314,571)
Net pension liability	72,338	448,971
Health & dental insurance provision	(8,978)	(72,697)
Other post-employment benefit provision	560	4,483
Unearned revenue	(1,458)	(11,766)
Accrued payroll	(20,546)	(49,677)
Accrued vacation	(2,343)	(3,618)
Accrued property taxes	377	(195)
Miscellaneous accrued expenses	11,300	(5,113)
Net cash flows from operating activities	<u>163,408</u>	<u>1,931,433</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(290,915)	(3,431,960)
Loan principal payments	---	(965,551)
Loan interest payments	(0)	(136,479)
Net cash flows from capital and related financing activities	<u>(290,915)</u>	<u>(4,533,989)</u>
Cash flows from investing activities:		
Interest received on investments	<u>18,454</u>	<u>159,154</u>
Net cash flows from investing activities	<u>18,454</u>	<u>159,154</u>
Net decrease in cash and investments	<u>(109,053)</u>	<u>(2,443,403)</u>
Cash and investments at beginning of period	<u>\$9,280,830</u>	<u>\$11,615,180</u>
Cash and investments at end of period	<u><u>\$9,171,777</u></u>	<u><u>\$9,171,777</u></u>

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>Video</u></b>			
Program Acquisition Expense (751-758)	\$379,901	\$362,760	\$369,792
Promotional Expense (960)	4,166	1,857	2,195
Electricity Expense (736)	692	2,461	3,153
Pole Attachment Expense (715)	2,071	2,071	2,043
Changes of Service (742)	2,807	422	1,485
Underground Line Expense (743)	5,767	7,808	4,064
Ad Insertion - Marketing/Production (964, 965)	15,404	4,757	4,513
Miscellaneous Video Expense (710, 738, 739)	19,176	42,049	16,280
Vehicle Expense (760)	5,218	4,438	7,723
Maintenance:			
Fiber (711)	707	4,740	2,934
Coax (712)	1,440	1,671	882
Drops (713)	2,692	4,303	6,327
Conduit System (714)	2,207	1,171	1,436
Headend (721-725)	28,191	28,212	25,159
Line Equipment (731-735)	2,997	2,371	1,740
Converters (741)	4,553	2,294	1,856
Ad Insertion (966)	4,826	2,727	2,660
Vacation, Holiday, Sick Leave (799)	5,083	4,316	3,092
Property Taxes (794)	237	181	314
Depreciation (793)	56,663	51,588	70,512
<b>Total Video</b>	<b>544,797</b>	<b>532,197</b>	<b>528,160</b>
<b><u>Data/Internet</u></b>			
Data/Internet Access Charges (851-853)	28,920	19,350	26,163
Promotional Expense (961)	4,166	1,827	2,165
Electricity Expense (836)	77	289	515
Pole Attachment Expense (837)	364	364	359
Changes of Service (842)	936	141	495
Customer Wireless Equipment Expense (846)	---	---	---
Underground Line Expense (843)	800	2,603	1,355
Miscellaneous Data/Internet Expense (839, 844, 848)	7,910	14,918	9,025
Vehicle Expense (860)	844	1,193	2,022
Maintenance:			
Fiber (811)	295	1,975	1,223
Coax (813)	480	557	242
Drops (814)	897	1,434	2,109
Conduit System (816)	919	488	599
Headend (820, 821)	36,812	35,599	26,456
Line Equipment (831-835)	629	636	580
Modems (841)	6,679	2,932	3,523
Vacation, Holiday, Sick Leave (879)	3,824	3,371	2,081
Property Taxes (894)	99	75	55
Depreciation (893)	26,959	28,019	28,720
<b>Total Data/Internet</b>	<b>121,610</b>	<b>115,771</b>	<b>107,687</b>

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

	<u>Budget Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>MAN</u></b>			
Pole Attachment Expense (838)	\$1,135	\$1,235	\$1,220
Tools Expense (845)	208	69	3
Maintenance:			
Fiber (812)	471	3,160	1,956
Conduit System (817)	2,086	781	958
MAN Equipment (818, 819)	3,186	6,180	3,818
Vacation, Holiday, Sick Leave (899)	272	81	51
Property Taxes (896)	158	121	172
Depreciation (840)	8,468	8,060	18,747
Total MAN	<u>15,985</u>	<u>19,688</u>	<u>26,925</u>
<b>Phone Expenses (880)</b>	<u>8,597</u>	<u>6,700</u>	<u>4,500</u>
<b><u>Customer Service Expense</u></b>			
Customer Information Expense (909)	<u>7,811</u>	<u>3,123</u>	<u>3,145</u>
<b><u>Consumer Accounts</u></b>			
Customer Records and Collections (901/903)	56,259	51,867	64,190
Uncollectible Accounts Expense (904)	1,110	1,110	1,170
Vacation, Holiday, Sick Leave (906)	4,827	4,789	5,113
Total Consumer Accounts	<u>62,196</u>	<u>57,766</u>	<u>70,473</u>
<b><u>Administrative and General</u></b>			
Administrative and General Salaries (920)	76,636	72,823	86,393
Office Supplies and Expense (921)	4,168	4,350	4,911
Outside Services Employed (923)	7,044	6,900	10,406
Property Insurance (924)	1,610	1,859	1,307
Casualty Ins, Injuries & Damages (925)	6,954	10,671	8,719
Employee Pensions and Benefits (926)	119,522	141,894	120,811
Fringe Benefits Charged to Construction (927)	(8,412)	(4,447)	(6,428)
Rents (931)	10,139	10,139	9,844
Miscellaneous General Expense (930)	23,812	26,733	22,189
Maintenance of General Plant (932)	6,952	24,902	8,677
Vacation, Holiday, Sick Leave (936)	9,314	5,155	5,514
Depreciation (933)	11,547	12,299	8,812
Total Administrative and General	<u>269,286</u>	<u>313,277</u>	<u>281,155</u>
Total Operating Expenses	<u><u>\$1,030,283</u></u>	<u><u>\$1,048,521</u></u>	<u><u>\$1,022,045</u></u>

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>Video</u></b>			
Program Acquisition Expense (751-758)	\$3,078,966	\$2,894,698	\$3,007,563
Promotional Expense (960)	43,943	8,860	24,916
Electricity Expense (736)	9,405	19,256	20,999
Pole Attachment Expense (715)	16,567	16,567	16,341
Changes of Service (742)	22,010	7,571	12,590
Underground Line Expense (743)	36,067	39,113	24,031
Ad Insertion - Marketing/Production (964, 965)	66,310	26,146	52,595
Miscellaneous Video Expense (710, 738, 739)	148,036	280,855	152,018
Vehicle Expense (760)	42,207	41,105	44,475
Maintenance:			
Fiber (711)	5,429	39,440	17,838
Coax (712)	11,439	16,805	8,630
Drops (713)	21,246	51,577	43,434
Conduit System (714)	16,485	5,657	4,926
Headend (721-725)	225,763	216,901	191,360
Line Equipment (731-735)	20,115	31,059	16,403
Converters (741)	35,315	19,346	16,694
Ad Insertion (966)	38,291	24,123	33,697
Vacation, Holiday, Sick Leave (799)	49,891	46,927	40,991
Property Taxes (794)	1,896	1,124	2,512
Depreciation (793)	453,301	412,704	564,096
<b>Total Video</b>	<b>4,342,680</b>	<b>4,199,830</b>	<b>4,296,109</b>
<b><u>Data/Internet</u></b>			
Data/Internet Access Charges (851-853)	231,360	175,626	211,179
Promotional Expense (961)	43,943	8,620	25,034
Electricity Expense (836)	1,053	2,022	2,552
Pole Attachment Expense (837)	2,913	2,913	2,874
Changes of Service (842)	7,337	2,524	4,197
Customer Wireless Equipment Expense (846)	---	---	---
Underground Line Expense (843)	5,264	13,037	8,010
Miscellaneous Data/Internet Expense (839, 844, 848)	61,533	108,997	66,312
Vehicle Expense (860)	6,754	10,494	7,597
Maintenance:			
Fiber (811)	2,262	16,414	7,671
Coax (813)	3,813	5,602	2,825
Drops (814)	7,082	17,192	14,478
Conduit System (816)	6,869	2,357	2,053
Headend (820, 821)	293,575	252,108	201,616
Line Equipment (831-835)	4,632	9,114	5,342
Modems (841)	51,615	16,737	23,016
Vacation, Holiday, Sick Leave (879)	38,310	34,943	21,049
Property Taxes (894)	792	469	440
Depreciation (893)	215,673	224,152	229,760
<b>Total Data/Internet</b>	<b>984,780</b>	<b>903,321</b>	<b>836,005</b>

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

	<u>Budget Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>MAN</u></b>			
Pole Attachment Expense (838)	\$9,083	\$9,883	\$9,759
Tools Expense (845)	1,767	5,142	2,886
Maintenance:			
Fiber (812)	3,614	26,262	12,789
Conduit System (817)	15,029	3,771	3,284
MAN Equipment (818, 819)	24,930	44,243	23,005
Vacation, Holiday, Sick Leave (899)	2,685	836	2,172
Property Taxes (896)	1,264	749	1,376
Depreciation (840)	67,744	64,480	149,976
Total MAN	<u>126,116</u>	<u>155,367</u>	<u>205,247</u>
<b>Phone Expenses (880)</b>	<u>58,439</u>	<u>49,200</u>	<u>27,083</u>
<b><u>Customer Service Expense</u></b>			
Customer Information Expense (909)	<u>38,888</u>	<u>29,155</u>	<u>22,848</u>
<b><u>Consumer Accounts</u></b>			
Consumer Records and Collections (901/903)	445,907	422,813	428,476
Uncollectible Accounts Expense (904)	8,880	8,880	9,360
Vacation, Holiday, Sick Leave (906)	46,927	47,139	42,815
Total Consumer Accounts	<u>501,713</u>	<u>478,832</u>	<u>480,651</u>
<b><u>Administrative and General</u></b>			
Administrative and General Salaries (920)	612,585	611,167	556,251
Office Supplies and Expense (921)	34,602	38,096	39,849
Outside Services Employed (923)	85,677	72,756	72,223
Property Insurance (924)	12,556	13,216	10,053
Casualty Ins, Injuries & Damages (925)	56,370	104,551	49,611
Employee Pensions and Benefits (926)	965,507	1,020,022	863,889
Fringe Benefits Charged to Construction (927)	(65,554)	(38,530)	(44,535)
Rents (931)	81,115	81,115	78,752
Miscellaneous General Expense (930)	135,623	104,189	110,674
Maintenance of General Plant (932)	56,947	65,647	46,282
Vacation, Holiday, Sick Leave (936)	89,544	58,775	107,881
Depreciation (933)	92,378	98,392	70,496
Total Administrative and General	<u>2,157,350</u>	<u>2,229,396</u>	<u>1,961,426</u>
Total Operating Expenses	<u><u>\$8,209,968</u></u>	<u><u>\$8,045,101</u></u>	<u><u>\$7,829,369</u></u>

**Muscatine Power and Water - Communications Utility**  
**Statistical Data**  
**Aug-19**

<u>Services</u>	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u> <sup>fn1</sup>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<u>Video</u>					
Residential	4,624	(2.2)	4,521	(7.5)	4,886
Commercial/Hospitality	<u>156</u>	(3.8)	<u>150</u>	1.4	<u>148</u>
Total Video	<u><u>4,780</u></u>	(2.3)	<u><u>4,671</u></u>	(7.2)	<u><u>5,034</u></u>
Bulk Equivalent Services	<u>302</u>	(14.9)	<u>257</u>	(14.9)	<u>302</u>
Bulk Master Services	<u><u>23</u></u>	0.0	<u><u>23</u></u>	(4.2)	<u><u>24</u></u>
<u>Data/Internet</u>					
Residential	8,256	1.5	8,379	3.1	8,129
Commercial	<u>552</u>	5.3	<u>581</u>	7.0	<u>543</u>
Total Data/Internet	<u><u>8,808</u></u>	1.7	<u><u>8,960</u></u>	3.3	<u><u>8,672</u></u>
<u>Phone</u>					
Residential	410	(49.8)	206	2.6X	57
Commercial	<u>70</u>	(14.3)	<u>60</u>	11.0X	<u>5</u>
Total Phone	<u><u>480</u></u>	(44.6)	<u><u>266</u></u>	3.3X	<u><u>62</u></u>
<u>MAN</u>	<u><u>82</u></u>	4.9	<u><u>86</u></u>	---	<u><u>86</u></u>

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

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

**MUSCATINE POWER AND WATER - COMMUNICATIONS UTILITY  
VARIANCES FROM BUDGETED NET POSITION - AUGUST 2019 YTD**

	(Unfavorable)/ Favorable Compared to Budget	
<b>Operating Revenue</b>		
Video Revenue	\$ (47,466)	Lower CATV revenues due to changes in subscriber mix offset by fewer subscribers (5350 actual vs. 5595 budget)
	34,529	Broadcast fee higher than budget due to bulk broadcast fee not budgeted
	(590)	Lower marketing promotional discounts due to more promotional programs offered
	(27,533)	Lower VOD/PPV sales due to fewer subscribers and less buys
	(56,159)	Lower ad sales
	31,873	higher converter rental revenue
	3,229	Other miscellaneous variances - net
	<u>(62,117)</u>	
Data/Internet Revenue	511,959	Higher cable modem revenues due to customers migrating to a higher level of service plus higher number of subscribers (Subscribers = 9787 actual & 9769 budget)
	(411,299)	Fiber service installs are behind schedule
	12,998	Lower promotional discounts due to fewer promotional programs offered
	22,492	Higher Wi-fi @ Home due to more subscribers
	21,820	Other miscellaneous variances - net
	<u>157,970</u>	
Phone	<u>(18,848)</u>	Less customers than budgeted (244 actual vs. 420 budget)
MAN	<u>32,914</u>	More contracts than budgeted
Miscellaneous Revenue	<u>(9,136)</u>	Other miscellaneous variances - net
<b>Operating Expense</b>		
Operation	66,068	Programming expense credit related to negotiated lower prior year expense
	118,200	Programming expense lower than budget due to fewer subscribers than budget
	17,572	Lower temp labor than budgeted, primarily due to DSRs and cable tech areas
	(9,851)	Higher cost of electricity expense
	(80,404)	Higher cost of miscellaneous video materials expense, primarily stores issues
	(9,539)	More cable modems and set-top boxes have been retired than anticipated
	55,734	Lower cost of Data/Internet access charges
	9,239	Lower cost of long distance phone expenses
	13,139	Lower cost of promotional materials
	5,070	Lower cost of media advertising
	(7,858)	Marketing intern not budgeted
	2,053	Lower payment processing fees than budgeted, due to fee reimbursement
	(7,264)	Higher cost of records and collections temp labor
	2,860	Lower cost of collection expense
	(3,501)	Higher cost of communications legal services
	3,600	Employee search services, not expended yet
	3,000	Pension study, not expended yet
	6,000	Compensation review, not expended yet
	1,200	Employee survey, postponed
	(1,870)	FTTH support, not budgeted
	(48,075)	Higher cost of workers' compensation claims
	(77,839)	Higher cost of pension
	73,658	Labor & vacation under budget
	23,310	Health care expenses lower than budgeted
	(4,935)	Higher cost of deferred compensation due to increased employee contributions
	1,282	Lower cost of wellness expenses
	17,797	Travel and training under budget
	<u>(13,246)</u>	Other miscellaneous variances - net
	<u>155,400</u>	

**MUSCATINE POWER AND WATER - COMMUNICATIONS UTILITY  
 VARIANCES FROM BUDGETED NET POSITION - AUGUST 2019 YTD**

Maintenance	(10,328)	Labor greater than budget
	(5,072)	Video fiber maintenance materials higher than budget
	(12,011)	Video drops maintenance materials higher than budget
	(2,094)	Internet fiber maintenance materials higher than budget
	(4,004)	Internet drop maintenance materials higher than budget
	5,855	Internet headend maintenance materials lower than budget
	18,063	Maintenance agreements are lower than budget
	2,480	Memberships and subscriptions are lower than budget
	(3,356)	MAN fiber maintenance materials higher than budget
	(9,433)	Other miscellaneous variances - net
	<u>(19,901)</u>	
Depreciation	<u>29,368</u>	Lower depreciation due to fewer fixed assets purchases in 2018 than anticipated
<b>Nonoperating Revenue (Expense)</b>		
Interest Income	81,348	More interest income due to higher cash balances & higher rate of return
Gain on Sale of Assets	<u>1,636</u>	
<b>Change in Net Position before Capital Contributions</b>	<u>348,634</u>	
Capital Contributions	<u>7,074</u>	
<b>Change in Net Position</b>	<u>\$ 355,708</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)	5,595	5,350	5,336
Revenue:			
Basic	\$ 100,860	\$ 105,792	\$ 103,509
Select	1,976,987	2,309,734	2,412,540
Preferred	890,259	469,524	461,717
Premium	107,006	135,373	148,852
Bulk	158,650	165,873	152,447
Broadcast fee	565,565	600,094	540,612
PPV	14,104	5,775	7,961
VOD	<u>55,842</u>	<u>36,638</u>	<u>59,651</u>
Subtotal	\$ 3,869,273	\$ 3,828,803	\$ 3,887,289
Set top box rentals	620,385	652,258	631,758
Ad insertion revenue	224,500	168,341	168,523
Other Video revenues	<u>32,480</u>	<u>35,709</u>	<u>28,858</u>
Gross Video revenue	\$ 4,746,638	\$ 4,685,111	\$ 4,716,428
Discounts	<u>(127,358)</u>	<u>(127,949)</u>	<u>(117,605)</u>
Net Video Revenue	<u>\$ 4,619,280</u>	<u>\$ 4,557,162</u>	<u>\$ 4,598,823</u>
Net Monthly Revenue per Subscriber	\$ 103.20	\$ 106.48	\$ 107.73
Year-over-Year Increase		-1.2%	

- Broadcast fee revenue is higher than budgeted due to bulk subscriber broadcast fee not budgeted.
- 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	8,810	8,960	8,672
Revenue:			
Cable modem	\$ 2,109,788	\$ 2,621,747	\$ 3,423,780
Fiber service	1,748,685	1,337,386	318,590
Wi-fi @ Home	170,405	192,897	198,855
Wimax	55,624	58,504	92,180
Modem rentals	215,960	188,485	205,177
Other internet revenues	<u>52,912</u>	<u>99,327</u>	<u>6,368</u>
Gross internet revenues	\$ 4,353,374	\$ 4,498,346	\$ 4,244,950
Discounts	<u>(157,645)</u>	<u>(144,647)</u>	<u>(90,003)</u>
Net internet revenues	<u>\$ 4,195,729</u>	<u>\$ 4,353,699</u>	<u>\$ 4,154,947</u>
Net monthly revenue per subscriber	\$ 59.53	\$ 60.74	\$ 59.89

- 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 \$9,239 lower than budget due to 266 customers receiving service compared to the 480 customers budgeted.

MAN

Revenue is \$29,251 higher than budget due to more contracts than budgeted in addition to changes in services received.

Nonoperating Revenue (Expense)

- Interest income is over budget \$81,348 due to higher than projected cash balances and a higher rate of return.

**Year-To-Date Summary of Expenses**VideoProgram Acquisition Expense (751-758)

Programming is lower due to 2.8% less subscribers than budgeted.

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Basic	\$ 781,678	\$ 668,143	\$ 686,780
Select	1,939,139	1,897,091	1,938,165
Premium	99,798	96,927	113,116
Digital	212,953	198,582	223,074
Pay-per-View	12,224	5,224	5,793
Video on Demand	<u>33,175</u>	<u>28,730</u>	<u>40,635</u>
Total	<u>\$ 3,078,966</u>	<u>\$ 2,894,698</u>	<u>\$ 3,007,563</u>
Total Subscribers (incl. Bulk)	5,105	4,961	5,360
Per Subscriber	\$ 75.39	\$ 72.94	\$ 70.14
Year over Year Increase		4.0%	

- Basic programming includes a credit of \$66,068 for a negotiated lower rate of prior year programming expenses.

Promotional Expense (960)

- Under budget \$35,083; Temp services for DSRs are under budget \$24,649.
- Labor is under budget \$8,689; Materials expense is under budget \$1,745.

Electricity Expense (736)

- Electricity expense \$8,713 higher than budget due to FTTH project delays.

Changes of Service (742)

- Labor is under budget \$14,439.

Ad Insertion – Marketing/Production (964,965)

- Under budget \$40,164; Labor is under budget \$29,124.

Miscellaneous Video Expense (710, 738, 739)

- Over budget \$132,819
- Materials over budget \$80,404; Labor is over budget \$42,212;
- Temp labor is over budget \$10,203
- More boxes have been retired than budgeted in the amount of \$2,615.

Maintenance of Fiber (711)

- Over budget \$34,010; Labor over budget \$28,938; Materials over budget \$5,073.

Maintenance of Coax (712)

- Over budget \$5,365; Labor over budget \$6,035

Video cont'dMaintenance of Drops (713)

- Over budget \$30,331; Labor over budget \$18,319, material over budget \$12,011.

Maintenance of Conduit System (714)

- Under budget \$10,828; Labor under budget \$11,197.

Maintenance of Headend (721-725)

- Under budget \$8,862; maintenance agreements under budget \$7,368.

Maintenance of Line Equipment (731-735)

- Over budget \$10,944; labor over budget \$12,416.

Maintenance of Converters (741)

- Under budget \$15,968; labor under budget \$15,270.

Maintenance of Ad Insertion (966)

- Under budget \$14,168; labor under budget \$14,235

Depreciation Expense (793)

Depreciation is under budget \$40,597 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/InternetData/Internet Access Charges (851-853); under budget \$55,734

- Aureon Network Services is under budget \$25,219.
- Hurricane Electric is under budget \$11,200.

Promotional Expense (961)

- Under budget \$35,323; Temp services for DSRs under budget \$24,649

Changes of Service (842)

- Labor under budget \$4,813

Underground Line Expense (843)

- Labor over budget \$7,642

Maintenance of Fiber (811)

- Labor is over budget \$12,057

Maintenance of Drops (814)

- Labor is over budget \$6,106

Maintenance of Conduit System (816)

- Labor is under budget \$4,665

Maintenance of Headend (820, 821)

- Under budget \$41,467
- Maintenance agreements under budget \$30,596; Labor under budget \$5,016; Materials under \$5,855.

Maintenance of Line Equipment (831-835)

- Labor over budget \$4,420.

Maintenance of Modems (841)

- Labor under budget \$34,878.

Depreciation (893)

Depreciation is higher than budget \$8,479 due to more modems retired than expected.

MANTools Expense (845)

- Materials expense over budget by \$2,533.

Maintenance of Fiber (812)

- Over budget \$22,648; Labor over budget \$19,292.

Maintenance of Conduit System – (817)

- Labor is under budget \$11,505.

Maintenance of MAN Equipment – (818-819)

- Maintenance agreements over budget \$19,833.

PhonePhone Expenses (880)

- Long distance expenses under budget \$9,239.

Customer Service Expense – (909)

- Under budget \$9,733; Materials under by \$15,312 and Postage under by \$3,628 offset by Temp Services over by \$7,858 and Labor \$1,348

Customer Records and Collections – (901/903)

- Under budget \$23,093; labor under budget \$19,896

Administrative & GeneralA&G Salaries – (920)

- Salaries in the Employee Services, System Admin, Accounting and Telecommunications departments are under budget by \$23,168, \$7,508, \$4,567 and \$47,330 respectively.
- Salaries in the Marketing, Cable Tech and Utility Services Delivery departments are over budget by \$71,152, \$4,910 and \$5,432.

Outside Services – (923)

- Under budget \$12,920

Injuries & Damages – (925)

- Over budget \$48,181

Employee Pensions & Benefits – (926)

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Health care cost	\$ 350,598	\$ 328,288	\$ 271,008
Pension	371,132	448,971	291,392
FICA	169,095	157,059	119,948
Deferred compensation	33,460	38,395	28,123
Dental	12,800	12,994	10,690
Life, LTD & ADD	13,159	16,397	9,362
OPEB	4,483	4,483	3,651
Other expenses	10,781	13,436	8,904
	<u>\$ 965,507</u>	<u>\$ 1,020,022</u>	<u>\$ 743,078</u>

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

Fringe Benefits Charged to Construction – (927)

- Under budget \$27,024; Less time has been charged to capital projects than budgeted.

Miscellaneous General Expense – (930)

- Under budget \$31,434
- Labor under budget \$9,464; Travel & training under budget \$15,755; Materials under \$7,159.

Maintenance of General Plant – (932)

- Over budget \$8,700;
- Maintenance agreements over budget \$17,012, Memberships under budget \$2,480; Materials under by 5,832

Vacation, Holiday, Sick Leave – (936)

- Under budget \$30,769

Depreciation – (933)

- Over budget \$6,014 due to more computer retirements than expected.