

**Muscatine Power and Water**

**Electric Utility**

**Financial Operating Statements & Balance Sheets**

**June 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 - June 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	81,124,848	(30.1)	56,717,298	(33.8)	85,728,366
Less: Plant Use	6,982,200	27.9	8,928,855	6.5	8,386,329
Net Generation/Wholesale Sales	74,142,648	(35.5)	47,788,443	(38.2)	77,342,037
Wholesale Sales - Wind	3,830,000	(16.0)	3,215,618	(21.0)	4,072,915
Total Wholesales Sales	<u>77,972,648</u>	(34.6)	<u>51,004,061</u>	(37.4)	<u>81,414,952</u>
<b><u>Net Capacity Factors</u></b>					
Unit 9	60.32	(52.7)	28.52	(55.4)	63.94
Unit 8/8A	---	---	44.60	---	---
Unit 7	19.39	---	---	---	34.88
Total Plant	45.06	(35.6)	29.04	(40.3)	48.62
<b><u>KWH Distribution</u></b>					
Residential	8,519,875	(5.2)	8,073,854	(22.9)	10,473,674
Commercial I	2,445,355	(1.8)	2,400,795	(22.5)	3,097,323
Commercial II	8,621,450	(13.9)	7,426,740	(14.9)	8,723,620
Industrial I	12,786,693	(0.3)	12,748,340	0.9	12,640,680
Industrial II	37,800,567	2.7	38,817,397	0.0	38,799,389
City Enterprise Funds	400,075	84.5	738,269	58.8	464,857
Water & Communications Utilities	1,407,842	(1.4)	1,388,389	(1.1)	1,403,847
Native System Sales	71,981,857	(0.5)	71,593,784	(5.3)	75,603,390
City Lighting	145,063	(18.6)	118,032	(13.7)	136,713
City Buildings	674,911	(15.3)	571,806	0.9	566,674
Offline Power Plant Usage	385,440	(70.2)	114,797	(62.0)	302,162
Losses & Cycle Billing	3,998,960	(7.0)	3,718,024	4.6	3,555,098
Total Native System KWH					
Distributed	77,186,231	(1.4)	76,116,443	(5.0)	80,164,037
Wind KWH Purchases	3,830,000	(16.0)	3,215,618	(21.0)	4,072,915
Total Purchased Power KWH	<u>81,016,231</u>	(2.1)	<u>79,332,061</u>	(5.8)	<u>84,236,952</u>
<b><u>STEAM SALES - 1,000 lbs</u></b>	<u>---</u>	<u>---</u>	<u>232,323</u>	<u>---</u>	<u>---</u>

**Muscataine Power and Water - Electric Utility**  
**Classification of Electric Energy/Steam Sales**  
**Calendar Year-to-Date - June 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	461,189,290	(8.0)	424,160,878	(17.8)	516,318,849
Less: Plant Use	47,358,396	16.4	55,138,312	(0.2)	55,273,399
Net Generation/Wholesale Sales	413,830,894	(10.8)	369,022,566	(20.0)	461,045,450
Wholesale Sales - Wind	27,780,000	(9.2)	25,228,544	(8.5)	27,585,921
Total Wholesales Sales	441,610,894	(10.7)	394,251,110	(19.3)	488,631,371
<b><u>Net Capacity Factors</u></b>					
Unit 9	51.60	(19.6)	41.47	(28.4)	57.90
Unit 8/8A	22.64	62.9	36.88	43.8	25.65
Unit 7	3.21	---	3.37	(82.7)	19.51
Total Plant	41.68	(10.8)	37.17	(22.6)	48.03
<b><u>KWH Distribution</u></b>					
Residential	46,793,744	0.9	47,212,065	(7.0)	50,747,578
Commercial I	13,653,432	4.9	14,328,012	(15.1)	16,885,767
Commercial II	49,474,488	(8.5)	45,293,860	(6.9)	48,667,620
Industrial I	64,713,555	2.8	66,544,820	2.8	64,705,540
Industrial II	237,708,260	(2.6)	231,487,189	(1.6)	235,257,289
City Enterprise Funds	2,621,569	26.1	3,305,633	32.5	2,495,013
Water & Communications Utilities	8,234,844	2.9	8,476,562	1.7	8,337,901
Native System Sales	423,199,892	(1.5)	416,648,141	(2.4)	427,096,708
City Lighting	833,732	(18.3)	681,098	(14.3)	794,687
City Buildings	3,648,114	(6.1)	3,427,239	(7.5)	3,704,384
Offline Power Plant Usage	1,056,240	15.9	1,224,316	(38.4)	1,988,649
Losses & Cycle Billing	13,673,217	(2.1)	13,385,772	(2.8)	13,769,927
Total Native System KWH					
Distributed	442,411,195	(1.6)	435,366,566	(2.7)	447,354,355
Wind KWH Purchases	27,780,000	(9.2)	25,228,544	(8.5)	27,585,921
Total Purchased Power KWH	470,191,195	(2.0)	460,595,110	(3.0)	474,940,276
<b><u>STEAM SALES - 1,000 lbs</u></b>	<b><u>1,008,000</u></b>	<b>23.8</b>	<b><u>1,248,215</u></b>	<b>27.3</b>	<b><u>980,791</u></b>

**Muscatine Power and Water - Electric Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Current Month - June 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	\$961,023	\$ 0.11280	2.4	\$983,667	\$ 0.12183	(11.1)	\$1,107,046	\$ 0.10570
Commercial I	266,804	0.10911	4.4	278,516	0.11601	(12.1)	316,868	0.10230
Commercial II	687,265	0.07972	(1.5)	676,923	0.09115	(0.0)	677,059	0.07761
Industrial I	817,017	0.06390	12.6	920,339	0.07219	17.8	781,424	0.06182
Industrial II	2,033,706	0.05380	16.2	2,363,506	0.06089	19.9	1,971,784	0.05082
City Enterprise Funds	33,198	0.08298	67.1	55,461	0.07512	66.9	33,232	0.07149
Water & Communication Utilities	86,207	0.06123	16.3	100,265	0.07222	13.3	88,458	0.06301
Native System Sales	4,885,220	0.06787	10.1	5,378,678	0.07513	8.1	4,975,873	0.06582
Wholesale Sales	2,640,270	0.03386	(47.2)	1,394,950	0.02735	(48.6)	2,713,359	0.03333
Energy Sales	7,525,490		(10.0)	6,773,627		(11.9)	7,689,232	
Steam Sales	---	---	---	697,050	3.00	---	---	---
<b>Other Revenue</b>								
By-Product Revenue	27,903		9.1	30,452		(12.7)	34,902	
Miscellaneous Revenue	54,477		(7.0)	50,650		(1.7)	51,522	
Total Other Revenue	82,380		(1.6)	81,102		(6.2)	86,424	
Operating Revenue	7,607,870		(0.7)	7,551,779		(2.9)	7,775,656	
<b>Operating Expense</b>								
Purchased Power	2,456,145	0.03032	(19.8)	1,969,739	0.02483	(22.4)	2,538,811	0.03014
Production Fuel	1,787,466		(10.1)	1,607,415		(9.8)	1,781,092	
Emissions Allowance	---		---	444		33.7X	13	
Operation	2,195,236		(6.1)	2,061,742		1.8	2,026,007	
Maintenance	1,002,422		14.2	1,144,997		(9.8)	1,269,510	
Depreciation	869,891		18.1	1,027,147		7.1	958,834	
Total Operating Expense	8,311,160		(6.0)	7,811,485		(8.9)	8,574,268	
Operating Loss	(703,290)		(63.1)	(259,706)		(67.5)	(798,612)	
<b>Nonoperating Revenue (Expense)</b>								
Interest Income	70,101		1.6X	181,375		1.2X	81,961	
Interest Expense	(1,451)		30.4	(1,892)		97.3	(959)	
Total Nonoperating Revenue (Expense)	68,650		1.6X	179,483		1.2X	81,001	
Net Loss Before Revenue Adjustment	(634,640)		(87.4)	(80,223)		(88.8)	(717,610)	
Capital Contributions	---		---	---		---	---	
Change in Net Position	(634,640)		(87.4)	(80,223)		(88.8)	(717,610)	
Beginning Net Position	104,908,668			107,052,756			113,738,481	480.93000
Prior Period Adj. GASB 18- Landfill	---			---			(1,069,701)	
Ending Net Position	\$104,274,027			\$106,972,533			\$111,951,170	
Net Income (Loss) Before Rev Adj to Op Revenue	(8.3)			(1.1)			(9.2)	
Change in Net Position to Operating Revenue	(8.3)			(1.1)			(9.2)	

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

	Budget		% Increase (Decrease) from Budget	This Year	Avg. Price		% Increase (Decrease) from Last Year	Last Year	Avg. Price
	Estimate	Avg. Price			Avg. Price	Year			
<b>Sales of Electricity</b>									
Residential	\$5,344,268	\$ 0.11421	6.3	\$5,683,193	\$ 0.12038	1.8	\$5,580,882	\$ 0.10997	
Commercial I	1,487,286	0.10893	9.3	1,624,930	0.11341	(6.6)	1,738,974	0.10298	
Commercial II	3,947,541	0.07979	1.1	3,990,327	0.08810	4.8	3,807,567	0.07824	
Industrial I	4,193,585	0.06480	13.5	4,757,916	0.07150	16.2	4,094,332	0.06328	
Industrial II	12,737,277	0.05358	8.0	13,754,400	0.05942	13.9	12,077,196	0.05134	
City Enterprise Funds	203,208	0.07751	31.6	267,365	0.08088	44.4	185,149	0.07421	
Water & Communications Utilities	502,302	0.06100	18.9	597,315	0.07047	16.6	512,321	0.06144	
Native System Sales	28,415,468	0.06714	8.0	30,675,447	0.07362	9.6	27,996,421	0.06555	
Wholesale Sales	13,880,450	0.03143	(16.0)	11,656,312	0.02957	(25.1)	15,555,195	0.03183	
Energy Sales	42,295,918		0.1	42,331,758		(2.8)	43,551,616		
<b>Steam Sales</b>	3,870,790	3.84	18.3	4,577,747	3.67	22.8	3,728,503	3.80	
<b>Other Revenue</b>									
By-Product Revenue	143,989		(3.7)	138,657		(26.5)	188,657		
Miscellaneous Revenue	320,567		1.6	325,747		(7.0)	350,358		
Total Other Revenue	464,556		(0.0)	464,404		(13.8)	539,015		
Operating Revenue	46,631,264		1.6	47,373,909		(0.9)	47,819,133		
<b>Operating Expense</b>									
Purchased Power	13,291,216	0.02827	(6.7)	12,396,829	0.02691	(9.6)	13,713,087	0.02887	
Production Fuel	11,400,757		(4.2)	10,916,269		(3.2)	11,278,764		
Emissions Allowance	2,104		59.6	3,359		67.5	2,005		
Operation	13,669,543		(5.7)	12,893,290		3.6	12,446,597		
Maintenance	5,844,951		(6.3)	5,474,652		11.4	4,912,207		
Depreciation	5,219,346		18.1	6,162,882		7.1	5,753,005		
Total Operating Expense	49,427,917		(3.2)	47,847,282		(0.5)	48,105,664		
Operating Loss	(2,796,654)		(83.1)	(473,373)		65.2	(286,531)		
<b>Nonoperating Revenue (Expense)</b>									
Interest Income	420,607		89.0	794,966		90.1	418,111		
Interest Expense	(8,708)		28.0	(11,142)		96.5	(5,671)		
Total Nonoperating Revenue (Expense)	411,900		90.3	783,824		90.0	412,440		
<b>Net Income (Loss) Before Revenue Adjustment and Capital Contributions</b>	(2,384,754)		-1.1X	310,452		1.5X	125,909		
Capital Contributions	---		---	3,300		---	---		
<b>Change in Net Position</b>	(2,384,754)		-1.1X	313,752		1.5X	125,909		
<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>	\$104,274,027			\$106,972,533			\$111,951,170		
Net Income (Loss) Before Rev Adj to Op Revenue	(5.1)			0.7			0.3		
Change in Net Position to Operating Revenue	(5.1)			0.7			0.3		

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

**ASSETS**

	<u>2019</u>	<u>2018</u>
<b>Current Assets:</b>		
Cash - interest bearing	\$21,789,784	\$25,941,408
Investments	43,143,050	32,000,000
Receivables:		
Consumer Accounts	6,938,467	6,141,944
Refined Coal	2,372,373	2,823,124
Wholesale	6,535	211,507
Steam Sales	697,294	---
Interest	594,170	245,837
Inventories	5,534,030	5,333,041
Fuel	4,191,239	9,875,092
Prepaid Expenses	<u>1,217,578</u>	<u>928,078</u>
Total Current Assets	<u>86,484,519</u>	<u>83,500,031</u>
<b>Property and Equipment:</b>		
At Cost	432,459,053	431,676,030
Less Accumulated Depreciation	<u>371,657,336</u>	<u>364,645,512</u>
Net Property and Equipment	<u>60,801,718</u>	<u>67,030,518</u>
<b>Other Assets:</b>		
Note Receivable - Communications Utility	8,078,994	8,562,844
Joint Venture Rights	<u>98,632</u>	<u>94,069</u>
Total Other Assets	<u>8,177,626</u>	<u>8,656,913</u>
<b>Deferred Outflows of Resources</b>		
Pension	8,347,881	11,380,713
OPEB	<u>79,020</u>	<u>79,019</u>
Total Deferred Outflows of Resources	<u>8,426,901</u>	<u>11,459,732</u>
<b>TOTAL ASSETS</b>	<u><u>\$163,890,763</u></u>	<u><u>\$170,647,194</u></u>

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

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

	<u>2019</u>	<u>2018</u>
<b>Current Liabilities:</b>		
<u>Unrestricted</u>		
Accounts Payable	\$5,530,633	\$5,118,782
Health & Dental Insurance Provision	293,070	248,520
Accrued Payroll	656,050	609,582
Accrued Vacation	1,231,573	1,246,654
Accrued Emission Allowance Expense	15,569	9,887
Consumers' Deposits	908,841	828,231
Retained Percentage on Contracts	---	24,225
Accrued Property Taxes	97,549	96,286
Miscellaneous Accrued Expenses	779,633	737,708
Unearned Revenue	32,607	26,863
	<hr/>	<hr/>
Total Unrestricted Current Liabilities	9,545,524	8,946,738
	<hr/>	<hr/>
<b>Non-Current Liabilities:</b>		
Health & Dental Insurance Provision	1,100,283	1,199,462
Post-Employment Health Benefit Provision	700,547	669,082
Landfill closure and post closure liability	1,580,457	1,069,701
Net Pension Liability	12,778,668	17,524,046
	<hr/>	<hr/>
Total Non-Current Liabilities	16,159,955	20,462,291
	<hr/>	<hr/>
<b>Deferred Inflows of Resources</b>		
Extraordinary O&M	28,032,866	28,032,866
Pension	3,089,325	1,163,568
OPEB	90,561	90,561
	<hr/>	<hr/>
Total Deferred Inflows of Resources	31,212,752	29,286,995
	<hr/>	<hr/>
<b>Net Position:</b>		
Net Investment in Capital Assets	60,801,718	67,030,518
Unrestricted	46,170,815	44,920,652
	<hr/>	<hr/>
Total Net Position	106,972,533	111,951,170
	<hr/>	<hr/>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$163,890,763</u>	<u>\$170,647,194</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating loss to net cash flows from operating activities		
Operating loss	(\$259,706)	(\$473,373)
Noncash items in operating income:		
Depreciation of electric utility plant	1,027,147	6,162,882
Amortization of joint venture rights	8,654	51,156
Change in deferred outflows of resources	(428,525)	(1,356,326)
Changes in assets and liabilities:		
Consumer accounts receivable	(572,975)	(110,996)
Refined coal	(1,000,895)	(656,990)
Wholesale receivable	(1,266)	(1,871)
Steam sales receivable	(622,043)	202,941
Inventories	85,340	(200,375)
Fuel	(723,458)	3,082,979
Prepaid expenses	160,850	(733,684)
Accounts payable	796,912	(828,001)
Net pension liability	409,990	1,724,139
Health & dental insurance provision	(23,633)	(165,806)
Other post-employment benefit provision	2,636	15,819
Accrued payroll	(37,678)	(146,861)
Accrued vacation	(57,077)	(114)
Accrued emission allowance expense	444	3,359
Consumers' deposits	25,991	63,288
Accrued property taxes	7,593	(414)
Unearned revenue	9,132	25,040
Miscellaneous accrued expenses	(4,495)	(62,065)
Net cash flows from operating activities	(1,197,063)	6,594,728
Cash flows from capital financing activities:		
Sale of Rail cars	---	200,005
Capital expenditures, net	(828,238)	(3,216,815)
Net cash flows from capital and related financing activities	(828,238)	(3,016,810)
Cash flows from investing activities:		
Purchase of joint venture rights	---	(51,990)
Interest received on investments	207,790	581,483
Net cash flows from investing activities	207,790	529,493
Net increase (decrease) in cash and investments	(1,817,511)	4,107,411
Cash and investments at beginning of period	\$66,750,345	\$60,825,423
Cash and investments at end of period	\$64,932,834	\$64,932,834

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

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

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Purchased Power</u></b>	<u>\$2,456,145</u>	32.3	<u>\$1,969,739</u>	26.1	<u>\$2,538,811</u>	32.7
Average price per kWh	\$0.03032		\$0.02483		\$0.03014	
 <b><u>Generation</u></b>						
Operation Supervision (500)	76,192		83,019		75,277	
Fuel: (501)						
Coal	1,607,424		1,540,627		1,725,832	
Fuel Oil	6,500		909		56	
Gas	2,083		16,136		8,285	
Coal Handling Expense (501-003)	33,189		42,586		29,256	
Landfill Operation Expense (501-925)	138,269		7,158		17,663	
Emissions Allowance Expense (509)	---		444		13	
Steam Expense:						
Boiler (502-004)	87,316		94,715		89,914	
Pollution Control (502-005)	29,481		22,310		47,416	
Electric Expense (505)	93,119		94,782		84,386	
Miscellaneous Steam Power Expense (506)	237,899		89,027		159,495	
Maintenance:						
Supervision (510)	68,899		68,460		74,168	
Structures (511)	173,117		188,057		38,093	
Boiler Plant:						
Boiler (512-006)	147,382		292,055		723,542	
Pollution Control (512-007)	45,262		73,220		29,181	
Electric Plant (513-008)	79,327		68,407		52,788	
System Control (513-009)	21,218		19,390		27,741	
Miscellaneous Steam Plant (514)	46,149		36,239		33,064	
Coal Handling Equipment (516)	142,576		105,924		60,425	
System Control and Load Dispatch (556)	29,646		28,298		30,994	
Vacation, Holiday, Sick Leave (557)	67,497		55,992		59,461	
Depreciation (558)	642,982		630,825		641,039	
 Total Generation Expense	 <u>\$3,775,528</u>	 49.6	 <u>\$3,558,579</u>	 47.1	 <u>\$4,008,089</u>	 51.5

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Transmission</u></b>						
Operation Supervision (560)	\$9,217		\$5,601		\$8,657	
Load Dispatching (561)	76,309		67,436		74,488	
Station Expense (562)	14,019		7,162		14,893	
Overhead Line Expense (563)	160		3,707		811	
Transmission of Electricity by Others (565)	126,060		122,405		101,564	
Miscellaneous Transmission Expense (566)	11,939		7,777		11,336	
Maintenance:						
Supervision (568)	2,847		2,702		1,950	
Structures (569)	209		---		---	
Station Equipment (570)	6,233		13,993		12,440	
Overhead Lines (571)	34,674		60,002		5,000	
Vacation, Holiday, Sick Leave (575)	10,208		9,201		9,326	
Depreciation (576)	46,015		44,433		43,048	
Tax on Rural Property (577)	5,621		5,686		5,690	
<b>Total Transmission Expense</b>	<u>343,511</u>	4.5	<u>350,104</u>	4.6	<u>289,202</u>	3.7
<b><u>Distribution</u></b>						
Operation Supervision (580)	15,036		10,538		11,486	
Load Dispatching (581)	31,674		25,800		23,084	
Station Expense (582)	13,857		12,085		9,587	
Overhead Line Expense (583)	3,846		300		---	
Vehicle Expense (589)	15,467		13,765		15,348	
Underground Line Expense (584)	6,884		4,632		5,833	
Street Lighting (585-418)	2,522		60		1,923	
Signal Expense (585-419)	1,376		86		65	
Meter Expense (586)	11,294		6,249		9,406	
Consumer Installation Expense (587)	719		565		1,490	
Miscellaneous Distribution Expense (588)	59,139		71,805		76,253	
Maintenance:						
Supervision (590)	11,521		8,330		7,006	
Structures (591)	2,385		---		---	
Station Equipment (592)	9,356		11,726		4,122	
Overhead Lines (593)	49,557		97,394		70,844	
Underground Lines (594)	21,369		8,744		26,288	
Line Transformers (595)	4,354		2,097		5,368	
Street Lighting (596-418)	6,340		9,210		11,459	
Signal System (596-419)	4,262		3,663		13,314	
Meters (597)	2,957		3,744		1,965	
Miscellaneous Distribution Plant (598)	2,750		1,647		1,562	
Vacation, Holiday, Sick Leave (599)	26,039		26,953		24,354	
Depreciation (578)	180,895		179,112		175,558	
Tax on Rural Property (579)	1,679		1,698		1,700	
<b>Total Distribution Expense</b>	<u>\$485,278</u>	6.4	<u>\$500,203</u>	6.6	<u>\$498,014</u>	6.4

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Current Month - June 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)	\$4,746		\$6,771		\$2,174	
Energy Efficiency Rebates (912)	12,810		8,597		1,496	
Electric Ranges/Dryers Maintenance (910)	464		127		130	
Electric Water Heaters Maintenance (911)	132		137		287	
	<u>18,152</u>	0.2	<u>15,632</u>	0.2	<u>4,087</u>	0.1
<b><u>Consumer Accounts</u></b>						
Meter Reading Expense (902)	8,116		10,399		9,491	
Consumer Records and Collection (901/903)	47,148		38,864		44,258	
Uncollectible Accounts Expense (904)	3,811		3,811		4,253	
Vacation, Holiday, Sick Leave (906)	4,594		3,940		3,213	
	<u>63,669</u>	0.8	<u>57,013</u>	0.8	<u>61,215</u>	0.8
<b><u>Administrative and General</u></b>						
Administrative and General Salaries (920)	195,413		174,535		183,740	
Office Supplies and Expenses (921)	14,885		19,713		13,853	
Outside Services Employed (923)	61,893		24,952		26,807	
Property Insurance (924)	65,994		76,226		62,067	
Casualty Ins, Injuries & Damages (925)	42,619		32,908		43,643	
Employee Pensions and Benefits (926)	619,352		745,244		575,424	
Fringe Benefits Charged to Constr. (927)	(33,908)		(35,299)		(25,748)	
Regulatory Commission (928)	9,140		7,378		9,566	
Miscellaneous General Expense (930)	48,953		42,400		97,029	
Maintenance of General Plant (932)	43,642		27,933		36,355	
Maintenance of A/O Center (934)	76,033		42,061		32,836	
Vacation, Holiday, Sick Leave (936)	24,861		29,386		20,087	
Depreciation (933)	---		172,778		99,190	
	<u>1,168,877</u>	15.4	<u>1,360,216</u>	18.0	<u>1,174,849</u>	15.1
<b>Total Operating Expense</b>	<b><u><u>\$8,311,160</u></u></b>		<b><u><u>\$7,811,485</u></u></b>		<b><u><u>\$8,574,268</u></u></b>	
Percent to Operating Revenue		109.2		103.4		110.3

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

	<b>Budget Estimate</b>		<b>This Year</b>		<b>Last Year</b>	
<b><u>Purchased Power</u></b>	<b>\$13,291,216</b>	<b>28.5</b>	<b>\$12,396,829</b>	<b>26.2</b>	<b>\$13,713,087</b>	<b>28.7</b>
Average price per kWh	\$0.02827		\$0.02691		\$0.02887	
<b><u>Generation</u></b>						
Operation Supervision (500)	464,536		499,481		470,117	
Fuel: (501)						
Coal	10,419,997		10,303,772		10,826,886	
Fuel Oil	47,643		47,588		46,160	
Gas	86,787		85,032		83,107	
Coal Handling Expense (501-003)	209,550		352,414		229,585	
Landfill Operation Expense (501-925)	636,780		127,463		93,027	
Emissions Allowance Expense (509)	2,104		3,359		2,005	
Steam Expense:						
Boiler (502-004)	591,145		643,096		599,657	
Pollution Control (502-005)	332,893		211,842		299,338	
Electric Expense (505)	572,775		603,303		556,311	
Miscellaneous Steam Power Expense (506)	1,237,687		853,758		992,021	
Maintenance:						
Supervision (510)	411,319		449,405		455,442	
Structures (511)	624,698		445,330		282,166	
Boiler Plant:						
Boiler (512-006)	1,289,039		1,189,330		1,463,082	
Pollution Control (512-007)	386,733		353,348		266,677	
Electric Plant (513-008)	520,852		764,551		369,343	
System Control (513-009)	124,490		121,199		128,078	
Miscellaneous Steam Plant (514)	335,300		269,428		247,215	
Coal Handling Equipment (516)	609,094		438,823		434,505	
System Control and Load Dispatch (556)	165,953		173,380		183,136	
Vacation, Holiday, Sick Leave (557)	495,207		486,286		477,803	
Depreciation (558)	3,857,891		3,784,947		3,846,236	
<b>Total Generation Expense</b>	<b>\$23,422,472</b>	<b>50.2</b>	<b>\$22,207,137</b>	<b>46.9</b>	<b>\$22,351,894</b>	<b>46.7</b>

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Transmission</u></b>						
Operation Supervision (560)	\$55,302		\$48,967		\$44,351	
Load Dispatching (561)	461,220		453,701		432,824	
Station Expense (562)	89,848		61,641		81,473	
Overhead Line Expense (563)	564		21,417		6,155	
Transmission of Electricity by Others (565)	776,360		607,979		543,088	
Miscellaneous Transmission Expense (566)	76,866		67,031		71,084	
Maintenance:						
Supervision (568)	17,082		15,037		11,782	
Structures (569)	907		---		---	
Station Equipment (570)	39,737		55,278		57,686	
Overhead Lines (571)	147,386		134,806		49,884	
Vacation, Holiday, Sick Leave (575)	75,438		64,260		65,534	
Depreciation (576)	276,087		266,596		258,285	
Tax on Rural Property (577)	33,726		33,809		34,232	
	<hr/>		<hr/>		<hr/>	
Total Transmission Expense	2,050,522	4.4	1,830,522	3.9	1,656,378	3.5
<b><u>Distribution</u></b>						
Operation Supervision (580)	90,143		75,268		67,680	
Load Dispatching (581)	190,044		180,360		185,875	
Station Expense (582)	82,184		56,314		43,466	
Overhead Line Expense (583)	22,499		475		957	
Vehicle Expense (589)	92,599		82,707		83,740	
Underground Line Expense (584)	34,146		25,783		25,864	
Street Lighting (585-418)	15,130		2,124		7,191	
Signal Expense (585-419)	8,149		743		4,641	
Meter Expense (586)	69,808		60,066		60,064	
Consumer Installation Expense (587)	4,416		4,331		5,521	
Miscellaneous Distribution Expense (588)	382,278		462,786		442,266	
Maintenance:						
Supervision (590)	66,928		53,127		42,460	
Structures (591)	5,783		---		---	
Station Equipment (592)	60,819		56,645		35,730	
Overhead Lines (593)	333,137		451,489		348,784	
Underground Lines (594)	134,202		84,495		121,127	
Line Transformers (595)	38,282		10,204		15,415	
Street Lighting (596-418)	59,193		29,973		77,117	
Signal System (596-419)	22,853		46,311		37,364	
Meters (597)	17,223		17,970		12,736	
Miscellaneous Distribution Plant (598)	16,500		12,343		16,532	
Vacation, Holiday, Sick Leave (599)	192,678		219,813		202,937	
Depreciation (578)	1,085,368		1,074,672		1,053,346	
Tax on Rural Property (579)	10,074		10,099		10,228	
	<hr/>		<hr/>		<hr/>	
Total Distribution Expense	\$3,034,435	6.5	\$3,018,096	6.4	\$2,901,043	6.1

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - June 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)	\$54,955		\$37,532		\$40,681	
Energy Efficiency Rebates (912)	75,860		23,735		76,631	
Electric Ranges/Dryers Maintenance (910)	2,881		1,484		999	
Electric Water Heaters Maintenance (911)	1,060		474		936	
<b>Total Customer Service Expense</b>	<b>\$134,757</b>	<b>0.3</b>	<b>\$63,225</b>	<b>0.1</b>	<b>\$119,246</b>	<b>0.2</b>
<b><u>Consumer Accounts</u></b>						
Meter Reading Expense (902)	53,439		66,930		60,026	
Consumer Records and Collection (901/903)	283,105		253,530		267,444	
Uncollectible Accounts Expense (904)	22,864		22,864		25,518	
Vacation, Holiday, Sick Leave (906)	34,042		30,795		28,991	
<b>Total Consumer Accounts Expense</b>	<b>393,451</b>	<b>0.8</b>	<b>374,119</b>	<b>0.8</b>	<b>381,979</b>	<b>0.8</b>
<b><u>Administrative and General</u></b>						
Administrative and General Salaries (920)	1,172,479		1,122,145		1,090,414	
Office Supplies and Expenses (921)	94,180		105,081		94,850	
Outside Services Employed (923)	395,960		220,780		236,321	
Property Insurance (924)	382,808		414,877		353,364	
Casualty Ins, Injuries & Damages (925)	258,409		314,258		245,456	
Employee Pensions and Benefits (926)	3,736,530		3,905,117		3,606,456	
Fringe Benefits Charged to Constr. (927)	(156,100)		(177,011)		(194,611)	
Regulatory Commission (928)	54,840		40,157		52,036	
Miscellaneous General Expense (930)	395,138		285,367		293,173	
Maintenance of General Plant (932)	320,834		216,793		242,304	
Maintenance of A/O Center (934)	262,561		258,767		196,780	
Vacation, Holiday, Sick Leave (936)	183,427		214,354		170,355	
Depreciation (933)	0		1,036,667		595,138	
<b>Total Administrative and General</b>	<b>7,101,065</b>	<b>15.2</b>	<b>7,957,354</b>	<b>16.8</b>	<b>6,982,037</b>	<b>14.6</b>
<b>Total Operating Expense</b>	<b>\$49,427,917</b>		<b>\$47,847,282</b>		<b>\$48,105,664</b>	
<b>Percent to Operating Revenue</b>		<b>106.0</b>		<b>101.0</b>		<b>100.6</b>

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

**Total Fuel Cost**

(To & Including Ash Handling, Gas & Oil)

	<b><u>Current Month</u></b>	
	<b><u>2019</u></b>	<b><u>2018</u></b>
Per Million Btu.	\$1.906	\$2.000
Per Net MW Generated	\$21.71	\$22.48
Net Peak Monthly Demand-KW	138,590	145,010
Date of Peak	6/27	6/18
Hour of Peak	1500	1800

**Calendar Year-To-Date**

	<b><u>2019</u></b>	<b><u>2018</u></b>
Per Million Btu.	\$1.929	\$1.795
Per Net MW Generated	\$22.03	\$20.59
Net Peak Monthly Demand-KW	138,590	145,010
Date of Peak	6/27	6/18
Hour of Peak	1500	1800

Average Temperature	70.7°	73.4°
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<b><u>Services</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
Residential	9,917	9,902
Commercial I	1,352	1,363
Commercial II	147	136
Industrial I	12	11
Industrial II	2	2
City Enterprise Funds	24	24
Water & Communications Utility	36	36
	<hr/>	<hr/>
Total	<u>11,490</u>	<u>11,474</u>

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

	Modified Budget	\$/kWh	This Year	\$/kWh	Last Year	\$/kWh
<b>Wholesale kWh Sales*</b>	<b><u>74,142,648</u></b>		<b><u>47,788,443</u></b>		<b><u>77,342,037</u></b>	
<b>Wholesale Sales*</b>	<b><u>\$2,577,075</u></b>	<b><u>\$0.03476</u></b>	<b><u>\$1,350,963</u></b>	<b><u>\$0.02827</u></b>	<b><u>\$2,641,539</u></b>	<b><u>\$0.03415</u></b>
<b>Variable Costs</b>						
Fuel (Coal, Gas & Fuel Oil)	1,606,117	0.02166	943,050	0.01973	1,657,867	0.02144
Emissions:						
SO <sup>2</sup> Allowances-ARP <sup>fn1</sup>	---	---	24	---	3	---
SO <sup>2</sup> Allowances-CSAPR <sup>fn2</sup>	---	---	170	---	4	---
NO <sub>x</sub> Allowances <sup>fn3</sup>	---	---	15,189	0.01611	13,952	---
Other <sup>fn4</sup>	<u>194,640</u>	<u>0.00263</u>	<u>194,349</u>	<u>0.00407</u>	<u>162,080</u>	<u>0.00210</u>
Total Variable Costs	<u>1,800,757</u>	<u>0.02429</u>	<u>1,152,782</u>	<u>0.02412</u>	<u>1,833,906</u>	<u>0.02371</u>
<b>Gross Margin</b>	<b><u>\$776,318</u></b>	<b><u>\$0.01047</u></b>	<b><u>\$198,181</u></b>	<b><u>\$0.00415</u></b>	<b><u>\$807,633</u></b>	<b><u>\$0.01044</u></b>
Percent Gross Margin	30.1%		14.7%		30.6%	

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

**Calendar Year To Date**

	Modified Budget	\$/kWh	This Year	\$/kWh	Last Year	\$/kWh
<b>Wholesale kWh Sales*</b>	<b><u>413,830,894</u></b>		<b><u>369,022,566</u></b>		<b><u>461,045,450</u></b>	
<b>Wholesale Sales*</b>	<b><u>\$13,439,337</u></b>	<b><u>\$0.03248</u></b>	<b><u>\$11,288,576</u></b>	<b><u>\$0.03059</u></b>	<b><u>\$15,055,488</u></b>	<b><u>\$0.03266</u></b>
<b>Variable Costs</b>						
Fuel (Coal, Gas & Fuel Oil)	8,560,887	0.02069	7,534,759	0.02042	9,018,637	0.01956
Emissions:						
SO <sup>2</sup> Allowances-ARP <sup>fn1</sup>	445	---	154	---	114	0.00000
SO <sup>2</sup> Allowances-CSAPR <sup>fn2</sup>	764	---	475	---	144	0.00000
NO <sub>x</sub> Allowances <sup>fn3</sup>	1,196	---	23,615	0.00006	25,319	0.00005
Other <sup>fn4</sup>	<u>1,167,840</u>	<u>0.00282</u>	<u>1,167,538</u>	<u>0.00316</u>	<u>996,936</u>	<u>0.00216</u>
Total Variable Costs	<u>9,731,132</u>	<u>0.02351</u>	<u>8,726,541</u>	<u>0.02365</u>	<u>10,041,150</u>	<u>0.02178</u>
<b>Gross Margin</b>	<b><u>\$3,708,205</u></b>	<b><u>\$0.00896</u></b>	<b><u>\$2,562,035</u></b>	<b><u>\$0.00694</u></b>	<b><u>\$5,014,338</u></b>	<b><u>\$0.01088</u></b>
Percent Gross Margin	27.6%		22.7%		33.3%	

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

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

	Budget	2019	2018
<b>fn1</b> SO <sup>2</sup> ARP	\$1.00	\$0.50	\$0.70
YTD SO <sup>2</sup> ARP	1.00	0.65	0.70
<b>fn2</b> SO <sup>2</sup> CSAPR	1.00	3.50	0.88
YTD SO <sup>2</sup> CSAPR	1.00	2.02	0.88
<b>fn3</b> NO <sub>x</sub> annual	2.00	3.50	1.50
NO <sub>x</sub> seasonal	270.00	165.00	225.00
YTD NO <sub>x</sub> annual	2.00	2.46	1.50
YTD NO <sub>x</sub> seasonal	270.00	165.82	200.10

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

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

MUSCATINE POWER AND WATER - ELECTRIC UTILITY  
 VARIANCES FROM BUDGETED NET POSITION - JUNE 30, 2019

	(Unfavorable)/ Favorable Compared to Budget	
<b>Sales of Electricity</b>		
Native System Sales	\$ 2,259,979	1.5% lower kWhs sold, offset by a 9.7% higher average sales price (\$.07362/kWh versus \$.06714/kWh budgeted)
Wholesale Sales	(2,224,138)	10.7% lower kWhs sold and a 5.9% lower average sale price (\$.02957/kWh versus \$.03143/kWh)
	<u>35,841</u>	
Steam Sales	<u>706,957</u>	23.8% higher pounds of steam sold
<b>Other Revenue</b>		
By-Product Revenue	(2,191)	Fly ash sales lower than budgeted
	(3,141)	Gypsum sales lower than budgeted
Miscellaneous Revenue	(21,113)	Lower job sales, net of expenses
	7,156	Higher transmission revenue
	18,260	Revenue from RECs, not budgeted
	877	Other miscellaneous variances - net
	<u>(152)</u>	
<b>Operating Expense</b>		
Purchased Power - Native System	825,730	Average purchase price is 4.8% lower (\$.02691/kwh vs \$.02827/kwh) and 1.6% lower kWhs purchased
Purchased Power - Wind	<u>68,657</u>	9.2% lower kWhs purchased
	<u>894,387</u>	
Production Fuel	116,224	2.0% or 6,710 higher tons of coal burned, offset by a 1.3% lower price/ton
	446,375	Lower cost for phase I landfill partial cover
	17,922	Spraying herbicide for weed control, cost not incurred
	17,400	CCR compliance engineering services cost not incurred
	13,000	CCR federal reports cost not incurred
	12,000	AWOR cost not incurred
	7,754	Lower Unit 7 natural gas usage
	6,000	Landfill site inspection cost not incurred
	5,412	Lower cost for CCRL groundwater sampling and analysis
	5,000	Landfill financial assurance cost not incurred
	(5,486)	Unit 9's higher cost of fuel oil
	(5,999)	Higher Unit 8 natural gas usage
	(10,373)	Higher coal handling gas and diesel fuel cost
	(143,928)	Higher labor cost
	<u>3,186</u>	Other miscellaneous variances - net
	<u>484,488</u>	
Emissions Allowance	<u>(1,255)</u>	Market price higher than assumed
Operation	(9,384)	Higher cost for steam expense boiler materials expense
	43,638	Lower PAC injection system costs
	38,255	Lower cost for wastewater chemicals and analysis
	(10,832)	Higher limestone usage
	(19,920)	Higher cost for IDNR Title V permit fee
	10,002	PM2.5 modeling, cost not incurred
	55,446	Lower cost for stack testing
	(17,933)	RATA testing, not budgeted yet
	(9,701)	Higher cost for engineering services for CCR rule compliance
	90,000	316(b) cooling water impingement/entrainment study, not done
	7,600	EPA protocol-1 cal. & linearity gasses & demurrage, not done
	7,500	Process hazard analysis support consulting, not done
	8,000	COOP student, cost not incurred
	6,800	Coal and by-product analysis, not done
	10,382	Lower cost for IDNR Non-Title V permit fee
	9,232	Lower cost for plant safety materials expense
	7,101	Lower cost for plant road and railroad crossing repairs
	(10,372)	Higher cost for rail car storage/switching costs/admin fees
	10,139	Lower cost for transmission load dispatching materials expense
	168,381	Lower cost for MISO's multi-value transmission and market efficiency projects
	8,290	Lower cost for miscellaneous transmission materials expense
	20,850	Electric line workers' tools & lean supplies not needed; hoist testing, not done
	20,899	Lower cost for share in MAGIC's operating expenses
	(9,480)	Higher cost for other miscellaneous distribution materials expense
	(9,985)	Higher cost for fire retardant clothing
	7,203	Lower cost for promotional materials
	8,036	Lower cost for Questline-EE newsletter service and customer awareness programs
	52,125	Lower cost for energy efficiency rebates
	(10,901)	Higher cost for office supplies
	13,517	Lower cost for organizational development consulting
	(15,333)	Succession planning, not budgeted
	37,178	Lower cost for legal services and transmission/reliability standards
	26,968	Lower cost for CIP compliance consulting
	7,731	Lower cost for financial audit services
	13,170	Lower cost for cost of service study
	20,250	Pension study / GASB 67/68 report, cost not incurred
	24,300	Employee search services, cost not incurred
	(8,434)	Director professional counseling, not budgeted

MUSCATINE POWER AND WATER - ELECTRIC UTILITY  
 VARIANCES FROM BUDGETED NET POSITION - JUNE 30, 2019

(Unfavorable)/ Favorable Compared to Budget	
40,500	Engineering compensation review, cost not incurred
8,100	Employee survey, cost not incurred
(62,167)	Higher cost for worker's compensation claims
6,318	Lower premium cost for casualty insurance
(147,159)	Higher cost for pension
31,233	Lower cost for healthcare
(20,893)	Higher cost for FICA
(34,087)	Higher cost for deferred comp utility match
(15,090)	Higher cost for LTD insurance
16,200	Unemployment, cost not incurred
20,911	More fringe benefits charged to construction & capital projects than projected
14,683	Lower cost for regulatory commission
19,487	Lower cost for employment expenses
34,370	Lower cost for general CIP expenses
7,070	Lower cost for continuous improvement expenses
11,024	Lower cost for employee team expenses
6,510	Freight, cost not incurred
74,401	Lower cost for training/travel
(33,456)	Higher cost for temporary labor services
(25,803)	Higher cost for vacation expense
160,076	Lower labor cost
63,307	Other miscellaneous variances - net
<u>776,253</u>	

Maintenance

8,635	Lower cost for elevator maintenance
6,000	CHMB maintenance and MH building repairs, not done
63,800	A17.3 Code required elevator upgrades (all), not done
21,000	Unit 9 roof maintenance, not done
46,767	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
16,500	Units 7,8,9 fire protection panel inspection, not done
(24,049)	Unit 9 extend 8" carbon steel vacuum line, not budgeted
55,234	Lower cost for fly ash system materials
(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
(53,962)	Repairs to 7A traveling grate, not budgeted
(30,545)	Higher cost for unit 8 miscellaneous valve repairs
(6,203)	Higher cost for unit 8 sootblower repairs
(72,321)	Higher cost for 8A reboiler repairs
(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
10,368	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
(13,596)	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
11,250	Unit 9 boiler vent, drain and blowdown valve repairs, not done
11,621	Lower cost for unit 9 miscellaneous valve repairs
62,502	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
13,680	Lower cost for continuous emission monitoring
(6,016)	Higher cost for wastewater equipment maintenance
5,000	Quencher pump impeller replacement, not done
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

MUSCATINE POWER AND WATER - ELECTRIC UTILITY  
 VARIANCES FROM BUDGETED NET POSITION - JUNE 30, 2019

(Unfavorable)/ Favorable Compared to Budget	
	(5,471) FGD 902 absorber spray pump discharge expansion joint, not budgeted
	(13,256) 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
	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
	22,000 Unit 9 auxiliary transformer repairs, hot oil process, not done
	12,841 Lower cost for unit 9 miscellaneous plant maintenance
	(9,172) Higher cost for unit 8 miscellaneous plant maintenance
	13,273 Lower cost for unit 7 miscellaneous plant maintenance
	5,765 Lower cost for GE, EX-2000, and Mark V service agreement
	28,000 Update air dryer controls, not done
	13,500 Chain fall hoist inspection, not done
	49,360 Lower cost for rail car maintenance
	47,008 Lower cost for dozer maintenance
	(45,704) Higher cost for coal conveyor maintenance
	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 Stammer 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
	(19,563) Higher cost for annual track maintenance
	(11,996) Higher cost for rail unloader maintenance
	(16,274) Higher cost for overhead lines, transmission, for tree-trimming and vegetation control
	10,018 Lower cost for overhead lines, transmission, for other materials expense
	(32,068) Replacement of Trayer PMH-9 switchgear at MCC, not budgeted
	(13,891) Higher cost for overhead lines, distribution, for other materials expense
	15,029 Lower underground lines materials expense, distribution
	(12,576) Repair three padmount transformers, not budgeted
	26,413 Returned 15 kV switchgear back into stores, not budgeted
	14,000 Re-gasket and paint two 2,500 kVA transformers, not done
	20,255 Lower street lighting materials expense
	(8,132) Higher signals materials expense
	71,339 Lower cost for general plant maintenance agreements
	17,807 Lower general plant materials expense
	(10,010) Replace cabinets in the head end, 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
	30,000 Key-scan system maintenance, not done
	8,706 Lower cost for A/O Center lawn care expense
	24,548 Lower labor cost
	106,707 Other miscellaneous variances - net
	<u>370,299</u>
Depreciation	(943,536) Net value of the A&G assets was underestimated for the budget
<b>Nonoperating Revenue (Expense)</b>	
Interest Income	374,359 Higher average cash balances
Interest Expense	(2,435)
	<u>371,925</u>
<b>Capital Contributions</b>	<u>3,300</u> 3 transformers for job sale
<b>Change in Net Position</b>	<u>\$ 2,698,506</u> Total Variance from Budgeted Net Position

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

### Sales of Electricity

#### Native System Sales

1.5% lower kWhs sold, offset by an 9.7% higher average sales price per kWh (\$.07362/kWh versus \$.06714/kWh budgeted), resulted in \$2,259,979 higher revenue than projected.

#### Wholesale Sales

10.7% lower kWhs sold and a 5.9% lower average sales price (\$.02957/kWh versus \$.03143/kWh budgeted), resulted in \$2,224,138 lower revenue than projected.

#### Steam Sales

23.8% higher pounds of steam sold, resulted in \$706,957 higher revenue than projected.

### Other Revenue

#### By-Product Revenue

Gypsum sales and fly ash sales are \$3,141 and \$2,191 lower than budgeted respectively, due to the unit 9 outage and colder temperatures.

#### Miscellaneous Revenue

Net job sales revenue is \$21,113 lower than budget. Transmission-related revenue is \$7,156 higher than budgeted. Recycling revenue is \$1,273 lower than budgeted. Penalty revenue is \$2,640 higher than budgeted. Included in revenue is \$18,260 for renewable energy credits sold that were not budgeted.

### Nonoperating Revenue (Expense)

#### Interest Income

Interest income is \$374,359 higher than budgeted due to higher average cash balances.

## Statement of Net Position

### Liabilities

#### Health and Dental Insurance Provision

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

## Summary of Expenses

### Purchased Power – (555)

A 4.8% lower average purchase price (\$.02691/kWh versus \$.02827/kWh budgeted) and 1.6% lower kWhs purchased for native system sales, resulted in \$825,730 lower cost. Wind energy kWh purchases were 9.2% or \$68,657 lower than budgeted.

## Generation

### Operation Supervision – (500)

Total labor expense is \$34,946 higher than budget due to more overtime than expected.

### Fuel – Coal – (501-001)

2.0% or 6,710 higher tons of coal burned, offset by a 1.3% lower price/ton, resulted in \$116,224 lower coal expense.

### Fuel – Fuel Oil – (501-921)

Cost of fuel oil for Unit 9 start-ups is \$5,486 higher than budgeted. Other materials expenses are \$5,703 lower than budgeted.

### Fuel – Gas – (501-002)

Unit 7's natural gas usage is \$7,754 lower than budgeted and unit 8's natural gas usage is \$5,999 higher than budgeted.

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

Labor expenses are \$129,875 higher than budgeted. Gasoline and diesel fuel expenses are \$10,373 higher than budgeted. Other materials expenses are \$2,616 higher than budgeted.

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

Labor expenses are \$13,019 higher than budgeted. Phase I landfill partial cover expenses are \$446,375 lower than budgeted due to timing. CCRL groundwater sampling and analysis expenses are \$5,412 lower than budgeted. The budget includes \$17,922 for spraying herbicide to control weeds, \$17,400 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 \$43,051 higher than budgeted. Bottom ash system chemicals are \$1,853 lower than budget due to timing; other materials expenses are \$9,384 higher than budget.

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

PAC (powdered activated carbon) injection system costs, wastewater chemicals/analysis, and labor expenses are \$43,638, \$38,255, and \$47,825 lower than budgeted, respectively. Limestone expense is \$10,832 higher than budgeted.

### Electric Expense – (505)

Labor expense is \$32,113 higher than budget. A 4.1% higher average price, offset by 5.2% lower gallons consumed, resulted in \$2,628 lower cost for power plant water bills. Hydrogen and other material expenses are \$1,044 higher than budgeted.

Generation (cont'd)

<u>Miscellaneous Steam Power Expense - (506)</u>	2019	2019
	<u>Budget</u>	<u>Actual</u>
Labor	\$478,555	\$352,132
IDNR Title V permit fee	136,758	156,678
PM2.5 modeling	10,002	-
Stack testing	112,367	56,921
RATA testing	-	17,933
Engineering services for CCR rule compliance	6,000	15,701
316(b) cooling water impingement/entrainment study	90,000	-
EPA protocol-1 cal. & linearity gasses & demurrage	7,600	-
Universal waste recycling/hazardous waste disposal	12,248	7,584
Process hazard analysis support consulting	7,500	-
COOP student	8,000	-
Calibration testing for predictive maintenance tools	2,500	-
Calibration testing for Optalign Transducer	1,200	-
Machine Analyst and Microlog maintenance agreements	5,800	5,115
Units 8/9/FGD industrial gas cylinder lease	-	2,137
Units 8/9 service agreement for aware boiler monitoring software	-	3,180
Coal and by-product analysis	6,800	-
IDNR Non-Title V fees	15,000	4,618
ESC software engineering time/maintenance	16,506	12,342
Plant safety material expenses	73,754	64,523
Plant road and railroad crossing repairs	11,100	3,999
Rail car storage/switching costs/admin fees	54,840	65,212
PEPSI/PMAX/Aware maintenance agreements	8,402	4,664
Travel/training	55,347	27,284
Temporary labor services	30,500	3,118
Ground maintenance	15,350	9,688
Membership/subscriptions	8,490	4,711
Gasoline/diesel fuel	7,000	9,226
Other expenses	56,068	26,992
	<u>\$1,237,687</u>	<u>\$853,758</u>

Maintenance Supervision -- (510)

Labor expense is \$38,086 higher than budgeted.

Generation (cont'd)

<u>Maintenance of Structures - (511)</u>	2019	2019
	<u>Budget</u>	<u>Actual</u>
Labor	\$141,567	\$130,180
Elevator maintenance	40,075	31,440
Contracted insulation replacement/repair	16,496	15,963
CHMB maintenance and MH building repairs	6,000	-
A17.3 Code required elevator upgrades (all)	63,800	-
Motor for Trane steam heater	-	689
Install walk-thru door in FGD	-	2,619
Unit 9 roof maintenance	21,000	-
Unit 9 turbine roof maintenance	200,000	153,233
Submersible pump replacement	-	5,503
Vacuum sumps	-	1,816
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	-
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
Backflow preventer inspection/repairs	7,700	3,596
Other expenses	82,360	59,914
	<u>\$624,698</u>	<u>\$445,330</u>

Generation (cont'd)

Maintenance of Boiler Plant - Boiler - (512-006)	2019	2019
	<u>Budget</u>	<u>Actual</u>
Labor	\$426,794	\$381,338
Bottom ash system materials	63,025	66,163
Fly ash system materials	64,975	9,741
Reverse osmosis system	4,000	195
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 traveling grate	-	53,962
Unit 8 miscellaneous valve repairs	480	31,025
Unit 8 sootblower repairs	4,590	10,793
8A reboiler repairs	8,725	81,046
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	12,498	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	-	13,596
Replace journal wear liners in 9A pulverizer	-	6,913
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

## Generation (cont'd)

Maintenance of Boiler Plant - Boiler - (512-006) (cont'd)	2019	2019
	<u>Budget</u>	<u>Actual</u>
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	11,250	-
Unit 9 miscellaneous valve repairs	22,500	10,879
Unit 9 routine pulverizer maintenance	62,502	-
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 stockfeeder gearbox	-	14,359
Unit 9 repair grinding rolls	-	48,526
Software/plant controls maintenance agreements	28,660	32,516
Other expenses	<u>199,341</u>	<u>82,812</u>
	<u>\$1,289,039</u>	<u>\$1,189,330</u>

\*2018 expense over accrued

Generation (cont'd)

<u>Maintenance of Boiler Plant – Pollution Control - (512-007)</u>	<u>2019</u>	<u>2019</u>
	<u>Budget</u>	<u>Actual</u>
Labor	\$157,083	\$123,520
Continuous emission monitoring expenses	66,077	52,397
PAC (powdered activated carbon) injection system costs	6,750	7,172
Miscellaneous precipitator repairs	36,078	33,709
Miscellaneous limestone handling equipment repairs	2,000	-
Wastewater equipment maintenance	14,452	20,468
Scrubber waste equipment repairs	2,500	71
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	7,500	20,756
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	18,893	13,064
	<u>\$386,733</u>	<u>\$353,348</u>

Generation (cont'd)

<u>Maintenance of Electric Plant - (513-008)</u>	2019	2019
	<u>Budget</u>	<u>Actual</u>
Labor	\$143,172	\$165,469
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 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	3,700	2,552
Unit 9 PDA online data collection and analysis	-	10,914
Unit 9 turbine/generator overhaul *	-	405,507
Unit 9 replace chlorine injection pump	9,800	-
Unit 9 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 auxiliary transformer repairs, hot oil process	22,000	-
Unit 9 miscellaneous plant maintenance	36,250	23,409
Unit 8A miscellaneous plant maintenance	8,750	4,125
Unit 8 miscellaneous plant maintenance	9,600	18,772
Unit 7 miscellaneous plant maintenance	13,481	208
GE, EX-2000, and Mark V service agreement	12,600	6,835
Other expenses	499	85
	<u>\$520,852</u>	<u>\$764,551</u>

\*2018 expense not accrued

Maintenance of Miscellaneous Steam Plant – (514)

Materials expenses are lower than budgeted primarily due to \$28,000 budgeted for updating air dryer controls and \$13,500 for chain fall hoist inspection and repair; each of these budgeted items has not occurred. Labor expenses are \$19,332 lower than budgeted.

Gasoline and diesel fuel expenses are \$1,750 lower than budgeted.

Generation (cont'd)

<u>Maintenance of Coal Handling Equipment - (516)</u>	2019	2019
	<u>Budget</u>	<u>Actual</u>
Labor	\$139,139	\$155,463
Rail car maintenance	101,750	52,390
Dozer maintenance	100,050	53,042
Coal conveyor maintenance	32,900	78,604
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	-
DC 14A rotary lock gear reducer replacement	-	1,469
DC-14A double flight screw	10,000	-
Hydromatic sump pump and impeller	-	8,423
Annual track maintenance	27,000	46,563
Rail unloader maintenance	6,250	18,246
Temporary labor services	18,500	-
Other expenses	<u>18,905</u>	<u>16,895</u>
	<u>\$609,094</u>	<u>\$438,823</u>

<u>System Control and Load Dispatch - (556)</u>	2019	2019
	<u>Budget</u>	<u>Actual</u>
Labor	\$62,382	\$79,129
SCADA Dark Fiber service & BUCC MME services	9,758	9,468
MISO operating & administrative fees	85,998	81,827
MISO & APDA memberships	1,126	1,000
Travel and training	2,900	257
Other expenses	<u>3,790</u>	<u>1,698</u>
	<u>\$165,953</u>	<u>\$173,380</u>

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.

## Transmission

### Operation Supervision – (560)

Labor expense is \$6,335 lower than budgeted.

### Load Dispatching – (561)

Labor expense is \$4,235 higher than budgeted. Travel and training expenses are \$1,614 lower than budgeted. Materials expenses are \$10,139 lower than budgeted.

### Station Expense – (562)

Labor and materials expenses are \$23,003 and \$4,953 lower than budgeted, respectively.

### Overhead Line Expense – (563)

Labor expense is \$20,853 higher than budgeted.

### Transmission of Electricity by Others – (565)

The cost of MISO's multi-value transmission and market efficiency projects are \$168,381 lower than budgeted.

### Miscellaneous Transmission Expense – (566)

Materials expenses are \$8,290 lower than budgeted. Labor expense is \$1,076 lower than budgeted.

### Maintenance of Station Equipment – (570)

Labor expense is \$11,087 higher than the budget. Materials expenses are \$4,454 higher than budgeted.

### Maintenance of Overhead Lines – (571)

Labor expense is \$18,836 lower than the budget. Tree-trimming and vegetation control expense was \$16,274 higher than budgeted. Other materials expenses are \$10,018 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.

## Distribution

### Operation Supervision – (580)

Labor expense is \$14,875 lower than budgeted.

### Load Dispatching – (581)

Labor expense is \$9,461 lower than budgeted.

### Station Expense – (582)

Labor expense is \$30,387 lower than budgeted. Materials expenses are \$4,667 higher than budgeted.

Distribution (cont'd)Overhead Line Expense – (583)

Labor expense is \$1,649 lower than budgeted. The budget includes \$17,100 for electric line workers' tools and tool repairs and \$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 and materials expenses are lower than the budget by \$13,670 and \$2,041 respectively. Gasoline and diesel fuel usage is \$3,610 greater than budgeted.

Underground Line Expense – (584)

Labor and materials expenses are \$5,563 and \$2,800 lower than budgeted, respectively.

Street Lighting – (585-418)

Labor and materials expenses are \$8,193 and \$4,813 lower than budgeted, respectively.

Signal Expense – (585-419)

Labor expense is \$6,578 lower than budgeted.

Meter Expense – (586)

Labor expense is \$5,303 lower than budgeted. Materials expenses are \$4,439 lower than budgeted.

Miscellaneous Distribution Expense – (588)

Labor expense is \$39,433 higher than budgeted; the electric line workers' labor makes up \$10,903 or 27.6% of this total. The share in MAGIC's operating expenses is \$20,899 lower than budgeted; other materials expenses are \$9,480 higher than budgeted. Temporary labor services, totaling \$44,016, were not budgeted. Travel and training expenses are \$1,028 higher than budgeted. Fire retardant clothing expenses are \$9,985 higher than budgeted.

Maintenance Supervision – (590)

Labor expense is \$13,800 lower than budgeted.

Maintenance of Structures – (591)

Labor and materials expenses are \$3,033 and \$2,750 lower than budgeted, respectively.

Maintenance of Overhead Lines – (593)

Labor expense is \$72,393 higher than budgeted. Materials expenses are \$45,959 higher than budgeted, primarily due to the preventative replacement of a Trayer PMH-9 switchgear at MCC for \$32,068, not budgeted.

Maintenance of Underground Lines – (594)

Labor and materials expenses are \$34,678 and \$15,029 lower than budgeted, respectively, due to less repairs.

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

Labor expense is \$4,123 lower than budgeted. Materials expenses are lower than budgeted primarily due to \$12,576, not budgeted, for repairing three padmount transformers, 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 \$3,882 higher than budgeted.

Maintenance of Street Lighting – (596-STL)

Labor expenses are \$8,918 lower than budgeted. Materials expenses are \$20,255 lower than budgeted primarily due to \$20,000 budgeted to paint 40 poles not completed 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 \$15,326 higher labor than budgeted. Materials expenses are \$8,132 higher than budgeted. This includes \$3,301 for a video detection video processing card, \$2,590 for replacing the signal cabinet at the bridge, and \$3,283 for replacing the signal cabinet and output file at Dick Drake Way due to failure; none of these items were budgeted.

Vacation, Holiday, Sick Leave – (599)

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

Depreciation – (578)

Substation, underground, 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	2019	2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b><u>Marketing</u></b>			
Media advertising	\$7,637	\$5,461	\$7,363
MP&W Newsletter	1,858	1,632	1,552
Billing services	2,751	210	-
Promotional materials	13,597	6,394	337
Photo library	2,012	-	162
<b>Subtotal - Marketing</b>	<b>27,855</b>	<b>13,697</b>	<b>9,414</b>
<b><u>Energy Services</u></b>			
Trees Forever	13,000	13,000	13,000
Questline-EE newsletter service and customer awareness programs	8,502	466	13,390
Customized energy efficiencies	600	-	-
Customer light bulb exchange program (LED/CFL)	1,998	1,424	2,140
Youth education (science fair/poster contest)	2,500	2,813	2,315
<b>Subtotal - Energy Services</b>	<b>26,600</b>	<b>17,703</b>	<b>30,845</b>
Miscellaneous	500	6,132	422
	<b>\$54,955</b>	<b>\$37,532</b>	<b>\$40,681</b>

<u>Energy Efficiency Rebates - (912)</u>	2019	2019	2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Commercial lighting	\$20,400	\$10,696	\$14,319
Compact fluorescent lighting	1,500	456	1,187
Air conditioning	14,450	7,888	10,865
Refrigerator	2,310	870	2,190
City building improvement	3,000	-	-
Washing machine	2,000	650	2,350
Customized energy efficiency	-	-	20
Water heater	3,600	1,350	2,700
Geo-thermal	3,600	1,325	3,900
Motor	24,000	-	38,150
Dishwasher	1,000	500	950
	<b>\$75,860</b>	<b>\$23,735</b>	<b>\$76,631</b>

Consumer AccountsMeter Reading Expense – (902)

Labor expenses are \$15,750 higher than budgeted. Temporary services are \$2,034 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	\$218,985	\$198,075	\$196,064
Temporary labor services	6,948	7,999	6,457
Postage	14,419	13,713	15,812
Payment processing fees *	29,576	25,816	39,776
Collection fees	4,542	2,425	5,031
Integrated voice response service	921	1,016	918
Travel/training	1,938	449	71
Gasoline/diesel fuel	1,500	722	659
Other	4,277	3,316	2,656
	<u>\$283,105</u>	<u>\$253,530</u>	<u>\$267,444</u>

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

Administrative and GeneralAdministrative and General Salaries – (920)

Labor expenses are \$50,334 lower than budgeted.

<u>Office Supplies - (921)</u>	2019	2019	2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
General office supplies/phone	\$22,806	\$24,041	\$24,555
Memberships/subscriptions	9,131	16,005	12,571
Internet/MME	8,814	8,688	8,554
Office furniture	7,632	2,214	5,098
Computer hardware/software	12,444	10,682	21,778
Postage	5,468	153	4,712
Maintenance agreements	-	6,751	-
Vehicle allowance	7,131	7,078	7,131
Vehicle maintenance	4,850	1,411	2,440
Gasoline/diesel fuel	2,000	1,490	1,481
Other	13,905	26,569	6,530
	<u>\$94,180</u>	<u>\$105,081</u>	<u>\$94,850</u>

Administrative and General (cont'd)

<u>Outside Services Employed - (923)</u>	<u>Resp</u>	<u>2019</u>	<u>2019</u>	<u>2018</u>
	<u>Code</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Organizational development consulting	120-Gage	\$20,250	\$6,733	\$43,133
Succession planning	110-Board	-	15,333	-
Legal services	140-Brandy	13,100	104	6,296
Environmental legal services	140-Brandy	12,500	14,430	-
Transmission/reliability standards legal services	140-Brandy	31,500	7,497	18,709
Coal & transportation attorney	140-Brandy	2,496	-	-
Bond counsel	140-Brandy	750	-	-
Labor attorney	140-Brandy	2,520	3,253	-
CIP compliance consulting	145-Seth	30,000	3,032	2,274
NERC compliance consulting	145-Seth	28,750	30,863	7,463
Web design service	224-Rick	2,010	525	1,409
Insurance advisor	310-Jerry	20,412	20,412	20,412
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	39,000	37,500	39,000
Fuel procurement committee consulting	331-Brad	3,000	-	-
IS department professional services	350-Greg	-	-	4,050
509A Actuary	410-Erika	891	790	790
Benefits consulting	410-Erika	18,776	17,010	17,010
Labor attorney	410-Erika	-	404	-
Pension Study / GASB 67/68 Report	410-Erika	20,250	-	(12,150)
Employee search services	410-Erika	24,300	-	49,800
Director professional counseling	410-Erika	-	8,434	-
Engineering compensation review	410-Erika	40,500	-	-
Employee survey	410-Erika	8,100	-	-
MISO consultant	610-Doug	1,251	-	-
Coal pile survey	612-Neal	10,000	9,757	450
		<u>\$395,960</u>	<u>\$220,780</u>	<u>\$236,321</u>

Property Insurance – (924)

The premium for property insurance was budgeted to increase 7%; the actual year over year increase is 17.4%.

Injuries and Damages – (925)

Workers compensation claims are \$62,167 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 \$6,318 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	\$1,576,979	\$1,724,139	\$1,507,021
Healthcare costs	1,201,534	1,170,301	1,163,718
FICA	643,955	664,848	616,223
Deferred comp utility match *	140,140	174,227	166,646
Dental	43,800	46,100	45,790
Educational reimbursements	14,175	11,581	9,807
LTD insurance *	29,545	44,635	28,383
Life insurance	22,908	23,214	22,152
Post-employment health benefit	15,819	15,819	15,647
Recognition dinner	14,426	16,544	14,907
Unemployment expenses	16,200	-	1,788
Other expenses	<u>17,049</u>	<u>13,710</u>	<u>14,374</u>
	<u>\$3,736,530</u>	<u>\$3,905,117</u>	<u>\$3,606,456</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)

More 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>	<u>2019</u>	<u>2019</u>	<u>2018</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Employment expenses	\$41,486	\$21,999	\$16,626
APPA dues	18,996	17,448	16,618
IUB Iowa Energy Center	27,378	28,760	26,844
IAMU membership	21,000	20,938	20,202
GMCCI Economic Pledge/Projects	34,020	34,020	54,270
Legal publications	2,633	4,826	2,605
General CIP Expense	35,000	630	-
Continuous Improvement	9,963	2,893	-
Financial Annual Report	4,455	631	670
Subscriptions/memberships	13,211	11,091	12,068
Employee team expenses	24,948	13,924	14,811
Training/travel	79,329	37,158	42,819
Safety-related expenses	2,011	1,803	2,525
Labor	24,377	15,164	14,374
Temporary labor services	19,466	32,183	25,030
Board trustee fees	3,645	3,645	3,645
Freight	6,510	-	9,304
Other expenses	26,710	38,254	30,762
	<u>\$395,138</u>	<u>\$285,367</u>	<u>\$293,173</u>

Maintenance of General Plant – (932)

Labor expenses are \$1,825 lower than budgeted. Maintenance agreements are \$71,339 lower than budgeted; \$56,229 of this variance is for larger agreements with Microsoft, Advanced Business Systems, SecureWorks, AutoCad, and Champs where expense was either lower than budgeted or budgeted but not incurred due to timing, offset by an agreement with Associated Computer Systems where expense was incurred but not budgeted. Materials expenses are \$17,807 lower than budgeted. Memberships and subscriptions are \$12,960 lower than budgeted.

Maintenance of A/O Center – (934)

Labor expenses are \$9,075 higher than budgeted. Materials expenses are \$635 lower than budgeted; \$10,010 of this variance 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, \$4,356 is for repairing the yard gate, \$2,732 is for installing a new exterior PTZ camera overlooking the north parking lot, and \$1,242 is for servicing the two pond pumps. Each of 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, \$2,500 is for maintenance on security cameras, \$2,500 is for concrete repairs, and \$1,400 is for dust control. Temporary labor services are \$3,528 lower than budgeted. Lawn care expenses are \$8,706 lower than budgeted.

Vacation, Holiday, Sick Leave – (936)

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

Administrative and General (cont'd)

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.

**Electric Utility**  
**Statement of Net Position Review**  
**June 2019**

	<u>2019</u>	<u>2018</u>
<b><u>Current Assets</u></b>		
<u>Consumer Accounts</u>		
Customer Electric Accounts	\$6,000,123	\$5,477,476
Unbilled Revenue	539,576	506,558
Utility loan program	161	2,094
Merchandise Accounts	408,762	174,997
Allowance for Doubtful Accounts	(10,155)	(19,181)
	\$6,938,467	\$6,141,944
 <u>Inventories</u>		
Inventory	\$5,076,299	\$4,935,761
Emission Allowance - SO2	122,986	121,502
Emission Allowance - Nox	56,803	5,572
Stores Expense	140,328	90,670
Gas and Diesel Fuel	117,023	116,354
Limestone	20,591	63,182
	\$5,534,030	\$5,333,041
 <u>Prepaid Expenses</u>		
Prepaid Insurance	\$875,908	\$747,917
APPA dues	5,401	5,275
GP Strategies	7,652	7,219
IA Dept Comm Global Warming	14,380	13,422
IAMU annual dues	28,191	27,370
Qualtrics employee survey subscription	7,280	---
OATI digital certificates	---	6,338
SOS International	3,790	9,855
Prepaid maintenance contracts	235,366	254,139
Prepaid travel	26,305	19,986
Sewer/san AP entered in wrong month	---	(163,985)
Other prepaid expenses	13,305	542
	\$1,217,578	\$928,078
 <b><u>Current Liabilities</u></b>		
<u>Accounts Payable (amounts over \$10,000 itemized)</u>		
Communications/Water bills	\$46,190	---
Alliant Energy - gas	16,389	---
BMC Software	20,414	---
BNSF Railway - coal transport	256,865	---
Buckskin - coal	270,653	---
Canadian Pacific Railway - coal transport	151,968	---
Carmen Ind	11,044	---
City of Muscatine - wastewater/sanitation/Misissippi Dr project	29,001	---
Cogsdale - business system implementation	11,921	---
Cottingham & Butler - wc claim services	22,349	---

Elan - supplies	19,796	---
Emerson Process Management	19,567	---
Environmental Systems Corp	11,170	---
Fletcher-Reinhardt	15,742	---
Fox Valley Fire and Safety Company	17,716	---
GE Steam Power	102,610	---
IA DNR - Title V Fee	167,512	---
Iowa Utilities Board - assessment	21,285	---
Irby	30,106	---
Jefferies Refined Coal - refined coal	2,330,796	---
Jordan Transformer, LLC	231,166	---
Midamerican - line maintenance	72,500	---
MISO - purch power/trans svc/admin fee	419,503	---
Mostardi Platt - emission testing	18,190	---
NERC	10,480	---
Pletcher Enterprises	33,615	---
Ragan - #9 boiler tube shields	44,527	---
Rocky Mountain Specialty Services	82,581	---
South Fork Wind - energy	87,491	---
Team Staffing	10,010	---
Tekran	18,431	---
Tenaska - monthly fee	17,500	---
Timberline Clearing	51,274	---
Trackmasters	43,927	---
Ulteig Engineers Inc	13,029	---
Van Wert	11,235	---
Woodruff Construction	523,767	---
Other	268,313	5,118,782
	<u>\$5,530,633</u>	<u>\$5,118,782</u>

Miscellaneous Accrued Expenses

Interest on Customer Deposits	\$92,621	\$84,233
Sales/Use Tax Collections Payable	76,478	67,873
Payroll Tax Collections Payable/misc	188,872	182,244
Workers' Comp Self Insurance Reserves	309,519	292,831
Comp Time Payable	47,458	51,700
Employee team bank	64,685	58,827
	<u>\$779,633</u>	<u>\$737,708</u>

**Muscatine Power and Water**

**Water Utility**

**Financial Operating Statements & Balance Sheets**

**June 2019**

**Muscatine Power and Water  
Water Utility**

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**Muscatine Power and Water - Water Utility**  
**Classification of Water Distribution**  
**Current Month - June 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>Water Distribution - 1,000 Gallons</u></b>					
Contract Customers	660,110	2.2	674,727	(2.4)	691,278
Power Plants	35,567	60.2	56,974	94.3	29,322
Residential	45,603	(24.8)	34,311	(15.1)	40,404
Commercial	<u>36,997</u>	(20.5)	<u>29,395</u>	(15.0)	<u>34,599</u>
Total Metered Customers	778,277	2.2	795,407	(0.0)	795,603
Rated Customers - Estimate	---	---	7	---	---
City Use, Line Loss, Cycle Billing	<u>46,697</u>	2.2	<u>47,724</u>	(0.0)	<u>47,737</u>
Total Water Pumped	<u><u>824,974</u></u>	2.2	<u><u>843,138</u></u>	(0.0)	<u><u>843,340</u></u>

**Calendar Year-to-Date**

	<u>Budget</u> <u>Estimate</u>	<u>%Increase</u> <u>(Decrease)</u> <u>From Budget</u>	<u>This</u> <u>Year</u>	<u>%Increase</u> <u>(Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last</u> <u>Year</u>
<b><u>Water Distribution - 1,000 Gallons</u></b>					
Contract Customers	4,045,932	(0.5)	4,026,493	(0.7)	4,053,788
Power Plants	352,057	(5.2)	333,765	0.4	332,410
Residential	212,471	(7.2)	197,273	(4.8)	207,180
Commercial	<u>169,695</u>	(3.9)	<u>162,993</u>	(4.3)	<u>170,288</u>
Total Metered Customers	4,780,155	(1.2)	4,720,524	(0.9)	4,763,666
Rated Customers - Estimate	---	---	26	(36.6)	41
City Use, Line Loss, Cycle Billing	<u>286,809</u>	(1.2)	<u>283,231</u>	(0.9)	<u>285,820</u>
Total Water Pumped	<u><u>5,066,964</u></u>	(1.2)	<u><u>5,003,782</u></u>	(0.9)	<u><u>5,049,527</u></u>

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

	<u>Budget</u>		<u>% Increase</u>		<u>% Increase</u>		<u>Last Year</u>	<u>Avg. Price</u>
	<u>Estimate</u>	<u>Avg. Price</u>	<u>(Decrease)</u>	<u>This Year</u>	<u>Avg. Price</u>	<u>from Last</u>		
			<u>from Budget</u>			<u>Year</u>		
<b><u>Sales of Water</u></b>								
Contract Customers	\$312,457	\$ 0.47334	0.7	\$314,651	\$ 0.46634	4.6	\$300,691	\$ 0.43498
Power Plants	27,718	0.77931	15.0	31,872	0.55942	28.2	24,853	0.84758
Residential	195,941	4.29668	(8.4)	179,465	5.23059	0.7	178,183	4.41003
Commercial	66,383	1.79427	(16.0)	55,737	1.89616	(3.7)	57,864	1.67243
<b>Water Sales</b>	<b>602,499</b>	<b>0.77415</b>	<b>(3.4)</b>	<b>581,726</b>	<b>0.73136</b>	<b>3.6</b>	<b>561,591</b>	<b>0.70587</b>
<b><u>Other Revenue</u></b>								
Penalty Revenue	1,200		---	870		(11.9)	987	
Merchandise & Job Sales-Net	500		1.0X	1,002		31.0	765	
Miscellaneous Revenue	761		35.5	1,031		28.2	804	
<b>Total Other Revenue</b>	<b>2,461</b>		<b>18.0</b>	<b>2,903</b>		<b>13.6</b>	<b>2,556</b>	
<b>Operating Revenue</b>	<b>604,960</b>		<b>(3.4)</b>	<b>584,629</b>		<b>3.6</b>	<b>564,147</b>	
<b><u>Operating Expense</u></b>								
Operation	347,871		3.0	358,352		8.3	330,916	
Maintenance	112,631		(42.3)	64,948		(18.5)	79,651	
Depreciation	83,679		(4.3)	80,091		11.9	71,557	
<b>Total Operating Expense</b>	<b>544,181</b>		<b>(7.5)</b>	<b>503,391</b>		<b>4.4</b>	<b>482,124</b>	
<b>Operating Income</b>	<b>60,779</b>		<b>33.7</b>	<b>81,238</b>		<b>(1.0)</b>	<b>82,023</b>	
<b><u>Nonoperating Revenues (Expenses)</u></b>								
Interest Income	6,781		58.1	10,721		7.3	9,995	
Interest Expense	(39,142)		0.0	(39,142)		(1.3)	(39,668)	
<b>Net Nonoperating Revenues (Expenses)</b>	<b>(32,361)</b>		<b>(12.2)</b>	<b>(28,421)</b>		<b>(4.2)</b>	<b>(29,673)</b>	
<b>Change in Net Position</b>	<b>28,418</b>		<b>85.9</b>	<b>52,817</b>		<b>0.9</b>	<b>52,350</b>	
<b>Beginning Net Position</b>	<b>17,379,272</b>			<b>17,419,548</b>			<b>16,766,306</b>	
<b>Ending Net Position</b>	<b>\$17,407,690</b>			<b>\$17,472,365</b>			<b>\$16,818,656</b>	
<b>Net Income (Loss) to Operating Revenue</b>	<b>4.7</b>			<b>9.0</b>			<b>9.3</b>	
<b>Debt Service Coverage</b>	<b>1.95</b>			<b>1.41</b>			<b>2.01</b>	

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

	Budget		% Increase (Decrease) from Budget	This Year	% Increase (Decrease) from Last Year		Last Year	Avg. Price
	Estimate	Avg. Price			Avg. Price	Year		
<b>Sales of Water</b>								
Contract Customers	\$1,845,802	\$ 0.45621	(0.8)	\$1,830,231	\$ 0.45455	5.3	\$1,738,370	\$ 0.42883
Power Plants	195,365	0.55492	(1.3)	192,737	0.57746	6.5	180,905	0.54422
Residential	1,059,960	4.98873	(2.4)	1,034,793	5.24549	4.2	993,464	4.79517
Commercial	330,267	1.94624	(5.4)	312,517	1.91736	0.2	311,981	1.83208
Water Sales	3,431,394	0.71784	(1.8)	3,370,278	0.71396	4.5	3,224,720	0.67694
<b>Other Revenue</b>								
Penalty Revenue	5,800		(12.2)	5,093		(16.1)	6,068	
Merchandise & Job Sales-Net	7,197		(68.9)	2,241		(65.8)	6,556	
Miscellaneous Revenue	7,443		37.3	10,222		20.2	8,504	
Total Other Revenue	20,440		(14.1)	17,556		(16.9)	21,128	
Operating Revenue	3,451,834		(1.9)	3,387,834		4.4	3,245,848	
<b>Operating Expense</b>								
Operation	2,136,566		0.9	2,155,771		5.4	2,045,025	
Maintenance	484,572		(21.8)	378,883		5.3	359,820	
Depreciation	502,070		(4.3)	480,546		11.9	429,343	
Total Operating Expense	3,123,208		(3.5)	3,015,200		6.4	2,834,189	
Operating Income	328,626		13.4	372,634		(9.5)	411,659	
<b>Nonoperating Revenues (Expenses)</b>								
Interest Income	42,390		48.8	63,056		20.5	52,347	
Interest Expense	(235,300)		(0.0)	(235,299)		(0.7)	(236,939)	
Net Nonoperating Revenues (Expenses)	(192,910)		(10.7)	(172,243)		(6.7)	(184,592)	
Change in Net Position	135,716		47.7	200,391		(11.7)	227,067	
Beginning Net Position	17,271,974			17,271,974			16,591,589	
Ending Net Position	\$17,407,690			\$17,472,365			\$16,818,656	
Net Income (Loss) to Operating Revenue	3.9			5.9			7.0	
Debt Service Coverage	1.88			1.75			1.87	

**Muscatine Power and Water - Water Utility**  
**Statements of Net Position**  
**June 30, 2019**

**ASSETS**

	<u>2019</u>	<u>2018</u>
<b>Current Assets:</b>		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$1,204,701	\$571,647
Receivables:		
Consumer Accounts	785,626	742,407
Interest	85	78
Inventories	367,161	351,614
Prepaid Expenses	65,104	53,843
	<hr/>	<hr/>
Total Unrestricted Current Assets	2,422,677	1,719,589
	<hr/>	<hr/>
<u>Restricted Assets</u>		
Cash - interest bearing	4,394,907	6,177,682
	<hr/>	<hr/>
Total Restricted Current Assets	4,394,907	6,177,682
	<hr/>	<hr/>
Total Current Assets	6,817,584	7,897,271
	<hr/>	<hr/>
<b>Non-Current Assets:</b>		
Unamortized debt issuance costs	50,586	54,482
	<hr/>	<hr/>
<b>Property and Equipment:</b>		
At Cost	39,938,366	37,861,847
Less Accumulated Depreciation	11,996,891	11,350,640
	<hr/>	<hr/>
Net Property and Equipment	27,941,475	26,511,207
	<hr/>	<hr/>
<b>Deferred Outflows of Resources</b>		
Pension	607,445	810,443
IPERS	237,547	197,472
OPEB	10,397	10,397
	<hr/>	<hr/>
Total Deferred Outflows of Resources	855,389	1,018,312
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<u>\$35,665,034</u>	<u>\$35,481,272</u>

**Muscatine Power and Water - Water Utility**  
**Statements of Net Position**  
**June 30, 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	\$392,955	\$147,859
Health & Dental Insurance Provision	40,380	32,700
Retained Percentage on Contracts	46,576	58,270
Consumer Advances for Construction	600	600
Accrued Payroll	74,654	75,444
Accrued Vacation	143,543	151,867
Accrued Property Taxes	3,299	2,231
Miscellaneous Accrued Expenses	78,698	62,152
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	780,705	531,123
<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	47,307	48,022
	<hr/>	<hr/>
Total Payable from Restricted Assets	427,307	456,022
	<hr/>	<hr/>
Total Current Liabilities	1,208,012	987,145
<b>Non-Current Liabilities:</b>		
State Revolving Loan	35,000	35,000
Water Revenue Bond Series 2017	14,910,025	15,392,848
Health & Dental Insurance Provision	15,262	58,849
Post-Employment Health Benefit Provision	92,521	88,065
Net Pension Liability	1,403,027	1,708,040
Consumer Advances for Construction	197,650	198,259
	<hr/>	<hr/>
Total Non-Current Liabilities	16,653,485	17,481,061
<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
<b>Net Position:</b>		
Net Investment in Capital Assets	12,418,200	10,476,500
Restricted	4,347,600	6,129,660
Unrestricted	706,565	212,496
	<hr/>	<hr/>
Total Net Position	17,472,365	16,818,656
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$35,665,034</u>	<u>\$35,481,272</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$81,238	\$372,634
Noncash item in operating income:		
Depreciation of utility plant	80,091	480,546
Change in deferred outflows of resources	(34,191)	17,336
Change in deferred inflows of resources	---	(125,554)
Changes in assets and liabilities:		
Consumer accounts receivable	(23,944)	(30,076)
Inventories	(5,016)	(23,452)
Prepaid and deferred expenses	(2,010)	(42,803)
Accounts payable	(76,738)	85,958
Net pension liability	32,712	137,546
Health & dental insurance provision	(5,775)	(38,503)
Other post-employment benefit provision	395	2,370
Retained percentage	(9,600)	(9,600)
Accrued payroll	(4,396)	(10,308)
Accrued vacation	(6,801)	(4,074)
Accrued property taxes	275	96
Unearned revenue	---	(1,200)
Miscellaneous accrued expenses	(2,536)	16,401
Net cash flows from operating activities	23,704	827,318
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)	(283,275)
Capital expenditures, net	(105,241)	(772,709)
Net cash flows from capital and related financing activities	(388,516)	(1,090,174)
Cash flows from investing activities:		
Interest received on investments	10,724	63,062
Net cash flows from investing activities	10,724	63,062
Net decrease in cash and investments	(354,088)	(199,794)
Cash and investments at beginning of period	\$5,953,696	\$5,799,402
Cash and investments at end of period	\$5,599,608	\$5,599,608

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision (600)	\$3,596		\$2,805		\$3,356	
Operation Labor and Expenses (601)	880		905		911	
Miscellaneous Expense (603)	640		---		1,005	
Maintenance of Wells (614)	30,000		---		---	
Maintenance of Supply Mains (616)	402		1,928		51	
Depreciation (618)	11,109		10,498		9,449	
<b>Total Source of Supply Expense</b>	<b>46,626</b>	<b>7.7</b>	<b>16,136</b>	<b>2.8</b>	<b>14,772</b>	<b>2.6</b>
 <b><u>Pumping</u></b>						
Operation Supervision (620)	4,041		2,656		3,734	
Fuel or Power Purchased (623)	79,510		89,896		79,311	
Pumping Labor and Expenses (624)	4,971		1,746		4,197	
Miscellaneous Expense (626)	283		368		564	
Maintenance of Structures (631)	451		---		---	
Maintenance of Pumping Equipment (632/633)	35,021		1,749		2,209	
Depreciation (634)	6,717		6,497		6,240	
<b>Total Pumping Expense</b>	<b>130,995</b>	<b>21.7</b>	<b>102,912</b>	<b>17.6</b>	<b>96,256</b>	<b>17.1</b>
 <b><u>Water Treatment</u></b>						
Operation Supervision (640)	3,634		3,390		3,314	
Chemicals (641)	18,557		17,909		17,609	
Operation Labor and Expenses (642)	15,816		17,183		17,110	
Miscellaneous Expense (643)	137		1,466		1,332	
Maintenance of Structures (651)	1,046		4,864		2,192	
Maintenance of Purification Equip. (652)	2,463		1,478		1,382	
Depreciation (654)	5,446		3,389		3,262	
<b>Total Water Treatment Expense</b>	<b>47,099</b>	<b>7.8</b>	<b>49,678</b>	<b>8.5</b>	<b>46,200</b>	<b>8.2</b>
 <b><u>Distribution</u></b>						
Operation Supervision (660)	3,697		3,059		3,521	
Storage Facilities Expense (661)	5,142		5,145		5,454	
Trans. & Distr. Lines Expense (662)	3,229		3,991		5,023	
Meter Expense (663)	11,406		8,431		9,495	
Consumer Installation Expense (664)	8,445		4,704		5,712	
Miscellaneous Expense (665)	13,335		17,251		14,983	
Vehicle Expense (667)	4,966		27,264		10,109	
Maintenance:						
Supervision (670)	5,211		4,464		4,752	
Structures (671)	239		17		205	
Reservoirs and Standpipes (672)	217		43		829	
Mains (673)	17,033		37,023		44,397	
Valves (674)	4,503		2,313		5,457	
Meters (676)	2,861		1,509		2,078	
Hydrants (677)	4,769		2,953		5,909	
Miscellaneous Plant (678)	3,318		3,602		6,859	
Vacation, Holiday, Sick Leave (679)	13,428		8,807		10,694	
Depreciation (680)	43,838		43,665		39,456	
<b>Total Distribution Expense</b>	<b>\$145,636</b>	<b>24.1</b>	<b>\$174,242</b>	<b>29.8</b>	<b>\$174,933</b>	<b>31.0</b>

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>This Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense (909)	\$1,027	0.2	\$2,301	0.4	\$905	0.2
<b><u>Consumer Accounts</u></b>						
Meter Reading Expense (902)	3,671		5,035		4,138	
Consumer Records and Collection (901/903)	19,518		16,057		18,455	
Uncollectible Accounts Expense (904)	638		638		811	
Vacation, Holiday, Sick Leave (906)	1,911		968		1,312	
Total Consumer Accounts Expense	25,738	4.3	22,698	3.9	24,716	4.4
<b><u>Administrative and General</u></b>						
Administrative and General Salaries (920)	22,968		19,250		21,995	
Office Supplies and Expenses (921)	2,329		2,879		2,015	
Outside Services Employed (923)	3,909		2,816		2,017	
Property Insurance (924)	2,379		2,748		1,960	
Casualty Ins, Injuries & Damages (925)	4,263		3,250		4,198	
Employee Pensions and Benefits (926)	75,201		78,329		64,435	
Fringe Benefits Charged to Constr. (927)	(13,073)		(8,800)		(11,489)	
Miscellaneous General Expense (930)	17,874		6,982		13,932	
Rents (931)	6,270		6,270		6,207	
Maintenance of General Plant (932)	5,098		3,005		3,331	
Vacation, Holiday, Sick Leave (936)	3,274		2,654		2,590	
Depreciation (933)	16,568		16,042		13,151	
Total Administrative and General	147,060	24.3	135,425	23.2	124,342	22.0
Total Operating Expense	<u>\$544,181</u>		<u>\$503,391</u>		<u>\$482,124</u>	
Percent to Operating Revenue		90.0		86.1		85.5

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

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision (600)	\$21,732		\$21,916		\$21,651	
Operation Labor and Expenses (601)	6,399		4,398		5,309	
Miscellaneous Expense (603)	1,650		2,120		2,379	
Maintenance of Wells (614)	70,000		36,750		---	
Maintenance of Supply Mains (616)	2,072		2,164		51	
Depreciation (618)	66,653		62,987		56,692	
<b>Total Source of Supply Expense</b>	<b>168,505</b>	<b>4.9</b>	<b>130,335</b>	<b>3.8</b>	<b>86,082</b>	<b>2.7</b>
 <b><u>Pumping</u></b>						
Operation Supervision (620)	23,856		20,883		23,832	
Fuel or Power Purchased (623)	457,261		527,827		452,469	
Pumping Labor and Expenses (624)	29,605		13,973		34,711	
Miscellaneous Expense (626)	1,700		2,251		2,353	
Maintenance of Structures (631)	1,870		---		---	
Maintenance of Pumping Equipment (632/633)	99,461		60,711		23,261	
Depreciation (634)	40,303		38,984		37,442	
<b>Total Pumping Expense</b>	<b>654,056</b>	<b>18.9</b>	<b>664,629</b>	<b>19.6</b>	<b>574,068</b>	<b>17.7</b>
 <b><u>Water Treatment</u></b>						
Operation Supervision (640)	21,805		22,499		21,602	
Chemicals (641)	113,942		106,919		111,566	
Operation Labor and Expenses (642)	99,849		129,478		98,354	
Miscellaneous Expense (643)	13,157		12,675		18,049	
Maintenance of Structures (651)	28,690		17,391		9,175	
Maintenance of Purification Equip. (652)	12,183		16,898		8,280	
Depreciation (654)	32,678		20,331		19,570	
<b>Total Water Treatment Expense</b>	<b>322,302</b>	<b>9.3</b>	<b>326,191</b>	<b>9.6</b>	<b>286,596</b>	<b>8.8</b>
 <b><u>Distribution</u></b>						
Operation Supervision (660)	22,599		19,987		22,949	
Storage Facilities Expense (661)	30,523		37,943		32,157	
Trans. & Distr. Lines Expense (662)	31,346		32,720		42,439	
Meter Expense (663)	69,927		62,101		65,134	
Consumer Installation Expense (664)	40,610		24,024		33,614	
Miscellaneous Expense (665)	98,498		84,468		100,800	
Vehicle Expense (667)	29,510		63,842		48,288	
Maintenance:						
Supervision (670)	31,154		27,896		29,997	
Structures (671)	1,433		95		478	
Reservoirs and Standpipes (672)	14,103		553		2,752	
Mains (673)	108,418		117,833		164,928	
Valves (674)	28,822		30,527		41,404	
Meters (676)	16,269		23,199		23,085	
Hydrants (677)	14,081		6,039		11,220	
Miscellaneous Plant (678)	19,909		16,627		22,829	
Vacation, Holiday, Sick Leave (679)	98,609		77,666		90,757	
Depreciation (680)	263,027		261,993		236,735	
<b>Total Distribution Expense</b>	<b>\$918,837</b>	<b>26.6</b>	<b>\$887,512</b>	<b>26.2</b>	<b>\$969,565</b>	<b>29.9</b>

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

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense (909)	\$7,476	0.2	\$7,750	0.2	\$3,325	0.1
<b><u>Consumer Accounts</u></b>						
Meter Reading Expense (902)	22,368		29,233		25,496	
Consumer Records and Collection (901/903)	117,178		105,125		111,363	
Uncollectible Accounts Expense (904)	3,825		3,825		4,866	
Vacation, Holiday, Sick Leave (906)	14,141		9,932		11,907	
Total Consumer Accounts Expense	<u>157,512</u>	4.6	<u>148,115</u>	4.4	<u>153,632</u>	4.7
<b><u>Administrative and General</u></b>						
Administrative and General Salaries (920)	137,810		124,948		130,934	
Office Supplies and Expenses (921)	11,467		13,011		13,451	
Outside Services Employed (923)	38,961		23,317		12,838	
Property Insurance (924)	13,802		14,125		11,159	
Casualty Ins, Injuries & Damages (925)	25,891		31,695		23,817	
Employee Pensions and Benefits (926)	454,986		427,565		405,423	
Fringe Benefits Charged to Constr. (927)	(61,998)		(27,856)		(56,759)	
Miscellaneous General Expense (930)	76,401		60,705		59,882	
Rents (931)	37,620		37,620		37,242	
Maintenance of General Plant (932)	36,107		22,201		22,361	
Vacation, Holiday, Sick Leave (936)	24,060		27,086		21,669	
Depreciation (933)	99,410		96,252		78,904	
Total Administrative and General	<u>894,519</u>	25.9	<u>850,670</u>	25.1	<u>760,921</u>	23.4
Total Operating Expense	<u>\$3,123,208</u>		<u>\$3,015,200</u>		<u>\$2,834,189</u>	
Percent to Operating Revenue		90.5		89.0		87.3

**Muscatine Power and Water - Water Utility  
Statistical Data  
Current Month - June 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	0.690		0.731	0.666		0.706
Cost Per 1,000 Gallons	<u>0.597</u>		<u>0.633</u>	<u>0.572</u>		<u>0.606</u>
Margin	<u>0.093</u>		<u>0.098</u>	<u>0.094</u>		<u>0.100</u>
		<u>2019</u>		<u>2018</u>		
Maximum Daily Water Pumped (1,000 gallons)		31,719		30,669		
Date of Maximum		06/30		06/30		

**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	0.674		0.714	0.639		0.677
Cost Per 1,000 Gallons	<u>0.603</u>		<u>0.639</u>	<u>0.561</u>		<u>0.595</u>
Margin	<u>0.071</u>		<u>0.075</u>	<u>0.077</u>		<u>0.082</u>
		<u>2019</u>		<u>2018</u>		
Maximum Daily Water Pumped (1,000 gallons)		31,719		30,669		
Date of Maximum		06/30		06/30		

**Services**

Contract Customers	2	2
Power Plants	2	2
Residential	8,814	8,798
Commercial	<u>1,077</u>	<u>1,085</u>
Total	<u>9,895</u>	<u>9,887</u>

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

**MUSCATINE POWER AND WATER - WATER UTILITY**  
**VARIANCES FROM BUDGETED NET POSITION - June 30, 2019**

	(Unfavorable)/ Favorable Compared to Budget	
<b>Sales of Water</b>		
Contract Customers	\$ (14,867)	GPC consumption is 0.1% lower than budget, plus a 0.8% lower billing rate
	(704)	Heinz's consumption is 4.6% lower than budgeted, offset by a 4.3% higher billing rate
	(2,628)	Power plants' consumption is 5.2% lower than budgeted, offset by a 4.1% higher billing rate.
	(25,166)	Residential consumption is 7.2% lower than budgeted, offset by a 5.1% higher billing rate
	(17,750)	Commercial consumption is 3.9% lower than budgeted plus a 1.5% lower billing rate
	<u>(61,113)</u>	
<b>Other Revenue</b>		
Penalty Revenue	(707)	Timing different than budget
Merchandise & Job Sales-Net	(4,956)	Lower job sales revenue
Miscellaneous Revenue	2,779	Posting fees \$1,670 higher
	<u>(2,884)</u>	
<b>Operating Expense</b>		
Operation	1,458	Dehumidifier for West Hill pumping station, not expended
	(70,566)	Higher fuel/power purchased due to a 17.0% higher cost per gallons pumped, offset by 1.2% lower gallons pumped
	7,023	Lower chemicals expense due to fewer gallons pumped compared to budget
	(15,550)	Higher water treatment materials expenses, including \$8,061 for electricity
	(8,425)	Higher electricity expense for storage facilities
	(1,837)	Higher meter expenses
	(11,724)	Professional engineering services, not budgeted
	(35,294)	Higher cost for vehicle operations expenses, including \$22,596 for dump truck repairs
	1,715	Lower cost of credit card processing fees, due to receiving \$1,904 refund
	935	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
	(6,359)	Higher workers compensation claims
	7,605	Lower health care cost
	(11,745)	Higher pension expense
	28,610	Lower FICA expense
	2,489	Lower deferred compensation utility match
	(3,030)	Higher cost for gasoline/diesel fuel
	(34,142)	Lower fringe benefits charged to construction, due to timing of capital projects
	4,997	Travel and training lower than budgeted
	62,126	Lower labor, sick, personal and vacation expense
	46,989	Other miscellaneous variances - net
	<u>(19,205)</u>	
Maintenance	33,250	Lower cost for well cleaning, due to timing of budgeted expenses
	1,870	Well building repairs, fencing at wells, and roof repairs not begun
	19,501	Lower cost of pumping equipment repairs and valves
	19,249	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
	(3,936)	Higher cost of water treatment structure maintenance, including piping repairs
	(5,866)	Relocating chemical feed pumps at Progress Park treatment building, not budgeted
	12,800	Inspection of East Hill reservoir and Bidwell water tower to be completed later this summer
	(9,415)	Higher cost of main repairs/concrete repairs
	(1,705)	Higher cost for valve repairs
	(6,930)	Higher cost for meter maintenance
	8,041	Lower cost of hydrant repairs
	3,000	Gasoline and diesel fuel is being expensed to operations
	11,621	Lower cost for software/hardware maintenance agreements
	5,059	Other miscellaneous variances - net
	<u>105,689</u>	
Depreciation	<u>21,524</u>	
<b>Nonoperating Revenue (Expense)</b>		
Interest Income	20,666	Higher average cash balances than projected
	<u>20,666</u>	
<b>Change in Net Position</b>	<u>\$ 64,675</u>	<b>Total Variance in Budgeted Net Position</b>

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

### Sales of Water

- Contract customers' water usage is 0.5% lower than budgeted resulting in \$15,571 lower revenue. GPC's usage was 0.1% lower than budget along with a 0.8% lower billing rate, resulting in \$14,867 lower revenue. Heinz's usage was 4.6% lower than budget offset by a 4.3% higher billing rate, resulting in \$704 lower revenue.
- Power plants' usage was 5.2% lower than budget, offset by a 4.1% higher billing rate, resulting in \$2,628 lower revenue.
- Residential customers' water usage was 7.2% lower than budgeted, offset by a 5.1% higher billing rate, resulting in \$25,166 lower revenue.
- Commercial customers' water usage was 3.9% lower than budgeted, plus a 1.5% lower billing rate, resulting in \$17,750 lower revenue.

### Other Revenue

- Penalty revenue is \$707 lower than budget.
- Job sales revenue is \$4,956 lower than budget.
- Posting fees are \$1,670 higher than budgeted.

### Nonoperating Revenue (Expense)

- Interest income is \$20,666 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 \$692 lower than budgeted.

#### Miscellaneous Expenses – (603)

- Lawncare expense is \$675 higher than budgeted.

#### Maintenance of Wells – (614)

- The budget includes two well cleanings; actual expense is for cleaning Well 35 at \$35,400 and chlorination of Well 40, resulting in \$33,250 lower expenses.

#### Depreciation – (618)

- Depreciation under budget \$3,666 primarily due to well projects not closed at the end of 2018.

PumpingFuel or Purchased Power – (623)

- The cost per kWh was 14.8% higher than budget primarily due to the higher energy adjustment charge, plus the wells required more kWhs than budgeted due to extreme cold weather this past winter, resulting in the need to run wells to prevent freezing. For these reasons, power expense was \$70,566 higher than budgeted.

	2019 Budget	2019 Actual	2018 Actual
Fuel or Power Purchased	\$ 457,261	\$ 527,827	\$ 452,469
1,000 Gallons Pumped	5,066,964	5,003,782	5,049,527
Cost per 1,000 Gal. Pumped	0.0902	0.1055	0.0896
kWhs Consumed	7,646,530	7,688,980	7,693,280
kWh per 1,000 Gal. Pumped	1.51	1.54	1.52

Pumping Labor and Expenses – (624)

- Water production labor under budget \$5,813.
- Water distribution labor greater than budget \$2,046.
- Control center labor budget equals \$11,275; actual labor is not being charged to this account.
- Material expenses are \$1,004 lower than budgeted.

Maintenance of Structures – (631)

- Budgeted materials of \$1,667 and \$203 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 \$19,501, due to timing of valve purchases, and repairs.
- Labor expense is under budget by \$19,249, which includes \$7,154 for the planning & scheduling department, \$8,484 for substation electricians, and \$3,689 for power plant electrician's labor.

Water TreatmentChemicals Expense – (641)

- Chemical expense year-to-date is \$7,023 lower than budgeted primarily due to the lower price of fluoride and lower gallons pumped compared to budget.

	2019 Budget			2019 Actual			2018 Actual		
1,000 Gal. Pumped	5,066,964			5,003,782			5,049,527		
(lbs)	Units	\$	Per Unit	Units	\$	Per Unit	Units	\$	Per Unit
Chlorine	72,871	\$ 22,794	\$ 0.313	80,255	\$ 24,879	\$ 0.310	74,040	\$ 22,327	\$ 0.302
Hydrofluoro-silic Acid	104,128	\$ 33,321	\$ 0.320	95,968	\$ 27,976	\$ 0.292	101,998	\$ 32,672	\$ 0.320
Phosphate	60,871	\$ 57,827	\$ 0.950	53,360	\$ 54,064	\$ 1.013	59,190	\$ 56,567	\$ 0.956
Total		\$ 113,942			\$ 106,919			\$ 111,566	

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

- Water production labor over budget \$13,371; other labor is over budget \$708.
- Materials expense over budget \$15,550, including \$8,061 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 expensed at \$3,850; other material expenses are \$3,915 higher than budgeted.
- Labor expense is \$3,936 higher than budgeted; plant electricians charged \$1,965 more time to this account than budgeted.

Maintenance of Purification Equipment – (652)

- The water distribution operators charged \$5,866 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.
- The cost for repairs to chemical feed equipment are \$1,060 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 \$2,837 was budgeted, however actual expense has not been allocated to this account.

Storage Facilities Expense (661)

- Electricity expense over budget \$8,425.
- Facilities maintenance labor expense is \$1,157 lower than the budget.

Meter Expense (663)

- Labor expense under budget \$9,663.
- Material expense is \$1,837 over budget

Customer Installation Expense – (664)

- Outside services department labor under budget \$13,229 primarily due to fewer locates.
- Other labor is lower than budget by \$1,515; and material expense is under budget by \$1,842.

Miscellaneous Expense – (665)

- Engineering department labor under budget \$33,488; outside services department's labor is \$8,792 higher than budgeted.
- Professional engineering services, not budgeted, totaled \$11,724.

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

- Labor under budget \$4,952.
- Gasoline/diesel fuel usage is \$3,721 higher than budgeted.
- Material maintenance costs are \$35,294 higher, including \$22,596 for the Freightliner dump truck repair, \$4,888 for the dump truck repairs, and \$3,081 for a salt spreader.

Maintenance Supervision – (670)

- The director position budgeted \$2,837 labor expense to this account; actual expenses are allocated only to operation expenses.

Maintenance of Reservoirs & Standpipes – (672)

- The budget includes \$12,800 through June for the inspection of East Hill reservoir and the Bidwell water tower that will be this summer at a cost of \$15,300.

Maintenance of Mains – (673)

- Water distribution department labor is greater than budget by \$7,996 due to a high number of main breaks repaired at overtime rates.
- Other labor expense over budget \$4,673.
- Materials expense under budget \$3,254 due to the lower cost of concrete repairs.

Maintenance of Valves – (674)

- Water distribution operators' labor expense is \$2,339 higher than budget.
- Power plant labor, not budgeted, totaled \$967.
- Materials for valve repairs are lower than budget by \$1,669.

Maintenance of Meters – (676)

- Materials expense over budget \$8,065 due to higher cost for remote meter repairs and timing of repairs.
- Labor expense under budget \$1,135.

Maintenance of Hydrants – (677)

- Materials expenses under budget \$8,375.

Maintenance of Miscellaneous Plant – (678)

- Vehicle material repairs under budget \$684.
- Fuel usage, budgeted at \$3,000, is being charged to vehicle expense (account 667).

Vacation, Holiday, Sick Leave – (679)

- Vacation accrual expense lower by \$31,090, due to departmental expenses being allocated to different accounts compared to budget.
- Sick leave and holiday pay higher than budget by \$10,147.

Customer Service ExpenseCustomer Information Expense – (909)

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Billtrust	\$ 180	\$ 93	\$ 124
Postage	285	-	-
Promotional Material/Education	2,639	2,325	333
Media Advertising	3,377	2,206	2,051
Newsletter	821	679	665
Marketing intern	-	2,248	-
Customer Awareness Programs	-	199	138
Presentation Materials	-	-	-
Photo Library	174	-	14
	<u>\$ 7,476</u>	<u>\$ 7,750</u>	<u>\$ 3,325</u>

Consumer AccountsMeter Reading Expense – (902)

- Labor expense is \$8,410 over budget.
- Temporary labor services are under budget \$872.

Consumer Records and Collection – (901/903)

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Labor	\$ 88,730	\$ 80,402	\$ 79,921
Credit Card/ACH Processing	8,979	7,264	* 11,541
Billtrust Expense	2,907	2,751	3,231
Postage	6,371	6,059	6,965
Temp Services	3,070	3,418	2,607
Fuel	900	333	299
Invoice Cloud	1,589	1,841	1,283
Collection Expense	2,007	1,072	2,198
Other Expenses	<u>2,625</u>	<u>1,985</u>	<u>3,318</u>
	<u>\$ 117,178</u>	<u>\$ 105,125</u>	<u>\$ 111,363</u>
*Includes \$1,904 refund for prior period fee			

Vacation, Holiday, Sick Leave – (906)

- Sick leave usage was lower than expected by \$2,856.
- Vacation accrual expense is \$1,353 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	\$ -
Organizational Development	120-Sal	1,750	582	3,728
Labor Legal Services	140-Brandy	600	397	-
General Legal Services	140-Brandy	700	969	256
Web Graphics	224-Rick	888	217	122
Insurance Advisor	310-Jerry	1,764	1,764	1,764
Bond Services	310-Jerry	-	1,000	1,000
Audit Services	320-Cassie	3,509	2,864	3,256
Water Cost of Service Study	320-Cassie	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	-	729	-
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	1,623	1,470	1,470
		<u>\$ 38,961</u>	<u>\$ 23,317</u>	<u>\$ 12,838</u>

Injuries & Damages – (925)

- Workers compensation claims over budget \$6,359.
- Insurance premiums are \$555 under budget.

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

	2019 Budget	2019 Actual	2018 Actual
Health Care Cost	\$ 181,053	\$ 173,448	\$ 155,164
Pension	125,802	137,547	106,288
FICA	81,681	53,071	75,982
IPERS	29,135	29,292	30,001
Deferred comp utility match	16,380	13,891	18,985
Life, LTD & ADD	6,345	5,558	5,954
Dental	6,600	6,839	6,105
OPEB	2,370	2,370	2,086
Other Expenses	5,620	5,549	4,858
	<u>\$ 454,986</u>	<u>\$ 427,565</u>	<u>\$ 405,423</u>

Fringe Benefits Charged to Construction – (927)

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

Miscellaneous General Expense – (930)

- Executives memberships/subscriptions higher than budget by \$1,120.
- Wellness committee expenses under budget \$780.
- Hazardous waste disposal expense is under budget \$1,000.
- Employment expenses under budget \$1,292.
- Labor expense is under budget by \$5,197.
- Temporary labor services are greater than budget by \$1,099.
- Continuous improvement expenses are higher than budget by \$548.
- Travel and training expenses are \$1,755 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 \$11,621.
- Vehicle maintenance subscription, not expended, totaled \$1,120.
- Miscellaneous software/hardware repairs are \$736 lower than budgeted.

Vacation, Holiday, Sick Leave – (936)

- Sick leave usage was \$1,315 higher than budgeted.
- Vacation accrual \$1,711 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  
June 2019**

	<u>2019</u>	<u>2018</u>
<b><u>Current Assets</u></b>		
<b><u>Receivables - Consumer Accounts</u></b>		
Customer water accounts	\$698,339	\$665,316
Unbilled revenue	78,259	71,717
Utility loan program	2,854	3,851
Merchandise accounts	9,110	9,730
Allowance for doubtful accounts	<u>(2,936)</u>	<u>(8,207)</u>
	<u><u>\$785,626</u></u>	<u><u>\$742,407</u></u>
 <b><u>Inventories</u></b>		
Inventory	\$359,413	\$347,138
Stores expense (a/c 163)	<u>7,748</u>	<u>4,476</u>
	<u><u>\$367,161</u></u>	<u><u>\$351,614</u></u>
 <b><u>Prepaid Expenses</u></b>		
Prepaid insurance	\$42,859	\$35,552
Prepaid maintenance contracts	22,764	21,591
Other prepaid expenses	<u>(519)</u>	<u>(3,300)</u>
	<u><u>\$65,104</u></u>	<u><u>\$53,843</u></u>
 <b><u>Current Liabilities</u></b>		
<b><u>Accounts Payable (amounts over \$2,500 itemized)</u></b>		
Electric bills	\$98,527	---
Alexander Chemical Corp - chlorine	5,607	---
Brown Supply Company	6,920	---
Cahoy Pump Service - well construction	5,153	---
Calacci - water plant expansion	49,758	---
City of Muscatine - Mississippi Dr project	23,804	---
Cottingham & Butler - wc claim services	2,612	---
Core & Main - hydrants	13,785	---
Cummins Great Plains Diesel	22,596	---
Ditch Witch	4,342	---
Elan - supplies	2,796	---
Heuer Construction	15,863	---
IPERS - pension	9,100	---
Metering & Tech Solutions - encoders/meters	27,525	---
Mosaic Global Sales	10,080	---
Other	<u>94,487</u>	<u>147,859</u>
	<u><u>\$392,955</u></u>	<u><u>\$147,859</u></u>
 <b><u>Customer Advances for Construction</u></b>		
R.L. Fridley Theaters, Inc	<u>\$600</u>	<u>\$600</u>
 <b><u>Miscellaneous Accrued Expenses</u></b>		
Excise/sales/use tax collections payable	\$14,192	\$8,176
Payroll tax collections payable	15,976	17,613
IPERS payable	7,990	3,162
Workers' comp self insurance reserves	29,053	27,214
Comp time payable	<u>11,487</u>	<u>5,987</u>
	<u><u>\$78,698</u></u>	<u><u>\$62,152</u></u>

**Muscatine Power and Water**  
**Communications Utility**  
**Financial Operating Statements & Balance Sheets**  
**June 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 - June 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>Operating Revenue</u></b>					
Video	\$586,575	(1.1)	\$580,036	(0.6)	\$583,685
Data/Internet	529,148	5.0	555,665	6.5	521,931
Phone	8,206	(39.0)	5,003	---	491
MAN	67,000	6.2	71,152	8.8	65,393
Miscellaneous	10,740	(9.4)	9,733	(3.3)	10,070
Total Operating Revenues	<u>1,201,669</u>	1.7	<u>1,221,589</u>	3.4	<u>1,181,570</u>
<b><u>Operating Expense</u></b>					
Operation	802,091	(1.8)	788,032	2.5	769,151
Maintenance	104,257	1.6	105,878	13.2	93,497
Depreciation	103,637	(3.5)	99,966	(21.2)	126,791
Total Operating Expenses	<u>1,009,985</u>	(1.6)	<u>993,876</u>	0.4	<u>989,439</u>
Operating Income	<u>191,684</u>	18.8	<u>227,713</u>	18.5	<u>192,131</u>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	8,164	3.5X	36,572	89.1	19,342
Interest Expense	(22,155)	0.0	(22,155)	(18.0)	(27,031)
Gain on Sale of Assets	---		1,636		---
Net Nonoperating Expense	<u>(13,991)</u>	-2.1X	<u>16,053</u>	-3.1X	<u>(7,689)</u>
<b>Net Income before Capital Contributions</b>	177,693	37.2	243,766	32.2	184,442
Capital Contributions	<u>600</u>	1.6X	<u>1,554</u>	1.2X	<u>703</u>
<b>Change in Net Position</b>	178,293		245,320		185,145
<b>Beginning Net Position</b>	<u>10,382,072</u>		<u>10,738,623</u>		<u>8,345,822</u>
<b>Ending Net Position</b>	<u>\$10,560,365</u>		<u>\$10,983,943</u>		<u>\$8,530,967</u>
Net Income (Loss) to Operating Revenue	14.8		20.0		15.6
Debt Service Coverage on Bank Debt	1.66		2.02		1.88
Debt Service Coverage on Electric Utility Debt	2.69		4.19		3.60

**Muscatine Power and Water - Communications Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Calendar Year-to-Date - June 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>Operating Revenue</u></b>					
Video	\$3,452,350	(1.2)	\$3,409,376	(1.4)	\$3,456,882
Data/Internet	3,132,548	4.5	3,272,688	6.6	3,071,341
Phone	31,469	(26.8)	23,044	---	743
MAN	402,000	5.9	425,649	8.5	392,377
Miscellaneous	64,441	(5.6)	60,854	(4.2)	63,534
Total Operating Revenues	<u>7,082,808</u>	1.5	<u>7,191,611</u>	3.0	<u>6,984,877</u>
<b><u>Operating Expense</u></b>					
Operation	4,896,686	(4.0)	4,701,227	2.3	4,595,383
Maintenance	632,586	(1.5)	623,041	24.3	501,167
Depreciation	621,822	(3.5)	599,796	(21.2)	760,746
Total Operating Expenses	<u>6,151,094</u>	(3.7)	<u>5,924,064</u>	1.1	<u>5,857,296</u>
Operating Income	<u>931,714</u>	36.0	<u>1,267,547</u>	12.4	<u>1,127,581</u>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	58,651	1.4X	138,031	49.7	92,177
Interest Expense	(136,479)	0.0	(136,479)	(25.1)	(182,239)
Gain on Sale of Assets	---		1,636		---
Net Nonoperating Expense	<u>(77,828)</u>	-1.0X	<u>3,188</u>	-1.0X	<u>(90,062)</u>
<b>Net Income before Capital Contributions</b>	853,886	48.8	1,270,735	22.5	1,037,519
Capital Contributions	<u>3,600</u>	1.9X	<u>10,330</u>	1.4X	<u>4,220</u>
<b>Change in Net Position</b>	857,486		1,281,065		1,041,739
<b>Beginning Net Position</b>	<u>9,702,879</u>		<u>9,702,878</u>		<u>7,489,229</u>
<b>Ending Net Position</b>	<u>\$10,560,365</u>		<u>\$10,983,943</u>		<u>\$8,530,968</u>
Net Income (Loss) to Operating Revenue	12.1		17.7		14.9
Debt Service Coverage on Bank Debt	1.49		1.85		1.83
Debt Service Coverage on Electric Utility Debt	2.01		3.51		3.41

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

**ASSETS**

	<u>2019</u>	<u>2018</u>		
<b>Current Assets:</b>				
Cash - interest bearing	\$574,447	\$6,477,197		
Investments	8,931,680	5,769,823		
Receivables:				
Consumer Accounts	1,427,188	1,351,198		
Interest	35,067	17,901		
Inventories	210,124	218,261	207	210331
Prepaid Expenses	565,822	392,492	(206)	565616
	<u>11,744,328</u>	<u>14,226,872</u>		
<b>Total Current Assets</b>				
<b>Property and Equipment:</b>				
At Cost	46,191,557	42,721,635		
Less Accumulated Depreciation	28,781,429	28,295,098		
	<u>17,410,128</u>	<u>14,426,537</u>		
<b>Net Property and Equipment</b>				
<b>Deferred Outflows of Resources</b>				
Pension	1,327,384	1,771,361		
OPEB	14,555	14,555		
	<u>1,341,939</u>	<u>1,785,916</u>		
<b>Total Deferred Outflows of Resources</b>				
<b>TOTAL ASSETS</b>	<u>13,086,257</u>	<u>\$30,439,325</u>		

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

**LIABILITIES AND NET POSITION**

	<u>2019</u>	<u>2018</u>
<b>Current Liabilities:</b>		
<b><u>Payable from Unrestricted Assets</u></b>		
Accrued Interest	\$20,197	21,407
Accounts Payable	779,471	315,301
Health & Dental Insurance Provision	59,606	45,780
Retained Percentage on Contracts	126,205	129,794
Accrued Payroll	127,474	105,387
Accrued Vacation	157,721	168,016
Accrued Property Taxes	5,074	6,206
Unearned Revenue - Dark Fiber Lease	18,600	18,500
Miscellaneous Accrued Expenses	123,748	130,563
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	1,418,096	940,954
<b><u>Payable from Restricted Assets</u></b>		
Notes Payable:		
Banks	1,475,195	1,875,198
Electric Utility	972,540	483,850
	<hr/>	<hr/>
Total Payable from Restricted Assets	2,447,735	2,359,048
	<hr/>	<hr/>
Total Current Liabilities	3,865,831	3,300,002
<b>Non-Current Liabilities:</b>		
Health & Dental Insurance Provision	26,548	90,096
Post-Employment Health Benefit Provision	129,990	123,499
Unearned Revenue - Dark Fiber Lease	184,630	202,229
Net Pension Liability	2,003,424	2,716,665
Notes Payable:		
Banks	5,683,219	7,200,232
Electric Utility	7,106,454	8,078,994
	<hr/>	<hr/>
Total Non-Current Liabilities	15,134,265	18,411,715
<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
<b>Net Position:</b>		
Net Investment in Capital Assets	10,251,714	5,351,107
Unrestricted	732,229	3,179,862
	<hr/>	<hr/>
Total Net Position	10,983,943	8,530,969
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$30,496,395</u>	<u>\$30,439,325</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$227,713	\$1,267,547
Noncash items in operating income:		
Converter/modem write-off	6,351	22,373
Depreciation of utility plant	99,966	599,796
Change in deferred outflows of resources	(75,654)	(239,453)
Changes in assets and liabilities:		
Consumer accounts receivable	(55,025)	191,755
Inventories	(14,285)	5,945
Prepaid and deferred expenses	(3,737)	(431,351)
Accounts payable	50,387	(336,334)
Net pension liability	72,338	304,295
Health & dental insurance provision	(8,217)	(54,229)
Other post-employment benefit provision	560	3,362
Unearned revenue	(1,458)	(8,849)
Accrued payroll	6,659	12,906
Accrued vacation	(2,688)	(2,112)
Accrued property taxes	423	(995)
Miscellaneous accrued expenses	11,646	(22,566)
Net cash flows from operating activities	314,979	1,312,090
Cash flows from capital and related financing activities:		
Capital expenditures, net	(302,735)	(2,461,706)
Loan principal payments	(484,549)	(965,551)
Loan interest payments	(56,367)	(116,282)
Net cash flows from capital and related financing activities	(843,651)	(3,543,539)
Cash flows from investing activities:		
Interest received on investments	20,323	122,396
Net cash flows from investing activities	20,323	122,396
Net decrease in cash and investments	(508,349)	(2,109,053)
Cash and investments at beginning of period	\$10,014,476	\$11,615,180
Cash and investments at end of period	\$9,506,127	\$9,506,127

**Muscatine Power and Water - Communications Utility**  
**Summary of Expenses**  
**Current Month - June 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)	\$382,206	\$365,144	\$373,272
Promotional Expense (960)	5,800	864	4,085
Electricity Expense (736)	968	2,538	2,489
Pole Attachment Expense (715)	2,071	2,071	2,043
Changes of Service (742)	2,724	443	1,575
Underground Line Expense (743)	5,726	6,331	4,281
Ad Insertion - Marketing/Production (964, 965)	7,298	3,076	5,608
Miscellaneous Video Expense (710, 738, 739)	18,449	40,342	23,486
Vehicle Expense (760)	5,215	5,344	5,647
Maintenance:			
Fiber (711)	658	4,470	3,496
Coax (712)	1,402	1,650	1,360
Drops (713)	2,672	6,698	8,291
Conduit System (714)	2,142	143	1,275
Headend (721-725)	28,042	27,649	22,117
Line Equipment (731-735)	2,304	2,700	1,588
Converters (741)	4,482	2,663	2,346
Ad Insertion (966)	4,773	2,727	4,895
Vacation, Holiday, Sick Leave (799)	4,947	4,071	3,843
Property Taxes (794)	237	203	314
Depreciation (793)	56,663	51,588	70,512
<b>Total Video</b>	<b>538,779</b>	<b>530,715</b>	<b>542,523</b>
<b><u>Data/Internet</u></b>			
Data/Internet Access Charges (851-853)	28,920	18,683	28,495
Promotional Expense (961)	5,800	834	4,055
Electricity Expense (836)	108	285	279
Pole Attachment Expense (837)	364	364	359
Changes of Service (842)	908	148	525
Customer Wireless Equipment Expense (846)	---	---	---
Underground Line Expense (843)	799	2,110	1,427
Miscellaneous Data/Internet Expense (839, 844, 848)	7,511	20,160	13,021
Vehicle Expense (860)	844	1,419	910
Maintenance:			
Fiber (811)	274	1,863	1,457
Coax (813)	467	550	453
Drops (814)	891	2,233	2,762
Conduit System (816)	892	60	531
Headend (820, 821)	36,167	33,752	25,462
Line Equipment (831-835)	599	745	527
Modems (841)	6,572	3,405	3,008
Vacation, Holiday, Sick Leave (879)	3,713	3,102	1,738
Property Taxes (894)	99	85	55
Depreciation (893)	26,959	28,019	28,720
<b>Total Data/Internet</b>	<b>121,887</b>	<b>117,817</b>	<b>113,784</b>

**Muscatine Power and Water - Communications Utility**  
**Summary of Expenses**  
**Current Month - June 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	220	344
Maintenance:			
Fiber (812)	438	2,980	3,228
Conduit System (817)	2,043	95	850
MAN Equipment (818, 819)	3,093	5,895	4,656
Vacation, Holiday, Sick Leave (899)	264	74	257
Property Taxes (896)	158	135	172
Depreciation (840)	8,468	8,060	18,747
<b>Total MAN</b>	<u>15,807</u>	<u>18,694</u>	<u>29,474</u>
<b>Phone Expenses (880)</b>	<u>8,088</u>	<u>6,700</u>	<u>4,500</u>
<b><u>Customer Service Expense</u></b>			
Customer Information Expense (909)	<u>3,678</u>	<u>5,202</u>	<u>3,440</u>
<b><u>Consumer Accounts</u></b>			
Customer Records and Collections (901/903)	54,867	46,637	52,369
Uncollectible Accounts Expense (904)	1,110	1,110	1,170
Vacation, Holiday, Sick Leave (906)	4,698	3,938	3,506
<b>Total Consumer Accounts</b>	<u>60,675</u>	<u>51,685</u>	<u>57,045</u>
<b><u>Administrative and General</u></b>			
Administrative and General Salaries (920)	74,429	68,116	65,324
Office Supplies and Expense (921)	4,290	4,865	4,990
Outside Services Employed (923)	12,344	6,650	7,385
Property Insurance (924)	1,610	1,859	1,307
Casualty Ins, Injuries & Damages (925)	6,954	5,170	6,485
Employee Pensions and Benefits (926)	120,281	141,014	100,338
Fringe Benefits Charged to Construction (927)	(8,274)	(4,806)	(5,461)
Rents (931)	10,139	10,139	9,844
Miscellaneous General Expense (930)	12,358	7,619	22,025
Maintenance of General Plant (932)	6,346	5,600	5,195
Vacation, Holiday, Sick Leave (936)	9,047	4,538	12,429
Depreciation (933)	11,547	12,299	8,812
<b>Total Administrative and General</b>	<u>261,071</u>	<u>263,063</u>	<u>238,673</u>
<b>Total Operating Expenses</b>	<u>\$1,009,985</u>	<u>\$993,876</u>	<u>\$989,439</u>

**Muscatine Power and Water - Communications Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - June 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)	\$2,320,690	\$2,175,378	\$2,266,039
Promotional Expense (960)	32,195	5,983	21,362
Electricity Expense (736)	7,883	14,297	15,997
Pole Attachment Expense (715)	12,425	12,425	12,256
Changes of Service (742)	16,396	6,560	9,355
Underground Line Expense (743)	24,533	23,649	15,970
Ad Insertion - Marketing/Production (964, 965)	43,609	17,711	43,690
Miscellaneous Video Expense (710, 738, 739)	109,624	193,238	121,660
Vehicle Expense (760)	31,675	30,785	32,077
<b>Maintenance:</b>			
Fiber (711)	4,014	28,670	11,911
Coax (712)	8,531	12,157	6,534
Drops (713)	15,822	40,844	29,898
Conduit System (714)	12,028	2,643	2,873
Headend (721-725)	169,287	158,814	144,456
Line Equipment (731-735)	14,852	26,357	13,436
Converters (741)	26,279	14,869	12,732
Ad Insertion (966)	28,639	17,162	28,376
Vacation, Holiday, Sick Leave (799)	37,162	33,869	30,596
Property Taxes (794)	1,422	740	1,884
Depreciation (793)	339,975	309,528	423,072
<b>Total Video</b>	<b>3,257,041</b>	<b>3,125,679</b>	<b>3,244,174</b>
<b><u>Data/Internet</u></b>			
Data/Internet Access Charges (851-853)	173,520	144,976	160,096
Promotional Expense (961)	32,195	5,803	21,540
Electricity Expense (836)	883	1,458	1,974
Pole Attachment Expense (837)	2,185	2,185	2,155
Changes of Service (842)	5,465	2,187	3,118
Customer Wireless Equipment Expense (846)	---	---	---
Underground Line Expense (843)	3,664	7,883	5,323
Miscellaneous Data/Internet Expense (839, 844, 848)	45,748	79,114	51,587
Vehicle Expense (860)	5,065	7,770	4,551
<b>Maintenance:</b>			
Fiber (811)	1,673	11,926	5,201
Coax (813)	2,844	4,052	2,178
Drops (814)	5,274	13,615	9,966
Conduit System (816)	5,012	1,101	1,197
Headend (820, 821)	219,938	183,242	152,070
Line Equipment (831-835)	3,417	7,856	4,353
Modems (841)	38,202	11,679	16,020
Vacation, Holiday, Sick Leave (879)	28,519	25,044	13,741
Property Taxes (894)	594	309	330
Depreciation (893)	161,755	168,114	172,320
<b>Total Data/Internet</b>	<b>735,953</b>	<b>678,314</b>	<b>627,720</b>

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>MAN</u></b>			
Pole Attachment Expense (838)	\$6,813	\$7,413	\$7,319
Tools Expense (845)	1,350	4,457	2,473
Maintenance:			
Fiber (812)	2,672	19,082	8,837
Conduit System (817)	10,827	1,762	1,915
MAN Equipment (818, 819)	18,559	32,240	15,519
Vacation, Holiday, Sick Leave (899)	1,999	599	1,994
Property Taxes (896)	948	493	1,032
Depreciation (840)	50,808	48,360	112,482
Total MAN	<u>93,976</u>	<u>114,406</u>	<u>151,571</u>
<b>Phone Expenses (880)</b>	<u>41,469</u>	<u>35,800</u>	<u>18,083</u>
<b><u>Customer Service Expense</u></b>			
Customer Information Expense (909)	<u>28,137</u>	<u>20,021</u>	<u>18,693</u>
<b><u>Consumer Accounts</u></b>			
Consumer Records and Collections (901/903)	333,387	311,112	324,469
Uncollectible Accounts Expense (904)	6,660	6,660	7,020
Vacation, Holiday, Sick Leave (906)	<u>34,955</u>	<u>34,807</u>	<u>29,583</u>
Total Consumer Accounts	<u>375,002</u>	<u>352,579</u>	<u>361,072</u>
<b><u>Administrative and General</u></b>			
Administrative and General Salaries (920)	455,062	458,335	396,605
Office Supplies and Expense (921)	26,245	28,827	30,856
Outside Services Employed (923)	68,998	58,788	54,965
Property Insurance (924)	9,337	9,497	7,439
Casualty Ins, Injuries & Damages (925)	42,216	50,915	36,484
Employee Pensions and Benefits (926)	724,821	735,924	624,909
Fringe Benefits Charged to Construction (927)	(48,667)	(29,149)	(35,765)
Rents (931)	60,836	60,836	59,064
Miscellaneous General Expense (930)	100,003	71,080	83,107
Maintenance of General Plant (932)	44,716	34,970	33,695
Vacation, Holiday, Sick Leave (936)	66,665	43,448	91,752
Depreciation (933)	<u>69,284</u>	<u>73,794</u>	<u>52,872</u>
Total Administrative and General	<u>1,619,516</u>	<u>1,597,265</u>	<u>1,435,983</u>
<b>Total Operating Expenses</b>	<u><u>\$6,151,094</u></u>	<u><u>\$5,924,064</u></u>	<u><u>\$5,857,296</u></u>

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

<b>Services</b>	<b>Budget Estimate</b>	<b>% Increase (Decrease) From Budget</b>	<b>This Year <sup>fn1</sup></b>	<b>% Increase (Decrease) Fr. Last Yr.</b>	<b>Last Year</b>
<b><u>Video</u></b>					
Residential	4,670	(2.1)	4,572	(7.8)	4,960
Commercial/Hospitality	<u>156</u>	(1.9)	<u>153</u>	(1.9)	<u>156</u>
Total Video	<u><u>4,826</u></u>	(2.1)	<u><u>4,725</u></u>	(7.6)	<u><u>5,116</u></u>
Bulk Equivalent Services	<u>302</u>	(15.2)	<u>256</u>	(15.2)	<u>302</u>
Bulk Master Services	<u><u>23</u></u>	(4.3)	<u><u>22</u></u>	(8.3)	<u><u>24</u></u>
<b><u>Data/Internet</u></b>					
Residential	8,264	0.9	8,339	2.4	8,142
Commercial	<u>553</u>	4.7	<u>579</u>	6.4	<u>544</u>
Total Data/Internet	<u><u>8,817</u></u>	1.1	<u><u>8,918</u></u>	2.7	<u><u>8,686</u></u>
<b><u>Phone</u></b>					
Residential	300	(43.0)	171	4.0X	34
Commercial	<u>56</u>	(7.1)	<u>52</u>	12.0X	<u>4</u>
Total Phone	<u><u>356</u></u>	(37.4)	<u><u>223</u></u>	4.9X	<u><u>38</u></u>
<b><u>MAN</u></b>	<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**  
**June 2019**

**MUSCATINE POWER AND WATER - COMMUNICATIONS UTILITY  
VARIANCES FROM BUDGETED NET POSITION - JUNE 30, 2019**

	(Unfavorable)/ Favorable Compared to Budget	
<b>Operating Revenue</b>		
Video Revenue	\$ (31,300)	Lower CATV revenues due to changes in subscriber mix offset by fewer subscribers (4981 actual vs. 5,128 budget).
	26,557	Broadcast fee higher than budget due to bulk broadcast fee not budgeted
	401	Lower marketing promotional discounts due to more promotional programs offered
	(21,400)	Lower VOD/PPV sales due to fewer subscribers and less buys
	(44,156)	Lower ad sales
	22,873	higher converter rental revenue
	4,051	Other miscellaneous variances - net
	<u>(42,974)</u>	
Data/Internet Revenue	275,235	Higher cable modem revenues due to customers migrating to a higher level of service offset by fewer subscribers (Subscribers = 8,918 actual & 8,817 budget)
	(203,770)	Fiber service installs are behind schedule
	38,013	Lower promotional discounts due to fewer promotional programs offered
	18,697	Higher Wi-fi @ Home due to more subscribers
	11,965	Other miscellaneous variances - net
	<u>140,140</u>	
Phone	<u>(8,425)</u>	Less customers than budgeted (223 actual vs. 356 budget)
MAN	<u>23,649</u>	More contracts than budgeted
Miscellaneous Revenue	<u>(3,587)</u>	Other miscellaneous variances - net
<b>Operating Expense</b>		
Operation	56,630	Programming expense credit related to negotiated lower prior year expense
	88,682	Programming expense lower than budget due to fewer subscribers than budget
	20,859	Lower temp labor than budgeted, primarily due to DSRs and cable tech areas
	(6,414)	Higher cost of electricity expense
	(48,353)	Higher cost of miscellaneous video materials expense, primarily stores issues
	(17,906)	Higher cost of miscellaneous data/internet materials expense, primarily stores issues
	(11,373)	More cable modems and set-top boxes have been retired than anticipated
	28,544	Lower cost of Data/Internet access charges
	5,669	Lower cost of long distance phone expenses
	7,686	Lower cost of promotional materials
	4,397	Lower cost of media advertising
	(4,496)	Marketing intern not budgeted
	3,222	Lower credit card processing fees than budgeted, due to fee reimbursement
	(2,636)	Higher cost of records and collections temp labor
	2,468	Lower cost of collection expense
	2,000	FTTH OTT Hardware not purchased yet
	2,003	Lower cost of organizational development
	(2,244)	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, not expended yet
	(1,870)	FTTH support, not budgeted
	(9,671)	Higher cost of workers' compensation claims
	(61,946)	Higher cost of pension
	8,435	Lower cost of FICA expense
	65,231	Labor & vacation under budget
	15,781	Health care expenses lower than budgeted
	(5,001)	Higher cost of deferred compensation due to increased employee contributions
	1,333	Lower cost of wellness expenses
	16,084	Travel and training under budget
	24,545	Other miscellaneous variances - net
	<u>195,459</u>	
Maintenance	8,312	Labor under budget
	(4,512)	Video fiber maintenance materials higher than budget
	(11,650)	Video drops maintenance materials higher than budget
	1,981	Video headend maintenance materials lower than budget
	(1,861)	Internet fiber maintenance materials higher than budget
	(3,884)	Internet drop maintenance materials higher than budget
	3,462	Internet headend maintenance materials lower than budget
	(518)	Internet line equipment maintenance materials higher than budget
	19,438	Maintenance agreements are lower than budget
	1,640	Memberships and subscriptions are lower than budget
	(2,980)	MAN fiber maintenance materials higher than budget
	2,482	General plant maintenance materials lower than budget
	(2,365)	Other miscellaneous variances - net
	<u>9,545</u>	

MUSCATINE POWER AND WATER - COMMUNICATIONS UTILITY  
VARIANCES FROM BUDGETED NET POSITION - JUNE 30, 2019

Depreciation	<u>22,026</u>	Lower depreciation due to fewer fixed assets purchases in 2018 than anticipated
<b>Nonoperating Revenue (Expense)</b>		
Interest Income	79,380	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>416,849</u>	
Capital Contributions	<u>6,730</u>	
<b>Change in Net Position</b>	<u>\$ 423,579</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)	5,128	4,981	5,418
Revenue:			
Basic	\$ 75,220	\$ 79,089	\$ 77,304
Select	1,480,895	1,730,529	1,809,101
Preferred	665,051	349,511	341,202
Premium	80,098	102,249	112,156
Bulk	117,990	126,576	115,454
Broadcast fee	418,670	445,227	394,561
PPV	11,430	5,032	6,241
VOD	<u>44,161</u>	<u>29,159</u>	<u>47,117</u>
Subtotal	\$ 2,893,515	\$ 2,867,372	\$ 2,903,136
Set top box rentals	465,417	488,290	473,959
Ad insertion revenue	164,500	120,344	121,998
Other Video revenues	<u>24,159</u>	<u>28,210</u>	<u>21,635</u>
Gross Video revenue	\$ 3,547,591	\$ 3,504,216	\$ 3,520,728
Discounts	<u>(95,241)</u>	<u>(94,840)</u>	<u>(63,846)</u>
Net Video Revenue	<u>\$ 3,452,350</u>	<u>\$ 3,409,376</u>	<u>\$ 3,456,882</u>
Net Monthly Revenue per			
Subscriber	\$ 112.21	\$ 114.08	\$ 106.34
Year-over-Year Increase		7.3%	

- 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	8,817	8,918	8,686
Revenue:			
Cable modem	\$ 1,742,883	\$ 2,018,118	\$ 2,618,269
Fiber service	1,137,203	933,433	172,092
Wi-fi @ Home	145,845	164,542	147,612
Wimax	41,718	43,849	46,746
Modem rentals	155,340	161,119	153,098
Other internet revenues	<u>27,545</u>	<u>31,600</u>	<u>28,297</u>
Gross internet revenues	\$ 3,250,534	\$ 3,352,661	\$ 3,166,114
Discounts	<u>(117,986)</u>	<u>(79,973)</u>	<u>(94,773)</u>
Net internet revenues	<u>\$ 3,132,548</u>	<u>\$ 3,272,688</u>	<u>\$ 3,071,341</u>
Net monthly revenue per subscriber	\$ 59.21	\$ 61.16	\$ 58.93

- 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 \$8,425 lower than budget due to 223 customers receiving service compared to the 356 customers budgeted.

MAN

Revenue is \$23,649 higher than budget due to more contracts than budgeted in addition to changes in services received.

Nonoperating Revenue (Expense)

- Interest income is over budget \$79,380 due to higher than projected cash balances and a higher rate of return.

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

Programming is lower due to less subscribers than budgeted.

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Basic	\$ 588,764	\$ 496,350	\$ 517,134
Select	1,461,453	1,428,525	1,458,577
Premium	75,116	73,373	85,559
Digital	159,198	150,077	168,485
Pay-per-View	9,875	4,566	4,519
Video on Demand	26,284	22,487	31,765
Total	<u>\$ 2,320,690</u>	<u>\$ 2,175,378</u>	<u>\$ 2,266,039</u>
Total Subscribers (incl. Bulk)	5,128	4,981	5,418
Per Subscriber	\$ 75.43	\$ 72.79	\$ 69.71
Year over Year Increase		4.4%	

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

Promotional Expense (960)

- Temp services for DSRs are under budget \$18,070.
- Labor is under budget \$6,445.
- Materials expense is under budget \$1,095.

Electricity Expense (736)

- Electricity expense \$6,414 higher than budget due to FTTH project delays.

Changes of Service (742)

- Labor is under budget \$9,836.

Ad Insertion – Marketing/Production (964,965)

- Labor is under budget \$23,708.
- Mileage under budget \$1,200.
- Materials expense under budget \$990.

Miscellaneous Video Expense (710, 738, 739)

- Labor is over budget \$25,948.
- More boxes have been retired than budgeted in the amount of \$4,615.
- Temp labor is over budget \$4,698.
- Materials expense is over budget \$48,353.

Maintenance of Fiber (711)

- Labor is over budget \$20,154.
- Materials expense is over budget \$4,502.

Video cont'dMaintenance of Coax (712)

- Labor is over budget \$4,046.
- Materials expense is under budget \$419.

Maintenance of Drops (713)

- Labor is over budget \$13,515.
- Materials expense is over budget \$11,507.

Maintenance of Conduit System (714)

- Labor expense is under budget \$9,795.
- Materials expense is over budget \$409.

Maintenance of Headend (721-725)

- Maintenance agreements are under budget \$6,707.
- Materials expense is under budget \$1,106.
- Labor is under budget \$2,661.

Maintenance of Line Equipment (731-735)

- Labor is over budget \$11,564.

Maintenance of Converters (741)

- Labor is under budget \$11,095.

Maintenance of Ad Insertion (966)

- Labor is under budget \$10,597.
- Maintenance agreements under budget \$880.

Depreciation Expense (793)

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

Data/InternetData/Internet Access Charges (851-853)

- Aureon Network Services is under budget \$21,617.
- Hurricane Electric is under budget \$9,600.
- CenturyLink is over budget \$1,807.
- Minnesota VOIP \$1,800 expense not budgeted.

Promotional Expense (961)

- Temp services for DSRs are under budget \$18,070.
- Labor under budget \$6,445.
- Materials expense is under budget \$1,876.

Data/Internet Cont'dChanges of Service (842)

- Labor under budget \$3,278.

Underground Line Expense (843)

- Labor over budget \$4,141.

Miscellaneous Data/Internet Expense (847)

- Labor is over budget \$7,265.
- More boxes retired than budgeted in the amount of \$6,758.
- Other miscellaneous materials are over budget \$17,906.

Maintenance of Fiber (811)

- Labor is over budget \$8,397.
- Materials expense is over budget \$1,856.

Maintenance of Drops (814)

- Labor is over budget \$4,504.
- Materials expense is over budget \$3,837.

Maintenance of Conduit System (816)

- Labor is under budget \$4,081.

Maintenance of Headend (820, 821)

- Labor is under budget \$8,941.
- Maintenance agreements are under budget by \$23,630.
- Materials expense is under budget by \$4,126.

Maintenance of Line Equipment (831-835)

- Labor is over budget \$4,064.
- Materials expense is over budget by \$375.

Maintenance of Modems (841)

- Labor is under budget \$26,523.

Depreciation (893)

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

MANTools Expense (845)

- Materials expense is over budget by \$3,107.

Maintenance of Fiber (812)

- Labor is over budget \$13,436.
- Materials expense is over budget by \$2,974.

MAN Cont'dMaintenance of Conduit System – (817)

- Labor is under budget \$9,339.

Maintenance of MAN Equipment – (818-819)

- Maintenance agreements over budget \$14,875.
- Labor expense under budget \$1,192.

PhonePhone Expenses (880)

- Long distance expenses under budget \$5,669.

Customer Service Expense – (909)

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Billtrust	\$ 312	\$ 185	248
Postage	570	---	600
Promotional Material/Education	13,243	5,557	8,604
Media Advertising	12,072	7,675	7,538
Newsletter	1,642	1,442	1,371
Customer Awareness Programs	---	418	---
Marketing Intern	---	4,496	---
Photo Library	298	---	24
Miscellaneous	---	248	308
	<u>\$ 28,137</u>	<u>\$ 20,021</u>	<u>\$ 18,693</u>

Consumer AccountsCustomer Records and Collections – (901/903)

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Labor	\$ 272,135	\$ 256,818	\$ 256,173
Credit Card Processing	13,680	10,458	22,329
Bill Trust Expense	5,814	5,502	6,438
ACH Fees	4,279	4,070	3,880
Postage	12,742	12,118	13,880
Temp Services	6,140	8,776	5,694
Invoice Cloud	2,364	2,784	2,565
Collection Expense	3,345	877	3,062
IVR	814	898	811
Travel & Training	2,296	518	1,791
NOVO Knowledge Base	750	---	---
FTTH OTT Hardware	2,000	---	---
Other Expenses	7,028	8,491	7,846
	<u>\$ 333,387</u>	<u>\$ 311,310</u>	<u>\$ 324,469</u>

Administrative & GeneralA&G Salaries – (920)

- Salaries in the Employee Services, System Admin and Telecommunications departments are under budget by \$17,250, \$5,589 and \$37,933 respectively.
- Salaries in the Marketing, Cable Tech and Utility Services Delivery departments are over budget by \$52,517, \$4,268 and \$12,240.

Outside Services – (923)

	Responsibility	2019		
	Code	Budget	2019 Actual	2018 Actual
Succession Planning	110-Sal	\$ -	\$ 2,272	\$ -
Organizational Development	120-Sal	3,000	997	6,390
Employment Legal Services	140-Brandy	600	570	-
Communications Legal Services	140-Brandy	3,700	5,944	1,178
MCC Public Access	224-Rick	28,768	28,800	28,450
Web/Graphics Services	224-Rick	1,777	463	292
Insurance Advisor	310-Jerry	3,024	3,024	3,024
Audit Fees	320-Cassie	6,015	5,561	5,581
ACS Services	350-Greg	-	-	600
Director Professional Counseling	410-Erika	-	1,250	-
Benefits Consulting	410-Erika	2,782	2,520	2,520
Employee Search Services	410-Erika	3,600	-	3,213
Pension Study/GASB 67/68	410-Erika	3,000	-	(1,800)
Compensation Review	410-Erika	6,000	-	-
509A Actuary	410-Erika	132	117	117
Employee Survey	410-Erika	1,200	-	-
FTTH Support	920-Brad	-	1,870	-
Communications Consulting - IUB/FCC	920-Brad	5,400	5,400	5,400
		<u>\$ 68,998</u>	<u>\$ 58,788</u>	<u>\$ 54,965</u>

Injuries & Damages – (925)

- Workers compensation claims over budget \$9,671.
- Insurance premiums are \$972 under budget.

Employee Pensions & Benefits – (926)

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Health care cost	\$ 263,350	\$ 247,569	\$ 232,745
Pension	278,349	304,295	234,727
FICA	125,440	117,005	103,343
Deferred compensation	25,480	30,481	25,313
Dental	9,600	9,757	9,158
Life, LTD & ADD	9,870	12,248	7,939
OPEB	3,362	3,362	3,129
Other expenses	9,370	11,207	8,555
	<u>\$ 724,821</u>	<u>\$ 735,924</u>	<u>\$ 624,909</u>

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

Administrative & General (cont'd)Fringe Benefits Charged to Construction – (927)

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

Miscellaneous General Expense – (930)

- Labor is under budget \$7,066.
- Travel & training are under budget by \$14,307.
- Membership & subscriptions under budget by \$1,763.
- Wellness expenses are under budget by \$1,333.
- Employment expenses are under budget by \$2,215.
- Temp services are over budget \$1,885.

Maintenance of General Plant – (932)

- Maintenance agreements under budget by \$4,214.
- Memberships and subscriptions under budget by \$1,920.
- Material expenses under budget by \$3,610.

Vacation, Holiday, Sick Leave – (936)

- Sick leave and personal leave are under budget \$9,659.
- Vacation is under budget \$13,561

Depreciation – (933)

Depreciation is higher than budget due to more computer retirements in 2018 than expected.

**Communications Utility**  
**Statement of Net Position Review**  
**June 2019**

<b><u>Current Assets</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
<b><u>Receivables - Consumer Accounts</u></b>		
Customer Communications Accounts	\$1,317,134	\$1,229,321
Unbilled Revenue	95,990	87,178
Merchandise Accounts	21,324	44,367
Allowance for Doubtful Accounts	(7,260)	(9,668)
	<u>\$1,427,188</u>	<u>\$1,351,198</u>
<b><u>Inventories</u></b>		
Inventory	\$203,737	\$214,572
Stores Expense (a/c 163)	6,387	3,689
	<u>\$210,124</u>	<u>\$218,261</u>
<b><u>Prepaid Expenses</u></b>		
Prepaid Insurance	\$46,725	\$40,018
Prepaid Maintenance Contracts	204,099	183,153
Muscatine Schools - E-rate customer	308,383	167,215
Other Prepaid Expenses	6,615	2,106
	<u>\$565,822</u>	<u>\$392,492</u>
<b><u>Current Liabilities</u></b>		
<b><u>Accounts Payable (amounts over \$2,500 itemized)</u></b>		
Pole Rental	\$26,164	
Accedian Networks	3,202	---
Atlantic Engineering Group - FTTH	118,421	---
Bank fees	3,650	---
Big 10 - programming fee	9,284	---
BillTrust - bill processing	2,900	---
BMC Software	3,024	---
Centurylink - tel/access fees	7,868	---
Comcast Sportsnet Chicago - programming fee	22,163	---
Cottingham & Butler - wc claim services	4,063	---
Elan - supplies	7,702	---
Finley Engineering - prof services	21,565	---
Fox Sports Net Midwest - programming fee	22,400	---
Gray Television - programming fee	21,391	---
Graybar Electric - fiber	19,933	---
Grit Laff Escape Bounce	6,537	---
Imon - VoIP	6,700	---
Insight Direct - wireless routers	23,448	---
KGCW - programming fee	10,895	---
MP Nexlevel - equipment installation	56,881	---
Muscatine Community College - public access	14,400	---
Natl Cable TV Coop - programming fee	208,161	---
Nexstar - programming fee	46,689	---
Power & Tel - terminals	14,274	---

Primex Manufactureing - demarc boxes	8,495	---
Rovi Guides - programming fee	5,224	---
Temp Associates	3,103	---
Terry-Durin	9,336	---
Tower Distribution - programming fee	19,911	---
Univision - programming fee	6,613	---
Vubiquity - programming fee	2,967	---
Other	42,107	315,301
	<u>\$779,471</u>	<u>\$315,301</u>

Miscellaneous Accrued Expenses

Sales/Use Tax Collections Payable	\$14,697	\$25,820
Franchise Fees Payable	40,575	43,634
Payroll Tax Collections Payable	21,660	20,594
IPERS payable	1,109	---
Workers' Comp Self Insurance Reserves	42,421	40,515
Comp Time Payable	3,286	---
	<u>\$123,748</u>	<u>\$130,563</u>

**MUSCATINE POWER AND WATER**  
**REVIEW OF YEAR-TO-DATE OPERATING RESULTS**  
**JUNE 30, 2019**

**MUSCATINE POWER AND WATER - ELECTRIC UTILITY  
VARIANCES FROM BUDGETED NET POSITION - JUNE 30, 2019**

	(Unfavorable)/ Favorable Compared to Budget	Items equal to or greater than \$25,000
<b>Sales of Electricity</b>		
Native System Sales	\$ 2,259,979	1.5% lower kWhs sold, offset by a 9.7% higher average sales price (\$.07362/kWh versus \$.06714/kWh budgeted)
Wholesale Sales	<u>(2,224,138)</u>	10.7% lower kWhs sold and a 5.9% lower average sale price (\$.02957/kWh versus \$.03143/kWh)
	35,841	
<b>Steam Sales</b>	<u>706,957</u>	23.8% higher pounds of steam sold
<b>Other Revenue</b>		
By-Product Revenue	(2,191)	Fly ash sales lower than budgeted
	(3,141)	Gypsum sales lower than budgeted
Miscellaneous Revenue	(21,113)	Lower job sales, net of expenses
	7,156	Higher transmission revenue
	18,260	Revenue from RECs, not budgeted
	<u>877</u>	Other miscellaneous variances - net
	<u>(152)</u>	
<b>Operating Expense</b>		
Purchased Power - Native System	825,730	Average purchase price is 4.8% lower (\$.02691/kwh vs \$.02827/kwh) and 1.6% lower kWhs purchased
Purchased Power - Wind	<u>68,657</u>	9.2% lower kWhs purchased
	<u>894,387</u>	
Production Fuel	116,224	2.0% or 6,710 higher tons of coal burned, offset by a 1.3% lower price/ton
	446,375	Lower cost for phase I landfill partial cover
	(143,928)	Higher labor cost
	65,816	Other miscellaneous variances - net
	<u>484,488</u>	
Emissions Allowance	<u>(1,255)</u>	Market price higher than assumed
<b>Operation</b>		
	43,638	Lower PAC injection system costs
	38,255	Lower cost for wastewater chemicals and analysis
	55,446	Lower cost for stack testing
	90,000	316(b) cooling water impingement/entrainment study, not done
	168,381	Lower cost for MISO's multi-value transmission and market efficiency projects
	52,125	Lower cost for energy efficiency rebates
	37,178	Lower cost for legal services and transmission/reliability standards
	26,968	Lower cost for CIP compliance consulting
	40,500	Engineering compensation review, cost not incurred
	(62,167)	Higher cost for worker's compensation claims
	(147,159)	Higher cost for pension
	31,233	Lower cost for healthcare
	(34,087)	Higher cost for deferred comp utility match
	34,370	Lower cost for general CIP expenses
	74,401	Lower cost for training/travel
	(33,456)	Higher cost for temporary labor services
	(25,803)	Higher cost for vacation expense
	160,076	Lower labor cost
	<u>226,354</u>	Other miscellaneous variances - net
	<u>776,253</u>	
<b>Maintenance</b>		
	63,800	A17.3 Code required elevator upgrades (all), not done
	46,767	Lower cost for unit 9 turbine roof maintenance
	55,234	Lower cost for fly ash system materials
	(41,124)	Unit 7 chain assembly, not budgeted
	(53,962)	Repairs to 7A traveling grate, not budgeted
	(30,545)	Higher cost for unit 8 miscellaneous valve repairs
	(72,321)	Higher cost for 8A reboiler repairs
	91,000	Replace 9C mill exhaust discharge VLV body, not done
	49,094	Unit 9 boiler scaffolding, over accrued in 2018
	(34,614)	Unit 9 boiler tube shield replacement, not budgeted
	29,421	Lower cost for unit 9 update air heater outlet O2 probes
	62,502	Unit 9 routine pulverizer maintenance, not done
	80,000	Unit 9 pulverizer journal rebuilds, not done

MUSCATINE POWER AND WATER - ELECTRIC UTILITY  
 VARIANCES FROM BUDGETED NET POSITION - JUNE 30, 2019

	(Unfavorable)/ Favorable Compared to Budget	Items equal to or greater than \$25,000
	(48,526)	Unit 9 repair grinding rolls, not budgeted
	81,769	Lower cost for unit 8 stop valve and CV valve inspection and repair
	45,000	Unit 8 traveling screen chains, not done
	(32,894)	Unit 9 fabricate four traveling screen covers, not budgeted
	32,000	Replace Unit 9 screen covers, not done
	(405,507)	Unit 9 turbine/generator overhaul, not budgeted
	28,000	Update air dryer controls, not done
	49,360	Lower cost for rail car maintenance
	47,008	Lower cost for dozer maintenance
	(45,704)	Higher cost for coal conveyor maintenance
	42,000	RC2 conveyor belt, not done
	(32,068)	Replacement of Trayer PMH-9 switchgear at MCC, not budgeted
	26,413	Returned 15 kV switchgear back into stores, not budgeted
	71,339	Lower cost for general plant maintenance agreements
	30,000	Key-scan system maintenance, not done
	24,548	Lower labor cost
	<u>212,310</u>	Other miscellaneous variances - net
	<u>370,299</u>	
Depreciation	<u>(943,536)</u>	Net value of the A&G assets was underestimated for the budget
<b>Nonoperating Revenue (Expense)</b>		
Interest Income	374,359	Higher average cash balances
Interest Expense	<u>(2,435)</u>	
	<u>371,925</u>	
Capital Contributions	<u>3,300</u>	3 transformers for job sale
<b>Change in Net Position</b>	<u>\$ 2,698,506</u>	Total Variance from Budgeted Net Position

**MUSCATINE POWER AND WATER - WATER UTILITY**  
**VARIANCES FROM BUDGETED NET POSITION - June 30, 2019**

Items equal to or greater than \$5,000

	(Unfavorable)/ Favorable	
	Compared to Budget	
<b>Sales of Water</b>		
Contract Customers	\$ (14,867)	GPC consumption is 0.1% lower than budget, plus a 0.8% lower billing rate
	(25,166)	Residential consumption is 7.2% lower than budgeted, offset by a 5.1% higher billing rate
	(17,750)	Commercial consumption is 3.9% lower than budgeted plus a 1.5% lower billing rate
	(3,332)	Other miscellaneous variances
	<u>(61,115)</u>	
<b>Other Revenue</b>		
Merchandise & Job Sales-Net	(4,956)	Lower job sales revenue
	2,072	Other miscellaneous variances
	<u>(2,884)</u>	
<b>Operating Expense</b>		
Operation	(70,566)	Higher fuel/power purchased due to a 17.0% higher cost per gallons pumped, offset by 1.2% lower gallons pumped
	7,023	Lower chemicals expense due to fewer gallons pumped compared to budget
	(15,550)	Higher water treatment materials expenses, including \$8,061 for electricity
	(8,425)	Higher electricity expense for storage facilities
	(11,724)	Professional engineering services, not budgeted
	(35,294)	Higher cost for vehicle operations expenses, including \$22,596 for dump truck repairs
	8,170	Cost of service study
	(6,359)	Higher workers compensation claims
	7,605	Lower health care cost
	(11,745)	Higher pension expense
	28,610	Lower FICA expense
	(34,142)	Lower fringe benefits charged to construction, due to timing of capital projects
	62,126	Lower labor, sick, personal and vacation expense
	61,066	Other miscellaneous variances - net
	<u>(19,205)</u>	
Maintenance	33,250	Lower cost for well cleaning, due to timing of budgeted expenses
	19,501	Lower cost of pumping equipment repairs and valves
	19,249	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
	(5,866)	Relocating chemical feed pumps at Progress Park treatment building, not budgeted
	12,800	Inspection of East Hill reservoir and Bidwell water tower to be completed later this summer
	(9,415)	Higher cost of main repairs/concrete repairs
	(6,930)	Higher cost for meter maintenance
	8,041	Lower cost of hydrant repairs
	11,621	Lower cost for software/hardware maintenance agreements
	4,288	Other miscellaneous variances - net
	<u>105,689</u>	
Depreciation	<u>21,524</u>	
<b>Nonoperating Revenue (Expense)</b>		
Interest Income	20,666	Higher average cash balances than projected
	<u>20,666</u>	
<b>Change in Net Position</b>	<u>\$ 64,675</u>	<b>Total Variance in Budgeted Net Position</b>

**MUSCATINE POWER AND WATER - COMMUNICATIONS UTILITY**  
**VARIANCES FROM BUDGETED NET POSITION - JUNE 30, 2019**  
**Items equal or greater than \$5,000**

	(Unfavorable)/ Favorable Compared to Budget	
<b>Operating Revenue</b>		
Video Revenue	\$ (31,300)	Lower CATV revenues due to changes in subscriber mix offset by fewer subscribers (4981 actual vs. 5,128 budget).
	26,557	Broadcast fee higher than budget due to bulk broadcast fee not budgeted
	(21,400)	Lower VOD/PPV sales due to fewer subscribers and less buys
	(44,156)	Lower ad sales
	22,873	higher converter rental revenue
	4,452	Other miscellaneous variances - net
	<u>(42,974)</u>	
Data/Internet Revenue	275,235	Higher cable modem revenues due to customers migrating to a higher level of service offset by fewer subscribers (Subscribers = 8,918 actual & 8,817 budget)
	(203,770)	Fiber service installs are behind schedule
	38,013	Lower promotional discounts due to fewer promotional programs offered
	18,697	Higher Wi-fi @ Home due to more subscribers
	11,965	Other miscellaneous variances - net
	<u>140,140</u>	
Phone	<u>(8,425)</u>	Less customers than budgeted (223 actual vs. 356 budget)
MAN	<u>23,649</u>	More contracts than budgeted
Miscellaneous Revenue	<u>(3,587)</u>	Other miscellaneous variances - net
<b>Operating Expense</b>		
Operation	56,630	Programming expense credit related to negotiated lower prior year expense
	88,682	Programming expense lower than budget due to fewer subscribers than budget
	20,859	Lower temp labor than budgeted, primarily due to DSRs and cable tech areas
	(6,414)	Higher cost of electricity expense
	(48,353)	Higher cost of miscellaneous video materials expense, primarily stores issues
	(17,906)	Higher cost of miscellaneous data/internet materials expense, primarily stores issues
	(11,373)	More cable modems and set-top boxes have been retired than anticipated
	28,544	Lower cost of Data/Internet access charges
	5,669	Lower cost of long distance phone expenses
	7,686	Lower cost of promotional materials
	6,000	Compensation review, not expended yet
	(9,671)	Higher cost of workers' compensation claims
	(61,946)	Higher cost of pension
	8,435	Lower cost of FICA expense
	65,231	Labor & vacation under budget
	15,781	Health care expenses lower than budgeted
	(5,001)	Higher cost of deferred compensation due to increased employee contributions
	16,084	Travel and training under budget
	36,522	Other miscellaneous variances - net
	<u>195,459</u>	
Maintenance	(11,507)	Video drops maintenance materials higher than budget
	20,556	Maintenance agreements are lower than budget
	496	Other miscellaneous variances - net
	<u>9,545</u>	
Depreciation	<u>22,026</u>	Lower depreciation due to fewer fixed assets purchases in 2018 than anticipated
<b>Nonoperating Revenue (Expense)</b>		
Interest Income	79,380	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>416,849</u>	
Capital Contributions	<u>6,730</u>	
<b>Change in Net Position</b>	<u>\$ 423,579</u>	<b>Total Variance from Budgeted Net Position</b>