Muscatine Power and Water

Electric Utility

Statement of Revenues, Expenses and Changes in Net Position

February 2017

Muscatine Power and Water
Electric Utility

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Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Current Month - February 2017

	Budget Estimate	% Increase (Decrease) From Budget	This Year	% Increase (Decrease) Fr. Last Yr.	Last Year
KWH Generated and Sold					
Gross Generation	82,035,072	(80.9)	15,705,600	(78.6)	73,366,758
Less: Plant Use	9,152,640	(71.6)	2,596,018	(73.0)	9,599,403
Net Generation/Wholesale Sales	72,882,432	(82.0)	13,109,582	(79.4)	63,767,355
Wholesale Sales - Wind	4,899,210	22.2	5,987,837	---	---
Total Wholesales Sales	77,781,642	(75.4)	19,097,419	(70.1)	63,767,355
Net Capacity Factors					
Unit 9	60.00	---	---	---	47.07
Unit 8/8A	90.00	(50.6)	44.45	37.0	32.45
Unit 7	---	---	---	---	11.77
Total Plant	55.72	(84.3)	8.76	(78.6)	40.88
KWH Distribution					
Residential	8,762,253	(11.2)	7,781,707	(4.1)	8,113,291
Commercial I	3,086,551	(3.2)	2,989,092	2.8	2,908,756
Commercial II	7,356,386	(7.5)	6,802,520	(11.8)	7,708,320
Industrial I	9,196,724	4.0	9,564,020	16.9	8,184,400
Industrial II	38,600,000	(6.3)	36,169,156	(1.0)	36,518,795
City Enterprise Funds	460,248	(4.7)	438,410	2.2	429,041
Water & Communications Utilities	1,341,089	3.8	1,392,589	6.2	1,311,654
Native System Sales	68,803,251	(5.3)	65,137,494	(0.1)	65,174,257
City Lighting	110,968	28.4	142,525	(7.8)	154,567
City Buildings	605,319	3.3	625,447	9.0	573,734
Offline Power Plant Usage	53,760	20.5X	1,157,845	15.9X	68,594
Losses & Cycle Billing	1,050,872	(92.7)	77,199	(96.2)	2,043,794
Total Native System KWH Distributed	70,624,170	(4.9)	67,140,510	(1.3)	68,014,946
Wind KWH Purchases	4,899,210	22.2	5,987,837	---	---
Total Purchased Power KWH	75,523,380	(3.2)	73,128,347	7.5	68,014,946
STEAM SALES - 1,000 lbs	236,436	4.0	245,892	(2.3)	251,716

Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - February 2017

	Budget Estimate	% Increase (Decrease) From Budget	This Year	% Increase (Decrease) Fr. Last Yr.	Last Year
KWH Generated and Sold					
Gross Generation	173,139,955	(35.8)	111,230,459	(33.1)	166,292,460
Less: Plant Use	19,351,392	(33.0)	12,957,443	(36.8)	20,504,477
Net Generation/Wholesale Sales	153,788,563	(36.1)	98,273,016	(32.6)	145,787,983
Wholesale Sales - Wind	8,444,630	12.9	9,534,534	---	---
Total Wholesales Sales	162,233,193	(33.5)	107,807,550	(26.1)	145,787,983
Net Capacity Factors					
Unit 9	60.00	(49.2)	30.51	(43.5)	54.04
Unit 8/8A	91.05	(53.1)	42.70	31.5	32.46
Unit 7	---	---	11.63	1.0X	5.69
Total Plant	55.80	(44.2)	31.12	(31.2)	45.26
KWH Distribution					
Residential	18,483,074	(7.5)	17,103,511	(3.4)	17,699,546
Commercial I	6,401,066	(1.6)	6,296,234	3.1	6,109,703
Commercial II	15,360,814	(4.6)	14,649,820	(13.3)	16,891,080
Industrial I	19,186,476	3.1	19,781,540	17.4	16,842,900
Industrial II	75,750,000	(1.0)	74,996,642	1.5	73,865,949
City Enterprise Funds	959,414	(6.7)	894,926	(4.1)	932,832
Water & Communications Utilities	2,724,506	5.2	2,865,218	7.2	2,673,658
Native System Sales	138,865,350	(1.6)	136,587,891	1.2	135,015,668
City Lighting	224,673	69.9	381,741	27.5	299,443
City Buildings	1,258,884	(1.1)	1,245,313	1.7	1,224,472
Offline Power Plant Usage	113,280	12.9X	1,573,927	9.0X	157,046
Losses & Cycle Billing	3,074,716	(43.3)	1,743,145	(47.1)	3,293,750
Total Native System KWH Distributed	143,536,903	(1.4)	141,532,017	1.1	139,990,379
Wind KWH Purchases	8,444,630	12.9	9,534,534	---	---
Total Purchased Power KWH	151,981,533	(0.6)	151,066,551	7.9	139,990,379
STEAM SALES - 1,000 lbs	500,164	5.6	528,273	1.5	520,515

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - February 2017

	Budget Estimate	Avg. Price	% Increase (Decrease) from Budget	This Year	Avg. Price	% Increase (Decrease) from Last Year	Last Year	Avg. Price
Sales of Electricity								
Residential	$931,799	$ 0.10634	(7.5)	$862,134	$ 0.11079	0.2	$860,455	$ 0.10605
Commercial I	312,621	0.10128	(2.8)	303,931	0.10168	7.0	284,131	0.09768
Commercial II	606,993	0.08251	(8.5)	555,145	0.08161	(7.7)	601,698	0.07806
Industrial I	605,300	0.06582	2.7	621,622	0.06500	21.7	510,894	0.06242
Industrial II	1,986,511	0.05146	(3.4)	1,919,585	0.05307	5.0	1,827,555	0.05004
City Enterprise Funds	34,471	0.07490	(5.7)	32,518	0.07417	3.6	31,392	0.07317
Water & Communication Utilities	85,760	0.06395	3.7	88,895	0.06383	10.0	80,786	0.06159
Native System Sales	4,563,455	0.06633	(3.9)	4,383,830	0.06730	4.5	4,196,911	0.06440
Wholesale Sales	2,474,623	0.03395	(65.2)	860,945	0.04508	(42.4)	1,494,517	0.02344
Energy Sales	7,038,078		(25.5)	5,244,775		(7.8)	5,691,428	
Steam Sales	969,723	4.10	(3.3)	937,398	3.81	(6.1)	998,173	3.97
Other Revenue								
By-Product Revenue	15,032		-1.0X	(44)		-1.0X	24,870	
Miscellaneous Revenue	52,732		(15.0)	44,846		(5.5)	47,451	
Total Other Revenue	67,764		(33.9)	44,802		(38.1)	72,321	
Operating Revenue	8,075,565		(22.9)	6,226,975		(7.9)	6,761,922	
Operating Expense								
Purchased Power	2,081,669	0.02756	(4.5)	1,988,578	0.02719	39.7	1,423,261	0.02093
Production Fuel	1,880,715		(57.2)	804,848		(57.6)	1,898,813	
Emissions Allowance	70,650		(98.2)	1,276		(87.9)	10,538	
Operation	2,176,775		(14.0)	1,872,274		(6.3)	1,997,508	
Maintenance	3,051,066		(48.6)	1,568,480		1.2X	702,132	
Depreciation	957,139		(6.0)	900,004		7.5	837,341	
Total Operating Expense	10,218,014		(30.2)	7,135,460		3.9	6,869,593	
Operating Loss	(2,142,449)		(57.6)	(908,485)		7.4X	(107,671)	
Nonoperating Revenue (Expense)								
Interest Income	8,112		1.1X	16,854		72.1	9,795	
Interest Expense	(400)		2.8	(411)		67.1	(246)	
Total Nonoperating Revenue (Expense)	7,712		1.1X	16,443		72.2	9,549	
Net Loss Before Revenue Adjustment	(2,134,737)		(58.2)	(892,042)		8.1X	(98,122)	
Capital Contributions	---		---	---		---	133,577	
Change in Net Position	(2,134,737)		(58.2)	(892,042)		-26.2X	35,455	
Beginning Net Position	128,084,605			128,523,733			123,195,843	
Ending Net Position	$125,949,868			$127,631,691			$123,231,298	
Net Loss Before Rev Adj to Op Revenue	(26.4)			(14.3)			(1.5)	
Change in Net Position to Operating Revenue	(26.4)			(14.3)			0.5	

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - February 2017

	Budget Estimate	Avg. Price	% Increase (Decrease) from Budget	This Year	Avg. Price	% Increase (Decrease) from Last Year	Last Year	Avg. Price
Sales of Electricity								
Residential	$1,943,805	$ 0.10517	(4.1)	$1,863,939	$ 0.10898	1.0	$1,845,752	$ 0.10428
Commercial I	645,999	0.10092	(1.2)	638,562	0.10142	7.6	593,648	0.09716
Commercial II	1,250,242	0.08139	(6.5)	1,168,789	0.07978	(7.9)	1,269,258	0.07514
Industrial I	1,240,238	0.06464	2.5	1,270,745	0.06424	21.7	1,043,757	0.06197
Industrial II	3,905,480	0.05156	0.9	3,941,112	0.05255	7.6	3,663,555	0.04960
City Enterprise Funds	70,006	0.07297	(5.2)	66,397	0.07419	0.2	66,259	0.07103
Water & Communications Utilities	173,936	0.06384	4.1	181,052	0.06319	10.0	164,563	0.06155
Native System Sales	9,229,706	0.06647	(1.1)	9,130,596	0.06685	5.6	8,646,792	0.06404
Wholesale Sales	5,119,589	0.03156	(21.0)	4,046,921	0.03754	14.7	3,527,182	0.02419
Energy Sales	14,349,295		(8.2)	13,177,517		8.2	12,173,974	
Steam Sales	2,049,185	4.10	(1.3)	2,023,052	3.83	(1.9)	2,061,935	3.96
Other Revenue								
By-Product Revenue	31,952		(43.3)	18,130		(70.1)	60,660	
Miscellaneous Revenue	99,489		1.9	101,351		14.1	88,804	
Total Other Revenue	131,441		(9.1)	119,481		(20.1)	149,464	
Operating Revenue	16,529,921		(7.3)	15,320,050		6.5	14,385,373	
Operating Expense								
Purchased Power	4,200,668	0.02764	7.4	4,512,259	0.02987	46.3	3,085,114	0.02204
Production Fuel	3,951,180		(21.9)	3,086,730		(25.6)	4,149,155	
Emissions Allowance	149,456		(97.8)	3,272		(86.0)	23,418	
Operation	4,518,006		(13.1)	3,927,875		(3.5)	4,070,658	
Maintenance	3,750,790		(39.1)	2,282,946		62.6	1,403,914	
Depreciation	1,914,280		(6.0)	1,800,009		7.5	1,674,682	
Total Operating Expense	18,484,380		(15.5)	15,613,091		8.4	14,406,941	
Operating Loss	(1,954,459)		(85.0)	(293,041)		12.6X	(21,568)	
Nonoperating Revenue (Expense)								
Interest Income	17,163		1.0X	34,850		70.7	20,417	
Interest Expense	(800)		18.1	(945)		76.3	(536)	
Total Nonoperating Revenue (Expense)	16,363		1.1X	33,905		70.5	19,881	
Net Loss Before Revenue Adjustment and Capital Contributions	(1,938,096)		(86.6)	(259,136)		152.6X	(1,687)	
Capital Contributions	---		---	2,863		(97.9)	133,577	
Change in Net Position	(1,938,096)		(86.8)	(256,273)		-2.9X	131,890	
Beginning Net Position	127,887,964			127,887,964			123,099,408	
Ending Net Position	$125,949,868			$127,631,691			$123,231,298	
Net Income (Loss) Before Rev Adj to Op Revenue	(11.7)			(1.7)			(0.0)	
Change in Net Position to Operating Revenue	(11.7)			(1.7)			0.9	

Muscatine Power and Water - Electric Utility
Statements of Net Position
February 2017

ASSETS

	2017	2016
Current Assets:		
Unrestricted Assets		
Cash - interest bearing	$25,528,493	$11,840,838
Investments	3,500,000	6,998,814
Receivables:		
Consumer Accounts	5,516,892	5,521,348
Refined Coal	1,241,799	3,156,898
Wholesale	2,916	74,948
Steam Sales	937,726	1,026,228
Interest	62,991	25,052
Inventories	5,721,543	5,832,993
Fuel	10,929,328	13,319,905
Prepaid Expenses	768,590	665,680
Total Unrestricted Current Assets	54,210,278	48,462,704
Restricted Assets		
Cash - interest bearing	6,371,883	7,832,587
Investments	6,750,000	5,250,000
Total Restricted Current Assets	13,121,883	13,082,587
Total Current Assets	67,332,161	61,545,291
Property and Equipment:		
At Cost	425,960,250	420,140,328
Less Accumulated Depreciation	351,512,388	342,578,231
Net Property and Equipment	74,447,862	77,562,097
Other Assets:		
Note Receivable - Communications Utility	9,044,287	9,523,335
Note Receivable - Water Utility	5,500,000	2,900,000
Joint Venture Rights	98,858	110,844
Total Other Assets	14,643,145	12,534,179
Deferred Outflows of Resources - Pension		
Changes of Assumptions	2,764,049	2,764,049
Difference between projected and actual earnings on pension plan	3,171,557	575,136
Contributions subsequent to measurement date	2,241,817	2,181,815
Total Deferred Outflows of Resources - Pension	8,177,423	5,521,000
TOTAL ASSETS	$164,600,591	$157,162,567

Muscatine Power and Water - Electric Utility
Statements of Net Position
February 2017

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	2017	2016
Current Liabilities:		
Unrestricted		
Accounts Payable	$4,445,449	$4,470,976
Health & Dental Insurance Provision	271,040	295,620
Accrued Payroll	127,894	705,189
Accrued Vacation	1,278,490	1,269,715
Accrued Emission Allowance Expense	227,670	277,584
Consumers' Deposits	760,053	735,189
Retained Percentage on Contracts	63,097	48,610
Accrued Property Taxes	118,072	117,655
Miscellaneous Accrued Expenses	1,073,835	779,696
Unearned Revenue	68,489	284,081
Total Unrestricted Current Liabilities	8,434,089	8,984,315
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,062,521	926,115
Post-Employment Health Benefit Provision	414,290	386,558
Net Pension Liability	13,391,975	9,942,495
Total Non-Current Liabilities	14,868,786	11,255,168
Deferred Inflows of Resources		
Extraordinary O&M	13,032,866	13,032,866
Pension		
Differences between expected and actual experience	633,159	658,920
Total Deferred Inflows of Resources	13,666,025	13,691,786
Net Position:		
Net Investment in Capital Assets	74,447,862	77,562,097
Restricted	13,121,883	13,082,587
Unrestricted	40,061,946	32,586,614
Total Net Position	127,631,691	123,231,298
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$164,600,591	$157,162,567

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
February 2017

	Current Month	Year-To-Date
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	$4,600,663	$9,312,381
MISO sales	2,428,657	6,114,219
Steam sales	1,084,166	4,440,229
Coal sales	3,930,070	7,955,915
Railcar/facilities leasing	5,624	11,249
By-product sales	131,064	141,825
Miscellaneous sources	75,414	111,698
Cash paid to/for:		
Suppliers	(831,406)	(903,386)
MISO purchases/administration fees	(2,154,738)	(4,511,402)
South Fork Wind purchases	(92,214)	(173,518)
Coal purchases	(3,871,119)	(9,002,841)
Employees payroll, taxes and benefits	(1,678,713)	(3,832,980)
Net cash flows from operating activities	3,627,468	9,663,389
Cash flows from noncapital financing activities:		
Loan to Water Utility	---	(2,600,000)
Net cash flows from noncapital financing activities	---	(2,600,000)
Cash flows from capital financing activities:		
Capital expenditures, net	(283,544)	(1,017,110)
Net cash flows from capital and related financing activities	(283,544)	(3,617,110)
Cash flows from investing activities:		
Purchase of joint venture rights	---	(21,975)
Accrued interest purchased	9,717	43,697
Amortization/accretion of investments	(60)	(210)
Mark to Market	60	(37)
Net cash flows from investing activities	9,717	21,475
Net increase in cash and investments	3,353,641	6,067,754
Cash and investments at beginning of period	38,796,735	36,082,622
Cash and investments at end of period	$42,150,376	$42,150,376

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
February 2017

	Current Month	Year-To-Date
Reconciliation of operating loss to net cash flows from operating activities		
Operating loss	($908,485)	($293,041)
Noncash items in operating income:		
Depreciation of electric utility plant	900,004	1,800,009
Amortization of joint venture rights	7,879	18,540
Changes in assets and liabilities:		
Consumer accounts receivable	410,524	1,600,683
Refined coal	2,693,895	2,789,670
Wholesale receivable	633,699	1,029,907
Steam sales receivable	148,308	1,338,643
Inventories	(132,897)	(54,249)
Fuel	688,332	2,968,137
Prepaid expenses	47,528	79,254
Accounts payable	(1,169,197)	(1,790,936)
Net pension liability	195,653	391,306
Health & dental insurance provision	69,498	51,244
Other post-employment benefit provision	2,286	4,572
Accrued payroll	(11,473)	(553,205)
Accrued vacation	48,800	92,286
Accrued emission allowance expense	1,276	3,272
Consumers' deposits	(11,175)	(1,547)
Retained Percentage	4,665	11,811
Accrued property taxes	8,019	16,038
Unearned revenue	(24,129)	(40,303)
Miscellaneous accrued expenses	24,458	201,298
Net cash flows from operating activities	$3,627,468	$9,663,389

Muscatine Power and Water - Electric Utility
Funds Appropriated for Specific Purposes
February 2017

	This Year	Last Year
Extraordinary Operation & Maintenance Account	$13,121,883	$13,082,587
Total Cash and Investments Appropriated for Specific Purposes	$13,121,883	$13,082,587

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - February 2017

	Budget Estimate		This Year		Last Year	
Purchased Power	$2,081,669	25.8	$1,988,578	31.9	$1,423,261	21.0
Average price per kWh	$0.0295		$0.0296		$0.0209	
Generation						
Operation Supervision (500)	85,719		77,366		86,293	
Fuel: (501)						
Coal	1,806,470		737,912		1,829,667	
Fuel Oil	5,000		101		45	
Gas	---		13,501		8,880	
Coal Handling Expense (501-003)	59,853		39,355		53,059	
Landfill Operation Expense (501-925)	9,392		13,979		7,162	
Emissions Allowance Expense (509)	70,650		1,276		10,538	
Steam Expense:						
Boiler (502-004)	104,828		51,976		96,484	
Pollution Control (502-005)	79,720		4,763		75,319	
Electric Expense (505)	98,403		76,941		100,514	
Miscellaneous Steam Power Expense (506)	217,322		173,376		204,870	
Maintenance:						
Supervision (510)	66,907		98,145		72,737	
Structures (511)	54,682		26,934		31,144	
Boiler Plant:						
Boiler (512-006)	668,349		431,727		93,308	
Pollution Control (512-007)	105,315		144,529		88,222	
Electric Plant (513-008)	1,771,859		530,382		29,893	
System Control (513-009)	20,112		20,715		18,856	
Miscellaneous Steam Plant (514)	91,510		56,231		51,568	
Coal Handling Equipment (516)	57,757		72,106		54,210	
System Control and Load Dispatch (556)	27,273		19,473		28,587	
Vacation, Holiday, Sick Leave (557)	76,566		73,592		82,077	
Depreciation (558)	643,473		648,814		637,587	
Total Generation Expense	$6,121,160	75.8	$3,313,194	53.2	$3,661,020	54.1

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - February 2017

	Budget Estimate		This Year		Last Year	
Purchased Power	$4,200,668	25.4	$4,512,259	29.5	$3,085,114	21.4
Average price per kWh	$0.0293		$0.0319		$0.0220	
Generation						
Operation Supervision (500)	175,407		164,108		171,339	
Fuel: (501)						
Coal	3,804,686		2,943,141		4,006,386	
Fuel Oil	10,000		919		4,897	
Gas	2,000		20,613		14,629	
Coal Handling Expense (501-003)	122,882		99,778		111,563	
Landfill Operation Expense (501-925)	11,612		22,279		11,680	
Emissions Allowance Expense (509)	149,456		3,272		23,418	
Steam Expense:						
Boiler (502-004)	209,527		182,280		198,641	
Pollution Control (502-005)	158,102		77,356		116,725	
Electric Expense (505)	200,904		183,269		201,335	
Miscellaneous Steam Power Expense (506)	381,933		346,819		374,743	
Maintenance:						
Supervision (510)	134,109		173,398		153,581	
Structures (511)	105,286		55,422		74,289	
Boiler Plant:						
Boiler (512-006)	789,499		608,166		156,661	
Pollution Control (512-007)	148,218		195,039		196,920	
Electric Plant (513-008)	1,803,208		587,589		66,485	
System Control (513-009)	42,586		38,819		41,395	
Miscellaneous Steam Plant (514)	164,405		120,078		107,727	
Coal Handling Equipment (516)	106,076		122,305		138,523	
System Control and Load Dispatch (556)	59,684		42,747		59,247	
Vacation, Holiday, Sick Leave (557)	186,796		191,990		207,720	
Depreciation (558)	1,286,946		1,297,629		1,275,175	
Total Generation Expense	$10,053,322	60.8	$7,477,016	48.8	$7,713,079	53.6

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - February 2017

	Budget Estimate		This Year		Last Year	
Transmission						
Operation Supervision (560)	$7,476		$6,312		$6,048	
Load Dispatching (561)	66,930		63,000		56,344	
Station Expense (562)	8,203		8,749		11,679	
Overhead Line Expense (563)	142		---		---	
Transmission of Electricity by Others (565)	113,017		90,107		76,450	
Miscellaneous Transmission Expense (566)	16,018		11,489		7,799	
Maintenance:						
Supervision (568)	2,837		2,650		3,396	
Structures (569)	31		---		---	
Station Equipment (570)	8,529		15,063		8,687	
Overhead Lines (571)	21,642		5,678		74,340	
Vacation, Holiday, Sick Leave (575)	8,257		7,940		6,567	
Depreciation (576)	40,936		31,072		31,072	
Tax on Rural Property (577)	5,677		5,690		5,685	
Total Transmission Expense	299,695	3.7	247,750	4.0	288,067	4.3
Distribution						
Operation Supervision (580)	14,261		13,720		17,009	
Load Dispatching (581)	27,739		29,715		32,263	
Station Expense (582)	9,270		7,357		6,889	
Overhead Line Expense (583)	2,153		793		556	
Vehicle Expense (589)	16,575		12,426		14,620	
Underground Line Expense (584)	3,957		2,600		1,464	
Street Lighting (585-418)	2,597		785		1,488	
Signal Expense (585-419)	536		298		522	
Meter Expense (586)	8,635		10,649		18,358	
Consumer Installation Expense (587)	526		698		829	
Miscellaneous Distribution Expense (588)	55,573		72,488		51,713	
Maintenance:						
Supervision (590)	11,087		10,275		14,861	
Structures (591)	505		---		---	
Station Equipment (592)	10,631		11,079		8,924	
Overhead Lines (593)	54,546		47,576		45,217	
Underground Lines (594)	16,339		18,163		10,260	
Line Transformers (595)	3,139		2,385		495	
Street Lighting (596-418)	10,186		18,580		17,918	
Signal System (596-419)	3,085		2,058		2,484	
Meters (597)	2,454		2,118		1,953	
Miscellaneous Distribution Plant (598)	2,708		5,506		2,939	
Vacation, Holiday, Sick Leave (599)	25,740		30,413		29,545	
Depreciation (578)	172,686		172,352		168,481	
Tax on Rural Property (579)	1,696		1,700		1,698	
Total Distribution Expense	$456,624	5.7	$473,734	7.6	$450,486	6.7

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - February 2017

	Budget Estimate		This Year		Last Year	
Transmission						
Operation Supervision (560)	$14,951		$13,948		$11,645	
Load Dispatching (561)	136,806		127,299		120,532	
Station Expense (562)	19,859		15,446		23,174	
Overhead Line Expense (563)	142		281		4,143	
Transmission of Electricity by Others (565)	226,034		145,121		153,670	
Miscellaneous Transmission Expense (566)	150,616		23,570		24,954	
Maintenance:						
Supervision (568)	5,743		5,398		6,786	
Structures (569)	157		---		---	
Station Equipment (570)	16,775		36,678		20,466	
Overhead Lines (571)	43,285		6,824		109,690	
Vacation, Holiday, Sick Leave (575)	20,083		19,426		16,175	
Depreciation (576)	81,872		62,144		62,144	
Tax on Rural Property (577)	11,354		11,379		11,371	
Total Transmission Expense	727,677	4.4	467,514	3.1	564,750	3.9
Distribution						
Operation Supervision (580)	29,043		29,538		33,491	
Load Dispatching (581)	55,351		64,055		56,138	
Station Expense (582)	18,441		13,812		12,397	
Overhead Line Expense (583)	12,907		819		4,603	
Vehicle Expense (589)	33,184		27,380		26,399	
Underground Line Expense (584)	9,444		5,344		2,734	
Street Lighting (585-418)	5,194		1,206		3,769	
Signal Expense (585-419)	1,171		325		522	
Meter Expense (586)	17,685		22,932		27,228	
Consumer Installation Expense (587)	1,152		1,041		2,074	
Miscellaneous Distribution Expense (588)	117,200		137,445		106,366	
Maintenance:						
Supervision (590)	22,675		21,555		29,318	
Structures (591)	978		---		17	
Station Equipment (592)	22,716		19,478		21,405	
Overhead Lines (593)	111,479		95,290		100,276	
Underground Lines (594)	33,462		24,601		18,089	
Line Transformers (595)	6,463		3,298		1,371	
Street Lighting (596-418)	21,572		27,766		23,291	
Signal System (596-419)	6,143		3,263		7,343	
Meters (597)	6,021		5,011		5,993	
Miscellaneous Distribution Plant (598)	5,417		7,955		4,411	
Vacation, Holiday, Sick Leave (599)	62,898		80,732		70,492	
Depreciation (578)	345,373		344,704		336,962	
Tax on Rural Property (579)	3,391		3,399		3,397	
Total Distribution Expense	$949,360	5.7	$940,949	6.1	$898,086	6.2

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - February 2017

	Budget Estimate		This Year		Last Year	
Customer Service Expense						
Customer Information Expense (909)	$5,717		$1,536		$14,235	
Energy Efficiency Rebates (910)	17,859		11,211		6,888	
Electric Ranges/Dryers Maintenance (911)	451		(8)		100	
Electric Water Heaters Maintenance (912)	161		32		---	
Total Customer Service Expense	24,188	0.3	12,771	0.2	21,223	0.3
Consumer Accounts						
Supervision (901)	3,207		2,325		3,586	
Meter Reading Expense (902)	8,509		9,802		9,133	
Consumer Records and Collection (903)	39,552		36,796		41,487	
Uncollectible Accounts Expense (904)	5,623		5,623		4,769	
Vacation, Holiday, Sick Leave (906)	4,016		5,337		4,094	
Total Consumer Accounts Expense	60,907	0.8	59,883	1.0	63,069	0.9
Administrative and General						
Administrative and General Salaries (920)	187,070		166,800		179,423	
Office Supplies and Expenses (921)	18,165		14,438		13,154	
Outside Services Employed (923)	65,665		82,610		41,385	
Property Insurance (924)	53,778		53,778		58,782	
Casualty Ins, Injuries & Damages (925)	51,170		36,317		34,181	
Employee Pensions and Benefits (926)	560,762		543,060		523,741	
Fringe Benefits Charged to Constr. (927)	(22,886)		(20,447)		(20,409)	
Regulatory Commission (928)	6,231		8,080		6,965	
Miscellaneous General Expense (930)	62,915		34,178		25,647	
Maintenance of General Plant (932)	36,626		16,606		29,023	
Maintenance of A/O Center (934)	30,230		29,974		41,697	
Vacation, Holiday, Sick Leave (936)	24,001		26,390		28,677	
Depreciation (933)	100,044		47,766		201	
Total Administrative and General	1,173,771	14.5	1,039,550	16.7	962,467	14.2
Total Operating Expense	$10,218,014		$7,135,460		$6,869,593	
Percent to Operating Revenue		126.5		114.6		101.6

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - February 2017

	Budget Estimate		This Year		Last Year	
Customer Service Expense						
Customer Information Expense (909)	$23,235		$2,292		$15,646	
Energy Efficiency Rebates (910)	35,716		38,025		10,962	
Electric Ranges/Dryers Maintenance (911)	1,003		56		171	
Electric Water Heaters Maintenance (912)	422		194		47	
Total Customer Service Expense	$60,376	0.4	$40,567	0.3	$26,826	0.2
Consumer Accounts						
Supervision (901)	6,414		6,008		6,969	
Meter Reading Expense (902)	17,646		19,289		18,446	
Consumer Records and Collection (903)	79,055		70,603		71,455	
Uncollectible Accounts Expense (904)	11,246		11,246		9,538	
Vacation, Holiday, Sick Leave (906)	10,005		12,201		10,044	
Total Consumer Accounts Expense	124,366	0.8	119,347	0.8	116,452	0.8
Administrative and General						
Administrative and General Salaries (920)	374,139		349,961		354,162	
Office Supplies and Expenses (921)	37,519		29,210		27,661	
Outside Services Employed (923)	109,678		98,983		64,768	
Property Insurance (924)	107,556		107,556		117,564	
Casualty Ins, Injuries & Damages (925)	103,939		84,566		155,941	
Employee Pensions and Benefits (926)	1,128,151		1,067,795		1,063,038	
Fringe Benefits Charged to Constr. (927)	(44,798)		(49,225)		(42,737)	
Regulatory Commission (928)	12,463		11,039		14,242	
Miscellaneous General Expense (930)	126,373		73,867		59,166	
Maintenance of General Plant (932)	93,181		66,081		52,589	
Maintenance of A/O Center (934)	61,336		58,932		67,288	
Vacation, Holiday, Sick Leave (936)	58,985		61,142		68,551	
Depreciation (933)	200,089		95,532		401	
Total Administrative and General	2,368,611	14.3	2,055,439	13.4	2,002,634	13.9
Total Operating Expense	$18,484,380		$15,613,091		$14,406,941	
Percent to Operating Revenue		111.8		101.9		100.1

Muscatine Power and Water - Electric Utility
Statistical Data
February 2017

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

	Current Month	
	2017	2016
Per Million Btu.	$1.937	$1.869
Per Net MW Generated	$20.47	$21.15
Net Peak Monthly Demand-KW	115,230	114,470
Date of Peak	2/2	2/10
Hour of Peak	800	800

	Calendar Year-To-Date	
	2017	2016
Per Million Btu.	$1.809	$1.855
Per Net MW Generated	$20.21	$20.62
Net Peak Monthly Demand-KW	115,400	116,710
Date of Peak	1/27	1/12
Hour of Peak	1200	1900
Average Temperature	36.8°	30.2°

Services	2017	2016
Residential	9,864	9,852
Commercial I	1,380	1,369
Commercial II	111	120
Industrial I	11	9
Industrial II	2	2
City Enterprise Funds	23	22
Water & Communications Utility	34	35
Total	11,425	11,409

Muscatine Power and Water - Electric Utility
Wholesale Sales Analysis - Excluding Wind
Current Month - February 2017

	Modified Budget	$/kWh	This Year	$/kWh	Last Year	$/kWh
Wholesale kWh Sales*	72,882,432		13,109,582		63,767,355	
Wholesale Sales*	$2,345,431	$0.03218	$780,433	$0.05953	$1,494,517	$0.02344
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	1,319,239	0.01810	210,925	0.01609	1,269,129	0.01990
Emissions:						
SO^2 Allowances-ARP[fn1]	209	0.00000	31	0.00000	20	0.00000
SO^2 Allowances-CSAPR[fn2]	209	0.00000	78	0.00001	50	0.00000
NO_X Allowances [fn3]	70,232	0.00096	291	0.00002	5,652	0.00009
Other[fn4]	159,224	0.00218	167,186	0.01275	192,431	0.00302
Total Variable Costs	1,549,113	0.02125	378,511	0.02887	1,467,282	0.02301
Gross Margin	$796,318	$0.01093	$401,922	$0.03066	$27,235	$0.00043
Percent Gross Margin	34.0%		51.5%		1.8%	

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

Calendar Year To Date

	Modified Budget	$/kWh	This Year	$/kWh	Last Year	$/kWh
Wholesale kWh Sales*	153,788,563		98,273,016		145,787,983	
Wholesale Sales*	$4,907,292	$0.03191	$3,908,468	$0.03977	$3,527,182	$0.02419
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	2,777,796	0.01806	1,847,270	0.01880	2,845,304	0.01952
Emissions:						
SO^2 Allowances-ARP[fn1]	442	0.00000	65	0.00000	45	---
SO^2 Allowances-CSAPR[fn2]	442	0.00000	163	0.00000	112	---
NO_X Allowances [fn3]	148,571	0.00097	1,229	0.00001	14,710	0.00010
Other[fn4]	318,448	0.00207	334,372	0.00340	384,862	0.00264
Total Variable Costs	3,245,699	0.02110	2,183,099	0.02221	3,245,033	0.02226
Gross Margin	$1,661,593	$0.01080	$1,725,369	$0.01756	$282,149	$0.00194
Percent Gross Margin	33.9%		44.1%		8.0%	

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

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

	Budget	2017	2016
fn1 SO^2 ARP	$2.00	$0.80	$0.80
YTD SO^2 ARP	2.00	0.80	0.80
fn2 SO^2 CSAPR	0.00	2.00	2.00
YTD SO^2 CSAPR	0.00	2.00	2.00
fn3 NO_X annual	500.00	6.00	77.50
YTD NO_X annual	500.00	8.05	84.75

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

Muscatine Power and Water - Electric Utility
Wind Sales Analysis
Current Month - February 2017

	Budget	$/kWh	This Year	$/kWh	Last Year	$/kWh
Revenue						
Wholesale kWh Sales	4,899,210		5,987,837		0	
Wholesale Sales	$129,192	$0.02637	$80,512	$0.01345	$0	---
Expense						
Purchased Power kWh	4,899,210		5,987,837		0	
Purchased Power	$127,379	0.02600	$155,722	0.02601	$0	---
Gross Margin/(Loss)	$1,813	$0.00037	($75,210)	($0.01256)	$0	---
Percent Gross Margin	1.4%		-93.4%		---	
RECs Sold	---		---		---	
REC Net Proceeds	$0	---	$0	---	$0	---
Misc Wind Revenues/Charges	$0		$0		$0	
Wind Net Margin/(Loss)	**$1,813**		**($75,210)**		**$0**	

Calendar Year To Date

	Budget	$/kWh	This Year	$/kWh	Last Year	$/kWh
Revenue						
Wholesale kWh Sales	8,444,630		9,534,534		0	
Wholesale Sales	$212,297	$0.02514	$138,453	$0.01452	$0	---
Expense						
Purchased Power kWh	8,444,630		9,534,534		0	
Purchased Power	$219,560	0.02600	$247,918	0.02600	$0	---
Gross Margin/(Loss)	($7,263)	($0.00086)	($109,465)	($0.01148)	$0	---
Percent Gross Margin	-3.4%		-79.1%		---	
RECs Sold	---		---		---	
REC Net Proceeds	$0	---	$0	---	$0	---
Misc Wind Revenues/Charges	$0		$0		$0	
Wind Net Margin/(Loss)	**($7,263)**		**($109,465)**		**$0**	

	Budget	This Year	Last Year
Number of RECs at end of Prior Period	0	0	0
RECs Sold This Period	0	0	0
Number of RECs on hand	0	0	0
Market Value per REC	$0.00	$0.00	$0.00
Value of RECs on Hand	$0.00	$0.00	$0.00

Muscatine Power and Water - Electric Utility
SUPPLEMENTAL STATISTICAL DATA - FOR INTERNAL PURPOSES ONLY
February 2017

Delivered to Wholesale Customers

	Current Month 2017 Budget	Current Month 2017 Actual	Current Month 2016 Actual	Year-To-Date 2017 Budget	Year-To-Date 2017 Actual	Year-To-Date 2016 Actual
Wholesale Sales KWHs	77,781,642	19,097,419	63,767,355	162,233,193	107,807,550	145,787,983
Wholesale Sales	$2,474,623	$860,945	$1,494,517	$5,119,589	$4,046,921	$3,527,182
Less:						
Production Fuel	1,392,022	267,996	1,335,528	2,919,572	2,976,489	2,979,387
Generation-Other	4,139,100	2,476,122	1,719,560	5,910,580	4,325,134	3,476,999
Transmission	299,695	247,750	288,067	727,677	467,514	564,750
Subtotal	5,830,817	2,991,868	3,343,155	9,557,829	7,769,137	7,021,136
Wholesale Margin	($3,356,194)	($2,130,923)	($1,848,638)	($4,438,240)	($3,722,216)	($3,493,954)

Delivered to Steam Customer

	Current Month 2017 Budget	Current Month 2017 Actual	Current Month 2016 Actual	Year-To-Date 2017 Budget	Year-To-Date 2017 Actual	Year-To-Date 2016 Actual
Steam Sales - 1,000 lbs.	236,436	245,892	251,716	500,164	528,273	520,515
Steam Sales	$969,723	$937,398	$998,173	$2,049,185	$2,023,052	$2,061,935
Less:						
Production Fuel	488,693	536,852	563,285	1,031,608	110,241	1,169,768
Generation-Other	101,346	32,225	42,648	191,562	65,152	86,925
Steam Sales Margin	$379,685	$368,322	$392,241	$826,015	$1,847,659	$805,242

Delivered to Paying Native System Customers

	Current Month 2017 Budget	Current Month 2017 Actual	Current Month 2016 Actual	Year-To-Date 2017 Budget	Year-To-Date 2017 Actual	Year-To-Date 2016 Actual
Native System Sales KWHs	68,803,251	65,137,494	65,174,257	138,865,350	136,587,891	135,015,668
Native System Sales	$4,563,455	$4,383,830	$4,196,911	$9,229,706	$9,130,596	$8,646,792
Less:						
Purchased Power	2,081,669	1,988,578	1,423,261	4,200,668	4,512,259	3,085,114
Distribution	456,624	473,734	450,486	949,360	940,949	898,086
Customer Service	24,188	12,771	21,223	60,376	40,567	26,826
Consumers Accounts	60,907	59,883	63,069	124,366	119,347	116,452
Administrative & General	1,173,771	1,039,550	962,467	2,368,611	2,055,439	2,002,634
Subtotal	3,797,159	3,574,516	2,920,506	7,703,381	7,668,561	6,129,112
Native System Margin	766,296	809,314	1,276,405	1,526,325	1,462,035	2,517,680
Steam Sales Margin	379,685	368,322	392,241	826,015	1,847,659	805,242
Wholesale Margin	(3,356,194)	(2,130,923)	(1,848,638)	(4,438,240)	(3,722,216)	(3,493,954)
Net Electric Margin	(2,210,213)	(953,287)	(179,992)	(2,085,900)	(412,522)	(171,032)
Other Revenue	67,764	44,802	72,321	131,441	119,481	149,464
Nonoperating Revenue (Expense)	7,712	16,443	9,549	16,363	33,905	19,881
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	($2,134,737)	($892,042)	($98,122)	($1,938,096)	($259,136)	($1,687)

Electric Utility

Review of Operating Results

February 2017

MUSCATINE POWER AND WATER - ELECTRIC UTILITY
VARIANCES FROM BUDGETED NET POSITION - FEBRUARY 28, 2017

	(Unfavorable)/ Favorable Compared to Budget	
Sales of Electricity		
Native System Sales	$ (99,110)	1.6% lower kWh's, offset by a 0.6% higher average sales price ($.06685/kWh versus $.06647/kWh budgeted)
Wholesale Sales	(1,072,668)	33.5% lower kWhs sold, offset by an 18.9% higher average sale price ($.03754/kWh versus $.03156/kWh)
	(1,171,778)	
Steam Sales	(26,133)	A 6.6% lower average sales price, offset by 5.6% higher pounds of steam sold
Other Revenue		
By-Product Revenue	(5,622)	Fly ash sales
	(8,200)	Gypsum sales not realized
Miscellaneous Revenue	(5,248)	Lower job sales, net of expenses
	10,856	Higher transmission revenue
	(1,592)	Penalty revenue
	(2,154)	Other miscellaneous variances - net
	(11,960)	
Operating Expense		
Purchased Power - Native System	(283,233)	Average purchase price is 8.6% higher ($.03013/kwh vs $.02774/kwh), offset by 1.4% lower kWhs purchased
Purchased Power - Wind	(28,358)	12.9% higher kWhs purchased
	(311,591)	
Production Fuel	861,546	22.7% or 30,568 fewer number of coal tons burned, plus a 2.9% higher price/ton
	9,081	Unit 9's lower fuel oil usage
	(18,006)	Unit 8's natural gas usage was not budgeted
	9,380	Lower gasoline/diesel fuel usage for dozers
	(9,184)	CCR compliance costs were not budgeted
	4,500	Landfill groundwater analysis was not performed
	21,013	Other miscellaneous variances - net
	864,450	
Emissions Allowance	146,184	Market price lower than assumed
Operation	(37,826)	Higher bottom ash handling expense due to timing
	21,558	Lower gas usage for auxiliary boiler
	33,963	PAC (powdered activated carbon) injection system costs were lower
	5,250	Lower scrubber waste handling expenses
	2,981	Lower limestone usage
	4,213	Lower cost for wastewater operations
	(14,833)	Higher water bill for Units 7 & 8
	(27,933)	Higher cost for IDNR Title V permit fee
	30,000	316(b) Impingement/entrainment study not expended
	(5,831)	Higher cost for stack emission testing
	5,000	Coal and byproduct analysis not completed
	(12,910)	Higher cost for continuous emissions monitoring system consulting
	(3,066)	Higher cost of Unit 9 4-SYTE system strategy program due to timing in budget
	(5,666)	Higher cost for plant safety materials
	6,951	Lower cost for MISO operating & administrative fees
	3,000	North American Energy Markets membership, not expended
	80,913	Lower cost for MISO's multi-value transmission projects
	110,000	Transmission coordination study, not begun
	8,334	Relay technician consultant, not utilized
	7,550	Midwest Municipal Transmission Group dues, not expended

MUSCATINE POWER AND WATER - ELECTRIC UTILITY
VARIANCES FROM BUDGETED NET POSITION - FEBRUARY 28, 2017

	(Unfavorable)/ Favorable Compared to Budget	
	9,115	Electric line workers' tools not needed
	2,500	Lean supplies, not expended
	13,000	Trees Forever, not expended
	(14,274)	Higher cost for commercial lighting rebates
	3,000	City building rebates not expended
	7,750	Motor rebates not expended
	8,100	Organizational development consulting not expended
	5,534	Board legal services not expended
	8,380	Environmental/regulatory legal service not expended
	2,000	Transmission/reliability standards attorney not expended
	8,910	Financial audit services, not expended
	(7,522)	Timing of electric cost of service study
	(18,493)	IS department professional services and review, not budgeted
	6,750	Employee search services, not needed
	(7,136)	Engineering services, not budgeted
	19,373	Lower cost for workers compensation claims and insurance
	17,435	Lower healthcare costs
	50,795	Lower FICA expense
	(13,153)	Higher cost of deferred comp's utility match due to timing
	5,756	Lower cost of educational reimbursements
	4,427	Higher fringe benefits charged to capital projects
	13,521	Lower cost for employee team expenses
	17,628	Fewer subscriptions/memberships
	4,901	Lower cost for gasoline/diesel fuel
	52,524	Less training/travel
	(11,358)	Higher cost for temporary labor services
	127,817	Lower labor cost
	14,047	Lower vacation accrual
	47,156	Other miscellaneous variances - net
	590,131	
Maintenance	4,600	Contracted utility work not utilized
	3,600	Unit 9 backflow preventer testing not begun
	3,000	Waste oil material dumpster not expended
	(3,100)	Unit 8 fire protection pump/check valve repair not budgeted
	(11,505)	Higher bottom ash system materials expense
	(11,140)	Higher cost for partial replacement of Unit 9 BA pantleg refractory
	20,792	Lower fly ash system materials expense
	(3,484)	Inspection Unit 7 stack fall protection system not budgeted
	(10,656)	Higher cost for Unit 7 safety valve repairs
	(8,229)	Unit 8 isolation balloon for flue gas exhaust stack not budgeted
	(11,210)	Unit 8 distributive control repair not budgeted
	(17,443)	Unit 9 drum level gauge glass assembly not budgeted
	(4,950)	Unit 9 coal feeder piping repair budgeted later in the year
	(29,891)	Replacement of 9B pulverizer ceramic tile on the journal inner cone not budgeted
	80,000	Pulverizer journal rebuild, not completed
	5,250	Unit 9 sootblower rebuild, not completed
	3,870	Unit 9 miscellaneous valve repairs not needed
	3,750	Unit 9 boiler vent, drain, and blowdown valve repairs not expended
	(11,677)	Higher cost to inspect Unit 9 boiler windboxes and SOFA ductwork
	15,000	Unit 9 superheater temperator inspection not completed
	14,000	9A ID fan motor inspection not completed
	(5,098)	Higher cost for hydroset boiler safeties & repair
	11,679	Lower cost to explosive clean Unit 9 boiler
	(28,038)	Higher cost to deslag Unit 9 boiler
	7,000	Economizer contract cleaning not completed
	38,000	Unit 9 coal nozzle tip repair or replacement not completed
	20,000	Replace Unit 9 coal nozzles not completed

MUSCATINE POWER AND WATER - ELECTRIC UTILITY
VARIANCES FROM BUDGETED NET POSITION - FEBRUARY 28, 2017

	(Unfavorable)/ Favorable Compared to Budget	
	(4,919)	Higher cost for Unit 9 boiler & ductwork vacuum services
	108,000	Contracted labor not utilized
	10,000	Scaffold Unit 9 boiler pantlegs for refractory and screen repair not expended
	8,000	ID FD Fan OEM inspection services not expended
	10,011	Lower cost for Unit 9 boiler tube shield repairs
	55,000	Replace Unit 9 hot & cold reheat drip leg switches not completed
	(35,000)	Grit blast and vacuum clean Unit 9 precipitator not budgeted
	(12,135)	Inspection and cleaning Tower 902 not budgeted
	(15,100)	FGD batteries replacement not budgeted
	(14,842)	Absorber spray pump inspection not budgeted
	9,800	WDHFP discharge valves to Clarkson not expended
	8,000	Process piping repairs not expended
	9,600	Booster fan OEM inspection not expended
	(3,268)	Replace transformer for 9 precipitator transformer rectifier not budgeted
	6,666	Miscellaneous FGD equipment repairs not expended
	1,377,101	Unit 9 turbine & control valves inspection/overhaul timing in budget differs
	(47,552)	Replace oil in Unit 9 transformer not budgeted
	29,000	Replace #2 bearing seals not completed
	15,000	U9 Dovetail pin inspection TIL689-R1 not completed
	30,000	Bearing laser align and load testing not completed
	28,493	Lower cost for circulating water tunnel inspection
	13,000	4160 breaker inspection not completed
	(91,012)	Replace Unit 9 batteries not budgeted
	(22,985)	Higher cost for rail car maintenance
	24,753	Lower cost for transmission line maintenance
	7,925	Lower cost for distribution line maintenance
	16,426	Lower cost for computer hardware/software maintenance
	3,282	Radio equipment maintenance not needed
	(146,379)	Higher labor cost
	36,630	Other miscellaneous variances - net
	1,487,615	
Depreciation	114,271	Net value of the A&G assets were overestimated for the budget
Nonoperating Revenue (Expense)		
Interest Income	17,687	Higher average cash balances
Interest Expense	(145)	
	17,542	
Capital Contributions	2,863	CenturyLink transformer
Change in Net Position	$ 1,701,594	Total Variance from Budgeted Net Position

Statements of Revenues, Expenses and Changes in Net Position

Sales of Electricity

Native System Sales

1.6% lower kWh's sold, offset by a 0.6% higher average sales price per kWh ($.06685/kWh versus $.06647/kWh budgeted), resulted in $99,110 lower revenue.

Wholesale Sales

33.5% lower kWhs sold, offset by an 18.9% higher average sales price ($.03754/kWh versus $.03156/kWh budgeted), resulted in $1,072,668 lower revenue than projected.

Steam Sales

A 6.6% lower average sales price, offset by 5.6% higher pounds of steam sold, resulted in $26,133 lower revenue than projected.

Other Revenue

By-Product Revenue

Fly ash sales are $5,622 lower than budgeted; gypsum sales, budgeted at $8,200, was not realized.

Miscellaneous Revenue

Transmission revenue is $10,856 higher than budgeted. Job sales revenue is $5,248 lower than budgeted; penalty revenue is also lower than budgeted by $1,592.

Nonoperating Revenue (Expense)

Interest Income

Interest income is $17,687 higher than budgeted due to higher average cash balances.

Statement of Net Position

Liabilities

Health and Dental Insurance Provision

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

Summary of Expenses

Purchased Power – (555)

An 8.6% higher average purchase price ($.03013/kWh versus $.02774/kWh budgeted), offset by 1.4% lower kWhs purchased for native system sales, resulted in $283,233 higher cost. Wind energy kWh purchases were 12.9% higher than budgeted.

Generation

Fuel – Coal – (501-001)
22.7% or 30,568 fewer tons of coal burned due to the maintenance outage taking place in February versus later in the budget year, plus a 2.6% higher price/ton, resulted in $861,546 lower coal expense.

Fuel – Fuel Oil – (501 cat 08)
Unit 9's fuel oil usage is lower than budgeted resulting in $9,081 lower expense.

Fuel – Gas – (501-002)
The budget assumed there would be no Unit 8 natural gas usage; actual expense is $18,006.

Coal Handling Expense - (501-003)
Gasoline/diesel fuel expense for the dozers is $9,380 lower than budgeted, and the material handling department's labor expense is $9,051 lower than budgeted.

Landfill Operation Expense - (501-925)
CCR compliance expenses totaling $9,184 were not budgeted; labor expense is $5,997 greater than the budget. Groundwater analysis, budgeted at $4,500, was not performed.

Emissions Allowance Expense - (509)
Expense is based on current market price, which is $146,184 lower than budgeted.

Annual SO2 - CSAPR allowance information follows:											
1/1/17 Beg balance											
4102.5											
Annual EPA				GPC		Allowances	MPW		GPC		Allowances
Allocation	+	Purchases	+	Provides	=	Available	Electricity	+	Steam	=	Consumed
1905.0		0.0		238.0		6245.5	79.2		238.0		317.2
						Valued @	$266		$476		
							Ending Balance 2/28/17				5928.3
Annual NOx allowance information follows:											
1/1/17 Beg balance											
1301.7											
Annual EPA				GPC		Allowances	MPW		GPC		Allowances
Allocation	+	Purchases	+	Provides	=	Available	Electricity	+	Steam	=	Consumed
1710.0		0.0		306.0		3317.7	151.1		306.0		457.1
						Valued @	$0		$2,340		
							Ending Balance 2/28/17				2860.6

Generation (cont'd)

Steam Expense – Boiler – (502-004)
Bottom ash handling expense is $37,826, which was not budgeted. Gas usage for the auxiliary boiler and labor expenses are $21,558 and $42,818 lower than budgeted, respectively.

Steam Expense – Pollution Control – (502-005)
Labor, PAC (powdered activated carbon) injection system costs, scrubber waste handling, limestone, and wastewater operations expenses are $32,866, $33,963, $5,250, $2,981, and $4,213 lower than budgeted, respectively.

Electric Expense – (505)
Labor expense is $40,151 lower than budget; water expense for Units 7 & 8 is $14,833 higher than budgeted.

Miscellaneous Steam Power Expense - (506)	2017	2017
	Budget	Actual
Labor	$160,220	$140,126
IDNR Title V permit fee	16,613	44,546
PM2.5 modeling	4,000	-
316(b) cooling water impingement/entrainment study	30,000	-
Stack emission testing	23,750	29,581
Coal and byproduct analysis	5,000	-
Continuous emissions monitoring system consulting	4,380	17,290
ESC software engineering time/maintenance	4,200	4,115
Unit 9 4-SYTE system strategy program	1,334	4,400
Plant safety material expenses	17,189	22,855
Rail car storage/switching costs/admin fees	31,030	32,721
Travel/training	27,600	10,654
Temporary labor services	5,200	14,963
Ground maintenance	2,100	44
Membership/subscriptions	7,150	3,599
Gasoline/diesel fuel	2,333	1,663
Other expenses	39,834	20,262
	$381,933	$346,819

Maintenance of Supervision – (510)
Labor expense is $39,289 higher than budget due to Unit 9 maintenance outage being moved to February.

Generation (cont'd)

Maintenance of Structures - (511)	2017 Budget	2017 Actual
Labor	$48,348	$25,537
Elevator maintenance	7,584	10,095
State elevator inspection and permits	2,000	-
Contracted insulation replacement/repair	4,012	2,997
Overhead door maintenance	2,000	-
Contracted utility work	4,600	-
Units 9 annual backflow preventer testing	3,600	-
Waste oil material dumpster	3,000	-
Unit 8 fire protection pump/check valve repair	-	3,100
Unit 9 wastewater treatment sump pump cleaning	3,600	4,553
Other expenses	26,542	13,693
	$105,286	$55,422

Generation (cont'd)

Maintenance of Boiler Plant - Boiler - (512-006)	2017 Budget	2017 Actual
Labor	$125,742	$139,447
Bottom ash system materials	15,572	30,179
Partial replacement of Unit 9 BA pantleg refractory	75,000	83,038
Fly ash system materials	21,084	5,292
Reverse osmosis system	2,150	524
Inspect Unit 7 stack fall protection system	-	3,484
Unit 7 safety valve repairs	-	10,656
Unit 8 isolation balloon for flue gas exhaust stack	-	8,229
Unit 8 distributive control repair	-	11,210
Replace Unit 8 FA blower inlet piping	5,000	-
Unit 9 drum level gauge glass assembly	-	17,443
Unit 9 sootblower repairs	5,250	7,590
Unit 9 coal feeder piping repair	-	4,950
Replace 9B pulverizer ceramic tile on the journal inner cone	-	29,891
Pulverizer journal rebuild	80,000	-
Unit 9 routine pulverizer maintenance	16,700	17,350
Rebuild Unit 9 sootblowers	5,250	-
Unit 9 miscellaneous valve repairs	7,000	3,130
Unit 9 boiler vent, drain, and blowdown valve repairs	3,750	-
Inspect Unit 9 boiler windboxes and SOFA ductwork	-	11,677
Unit 9 superheater temperator inspection	15,000	-
9A ID fan motor inspection	14,000	14,981
Update Unit 9 BFP recirculating valve controls	8,000	7,714
Hydroset boiler safeties & repair	10,000	15,098
Explosive clean Unit 9 boiler	15,000	3,321
Deslag Unit 9 boiler	-	28,038
Economizer contract cleaning	7,000	-
Unit 9 coal nozzle tip repair or replacement	38,000	-
Replace Unit 9 coal nozzles	20,000	-
Unit 9 boiler & ductwork vacuum services	32,000	36,919
Contracted labor	108,000	-
Unit 9 high pressure air heater boiler washing	36,000	32,683
Grit blast U9 ID fans	3,240	-
Scaffold Unit 9 boiler pantlegs for refractory and screen repa	10,000	8,113
ID FD Fan OEM inspection services	8,000	-
Unit 9 boiler tube shield repairs	15,000	4,989
Replace Unit 9 hot & cold reheat drip leg switches	55,000	-
Software/plant controls maintenance agreements	8,688	11,314
Other expenses	24,073	60,906
	$789,499	$608,166

Generation (cont'd)

Maintenance of Boiler Plant – Pollution Control - (512-007)	2017 Budget	2017 Actual
Labor	$44,812	$75,558
Continuous emission monitoring expenses	20,682	23,002
PAC (powdered activated carbon) injection system costs	1,666	43
Grit blast and vacuum clean Unit 9 precipitator	35,000	37,657
Miscellaneous limestone handling equipment repairs	1,898	-
Wastewater equipment maintenance	2,317	413
Scrubber waste equipment repairs	1,800	811
Inspect/clean Tower 902	-	12,135
FGD hydroclone repairs/replacements	2,500	-
FGD batteries replacement	-	15,100
Absorber spray pump inspection	-	14,842
WDHFP discharge valves to Clarkson	9,800	-
Process piping repairs	8,000	-
Booster fan OEM inspection	9,600	-
Replace transformer for 9 precipitator transformer rectifier	-	3,268
Miscellaneous FGD equipment repairs	6,666	-
Other expenses	3,478	12,210
	$148,219	$195,039

Maintenance of Electric Plant - (513-008)	2017 Budget	2017 Actual	
Labor	$39,592	$174,569	
Unit 9 turbine & control valves inspection/overhaul	1,600,000	222,899	*
Unit 9 transformer oil samples	2,500	-	
Replace oil in Unit 9 transformer	-	47,552	
Replace Unit 9 turbine thermocouples	-	2,839	
Replace #2 bearing seals	29,000	-	*
Unit 9 Dovetail pin inspection	15,000	-	*
Bearing laser align and load testing	30,000	-	
Circulating water tunnel inspection	50,000	21,507	
4160 Breaker Inspection	13,000	-	
Replace Unit 9 batteries	-	91,012	
Repair Unit 9 air ejector supply safety valve leak	-	4,179	
Unit 8 miscellaneous plant maintenance	2,745	3,903	
Unit 7 miscellaneous plant maintenance	3,617	1,026	
GE, EX-2000, and Mark V service agreement	3,744	3,854	
Other expenses	14,010	14,249	
	$1,803,208	$587,589	
*Costs included in turbine overhaul project			

Maintenance of Miscellaneous Steam Plant – (514)
Labor expense is $14,973 lower than budgeted. The budget includes $19,275 for hoist and chainfall inspections and repairs that have not been expended.

Generation (cont'd)

Maintenance of Coal Handling Equipment - (516)	2017 Budget	2017 Actual
Labor	$45,346	$41,141
Rail car maintenance	2,000	24,985
Dozer maintenance	22,850	32,713
Coal conveyor maintenance	12,867	13,331
Other expenses	23,013	10,135
	$106,076	$122,305

System Control and Load Dispatch - (556)	2017 Budget	2017 Actual
Labor	$27,789	$20,717
SCADA Dark Fiber service & BUCC MME services	3,244	3,156
MISO operating & administrative fees	25,098	18,147
North American Energy Markets membership	3,000	-
Other expenses	553	727
	$59,684	$42,747

Transmission

Load Dispatching – (561)
The budget includes $2,500 for control area certification, which have not been expended; labor expense is $4,685 lower than budgeted.

Station Expense – (562)
Labor expense is $5,895 lower than budgeted.

Transmission of Electricity by Others – (565)
The cost of MISO's multi-value projects is $80,913 lower than budgeted.

Miscellaneous Transmission Expense – (566)
The budget includes $110,000 for a coordination study for system protection that has not begun; $8,334 for a relay technician consultant; plus $7,550 for MMTG annual membership dues that has not been expended.

Maintenance of Station Equipment – (570)
Labor expense is $15,222 higher than budgeted; battery load testing, costing $2,915, was not budgeted.

Maintenance of Overhead Lines – (571)
Line maintenance performed by MEC for the joint section of Line 104 was budgeted at $6,250/month; it is now estimated at $1,000/month. Other material expenses are $14,253 lower than budgeted. Electric line workers' labor expense is $11,759 lower than the budget.

Distribution

Load Dispatching – (581)
System control labor expense is $9,170 higher than budgeted.

Station Expense – (582)
Substation electricians' labor expense is $3,898 lower than budgeted.

Overhead Line Expense – (583)
The budget includes $9,115 for electric line workers' tools and tool repairs that have not been needed, plus another $2,500 for Lean initiative expenses.

Vehicle Expense – (589)
Gasoline/diesel fuel expense is $3,440 lower than budgeted.

Underground Line Expense – (584)
Outside servicemen's labor and material expenses are $1,274 and $3,125 lower than budgeted, respectively.

Street Lighting – (585-STL)
Less time has been spent on street light repairs, resulting in $2,268 lower labor expense and $1,721 lower material cost.

Meter Expense – (586)
The metering department's labor and material expenses are $2,626 and $2,117higher than budgeted, respectively. Actual expense includes $1,427 for the AMR gateway licenses that are budgeted in March.

Miscellaneous Distribution Expense – (588)
Labor expense is $20,690 higher than budgeted; the electric line workers' labor makes up $10,925 of this total.

Maintenance of Station Equipment – (592)
Labor expense is $3,157 lower than budgeted.

Maintenance of Overhead Lines – (593)
Electric line workers' labor and material expenses are $10,153 and $7,453 lower than budgeted, respectively.

Maintenance of Underground Lines – (594)
Electric line workers' labor expense is $12,758 lower than budgeted.

Maintenance of Line Transformers – (595)
Labor for transformer change-outs and other maintenance is $3,755 lower than budgeted.

Maintenance of Street Lighting – (596-STL)
Labor and materials are higher than budgeted by $4,011 and $2,183, respectively.

Maintenance of Signal Expense – (596-419)
Substation electricians' labor expense is $1,759 lower than budgeted.

Distribution (cont'd)

Maintenance of Miscellaneous Distribution Plant – (598)
Vehicle maintenance is $2,163 higher than budgeted.

Vacation, Holiday, Sick Leave – (599)
The electric line workers' sick leave and personal time usage was higher than anticipated.

Customer Service Expense

Customer Information Expense - (909)	2017 Budget	2017 Actual	2016 Actual
Marketing			
Media advertising	$2,925	$1,311	$1,276
Customer newsletter	696	-	502
Postage	366	-	-
Promotional materials	1,938	182	93
Photo library	508	324	324
Subtotal - Marketing	6,433	1,817	2,195
Energy Services			
Trees Forever	13,000	-	12,500
IAMU energy efficiency report	-	-	150
Customized energy efficiencies	600	-	-
Compact fluorescent exchange program	1,200	474	801
Customer awareness programs	167	-	-
Presentation materials	1,835	-	-
Subtotal - Energy Services	16,802	474	13,451
	$23,235	$2,291	$15,646

Energy Efficiency Rebates - (912)	2017 Budget	2017 Actual	2016 Actual
Compact fluorescent lighting	$500	$76	$589
Commercial lighting	12,500	26,774	3,403
Air conditioning	3,350	3,145	1,800
Refrigerator	1,666	655	670
City building improvement	3,000	-	-
Washing machine	1,000	400	800
Customized energy efficiency	-	1,625	2,000
Water heater	900	600	1,350
Geo-thermal	2,000	2,100	-
Motor	10,000	2,250	-
Dishwasher	800	400	350
	$35,716	$38,025	$10,962

Consumer Accounts

Consumer Records and Collection - (903)	2017	2017	2016
	Budget	Actual	Actual
Labor	$60,758	$51,963	$56,116
Temporary labor services	173	3,044	-
Postage	4,767	4,492	5,141
Payment processing fees	9,193	8,812	8,426
Collection fees	1,980	1,135	987
Integrated voice response service	330	273	-
Travel/training	50	-	-
Gasoline/diesel fuel	500	294	227
Other	1,304	590	558
	$79,055	$70,603	$71,455

Administrative and General

Administrative and General Salaries – (920)
Labor is lower than budget by $24,178 due to the Manager, Information Systems position not being filled.

Office Supplies - (921)	2017	2017	2016
	Budget	Actual	Actual
Phone expense	$6,453	$6,055	$6,232
Memberships/subscriptions	7,968	9,107	5,733
Internet/MME	2,770	2,598	2,871
Office furniture	1,765	1,405	-
Computer hardware/software	5,732	3,043	3,255
Postage	-	(10)	2,356
Vehicle allowance	2,077	2,077	2,067
Vehicle maintenance	783	341	564
Gasoline/diesel fuel	667	279	200
General office supplies	2,297	2,117	1,494
Other	7,007	2,198	2,889
	$37,519	$29,210	$27,661

Administrative and General (cont'd)

Outside Services Employed - (923)	Resp Code	2017 Budget	2017 Actual	2016 Actual
Organizational development consulting	120-Sal	$8,100	-	-
Legal services	140-Brandy	21,340	15,806	1,244
Environmental/regulatory legal services	140-Brandy	8,380	-	-
Transmission/reliability standards attorney	140-Brandy	2,000	-	-
NERC audit preparation consultant	140-Brandy	-	-	2,850
Coal & transportation attorney	140-Brandy	832	-	-
Bond counsel	140-Brandy	625	-	-
Labor attorney	140-Brandy	840	1,232	-
CIP compliance consulting	145-Seth	-	-	7,000
Web design service	224-Rick	1,478	705	572
Insurance advisor	310-Jerry	6,804	6,804	6,804
Financial audit services	320-Cassie	29,160	20,250	28,651
Cost of service study	320-Cassie	5,000	12,522	-
Coal & transportation consulting	331-Brad	10,000	10,000	11,537
Fuel procurement committee consulting	331-Brad	1,500	-	-
IS department professional services	350-Jerry	-	3,355	-
IS department review	350-Jerry	-	15,138	-
Benefits consulting	410-Erika	6,035	6,035	6,035
Employee search services	410-Erika	6,750	-	-
Labor legal services	410-Erika	-	-	75
MISO consultant	610-Gage	834	-	-
Engineering services	760-Mark	-	7,136	-
		$109,678	$98,983	$64,768

Injuries and Damages – (925)
Workers compensation claims and insurance premiums are $15,289 and $4,084 lower than budgeted, respectively.

Administrative and General (cont'd)

Employee Pensions and Benefits (926)	2017 Budget	2017 Actual	2016 Actual
Pension	$391,307	$391,307	$359,869
Healthcare costs	411,883	394,448	389,989
FICA	217,235	166,440	210,821
Deferred comp utility match	56,000	69,153	53,925
Dental	16,720	15,809	16,996
Educational reimbursements	8,100	2,344	4,033
LTD insurance	10,429	9,776	10,132
Life insurance	7,501	7,633	7,189
Post-employment health benefit	4,572	4,572	4,632
Unemployment expenses	-	2,369	1,728
Other expenses	4,404	3,944	3,724
	$1,128,151	$1,067,795	$1,063,038

Fringe Benefits Charged to Construction – (927)
More time has been charged to capital projects than projected.

Miscellaneous General Expense - (930)	2017 Budget	2017 Actual	2016 Actual
Employment expenses	$2,916	$3,923	$662
APPA dues	3,696	4,066	3,696
IUB Iowa Energy Center	8,333	8,767	8,364
IAMU membership	5,666	5,924	5,642
Economic development pledge	4,725	4,725	-
Legal publications	878	640	577
Continuous Improvement	7,302	1,102	-
Subscriptions/memberships	2,959	5,515	4,501
Employee team expenses	16,021	2,500	4,466
Training/travel	39,769	10,915	6,301
Safety-related expenses	1,325	1,023	3,806
Labor	9,280	5,880	8,429
Temporary labor services	12,597	11,321	6,911
Board trustee fees	1,215	1,215	1,215
Other expenses	9,692	6,352	4,596
	$126,373	$73,867	$59,166

Maintenance of General Plant – (932)
Radio equipment, vehicle, and computer hardware/software maintenance costs are $3,282, $5,707 and $16,426 lower than budgeted, respectively.

Depreciation – (933)
The budget overestimated the net value of A&G assets at 2016 year end.

Electric Utility
Statement of Net Position Review
February 2017

	2017	2016
Current Assets		
Consumer Accounts		
Customer Electric Accounts	$4,972,686	$4,575,004
Unbilled Revenue	479,274	482,645
Merchandise Accounts	77,989	513,192
Allowance for Doubtful Accounts	(13,057)	(49,493)
	$5,516,892	$5,521,348
Inventories		
Inventory	$5,072,959	$5,279,042
Emission Allowance - S02	124,266	170,113
Emission Allowance - Nox	220,723	189,482
Stores Expense	(7,583)	(98,012)
Gas and Diesel Fuel	168,962	149,521
Limestone	142,216	142,847
	$5,721,543	$5,832,993
Prepaid Expenses		
Prepaid Insurance	$368,895	$381,996
Prepaid Maintenance Contracts	318,212	232,513
Prepaid Travel	26,078	23,732
Other Prepaid Expenses	55,405	27,439
	$768,590	$665,680
Current Liabilities		
Accounts Payable (amounts over $10,000 itemized)		
Water bills	$30,469	$29,875
Communications bills	13,812	13,812
ADA Carbon Solutions - activated carbon	---	39,799
Alliant Energy - gas	21,055	---
Allied Valve - valve repair	19,148	---
Alstom Power - coal pipe/liners	---	23,041
Altec Industries - aerial truck	117,408	---
American Electric Power - railcar repairs	24,985	---
Argo Turboserve Corp - oil deflectors	28,397	---
Babbitting Service - #9 bearing repair	20,887	---
Baker Tilly Virchow Krause - audit svc	20,250	25,596
Bank of America - supplies	22,256	19,053
Black & Veatch - engineering services	85,803	---
Carmen Industries - bushings	10,420	---
City of Muscatine - wastewater/sanitation	129,001	88,692
Cogsdale - business system implementation	200,674	---
Dave Berg Consulting - Electric COS study	12,523	---
Dell Marketing - computers	---	19,081
Electrical Engineering & Equipment - LED lights	92,348	---
GE Energy Control Solutions - software upgrades	18,054	---

General Electric International - yearly maintenance	---	20,778
GP Strategies Corporation - operator training program	---	15,300
Graybar Electric - cable/fuses	---	37,293
Hibbard Inshore - #9 piping inspection	20,290	---
Howden - #9 FD/ID fan inspections	19,445	---
Hubill - batteries	105,256	---
Hull Enterprises - coal transportation	44,428	---
IA DNR - Title V Fee	370,111	111,768
Iowa Chicago & Eastern RR - coal transportation	38,930	38,930
Jefferies Refined Coal - refined coal	1,217,632	3,104,218
Lenovo - computers & laptops	---	21,788
Lewis Industrial - tower 902 repair	---	20,622
Linwood - limestone	10,509	14,529
Magellan Advisors - IS dept consulting	12,701	---
Meylan Enterprises - air preheater wash	30,833	---
MidAmerican Energy - joint trans line maint	---	42,500
MISO - purch power/trans svc/admin fee	759,517	141,268
Mostardi Platt - emission testing	29,781	---
Motive Rail - railcar storage	28,463	---
Ottsen - oil'	43,965	---
Overland - ash hauling	---	10,200
Pathfinder - blower	---	10,389
Plibrico - ash hopper refractory repair	83,038	---
Power Plant Services - #9 turbine overhaul	47,771	---
Power Systems Engineering - south sub expansion	---	32,348
Resco - luminaires	16,224	---
RMB Consulting & Research- training	---	10,157
RS Stover - parts	16,786	---
S&K Air Power - wearing compound	12,432	---
South Fork Wind - energy	155,704	---
TEI Construction - install PAC system	---	185,914
Tekran - CEM maintenance	16,725	13,091
Tenaska - monthly fee	---	15,000
Terry & Sons - #9 boiler cleaning	18,060	---
Thielsch Engineering - boiler monitoring software	---	44,000
Trees Forever - annual contribution	---	12,500
Turbine Master - #9 turbine water blast/NDE	62,713	---
Visa - travel	20,911	14,916
Wesco - junction box/foundation	11,693	35,580
W-S Specialty Industrial - grit blast precip/deslag boiler/vacuuming svc	96,805	---
Other	395,734	294,518
	$4,445,449	$4,470,976

<u>Miscellaneous Accrued Expenses</u>		
Interest on Customer Deposits	$86,237	$88,940
Sales/Use Tax Collections Payable	84,580	49,772
Payroll Tax Collections Payable	359,089	189,405
Employee Payroll Deductions	13,061	---
Workers' Comp Self Insurance Reserves	418,632	358,467
Comp Time Payable	52,292	34,810
Employee team bank	59,944	58,302
	$1,073,835	$779,696

Muscatine Power and Water

Water Utility

Statement of Revenues, Expenses and Changes in Net Position

February 2017

Muscatine Power and Water
Water Utility

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Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - February 2017

Water Distribution - 1,000 Gallons	Budget Estimate	%Increase (Decrease) From Budget	This Year	%Increase (Decrease) Fr. Last Yr.	Last Year
Contract Customers	584,188	11.2	649,739	14.9	565,505
Power Plants	49,100	20.3	59,069	(13.5)	68,270
Residential	32,308	(0.3)	32,219	1.6	31,723
Commercial	27,410	(9.6)	24,767	(4.6)	25,962
Total Metered Customers	693,006	10.5	765,794	10.8	691,460
Rated Customers - Estimate	---	---	15	36.4	11
City Use, Line Loss, Cycle Billing	41,580	10.5	45,948	10.8	41,488
Total Water Pumped	734,586	10.5	811,757	10.8	732,959

Calendar Year-to-Date

Water Distribution - 1,000 Gallons	Budget Estimate	%Increase (Decrease) From Budget	This Year	%Increase (Decrease) Fr. Last Yr.	Last Year
Contract Customers	1,173,296	12.5	1,319,566	14.9	1,148,540
Power Plants	105,332	38.7	146,060	3.0	141,839
Residential	70,985	(4.2)	68,037	(2.4)	69,701
Commercial	55,015	(7.7)	50,791	(2.5)	52,107
Total Metered Customers	1,404,628	12.8	1,584,454	12.2	1,412,187
Rated Customers - Estimate	---	---	30	1.0X	15
City Use, Line Loss, Cycle Billing	84,278	12.8	95,067	12.2	84,731
Total Water Pumped	1,488,906	12.8	1,679,551	12.2	1,496,933

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - February 2017

	Budget Estimate	Avg. Price	% Increase (Decrease) from Budget	This Year	Avg. Price	% Increase (Decrease) from Last Year	Last Year	Avg. Price
Sales of Water								
Contract Customers	$242,161	$ 0.41453	8.5	$262,804	$ 0.40448	15.5	$227,493	$ 0.40228
Power Plants	25,310	0.51548	19.9	30,350	0.51381	2.6	29,579	0.43326
Residential	151,023	4.67448	(0.1)	150,853	4.68217	4.9	143,740	4.53110
Commercial	45,217	1.64965	1.5	45,898	1.85319	2.9	44,591	1.71755
Water Sales	463,711	0.66913	5.6	489,905	0.63973	10.0	445,403	0.64415
Other Revenue								
Penalty Revenue	845		—	693		9.8	631	
Merchandise & Job Sales-Net	916		(57.4)	390		(76.9)	1,688	
Miscellaneous Revenue	984		1.8X	2,775		1.8X	990	
Total Other Revenue	2,745		40.5	3,858		16.6	3,309	
Operating Revenue	466,456		5.9	493,763		10.0	448,712	
Operating Expense								
Operation	334,751		(6.6)	312,571		4.6	298,927	
Maintenance	47,315		(3.0)	45,874		(51.4)	94,418	
Depreciation	65,292		(1.3)	64,466		5.2	61,305	
Total Operating Expense	447,358		(5.5)	422,911		(7.0)	454,650	
Operating Income (Loss)	19,098		2.7X	70,852		-12.9X	(5,938)	
Nonoperating Revenues (Expenses)								
Interest Income	58		(10.3)	52		(25.7)	70	
Interest Expense	(1,092)		21.3	(1,325)		69.4	(782)	
Net Nonoperating Revenues (Expenses)	(1,034)		23.1	(1,273)		78.8	(712)	
Change in Net Position	18,064		2.9X	69,579		-11.5X	(6,650)	
Beginning Net Position	16,485,050			16,426,466			15,708,260	
Ending Net Position	$16,503,114			$16,496,045			$15,701,610	
Net Income (Loss) to Operating Revenue	3.9			14.1			(1.5)	
Debt Service Coverage	22.98			34.64			20.27	

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - February 2017

	Budget Estimate	Avg. Price	% Increase (Decrease) from Budget	This Year	Avg. Price	% Increase (Decrease) from Last Year	Last Year	Avg. Price
Sales of Water								
Contract Customers	$485,055	$ 0.41341	9.2	$529,697	$ 0.40142	15.6	$458,227	$ 0.39896
Power Plants	52,509	0.49851	27.0	66,689	0.45659	10.7	60,242	0.42472
Residential	309,913	4.36589	(1.2)	306,203	4.50056	3.9	294,691	4.22793
Commercial	90,755	1.64964	2.4	92,944	1.82994	4.3	89,135	1.71061
Water Sales	938,232	0.66796	6.1	995,533	0.62831	10.3	902,295	0.63893
Other Revenue								
Penalty Revenue	845		(18.1)	692		10.0	629	
Merchandise & Job Sales-Net	1,834		(60.9)	717		(70.3)	2,414	
Miscellaneous Revenue	2,053		98.0	4,065		66.5	2,442	
Total Other Revenue	4,732		15.7	5,474		(0.2)	5,485	
Operating Revenue	942,964		6.2	1,001,007		10.3	907,780	
Operating Expense								
Operation	678,353		(5.3)	642,498		5.4	609,830	
Maintenance	96,923		1.1X	199,131		40.2	142,006	
Depreciation	130,588		(1.3)	128,851		5.1	122,610	
Total Operating Expense	905,864		7.1	970,480		11.0	874,446	
Operating Income	37,100		(17.7)	30,527		(8.4)	33,334	
Nonoperating Revenues (Expenses)								
Interest Income	106		22.6	130		(13.3)	150	
Interest Expense	(2,185)		23.8	(2,705)		70.4	(1,587)	
Net Nonoperating Revenues (Expenses)	(2,079)		23.9	(2,575)		79.2	(1,437)	
Change in Net Position	35,021		(20.2)	27,952		(12.4)	31,897	
Beginning Net Position	16,468,093			16,468,093			15,669,713	
Ending Net Position	$16,503,114			$16,496,045			$15,701,610	
Net Income (Loss) to Operating Revenue	3.7			2.8			3.5	
Debt Service Coverage	22.83			20.26			28.54	

Muscatine Power and Water - Water Utility
Statements of Net Position
February 2017

ASSETS

	2017	2016
Current Assets:		
Unrestricted Assets		
Cash - interest bearing	$686,324	$953,908
Receivables:		
Consumer Accounts	673,164	611,310
Interest	11	1
Inventories	321,135	335,699
Prepaid Expenses	50,958	45,290
Total Unrestricted Current Assets	1,731,592	1,946,208
Restricted Assets		
Cash - interest bearing	35,292	35,256
	35,292	35,256
Total Current Assets	1,766,884	1,981,464
Property and Equipment:		
At Cost	32,797,914	29,178,552
Less Accumulated Depreciation	10,753,716	10,596,663
Net Property and Equipment	22,044,198	18,581,889
Deferred Outflows of Resources - Pension		
Changes of Assumptions	120,280	120,280
Difference between projected and actual earnings on pension plan	294,580	54,648
Contributions subsequent to measurement date	309,461	282,595
Total Deferred Outflows of Resources - Pension	724,321	457,523
TOTAL ASSETS	$24,535,403	$21,020,876

Muscatine Power and Water - Water Utility
Statements of Net Position
February 2017

LIABILITIES AND NET POSITION

	2017	2016
Current Liabilities:		
Payable from Unrestricted Assets		
Accounts Payable	$230,136	$220,834
Health & Dental Insurance Provision	31,680	30,320
Retained Percentage on Contracts	1,383	4,441
Consumer Advances for Construction	91,105	87,439
Accrued Payroll	14,251	73,609
Accrued Vacation	138,940	122,179
Accrued Property Taxes	1,585	1,404
Miscellaneous Accrued Expenses	67,329	63,745
Total Payable from Unrestricted Assets	576,409	603,971
Payable from Restricted Assets		
State Revolving Loan	31,000	30,000
Accrued Interest	3,224	2,224
Total Payable from Restricted Assets	34,224	32,224
Total Current Liabilities	610,633	636,195
Non-Current Liabilities:		
State Revolving Loan	100,000	131,000
Notes Payable to Electric Utility	5,500,000	2,900,000
Health & Dental Insurance Provision	41,141	42,790
Post-Employment Health Benefit Provision	40,423	37,115
Net Pension Liability	1,286,093	1,033,550
Consumer Advances for Construction	198,772	290,532
Total Non-Current Liabilities	7,166,429	4,434,987
Deferred Inflows of Resources - Pension	262,296	248,084
Net Position:		
Net Investment in Capital Assets	21,623,321	18,042,918
Restricted	32,068	33,032
Unrestricted	(5,159,344)	(2,374,340)
Total Net Position	16,496,045	15,701,610
TOTAL LIABILITIES AND NET POSITION	$24,535,403	$21,020,876

Muscatine Power and Water - Water Utility
Statements of Cash Flows
February 2017

	Current Month	Year-To-Date
Cash flows from operating activities:		
Cash received from:		
Water sales	$492,223	$1,017,581
Miscellaneous sources	4,281	7,822
Cash paid to/for:		
Suppliers	(235,845)	(427,368)
Employees payroll, taxes and benefits	(183,082)	(455,776)
Net cash flows from operating activities	77,577	142,259
Cash flows from capital and related financing activities:		
Loan from electric utility	---	2,600,000
Capital expenditures, net	(74,307)	(2,904,116)
Net cash flows from capital and related financing activities	(74,307)	(304,116)
Cash flows from investing activities:		
Interest received on investments	53	127
Net cash flows from investing activities	53	127
Net increase (decrease) in cash and investments	3,323	(161,730)
Cash and investments at beginning of period	718,293	883,346
Cash and investments at end of period	$721,616	$721,616

Muscatine Power and Water - Water Utility
Statements of Cash Flows
February 2017

	Current Month	Year-To-Date
Reconciliation of operating income to net cash flows from operating activities		
Operating income	$70,852	$30,527
Noncash item in operating income:		
Depreciation of utility plant	64,466	128,851
Changes in assets and liabilities:		
Consumer accounts receivable	6,358	28,184
Inventories	22,330	35,832
Prepaid and deferred expenses	(2,163)	2,785
Accounts payable	(112,197)	(67,069)
Net pension liability	13,799	27,598
Health & dental insurance provision	10,227	9,899
Other post-employment benefit provision	300	601
Retained percentage	404	600
Accrued payroll	439	(62,793)
Accrued vacation	3,100	9,426
Accrued property taxes	113	226
Unearned revenue	---	(2,300)
Miscellaneous accrued expenses	(451)	(108)
Net cash flows from operating activities	$77,577	$142,259

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - February 2017

	Budget Est.		This Year		Last Year	
Source of Supply						
Operation Supervision (600)	$3,315		$3,183		$2,868	
Operation Labor and Expenses (601)	1,037		688		1,088	
Miscellaneous Expense (603)	225		---		510	
Maintenance of Wells (614)	---		---		---	
Maintenance of Supply Mains (616)	760		---		1,692	
Depreciation (618)	9,493		9,525		9,015	
Total Source of Supply Expense	14,830	3.2	13,396	2.7	15,173	3.4
Pumping						
Operation Supervision (620)	3,698		3,628		3,263	
Fuel or Power Purchased (623)	76,370		79,866		71,298	
Pumping Labor and Expenses (624)	4,476		4,543		4,553	
Miscellaneous Expense (626)	262		295		295	
Maintenance of Structures (631)	448		---		---	
Maintenance of Pumping Equipment (632/633)	4,394		1,440		41,429	
Depreciation (634)	6,382		6,294		6,024	
Total Pumping Expense	96,030	20.6	96,066	19.5	126,862	28.3
Water Treatment						
Operation Supervision (640)	3,449		3,416		3,294	
Chemicals (641)	18,917		15,604		17,006	
Operation Labor and Expenses (642)	16,575		14,703		14,312	
Miscellaneous Expense (643)	3,491		8,592		1,268	
Maintenance of Structures (651)	671		48		618	
Maintenance of Purification Equip. (652)	943		4,982		5,195	
Depreciation (654)	3,517		3,262		3,229	
Total Water Treatment Expense	47,563	10.2	50,607	10.2	44,922	10.0
Distribution						
Operation Supervision (660)	3,472		3,543		3,376	
Storage Facilities Expense (661)	3,905		4,626		4,443	
Trans. & Distr. Lines Expense (662)	3,014		2,648		1,744	
Meter Expense (663)	9,460		8,627		8,589	
Consumer Installation Expense (664)	7,772		3,013		4,067	
Miscellaneous Expense (665)	17,633		15,176		12,938	
Vehicle Expense (667)	4,776		4,563		4,667	
Maintenance:						
Supervision (670)	5,049		4,948		4,690	
Structures (671)	157		24		324	
Reservoirs and Standpipes (672)	64		1,664		68	
Mains (673)	19,701		4,679		11,668	
Valves (674)	4,775		17,675		16,424	
Meters (676)	2,120		772		884	
Hydrants (677)	1,115		3,998		916	
Miscellaneous Plant (678)	2,969		3,549		7,633	
Vacation, Holiday, Sick Leave (679)	11,439		12,021		11,034	
Depreciation (680)	38,251		36,184		35,403	
Total Distribution Expense	$135,672	29.1	$127,710	25.9	$128,868	28.7

Muscatine Power and Water - Water Utility
Summary of Expenses
Calendar Year-to-Date - February 2017

	Budget Est.		This Year		Last Year	
Source of Supply						
Operation Supervision (600)	$6,718		$6,686		$5,630	
Operation Labor and Expenses (601)	2,073		1,419		2,160	
Miscellaneous Expense (603)	450		---		511	
Maintenance of Wells (614)	---		42,374		---	
Maintenance of Supply Mains (616)	1,520		---		1,692	
Depreciation (618)	18,987		19,051		18,029	
Total Source of Supply Expense	29,748	3.2	69,530	6.9	28,022	3.1
Pumping						
Operation Supervision (620)	7,503		7,644		6,424	
Fuel or Power Purchased (623)	154,818		161,627		144,220	
Pumping Labor and Expenses (624)	8,937		9,375		8,931	
Miscellaneous Expense (626)	524		590		590	
Maintenance of Structures (631)	897		232		---	
Maintenance of Pumping Equipment (632/633)	9,513		67,593		54,375	
Depreciation (634)	12,764		12,588		12,048	
Total Pumping Expense	194,956	20.7	259,649	25.9	226,588	25.0
Water Treatment						
Operation Supervision (640)	6,937		7,060		6,486	
Chemicals (641)	37,834		33,950		32,351	
Operation Labor and Expenses (642)	39,097		30,734		32,240	
Miscellaneous Expense (643)	6,482		9,976		3,552	
Maintenance of Structures (651)	1,499		4,123		1,836	
Maintenance of Purification Equip. (652)	1,811		7,844		6,473	
Depreciation (654)	7,035		6,523		6,458	
Total Water Treatment Expense	100,695	10.7	100,210	10.0	89,396	9.8
Distribution						
Operation Supervision (660)	7,096		7,255		6,610	
Storage Facilities Expense (661)	7,963		9,707		9,602	
Trans. & Distr. Lines Expense (662)	6,028		4,576		3,707	
Meter Expense (663)	19,697		19,422		15,857	
Consumer Installation Expense (664)	12,586		6,832		7,874	
Miscellaneous Expense (665)	35,355		39,487		26,176	
Vehicle Expense (667)	9,427		9,517		8,415	
Maintenance:						
Supervision (670)	10,187		10,222		9,436	
Structures (671)	315		87		340	
Reservoirs and Standpipes (672)	127		1,680		155	
Mains (673)	39,299		23,717		27,172	
Valves (674)	9,549		19,454		21,036	
Meters (676)	4,146		1,015		2,559	
Hydrants (677)	2,229		4,527		1,327	
Miscellaneous Plant (678)	5,939		9,701		10,175	
Vacation, Holiday, Sick Leave (679)	28,185		31,799		26,051	
Depreciation (680)	76,503		72,287		70,806	
Total Distribution Expense	$274,631	29.1	$271,285	27.1	$247,298	27.2

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - February 2017

	Budget Est.		This Year		Last Year	
Customer Service Expense						
Customer Information Expense (909)	$3,668	0.8	$501	0.1	$443	0.1
Consumer Accounts						
Supervision (901)	1,385		1,004		1,548	
Meter Reading Expense (902)	3,519		4,106		3,852	
Consumer Records and Collection (903)	16,026		15,140		16,973	
Uncollectible Accounts Expense (904)	1,104		1,104		1,049	
Vacation, Holiday, Sick Leave (906)	1,642		2,156		1,693	
Total Consumer Accounts Expense	23,676	5.1	23,510	4.8	25,115	5.6
Administrative and General						
Administrative and General Salaries (920)	22,310		19,930		21,727	
Office Supplies and Expenses (921)	2,873		2,310		1,588	
Outside Services Employed (923)	4,011		3,642		2,506	
Property Insurance (924)	1,698		1,698		1,727	
Casualty Ins, Injuries & Damages (925)	4,798		3,200		3,382	
Employee Pensions and Benefits (926)	61,322		59,869		54,354	
Fringe Benefits Charged to Constr. (927)	(3,303)		(7,070)		(1,330)	
Miscellaneous General Expense (930)	10,922		6,690		9,352	
Rents (931)	6,279		6,279		6,096	
Maintenance of General Plant (932)	4,149		2,095		2,877	
Vacation, Holiday, Sick Leave (936)	3,211		3,277		3,354	
Depreciation (933)	7,649		9,201		7,634	
Total Administrative and General	125,919	27.0	111,121	22.5	113,267	25.2
Total Operating Expense	$447,358		$422,911		$454,650	
Percent to Operating Revenue		95.9		85.7		101.3

Muscatine Power and Water - Water Utility
Summary of Expenses
Calendar Year-to-Date - February 2017

	Budget Est.		This Year		Last Year	
Customer Service Expense						
Customer Information Expense (909)	$4,441	0.5	$644	0.1	$838	0.1
Consumer Accounts						
Supervision (901)	2,770		2,595		3,005	
Meter Reading Expense (902)	7,135		7,966		7,802	
Consumer Records and Collection (903)	32,023		28,611		29,137	
Uncollectible Accounts Expense (904)	2,208		2,208		2,098	
Vacation, Holiday, Sick Leave (906)	4,088		5,094		3,732	
Total Consumer Accounts Expense	48,224	5.1	46,474	4.6	45,774	5.0
Administrative and General						
Administrative and General Salaries (920)	44,619		41,688		42,902	
Office Supplies and Expenses (921)	4,860		3,978		3,210	
Outside Services Employed (923)	6,221		4,519		3,742	
Property Insurance (924)	3,397		3,396		3,454	
Casualty Ins, Injuries & Damages (925)	9,755		7,562		16,667	
Employee Pensions and Benefits (926)	123,804		116,801		112,005	
Fringe Benefits Charged to Constr. (927)	(6,639)		(15,246)		(2,826)	
Miscellaneous General Expense (930)	21,577		14,358		17,441	
Rents (931)	12,558		12,559		12,193	
Maintenance of General Plant (932)	9,892		6,562		5,430	
Vacation, Holiday, Sick Leave (936)	7,826		8,109		7,043	
Depreciation (933)	15,299		18,402		15,269	
Total Administrative and General	253,169	26.8	222,688	22.2	236,530	26.1
Total Operating Expense	$905,864		$970,480		$874,446	
Percent to Operating Revenue		96.1		97.0		96.3

Muscatine Power and Water - Water Utility
Statistical Data
Current Month - February 2017

	2017		2016	
	Pumped	Sold	Pumped	Sold
Average Revenue Per 1,000 Gallons	0.604	0.640	0.608	0.644
Cost Per 1,000 Gallons	0.521	0.552	0.620	0.658
Margin	0.083	0.087	(0.013)	(0.013)

	2017	2016
Maximum Daily Water Pumped (1,000 gallons)	30,383	28,438
Date of Maximum	02/14	02/27

Calendar Year-to-Date

	2017		2016	
	Pumped	Sold	Pumped	Sold
Average Revenue Per 1,000 Gallons	0.593	0.628	0.603	0.639
Cost Per 1,000 Gallons	0.578	0.613	0.584	0.619
Margin	0.015	0.016	0.019	0.020

	2017	2016
Maximum Daily Water Pumped (1,000 gallons)	30,872	28,438
Date of Maximum	01/11	02/27

Services		
Contract Customers	2	2
Power Plants	2	2
Residential	8,730	8,698
Commercial	1,068	1,058
Total	9,802	9,760

Water Utility

Review of Operating Results

February 2017

MUSCATINE POWER AND WATER - WATER UTILITY
VARIANCES FROM BUDGETED NET POSITION - February 28, 2017

	(Unfavorable)/ Favorable Compared to Budget	
Sales of Water		
Contract Customers	$ 43,730	GPC consumption is 13.8% higher than budgeted, partially offset by lower billing rate
	14,180	Plant consumption is 38.7% higher than budgeted, partially offset by lower billing rate
	(3,710)	Residential consumption is 4.2% lower than budgeted, partially offset by higher billing rate
All Other Classes	3,101	Other miscellaneous variances
	57,301	
Other Revenue		
Merchandise & Job Sales-Net	(1,117)	Lower job sales revenue
Miscellaneous Revenue	1,859	Other miscellaneous variances
	742	
Operating Expense		
Operation	(6,809)	Higher fuel/power purchased due to 4.2% lower cost per kWh, offset by 15% more gallons pumped
	10,537	Bacteria sampling not done as of February
	3,884	Lower chemicals due to lower pricing
	2,716	Lower promotional materials
	5,115	Lower FICA
	2,294	Lower health care cost
	(1,315)	Higher deferred compensation
	1,181	Lower fuel usage
	(1,130)	Higher temp services
	3,092	Lower travel and training
	19,357	Lower labor, sick, personal and vacation expense
	(3,067)	Other miscellaneous variances - net
	35,855	
Maintenance	13,141	Maintenance labor under budget
	1,934	Maintenance agreements less than budget
	(56,994)	Maintenance and cleaning of well 23 budgeted in 2016
	(3,112)	Maintenance and cleaning of well 25 budgeted in 2016
	(42,374)	Maintenance and cleaning of well 27 budgeted in 2016
	(2,739)	Vacuum regulator not budgeted
	(8,438)	Valve maintenance materials over budget due to mansand purchase
	(3,626)	Other miscellaneous variances - net
	(102,208)	
Depreciation	1,737	
Nonoperating Revenue (Expense)		
Interest Income	24	
Interest Expense	(520)	
	(496)	
Change in Net Loss before Capital Contributions	(7,069)	
Capital Contributions	-	
Change in Net Position	$ (7,069)	Total Variance in Budgeted Net Position

Statements of Revenues, Expenses and Changes in Net Position

Sales of Water

Contract customers' water usage is 12.5% higher than budgeted, resulting in $44,642 more revenue. GPC's usage was 13.8% higher than budget partially offset by a 3.4% lower billing rate, resulting in $43,730 more revenue. Heinz's usage was 0.9% lower than budget with a 2.9% higher billing rate, resulting in $912 more revenue. Power plants' revenue was $14,180 or 27.0% higher than budget due to 38.7% higher usage offset by a 8.4% lower billing rate. Residential customers' water usage is 4.2% lower than budgeted, offset by a 3.1% higher billing rate, resulting in $3,710 lower revenue. Commercial customers' water usage is 7.7% lower than budgeted, offset by a 10.9% higher billing rate, resulting in $2,189 more revenue.

Year-To-Date Summary of Expenses

Source of Supply

Maintenance of Supply Wells – (614)
Maintenance on wells #25 and #27 is over budget by $42,374. This was budgeted in 2016, but not finished until 2017.

Pumping

Fuel or Purchased Power – (623)
The cost per kWh was 4.3% lower than budget, offset by 12.8% more gallons pumped than budget, resulting in $6,809 higher expense.

	2017 Budget	2017 Actual	2016 Actual
Fuel or Power Purchased	$154,818	$161,627	$144,220
1,000 Gallons Pumped	1,488,906	1,679,551	1,496,933
Cost per 1,000 Gal. Pumped	$0.1040	$0.0962	$0.0963
kWhs Consumed	2,442,318	2,636,840	2,415,620
kWh per 1,000 Gal. Pumped	1.64	1.57	1.61

Maintenance of Pumping Equipment – (632/633)
Pump #23 and pump #25 are over budget $56,994 and $3,112, respectively. This relining, cleaning and pump replacement was budgeted in 2016 and not finished until 2017. Labor is under budget $2,646, mostly in technical services.

Water Treatment

Chemicals Expense – (641)
Chemical purchases, are $3,884 less than budgeted due to cheaper prices through February.

Water Treatment (cont'd)

	2017 Budget			2017 Actual			2016 Actual		
1,000 Gal. Pumped	1,488,906			1,679,551			1,496,933		
	Units	$	Per Unit	Units	$	Per Unit	Units	$	Per Unit
Chlorine (lbs)	25,233	$7,824	$0.310	26,260	$7,878	$0.300	22,080	$6,624	$0.300
Hydrofluoro-silic Acid (lbs)	31,166	$11,220	$0.360	31,336	$10,341	$0.330	28,730	$9,616	$0.335
Phosphate (lbs)	18,050	$18,050	$1.000	16,550	$15,731	$0.951	16,800	$16,111	$0.959

Operations Labor and Expense – (642)
Materials are under budget $10,537 mostly due to production bacteria sampling budgeted in January and not incurred. Labor is over budget $2,174 mostly in Production.

Miscellaneous Expense – (643)
Labor is under budget $3,120, mostly in distribution.

Maintenance of Purification Equipment – (652)
Labor is over budget $3,294, mostly in distribution and planning and scheduling. Materials are over budget $2,739, due to a vacuum regulator purchase.

Distribution

Consumer Installation Expense – (664)
Labor is under budget $1,656. Materials are under budget $4,098 due to RPZ replacement costs budgeted in February but not incurred.

Miscellaneous Expense – (665)
Miscellaneous expense is over budget $4,132, mostly due to a stores adjustment.

Maintenance of Mains – (673)
Labor is under budget $8,186 mostly in distribution. Materials are under budget $7,396 due to street and main repairs budgeted but not incurred through February.

Maintenance of Valves – (674)
Labor expense is over budget by $1,467. Materials expense is $8,438 over budget due to mansand purchase.

Maintenance of Meters – (676)
Labor is under budget $1,568. Materials are under budget $1,563.

Miscellaneous Plant – (678)
Labor is over budget $1,509. Materials are over budget $2,344 due to backhoe repairs.

Vacation, Holiday, Sick Leave – (679)
Labor is over budget $3,614, mainly in the distribution department.

Distribution (cont'd)

Depreciation – (680)
Transmission and distribution depreciation is under budget due mainly to reservoir, mains and other projects not completed in 2016.

Customer Information Expense – (909)

	2017 Budget	2017 Actual	2016 Actual
Promotional Material/Education	$2,794	$78	$40
Media Advertising	925	530	553
Newsletter	301	---	217
Billtrust	60	7	---
Presentation Materials	159	---	---
Postage	158	---	---
Photo Library	44	29	28
	$4,441	$644	$838

Consumer Accounts – (903)

	2017 Budget	2017 Actual	2016 Actual
Labor	$24,066	$20,566	$22,512
Credit Card Processing	2,038	1,982	1,789
Bill Trust Expense	950	833	904
Postage	2,058	1,940	2,220
Temp Services	75	1,315	---
Fuel	300	126	100
Invoice Cloud	374	357	340
Collection Expense	792	490	426
IVR	143	118	---
Other Expenses	1,227	884	846
	$32,023	$28,611	$29,137

Administrative and General

Outside Services Employed – (923)

	Resp Code	2017 Budget	2017 Actual	2016 Actual
Organizational Development	120-Sal	$700	$---	$---
Legal Fees	140-Brandy	980	---	107
Labor Attorney	140-Brandy	200	---	---
Web Graphics	224-Rick	128	61	49
Insurance Advisor	310-Jerry	588	588	588
Audit Services	320-Cassie	2,520	1,750	2,476
IS Review	350-Jerry	---	1,598	---
Benefits Consulting	410-Erika	521	522	522
Employee Search Services	410-Erika	584	---	---
		$6,221	$4,519	$3,742

Administrative and General (cont'd)

Employee Pensions and Benefits – (926)

	2017 Budget	2017 Actual	2016 Actual
Health Care Cost	$54,195	$51,901	$45,583
Pension	27,598	27,598	26,875
FICA	23,305	18,190	22,535
IPERS	7,313	6,365	6,276
Deferred comp utility match	5,600	6,915	6,143
Life, LTD & ADD	1,181	1,798	1,792
Dental	2,200	2,080	1,987
OPEB	602	602	541
Other Expenses	1,810	1,352	273
	$123,804	$116,801	$112,005

FICA is lower due to timing of payment.

Fringe Benefits Charged to Construction – (927)
More time was charged to capital projects through February than projected.

Miscellaneous General Expense – (930)
Labor expenses are lower than budget by $3,050, mostly in water production, distribution, and environmental departments. Materials are under budget $4,168, mostly due to a training grant match, and travel and training lower than budget by $3,076.

Maintenance of General Plant – (932)
Maintenance agreements are under budget $2,823 and memberships and subscriptions are under budget by $467.

Water Utility
Statement of Net Position Review
February 2017

	2017	2016
Current Assets		
Receivables - Consumer Accounts		
Customer Water Accounts	$601,234	$540,861
Unbilled Revenue	68,790	65,128
Merchandise Accounts	7,020	7,092
Allowance for Doubtful Accounts	(3,880)	(1,771)
	$673,164	$611,310
Inventories		
Inventory	$321,537	$341,174
Stores Expense (a/c 163)	(402)	(5,475)
	$321,135	$335,699
Prepaid Expenses		
Prepaid Insurance	$30,235	$32,323
Prepaid Maintenance Contracts	21,594	14,560
Other Prepaid Expenses	(871)	(1,593)
	$50,958	$45,290
Current Liabilities		
Accounts Payable (amounts over $2,500 itemized)		
Electric bills	$87,114	$79,058
Alexander Chemical Corp - chlorine	4,824	5,427
Billtrust - bill processing	1,449	2,988
Brown Supply - valves	5,735	---
Cahoy Pump Svc - well 46/pump rpr	---	43,560
Cogsdale - business system implementation	17,342	---
HD Supply - hydrant parts	3,802	24,835
HR Green - engineering service	8,500	---
IPERS - pension	4,255	4,114
Martin Equipment - seals/o-rings	---	3,567
Metering & Tech Solutions - encoders/meters	10,345	5,588
Municipal Pipe Services - large valve replacements	---	16,200
Pollard Water - auto flusher	10,229	---
River Products Company - mansand	8,190	---
USA Blue Book - fittings	---	2,830
Utility Equipment Co - couplings	11,745	---
Vector Construction - concrete repairs	23,770	---
Wendling Quarries - sand/stone	8,180	3,274
Other	24,656	29,393
	$230,136	$220,834
Customer Advances for Construction		
Lutheran Homes	$59,640	$6,000
Aspen Villas	---	43,873
Curry Trucking	30,815	---
Oakview Plaza	---	36,991
Others	650	575
	$91,105	$87,439
Miscellaneous Accrued Expenses		
Sales/Use Tax Collections Payable	$8,205	$7,443
Payroll Tax Collections Payable	11,960	15,260
Employee Payroll Deductions	3,890	2,717
Workers' Comp Self Insurance Reserves	40,121	33,179
Comp Time Payable	3,153	5,146
	$67,329	$63,745

Muscatine Power and Water

Communications Utility

Statement of Revenues, Expenses and Changes in Net Position

February 2017

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 - February 2017

	Budget Estimate	% Increase (Decrease) From Budget	This Year	% Increase (Decrease) Fr. Last Yr.	Last Year
Operating Revenue					
CATV	$589,451	(6.2)	$552,784	(2.8)	$568,976
Data/Internet	465,752	2.2	475,826	6.8	445,464
MME	48,800	0.6	49,085	(7.5)	53,055
Miscellaneous	11,658	9.8	12,795	8.1	11,839
Total Operating Revenues	1,115,661	(2.3)	1,090,490	1.0	1,079,334
Operating Expense					
Operation	781,589	(8.9)	711,994	0.0	711,739
Maintenance	73,953	(4.4)	70,698	(9.0)	77,715
Depreciation	145,200	(7.1)	134,926	(3.2)	139,329
Total Operating Expenses	1,000,742	(8.3)	917,618	(1.2)	928,783
Operating Income	114,919	50.4	172,872	14.8	150,551
Nonoperating Revenue (Expense)					
Interest Income	883	97.6	1,745	5.5X	268
Interest Expense	(3,768)	---	(3,768)	(5.0)	(3,968)
Net Nonoperating Expense	(2,885)	(29.9)	(2,023)	(45.3)	(3,700)
Net Income before Capital Contributions	112,034	52.5	170,849	16.3	146,851
Capital Contributions	1,722	3.3X	7,404	3.3X	1,722
Change in Net Position	113,756		178,253		148,573
Beginning Net Position	5,748,454		5,835,263		3,673,263
Ending Net Position	$5,862,210		$6,013,516		$3,821,836
Net Income to Operating Revenue	10.0		15.7		13.6
Debt Service Coverage on Electric Utility Debt	5.97		7.09		6.61

Muscatine Power and Water - Communications Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - February 2017

	Budget Estimate	% Increase (Decrease) From Budget	This Year	% Increase (Decrease) Fr. Last Yr.	Last Year
Operating Revenue					
CATV	$1,180,596	(5.1)	$1,120,717	(5.2)	$1,182,533
Data/Internet	927,971	2.2	948,048	6.7	888,795
MME	97,600	15.3	112,508	5.5	106,680
Miscellaneous	23,316	(12.5)	20,408	(12.0)	23,190
Total Operating Revenues	2,229,483	(1.2)	2,201,681	---	2,201,198
Operating Expense					
Operation	1,556,153	(7.3)	1,443,215	1.1	1,427,467
Maintenance	179,995	(21.4)	141,496	(8.1)	154,039
Depreciation	290,400	(7.1)	269,852	(3.2)	278,658
Total Operating Expenses	2,026,548	(8.5)	1,854,563	(0.3)	1,860,164
Operating Income	202,935	71.0	347,118	1.8	341,034
Nonoperating Revenue (Expense)					
Interest Income	1,832	98.3	3,633	6.3X	499
Interest Expense	(7,536)	---	(7,537)	(5.0)	(7,936)
Net Nonoperating Expense	(5,704)	(31.6)	(3,904)	(47.5)	(7,437)
Net Income before Capital Contributions	197,231	74.0	343,214	2.9	333,597
Capital Contributions	3,444	1.5X	8,767	1.5X	3,444
Change in Net Position	200,675		351,981		337,041
Beginning Net Position	5,661,535		5,661,535		3,484,795
Ending Net Position	$5,862,210		$6,013,516		$3,821,836
Net Income (Loss) to Operating Revenue	8.9		15.6		15.2
Debt Service Coverage on Electric Utility Debt	5.67		7.10		7.07

Muscatine Power and Water - Communications Utility
Statements of Net Position
February 2017

ASSETS

	2017	2016
Current Assets:		
Unrestricted Assets		
Cash - interest bearing	$8,402,094	$6,481,609
Receivables:		
Consumer Accounts	1,337,675	1,364,692
Interest	1,662	97
Inventories	140,255	189,211
Prepaid Expenses	309,166	140,289
Total Unrestricted Current Assets	10,190,852	8,175,898
Restricted Assets		
Cash - interest bearing	6	6
Total Restricted Current Assets	6	6
Total Current Assets	10,190,858	8,175,904
Property and Equipment:		
At Cost	34,497,169	33,808,147
Less Accumulated Depreciation	27,306,999	26,121,460
Net Property and Equipment	7,190,170	7,686,687
Deferred Outflows of Resources - Pension		
Changes of Assumptions	425,212	425,212
Difference between projected and actual earnings on pension plan	493,996	88,477
Contributions subsequent to measurement date	350,181	335,643
Total Deferred Outflows of Resources - Pension	1,269,389	849,332
TOTAL ASSETS	$18,650,417	$16,711,923

Muscatine Power and Water - Communications Utility
Statements of Net Position
February 2017

LIABILITIES AND NET POSITION

	2017	2016
Current Liabilities:		
Payable from Unrestricted Assets		
Accrued Interest	$7,537	$7,936
Accounts Payable	602,254	817,291
Health & Dental Insurance Provision	49,280	53,060
Retained Percentage on Contracts	2,371	---
Accrued Payroll	21,506	112,534
Accrued Vacation	184,555	169,873
Accrued Property Taxes	7,572	9,616
Unearned Revenue - Dark Fiber Lease	17,500	17,500
Miscellaneous Accrued Expenses	126,116	125,450
Total Payable from Unrestricted Assets	1,018,691	1,313,260
Payable from Restricted Assets		
Notes Payable:		
Electric Utility	481,443	479,048
Total Payable from Restricted Assets	481,443	479,048
Total Current Liabilities	1,500,134	1,792,308
Non-Current Liabilities:		
Health & Dental Insurance Provision	105,342	112,149
Post-Employment Health Benefit Provision	70,602	65,549
Unearned Revenue - Dark Fiber Lease	226,563	244,063
Net Pension Liability	2,074,073	1,530,365
Notes Payable:		
Electric Utility	8,562,844	9,044,287
Total Non-Current Liabilities	11,039,424	10,996,413
Deferred Inflows of Resources - Pension	97,343	101,366
Net Position:		
Net Investment in Capital Assets	6,708,727	7,207,639
Unrestricted	(695,211)	(3,385,803)
Total Net Position	6,013,516	3,821,836
TOTAL LIABILITIES AND NET POSITION	$18,650,417	$16,711,923

Muscatine Power and Water - Communications Utility
Statements of Cash Flows
February 2017

	Current Month	Year-To-Date
Cash flows from operating activities:		
Cash received from:		
Communications sales	$983,576	$2,083,071
Advertising sales	24,384	47,869
Miscellaneous sources	14,291	20,212
Cash paid to/for:		
Suppliers	(586,982)	(1,085,412)
Employees payroll, taxes and benefits	(269,580)	(650,116)
Net cash flows from operating activites	165,689	415,624
Cash flows from capital and related financing activities:		
Capital expenditures, net	(157,333)	(274,308)
Net cash flows from capital and related financing activities	(157,333)	(274,308)
Cash flows from investing activities:		
Interest received on investments	1,891	3,317
Net cash flows from investing activities	1,891	3,317
Net increase in cash and investments	10,247	144,633
Cash and investments at beginning of period	8,391,853	8,257,467
Cash and investments at end of period	$8,402,100	$8,402,100

Muscatine Power and Water - Communications Utility
Statements of Cash Flows
February 2017

	Current Month	Year-To-Date
Reconciliation of operating income to net cash flows from operating activities		
Operating income	$172,872	$347,118
Noncash items in operating income:		
Converter/modem write-off	1,669	3,834
Depreciation of utility plant	134,926	269,852
Changes in assets and liabilities:		
Consumer accounts receivable	(60,659)	14,743
Inventories	12,120	3,257
Prepaid and deferred expenses	(146,055)	(202,416)
Accounts payable	(6,495)	17,490
Net pension liability	30,474	60,948
Health & dental insurance provision	10,580	5,282
Other post-employment benefit provision	421	843
Unearned revenue	(1,458)	(10,524)
Retained percentage on contracts	692	1,030
Accrued payroll	(1,796)	(83,835)
Accrued vacation	2,922	9,591
Accrued property taxes	541	1,082
Miscellaneous accrued expenses	14,935	(22,671)
Net cash flows from operating activities	$165,689	$415,624

Muscatine Power and Water - Communications Utility
Summary of Expenses
Current Month - February 2017

	Budget Estimate	This Year	Last Year
CATV			
Program Acquisition Expense (751-758)	$387,257	$342,223	$356,529
Promotional Expense (960)	6,309	728	395
Electricity Expense (736)	2,235	2,560	2,283
Pole Attachment Expense (715)	1,967	1,967	1,967
Changes of Service (742)	1,051	1,167	1,533
Underground Line Expense (743)	2,829	1,425	1,098
Ad Insertion - Marketing/Production (964, 965)	7,198	5,925	6,463
Miscellaneous CATV Expense (710, 738, 739)	14,575	18,842	17,549
Vehicle Expense (760)	4,947	4,426	4,241
Maintenance:			
Fiber (711)	611	802	1,970
Coax (712)	1,108	282	402
Drops (713)	3,302	1,036	598
Conduit System (714)	1,099	112	114
Headend (721-725)	20,643	13,124	17,882
Line Equipment (731-735)	2,411	2,219	3,159
Converters (741)	3,532	2,585	2,096
Ad Insertion (966)	3,311	6,236	2,804
Vacation, Holiday, Sick Leave (799)	4,307	8,766	3,950
Property Taxes (794)	731	314	596
Depreciation (793)	84,951	76,631	82,721
Total CATV	554,374	491,370	508,350
Data/Internet			
Data/Internet Access Charges (851-853)	25,769	27,387	26,817
Promotional Expense (961)	6,309	764	451
Electricity Expense (836)	394	327	392
Pole Attachment Expense (837)	346	346	346
Changes of Service (842)	186	389	270
Underground Line Expense (843)	177	475	194
Miscellaneous Data/Internet Expense (839, 844, 848)	5,139	6,984	5,286
Vehicle Expense (860)	803	534	510
Maintenance:			
Fiber (811)	106	334	347
Coax (813)	196	94	71
Drops (814)	2,298	345	106
Conduit System (816)	164	47	20
Headend (820, 821)	21,519	34,736	32,818
Line Equipment (831-835)	390	578	557
Modems (841)	3,867	2,565	5,164
Vacation, Holiday, Sick Leave (879)	2,162	2,549	2,610
Property Taxes (894)	129	55	105
Depreciation (893)	27,909	26,898	25,111
Total Data/Internet	97,863	105,407	101,175

Muscatine Power and Water - Communications Utility
Summary of Expenses
Calendar Year-to-Date - February 2017

	Budget Estimate	This Year	Last Year
CATV			
Program Acquisition Expense (751-758)	$775,385	$710,206	$724,839
Promotional Expense (960)	12,843	2,229	1,022
Electricity Expense (736)	4,470	4,254	4,780
Pole Attachment Expense (715)	3,935	3,935	3,934
Changes of Service (742)	2,193	2,610	3,379
Underground Line Expense (743)	5,658	2,416	1,869
Ad Insertion - Marketing/Production (964, 965)	14,340	13,083	15,049
Miscellaneous CATV Expense (710, 738, 739)	29,022	35,354	28,846
Vehicle Expense (760)	9,935	7,385	8,298
Maintenance:			
Fiber (711)	1,274	1,526	2,483
Coax (712)	2,343	973	424
Drops (713)	6,657	1,756	1,136
Conduit System (714)	2,284	620	252
Headend (721-725)	41,834	27,014	36,296
Line Equipment (731-735)	4,847	5,431	8,944
Converters (741)	7,181	7,490	4,637
Ad Insertion (966)	6,749	10,151	5,277
Vacation, Holiday, Sick Leave (799)	10,601	19,097	10,516
Property Taxes (794)	1,462	627	1,191
Depreciation (793)	169,902	153,262	165,442
Total CATV	1,112,915	1,009,419	1,028,614
Data/Internet			
Data/Internet Access Charges (851-853)	51,538	52,267	53,181
Promotional Expense (961)	12,843	2,321	1,154
Electricity Expense (836)	788	626	708
Pole Attachment Expense (837)	692	692	692
Changes of Service (842)	387	870	596
Underground Line Expense (843)	355	806	330
Miscellaneous Data/Internet Expense (839, 844, 848)	10,360	16,138	9,779
Vehicle Expense (860)	1,605	886	998
Maintenance:			
Fiber (811)	220	636	437
Coax (813)	413	324	75
Drops (814)	4,606	585	201
Conduit System (816)	343	258	44
Headend (820, 821)	70,745	63,087	63,613
Line Equipment (831-835)	784	1,344	1,578
Modems (841)	8,029	4,971	11,393
Vacation, Holiday, Sick Leave (879)	5,356	6,511	7,356
Property Taxes (894)	257	110	211
Depreciation (893)	55,819	53,796	50,222
Total Data/Internet	225,140	206,228	$202,568

Muscatine Power and Water - Communications Utility
Summary of Expenses
Current Month - February 2017

	Budget Estimate	This Year	Last Year
MME			
Pole Attachment Expense (838)	$1,079	$1,179	$1,079
Tools Expense (845)	208	601	218
Maintenance:			
Fiber (812)	337	534	1,080
Conduit System (817)	593	75	63
MME Equipment (818, 819)	3,291	2,560	4,556
Vacation, Holiday, Sick Leave (899)	318	275	225
Property Taxes (896)	401	172	327
Depreciation (840)	22,135	22,038	21,854
Total MAN/MME	28,362	27,434	29,402
Customer Service Expense			
Customer Information Expense (909)	3,425	970	848
Consumer Accounts			
Supervision (901)	2,697	1,955	3,015
Consumer Records and Collections (903)	48,380	48,643	47,516
Uncollectible Accounts Expense (904)	1,574	1,574	1,519
Vacation, Holiday, Sick Leave (906)	4,120	5,733	4,008
Total Consumer Accounts	56,771	57,905	56,058
Administrative and General			
Administrative and General Salaries (920)	77,985	71,741	77,533
Office Supplies and Expense (921)	4,645	4,291	3,985
Outside Services Employed (923)	17,026	10,920	8,972
Property Insurance (924)	1,132	1,132	1,172
Casualty Ins, Injuries & Damages (925)	7,632	5,209	4,900
Employee Pensions and Benefits (926)	94,137	89,801	87,020
Fringe Benefits Charges to Construction (927)	(5,406)	(4,877)	(3,430)
Rents (931)	9,656	9,656	9,375
Miscellaneous General Expense (930)	27,592	22,685	20,176
Maintenance of General Plant (932)	5,175	2,434	3,908
Vacation, Holiday, Sick Leave (936)	10,168	12,181	9,696
Depreciation (933)	10,205	9,359	9,643
Total Administrative and General	259,947	234,532	232,950
Total Operating Expenses	$1,000,742	$917,618	$928,783

Muscatine Power and Water - Communications Utility
Summary of Expenses
Calendar Year-to-Date - February 2017

	Budget Estimate	This Year	Last Year
MME			
Pole Attachment Expense (838)	$2,157	$2,357	$2,158
Tools Expense (845)	417	625	259
Maintenance:			
Fiber (812)	703	1,018	1,361
Conduit System (817)	1,234	413	138
MME Equipment (818, 819)	6,668	4,715	8,519
Vacation, Holiday, Sick Leave (899)	797	542	646
Property Taxes (896)	801	344	654
Depreciation (840)	44,270	44,076	43,708
Total MAN/MME	57,047	54,090	57,443
Customer Service Expense			
Customer Information Expense (909)	5,083	1,246	1,631
Consumer Accounts			
Supervision (901)	5,394	5,053	5,839
Consumer Records and Collections (903)	94,942	90,147	87,036
Uncollectible Accounts Expense (904)	3,148	3,148	3,038
Vacation, Holiday, Sick Leave (906)	10,274	12,674	9,670
Total Consumer Accounts	113,758	111,022	105,583
Administrative and General			
Administrative and General Salaries (920)	156,308	152,581	150,451
Office Supplies and Expense (921)	9,750	7,579	7,949
Outside Services Employed (923)	30,965	17,098	15,768
Property Insurance (924)	2,265	2,264	2,344
Casualty Ins, Injuries & Damages (925)	15,384	12,192	23,228
Employee Pensions and Benefits (926)	189,497	178,621	175,592
Fringe Benefits Charges to Construction (927)	(11,010)	(10,676)	(6,882)
Rents (931)	19,313	19,313	18,750
Miscellaneous General Expense (930)	41,549	37,638	26,265
Maintenance of General Plant (932)	13,081	9,184	7,231
Vacation, Holiday, Sick Leave (936)	25,094	28,046	24,343
Depreciation (933)	20,409	18,718	19,286
Total Administrative and General	512,605	472,558	464,325
Total Operating Expenses	$2,026,548	$1,854,563	$1,860,164

Muscatine Power and Water - Communications Utility
Statistical Data
February 2017

	Budget Estimate	% Increase (Decrease) From Budget	This Year [fn1]	% Increase (Decrease) Fr. Last Yr.	Last Year [fn1]
Services					
CATV					
Residential	5,430	(2.3)	5,303	(6.4)	5,663
Commercial/Hospitality	145	11.0	161	0.6	160
Total CATV	5,575	(2.0)	5,464	(6.2)	5,823
Bulk Equivalent Services	368	(3.3)	356	0.3	355
Bulk Master Services	24	4.2	25	13.6	22
Internet					
Residential	7,725	0.9	7,796	4.8	7,437
Commercial	492	6.1	522	9.2	478
Total Internet	8,217	1.2	8,318	5.1	7,915
MME	80	7.5	86	4.9	82

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

Communications Utility

Review of Operating Results

February 2017

MUSCATINE POWER AND WATER - COMMUNICATIONS UTILITY
VARIANCES FROM BUDGETED NET POSITION - FEBRUARY 28, 2017

	(Unfavorable)/ Favorable Compared to Budget	
Operating Revenue		
CATV Revenue	$ (47,026)	Lower CATV revenues due to less subscribers 5,575 vs. 5,464 and incorrect select prices in budget
	(20,531)	Bulk lower because budgeted the upgrades in bulk
	20,270	Lower marketing promotional discounts ($65,242 vs. $44,972) due to end of price pledge
	(8,775)	Lower ad sales
	(3,548)	Lower converter rentals due to less subscribers
	(269)	Other miscellaneous variances - net
	(59,879)	
Data/Internet Revenue	21,520	Higher cable modem revenues due to higher subscribers (8,175 vs. 8,266) and more subscribers taking a higher level of service
	(7,885)	Higher promotional discounts due to higher subscribers ($15,832 vs. $23,717)
	5,346	Higher Wi-fi @ Home due to more subscribers
	1,096	Other miscellaneous variances - net
	20,077	
MME	14,908	More subscribers than budgeted
Miscellaneous Revenue	(2,908)	CATV signal transmission timing of revenue
Operating Expense		
Operation	65,179	Lower programming due to less subscribers and lower negotiated contracts
	2,123	Lower fuel expense
	(2,225)	Higher temp services
	6,880	Lower legal costs
	10,057	Lower FICA due to timing of payment
	(1,973)	Higher deferred compensation
	(1,992)	Higher unemployment expense
	6,000	FTTH graphic design expense not incurred
	22,314	FTTH promotional expense not incurred, vehicle wraps etc.
	3,885	Travel and training under budget
	1,320	Audit services under budget
	1,370	Other miscellaneous variances - net
	112,938	
Maintenance	12,534	Lower maintenance agreements, mostly bandwidth monitoring equipment , CMTS and IS
	16,389	Lower labor
	8,332	Temp services for drops not incurred through February
	1,244	Other miscellaneous variances - net
	38,499	
Depreciation	20,548	Lower depreciation due to fewer fixed assets purchases in 2016 than anticipated
Nonoperating Revenue (Expense)		
Interest Income/expense	1,800	Higher interest income
Change in Net Position before Capital Contributions	145,983	
Capital Contributions	5,323	One time bill for transcoder ($6,102)
Change in Net Position	$ 151,306	Total Variance from Budgeted Net Position

Statement of Revenues, Expenses and Changes in Net Position

Operating Revenues

CATV

Customer levels totaled 5,464 actual vs. 5,575 budgeted.

	2017 Budget	2017 Actual	2016 Actual
Basic revenue	$36,730	$35,180	$31,348
Select revenue	710,781	671,572	671,386
Preferred revenue	116,186	120,394	122,264
Premiums revenue	50,327	44,235	54,420
Bulk revenue	66,640	46,109	43,122
PPV	5,584	4,743	2,583
VOD	24,341	20,799	25,486
Subtotal	$1,010,589	$943,032	$950,609
Converter rentals	166,497	162,949	169,366
Ad insertion revenue	61,000	52,225	102,744
Other CATV revenues	7,752	7,483	9,037
Gross CATV Revenues	$1,245,838	$1,165,689	$1,231,756
Discounts	(65,242)	(44,972)	(49,223)
Net CATV Revenue	$1,180,596	$1,120,717	$1,182,533

Select revenue was budgeted at a higher price than actual. Bulk revenues are under budget because the upgrades were budgeted in bulk instead of select or preferred. Ad insertion revenues are lower due to less ads sold. Discounts are less than budgeted due to subscribers ending price pledge.

Data/Internet Revenue

Subscriber levels are 8,318 actual vs. 8,217 budgeted.

	2017 Budget	2017 Actual	2016 Actual
Cable modem	$836,647	$858,167	$800,172
Wi-fi @ Home	36,661	42,007	33,839
Wimax	16,368	17,028	15,892
Modem Rentals	48,176	48,848	46,682
Other Data/Internet revenues	5,951	5,715	5,342
Gross Data/Internet Revenues	$943,803	$971,765	$901,927
Discounts	(15,832)	(23,717)	(13,132)
Net Data/Internet Revenues	$927,971	$948,048	$888,795

Cable modem revenues are higher due to more subscribers and a better mix. Wi-fi @ home is higher due to more subscribers and more subscribers taking a higher level of service.

MAN/MME

Revenue is $14,908 higher than budget mostly due to more subscribers than budgeted.

Statement of Net Position

Liabilities

Health and Dental Insurance Provision
Health and dental 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. The estimate is adjusted annually.

Year-To-Date Summary of Expenses

CATV

Program Acquisition Expense – (751 to 758)
Programming is lower due to lower subscribers than budgeted.

	2017 Budget	2017 Actual	2016 Actual
Basic	$143,981	$112,564	$128,283
Select	267,615	256,288	250,151
Preferred	247,029	236,573	230,909
Premium	36,844	32,733	41,970
Digital	59,539	54,265	55,292
Pay-per-view	3,770	3,319	1,632
Video on demand	16,607	14,464	16,602
Total	$775,385	$710,206	$724,839

Basic, select and preferred programming is lower than budget due to negotiated contracts coming in lower than budgeted and less subscribers.

Promotional Expense – (960)
Labor is over budget $588, mostly in the customer service area. Materials are under budget $11,203 due to vehicle rewrap and other FTTH expenses budgeted but not incurred through February.

Underground Line Expense- (743)
Labor is under budget $2,276. Materials are under budget $501.

Miscellaneous Expense – (740)
Labor is over budget $3,895 mostly due to manager, data, and technician departments. Materials are over budget $2,436 due to store allocations for remotes.

Maintenance of Drops- (713)
Labor is under budget $593. Materials are under budget $4,307 mostly due to budgeted temp labor for FTTH not yet needed.

Maintenance of Headend – (721-725)
Total labor is under budget by $11,605 in the manager and technician departments. Total materials are under budget by $3,216, due to maintenance agreements under budget by $1,785, and signal acquisition repairs budgeted but not incurred through February.

CATV (cont'd)

Maintenance of Ad Insertion- (966)
Labor is over budget $1,979 mostly in marketing. Maintenance agreements are over budget $1,423 due to the timing of invoices.

Vacation, Holiday, Sick Leave – (799)
Sick, personal, and vacation is over budget $8,496, mostly in the technician department.

Depreciation – (793)
Depreciation is lower than budget due to lower than expected expenditures for digital boxes, headend equipment, and customer drops prior to year-end 2016. Minimal equipment is being purchased until RF versus IPTV headend upgrades for the FTTH project can be determined. This type of equipment has five- and ten-year lives.

Data/Internet

Promotional Expense – (961)
Labor is over budget $588. Materials are under budget $11,111 due to vehicle rewrap and other FTTH expenses budgeted but not incurred though February.

Miscellaneous Data/Internet Expense – (847)
Labor is over budget $4,573 mostly in manager and technician departments. Materials are over budget $1,472 due to equipment retirements.

Maintenance of Drops – (814)
Labor is over budget $171. Materials are under budget $4,191 mostly due to budgeted temp labor for FTTH not yet needed.

Maintenance of Headend – (820, 821)
Manager labor is over budget $12,752 partially offset by data labor under budget by $5,811. Materials are under budget by $14,553, mostly due to bandwidth monitoring equipment, CMTS and IS maintenance agreements not incurred through February.

Maintenance of Modems- (841)
Labor is under budget $3,058 mostly in the manager and technician departments.

Customer Service Expense

Customer Information Expense – (909-Marketing)

	2017 Budget	2017 Actual	2016 Actual
Promotion/Education Expense	$ 1,938	$ 152	$78
Media Advertising	1,800	1,033	1,083
Billtrust	104	13	---
Postage	308	---	---
Newsletter	585	---	422
Presentation Materials	272	---	---
Other	76	48	48
Total	$5,083	$1,246	$1,631

Consumer Accounts

Consumer Records and Collections – (903-Customer Service)

	2017 Budget	2017 Actual	2016 Actual
Labor	$75,889	$68,347	$71,459
Temp Services	146	2,560	---
Credit Card Processing	3,969	3,859	3,483
Bill Processing	1,850	1,623	1,760
Postage	4,008	3,777	4,323
IVR	278	229	---
Training	1,888	5,375	---
Credit Bureau Fees	1,542	954	830
ACH Processing	1,172	1,183	1,150
Other	4,200	2,240	4,031
Total	$94,942	$90,147	$87,036

Temp services are higher because of extra help for BSA. Training is over budget due to timing of an invoice.

Administrative & General

Administrative and General Salaries – (920)
Labor is under budget $3,727 in Information Systems.

Administrative & General (cont'd)

Outside Services – (923)

	Resp Code	2017 Budget	2017 Actual	2016 Actual
Organizational Development	120-Sal	$ 1,200	$ ---	$ ---
Legal Fees	140-Brandy	1,680	---	184
Employment Legal Fees	140-Brandy	200	---	---
Communications Legal Fees	140-Brandy	5,000	---	---
MCC Public Access	224-Rick	9,444	9,352	9,352
Web/Graphics Services	224-Rick	219	104	85
FTTH Design	224-Rick	6,000	---	---
Insurance Advisor	310-Jerry	1,008	1,008	1,008
Audit Fees	320-Cassie	4,320	3,000	4,245
Benefits Consulting	410-Erika	894	894	894
Employee Search Services	410-Erika	1,000	---	---
Other		---	497	---
		$30,965	$17,098	$15,768

Casualty Insurance and Damages – (925)
Workers compensation claims are $3,192 under budget.

Employee Pensions & Benefits – (926)

	2017 Budget	2017 Actual	2016 Actual
Health care cost	$75,873	$72,662	$70,907
Pension	60,948	60,948	56,206
FICA	35,725	25,668	33,205
Deferred compensation	8,400	10,373	8,191
Dental	3,080	2,912	3,090
Life, LTD & ADD	1,785	2,698	2,689
OPEB	842	842	842
Unemployment	---	1,992	---
Other expenses	2,844	526	862
	$189,497	$178,621	$175,992

FICA is lower due to timing of payment.

Miscellaneous General Expense – (930)
Labor is under budget $3,569 mostly in manager and safety & training departments. Materials are under budget $342.

Maintenance of General Plant – (932)
Materials are under budget $3,897 mostly due to maintenance agreements in information systems.

Vacation, Holiday, and Sick Leave – (936)
Labor is over budget $2,952, mostly in marketing and data systems.

Communications Utility
Statement of Net Position Review
February 2017

	2017	2016
Current Assets		
Receivables - Consumer Accounts		
Customer Communications Accounts	$1,192,829	$1,143,763
Unbilled Revenue	85,167	86,239
Merchandise Accounts	70,114	146,365
Allowance for Doubtful Accounts	(10,435)	(11,675)
	$1,337,675	$1,364,692
Inventories		
Inventory	$140,528	$192,996
Stores Expense (a/c 163)	(273)	(3,785)
	$140,255	$189,211
Prepaid Expenses		
Prepaid Insurance	$47,994	$49,419
Prepaid Maintenance Contracts	226,292	85,972
Muscatine Schools - E-rate customer	37,205	---
Other Prepaid Expenses	(2,325)	4,898
	$309,166	$140,289
Current Liabilities		
Accounts Payable (amounts over $2,500 itemized)		
Pole Rental	$6,784	$6,784
Arris - maintenance agreement	---	24,645
Baker Tilly Virchow Krause - audit svc	---	3,792
Big 10 - programming fee	9,765	10,134
BillTrust - bill processing	2,821	5,818
Centurylink - tel/access fees	5,545	5,599
Cogsdale - business system implementation	29,730	---
Comcast Sportsnet Chicago - programming fee	23,082	22,395
Confluent Group - meter	2,799	---
Dascom Systems Group - integration svc	10,149	---
Dell - computers	---	2,816
Fox Sports Net Midwest - programming fee	23,314	23,735
Gray Television - programming fee	7,164	---
KGCW - programming fee	116,594	61,208
Lenovo - computers & laptops	---	3,212
LIN Television - programming fee	---	14,029
Megahertz - yearly maintenance	4,153	4,153
Murphy Tower Service - install antennas	13,033	---
Muscatine Community College - public access	9,352	23,380
Natl Cable TV Coop - programming fee	215,952	220,140
NewComTech GIS - FTTH consulting	---	280,106
Nexstar - programming fee	30,702	29,334
Opterna - yearly maintenance	4,371	---
PC Connection Sales Corp - Macbook Pro	3,219	2,798
Pivot Group - training	5,375	---
Power & Tel - switches/power supply	---	2,822
Relay Networks, Inc - radios	---	4,951
Rovi Guides - programming fee	8,818	9,111
Showtime Networks - programming fee	---	2,723
Telco Systems - console cable	7,449	---
Tower Distribution - programming fee	15,434	14,897
Univision - programming fee	6,946	7,017
Vubiquity - programming fee	7,188	8,137
Other	32,515	23,555
	$602,254	$817,291
Miscellaneous Accrued Expenses		
Sales/Use Tax Collections Payable	$22,191	$23,012
Franchise Fees Payable	28,731	30,646
Payroll Tax Collections Payable	15,764	21,513
Workers' Comp Self Insurance Reserves	59,430	50,279
	$126,116	$125,450