

**Muscatine Power and Water**

**Communications Utility**

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

**September 2015**

**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 - September 2015**

	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<b><u>Operating Revenue</u></b>					
CATV	\$560,293	6.7	\$597,612	0.7	\$593,622
Data/Internet	404,210	6.0	428,544	8.1	396,291
MAN/MME	54,109	(1.0)	53,570	16.3	46,065
Miscellaneous	11,078	64.4	18,211	73.8	10,479
<b>Total Operating Revenues</b>	<b>1,029,690</b>	<b>6.6</b>	<b>1,097,937</b>	<b>4.9</b>	<b>1,046,457</b>
<b><u>Operating Expense</u></b>					
Operation	678,663	8.3	735,095	20.1	612,166
Maintenance	80,672	(1.0)	79,899	2.2	78,173
Depreciation	151,785	(9.3)	137,647	(16.4)	164,703
<b>Total Operating Expenses</b>	<b>911,120</b>	<b>4.6</b>	<b>952,641</b>	<b>11.4</b>	<b>855,042</b>
<b>Operating Income</b>	<b>118,570</b>	<b>22.5</b>	<b>145,296</b>	<b>(24.1)</b>	<b>191,415</b>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	1,249	1.1X	2,606	(34.5)	3,977
Interest Expense	(8,221)	---	(8,220)	(92.7)	(111,910)
<b>Net Nonoperating Expense</b>	<b>(6,972)</b>	<b>(19.5)</b>	<b>(5,614)</b>	<b>(94.8)</b>	<b>(107,933)</b>
<b>Net Income before Capital Contributions</b>	<b>111,598</b>	<b>25.2</b>	<b>139,682</b>	<b>67.3</b>	<b>83,482</b>
Capital Contributions	1,000	3.5X	4,528	1.6X	1,772
Write Off - Loan from Electric	---	---	---	---	---
<b>Change in Net Position</b>	<b>112,598</b>		<b>144,210</b>		<b>85,254</b>
<b>Beginning Net Position</b>	<b>3,201,464</b>		<b>3,493,651</b>		<b>(23,255,938)</b>
<b>Ending Net Position</b>	<b>\$3,314,062</b>		<b>\$3,637,861</b>		<b>(\$23,170,684)</b>
<b>Net Income to Operating Revenue</b>	<b>10.8</b>		<b>12.7</b>		<b>8.0</b>
<b>Debt Service Coverage on Bank Debt</b>	<b>3.01</b>		<b>3.16</b>		<b>3.93</b>
<b>Debt Service Coverage on Electric Utility Debt</b>	<b>4.13</b>		<b>4.45</b>		<b>2.58</b>

**Muscatine Power and Water - Communications Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Calendar Year-to-Date - September 2015**

	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<b><u>Operating Revenue</u></b>					
CATV	\$5,001,130	6.1	\$5,307,378	(2.7)	\$5,455,793
Data/Internet	3,618,690	4.0	3,763,208	6.7	3,527,395
MAN/MME	485,714	(5.3)	460,108	15.6	397,874
Miscellaneous	99,558	13.5	112,964	6.3	106,281
<b>Total Operating Revenues</b>	<b>9,205,092</b>	<b>4.8</b>	<b>9,643,658</b>	<b>1.6</b>	<b>9,487,343</b>
<b><u>Operating Expense</u></b>					
Operation	6,144,224	3.8	6,380,641	7.8	5,918,641
Maintenance	719,141	(5.4)	680,154	(3.9)	707,713
Depreciation	1,366,060	(4.1)	1,310,679	(11.6)	1,482,327
<b>Total Operating Expenses</b>	<b>8,229,425</b>	<b>1.7</b>	<b>8,371,474</b>	<b>3.2</b>	<b>8,108,681</b>
<b>Operating Income</b>	<b>975,667</b>	<b>30.4</b>	<b>1,272,184</b>	<b>(7.7)</b>	<b>1,378,662</b>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	11,141	1.2X	24,270	(31.4)	35,356
Interest Expense	(73,989)	---	(73,984)	(92.7)	(1,007,192)
<b>Net Nonoperating Expense</b>	<b>(62,848)</b>	<b>(20.9)</b>	<b>(49,714)</b>	<b>(94.9)</b>	<b>(971,836)</b>
<b>Net Income before Capital Contributions</b>	<b>912,819</b>	<b>33.9</b>	<b>1,222,470</b>	<b>2.0X</b>	<b>406,826</b>
Capital Contributions	9,000	1.6X	23,148	(11.1)	26,044
Write Off - Loan from Electric	25,327,000	---	25,327,000	---	---
<b>Change in Net Position</b>	<b>26,248,819</b>		<b>26,572,618</b>		<b>432,870</b>
<b>Beginning Net Position</b>	<b>(22,934,757)</b>		<b>(22,934,757)</b>		<b>(23,603,554)</b>
<b>Ending Net Position</b>	<b>\$3,314,062</b>		<b>\$3,637,861</b>		<b>(\$23,170,684)</b>
Net Income (Loss) to Operating Revenue	9.9		12.7		4.3
Debt Service Coverage on Bank Debt	2.90		3.21		3.51
Debt Service Coverage on Electric Utility Debt	3.90		4.54		2.21

**Muscatine Power and Water - Communications Utility**  
**Statements of Net Position**  
**September 2015**

**ASSETS**

	<u>2015</u>	<u>2014</u>
<b>Current Assets:</b>		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$6,181,840	\$3,743,348
Investments	780,711	2,152,000
Receivables:		
Consumer Accounts	1,276,666	1,199,673
Interest	23,546	33,526
Inventories	193,701	239,370
Prepaid Expenses	<u>121,746</u>	<u>114,550</u>
Total Unrestricted Current Assets	<u>8,578,210</u>	<u>7,482,467</u>
<u>Restricted Assets</u>		
Cash - interest bearing	<u>32</u>	<u>27</u>
Total Restricted Current Assets	<u>32</u>	<u>27</u>
Total Current Assets	<u>8,578,242</u>	<u>7,482,494</u>
<b>Property and Equipment:</b>		
At Cost	33,207,764	32,814,270
Less Accumulated Depreciation	<u>25,591,171</u>	<u>24,275,447</u>
Net Property and Equipment	<u>7,616,593</u>	<u>8,538,823</u>
<b>TOTAL ASSETS</b>	<u><u>\$16,194,835</u></u>	<u><u>\$16,021,317</u></u>

**Muscatine Power and Water - Communications Utility**  
**Statements of Net Position**  
**September 2015**

**LIABILITIES AND NET POSITION**

	<u>2015</u>	<u>2014</u>
<b>Current Liabilities:</b>		
<b><u>Payable from Unrestricted Assets</u></b>		
Accrued Interest	\$12,501	\$311,760
Accounts Payable	483,293	477,247
Pension Provision	113,841	90,320
Health & Dental Insurance Provision	47,710	37,700
Accrued Payroll	32,826	22,056
Accrued Vacation	149,113	138,976
Accrued Property Taxes	6,865	3,339
Unearned Revenue - Dark Fiber Lease	17,500	17,500
Miscellaneous Accrued Expenses	162,770	101,691
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	1,026,419	1,200,589
	<hr/>	<hr/>
<b><u>Payable from Restricted Assets</u></b>		
Notes Payable:		
Banks	1,035,000	1,005,000
Electric Utility	476,665	---
Accrued Interest	12,160	23,970
	<hr/>	<hr/>
Total Payable from Restricted Assets	1,523,825	1,028,970
	<hr/>	<hr/>
Total Current Liabilities	2,550,244	2,229,559
	<hr/>	<hr/>
<b>Non-Current Liabilities:</b>		
Health & Dental Insurance Provision	167,335	264,599
Post-Employment Health Benefit Provision	64,706	66,989
Unearned Revenue - Dark Fiber Lease	251,354	268,854
Notes Payable:		
Banks	---	1,035,000
Electric Utility	9,523,335	35,327,000
	<hr/>	<hr/>
Total Non-Current Liabilities	10,006,730	36,962,442
	<hr/>	<hr/>
<b>Net Position:</b>		
Net Investment in Capital Assets	6,104,928	6,498,823
Unrestricted	(2,467,067)	(29,669,507)
	<hr/>	<hr/>
Total Net Position	3,637,861	(23,170,684)
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<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$16,194,835</u>	<u>\$16,021,317</u>

**Muscatine Power and Water - Communications Utility**  
**Statements of Cash Flows**  
**September 2015**

	<u>Current Month</u>	<u>Year- To-Date</u>
<b>Cash flows from operating activities:</b>		
Cash received from:		
Communications sales	\$1,018,034	\$9,164,469
Advertising sales	35,302	308,031
Miscellaneous sources	12,865	174,219
Cash paid to/for:		
Suppliers	(415,206)	(4,258,934)
Employees payroll, taxes and benefits	(433,039)	(2,698,762)
Net cash flows from operating activities	217,956	2,689,023
<b>Cash flows from capital and related financing activities:</b>		
Capital expenditures, net	(73,769)	(579,910)
Loan principal payments	---	(1,005,000)
Loan interest payments	---	(720,784)
Net cash flows from capital and related financing activities	(73,769)	(2,305,694)
<b>Cash flows from investing activities:</b>		
Interest received on investments	204	31,740
Mark to Market	---	---
Net cash flows from investing activities	204	31,740
Net increase in cash and investments	144,391	415,069
Cash and investments at beginning of period	6,818,192	6,547,514
Cash and investments at end of period	\$6,962,583	\$6,962,583

**Muscatine Power and Water - Communications Utility**  
**Statements of Cash Flows**  
**September 2015**

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$145,296	\$1,272,184
Noncash items in operating income:		
Converter/modem write-off	9	23,467
Depreciation of utility plant	137,647	1,310,679
Changes in assets and liabilities:		
Consumer accounts receivable	(45,916)	30,869
Inventories	2,647	47,274
Prepaid and deferred expenses	22,635	(50,174)
Accounts payable	11,225	16,024
Pension provision	(37,947)	113,841
Health & dental insurance provision	11,550	(76,347)
Other post-employment benefit provision	---	(6,345)
Unearned revenue	(1,459)	(24,305)
Accrued payroll	(84,975)	(43,409)
Accrued vacation	5,421	12,186
Accrued property taxes	(7,524)	(3,840)
Miscellaneous accrued expenses	59,347	66,919
	<u>\$217,956</u>	<u>\$2,689,023</u>
Net cash flows from operating activities	<u>\$217,956</u>	<u>\$2,689,023</u>

**Muscatine Power and Water - Communications Utility**  
**Summary of Expenses**  
**Current Month - September 2015**

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>CATV</u></b>			
Program Acquisition Expense	\$331,343	\$349,043	\$317,409
Promotional Expense	534	493	580
Electricity Expense	2,583	1,953	2,520
Pole Attachment Expense	2,350	2,350	2,292
Changes of Service	1,407	1,118	1,025
Underground Line Expense	2,381	2,886	2,607
Ad Insertion - Marketing/Production	6,797	7,350	7,496
Miscellaneous CATV Expense	14,048	16,743	7,850
Vehicle Expense	5,994	4,753	4,202
Maintenance:			
Fiber	1,048	621	810
Coax	1,992	1,224	2,315
Drops	2,264	2,798	560
Conduit System	1,332	1,598	876
Headend	22,066	16,776	16,707
Line Equipment	5,002	7,401	3,658
Converters	6,490	2,641	3,301
Ad Insertion	3,788	4,180	4,172
Vacation, Holiday, Sick Leave	6,438	6,007	6,814
Property Taxes	677	(2,469)	(1,744)
Depreciation	95,080	81,657	111,937
<b>Total CATV</b>	<b>513,614</b>	<b>509,123</b>	<b>495,387</b>
<b><u>Data/Internet</u></b>			
Data/Internet Access Charges	23,437	26,115	24,803
Promotional Expense	534	521	586
Electricity Expense	87	67	86
Pole Attachment Expense	83	83	83
Changes of Service	71	479	439
Customer Wireless Equipment Expense	289	(258)	---
Underground Line Expense	81	98	89
Miscellaneous Data/Internet Expense	2,405	3,719	1,807
Vehicle Expense	844	581	508
Maintenance:			
Fiber	37	22	28
Coax	68	42	79
Drops	77	95	19
Conduit System	47	56	31
Headend	16,991	26,121	30,276
Line Equipment	219	258	124
Modems	5,026	7,849	5,109
Vacation, Holiday, Sick Leave	3,155	3,759	2,002
Property Taxes	24	(85)	(61)
Depreciation	24,402	24,511	23,680
<b>Total Data/Internet</b>	<b>77,877</b>	<b>94,033</b>	<b>\$89,688</b>

**Muscatine Power and Water - Communications Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - September 2015**

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>CATV</u></b>			
Program Acquisition Expense	\$3,028,921	\$3,223,211	\$3,005,387
Promotional Expense	6,848	4,653	5,006
Electricity Expense	23,250	24,504	22,703
Pole Attachment Expense	21,150	21,150	20,625
Changes of Service	12,901	9,886	12,052
Underground Line Expense	21,190	23,913	21,291
Ad Insertion - Marketing/Production	60,640	69,376	57,573
Miscellaneous CATV Expense	125,836	133,365	94,719
Vehicle Expense	53,671	35,596	47,931
Maintenance:			
Fiber	9,406	6,483	10,303
Coax	17,325	9,802	12,848
Drops	19,613	14,234	13,857
Conduit System	10,983	13,788	11,472
Headend	197,259	158,806	172,075
Line Equipment	43,276	35,792	39,792
Converters	57,632	27,265	35,139
Ad Insertion	34,093	35,691	38,778
Vacation, Holiday, Sick Leave	48,594	49,287	43,085
Property Taxes	6,090	2,945	4,124
Depreciation	855,725	818,599	1,007,433
<b>Total CATV</b>	<b>4,654,403</b>	<b>4,718,346</b>	<b>4,676,193</b>
<b><u>Data/Internet</u></b>			
Data/Internet Access Charges	210,928	228,475	231,977
Promotional Expense	6,848	5,064	5,200
Electricity Expense	784	834	775
Pole Attachment Expense	750	750	750
Changes of Service	647	4,237	5,165
Customer Wireless Equipment Expense	2,553	1,073	230
Underground Line Expense	723	816	727
Miscellaneous Data/Internet Expense	21,597	27,124	22,789
Vehicle Expense	7,598	4,318	5,827
Maintenance:			
Fiber	328	226	1,286
Coax	591	335	439
Drops	669	486	474
Conduit System	383	481	400
Headend	154,251	233,003	248,961
Line Equipment	1,910	1,273	1,358
Modems	44,429	68,328	36,574
Vacation, Holiday, Sick Leave	23,561	26,435	16,713
Property Taxes	220	110	144
Depreciation	219,613	220,599	213,120
<b>Total Data/Internet</b>	<b>\$698,383</b>	<b>\$823,967</b>	<b>\$792,909</b>

**Muscatine Power and Water - Communications Utility**  
**Summary of Expenses**  
**Current Month - September 2015**

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>MAN/MME</u></b>			
Pole Attachment Expense	\$1,133	\$1,133	\$1,100
Tools Expense	292	2	36
Maintenance:			
Fiber	505	300	391
Conduit System	643	771	423
MAN/MME Equipment	8,927	4,595	5,180
Vacation, Holiday, Sick Leave	653	561	846
Property Taxes	327	(1,191)	(842)
Depreciation	21,657	22,555	20,425
<b>Total MAN/MME</b>	<b>34,137</b>	<b>28,726</b>	<b>27,559</b>
<b><u>Customer Service Expense</u></b>			
Customer Information Expense	5,510	2,384	2,110
<b><u>Consumer Accounts</u></b>			
Supervision	2,743	2,212	2,953
Consumer Records and Collections	43,153	45,470	40,913
Uncollectible Accounts Expense	1,796	1,796	3,626
Vacation, Holiday, Sick Leave	5,605	4,774	5,635
<b>Total Consumer Accounts</b>	<b>53,297</b>	<b>54,252</b>	<b>53,127</b>
<b><u>Administrative and General</u></b>			
Administrative and General Salaries	77,405	77,572	72,364
Office Supplies and Expense	4,557	4,422	4,709
Outside Services Employed	7,415	6,453	6,312
Property Insurance	1,282	1,172	1,186
Casualty Ins, Injuries & Damages	6,228	48,552	(2,521)
Employee Pensions and Benefits	85,710	84,677	73,153
Fringe Benefits Charges to Construction	(6,320)	(4,540)	(6,655)
Rents	9,482	9,482	9,206
Miscellaneous General Expense	12,764	9,519	5,949
Maintenance of General Plant	4,150	2,551	4,114
Vacation, Holiday, Sick Leave	13,366	15,339	10,693
Depreciation	10,646	8,924	8,661
<b>Total Administrative and General</b>	<b>226,685</b>	<b>264,123</b>	<b>187,171</b>
<b>Total Operating Expenses</b>	<b>\$911,120</b>	<b>\$952,641</b>	<b>\$855,042</b>

**Muscatine Power and Water - Communications Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - September 2015**

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>MAN/MME</u></b>			
Pole Attachment Expense	\$10,200	\$10,200	\$9,900
Tools Expense	2,625	1,740	3,575
Maintenance:			
Fiber	4,539	3,181	4,972
Conduit System	5,300	6,654	5,536
MAN/MME Equipment	79,333	32,945	44,020
Vacation, Holiday, Sick Leave	4,794	3,967	5,151
Property Taxes	2,943	1,426	1,990
Depreciation	194,910	193,275	183,825
<b>Total MAN/MME</b>	<b>304,644</b>	<b>253,388</b>	<b>258,969</b>
<b><u>Customer Service Expense</u></b>			
Customer Information Expense	52,901	32,989	21,359
<b><u>Consumer Accounts</u></b>			
Supervision	24,066	24,927	24,164
Consumer Records and Collections	382,908	381,488	369,764
Uncollectible Accounts Expense	16,166	16,166	32,639
Vacation, Holiday, Sick Leave	42,153	41,780	46,451
<b>Total Consumer Accounts</b>	<b>465,293</b>	<b>464,361</b>	<b>473,018</b>
<b><u>Administrative and General</u></b>			
Administrative and General Salaries	683,441	657,308	645,705
Office Supplies and Expense	41,912	45,062	41,153
Outside Services Employed	78,229	142,201	78,154
Property Insurance	11,436	10,591	10,239
Casualty Ins, Injuries & Damages	56,679	109,508	48,229
Employee Pensions and Benefits	779,562	738,038	748,350
Fringe Benefits Charges to Construction	(54,485)	(39,384)	(56,597)
Rents	85,341	85,341	82,856
Miscellaneous General Expense	137,016	117,934	96,624
Maintenance of General Plant	37,821	31,381	29,429
Vacation, Holiday, Sick Leave	101,037	102,237	84,142
Depreciation	95,812	78,206	77,949
<b>Total Administrative and General</b>	<b>2,053,801</b>	<b>2,078,423</b>	<b>1,886,233</b>
<b>Total Operating Expenses</b>	<b>\$8,229,425</b>	<b>\$8,371,474</b>	<b>\$8,108,681</b>

**Muscatine Power and Water - Communications Utility**  
**Statistical Data**  
**September 2015**

<u>Services</u>	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u> <sup>fn1</sup>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u> <sup>fn1</sup>
<u>CATV</u>					
Residential	5,857	0.3	5,874	(5.1)	6,191
Commercial/Hospitality	<u>163</u>	0.0	<u>163</u>	0.0	<u>163</u>
Total CATV	<u>6,020</u>	0.3	<u>6,037</u>	(5.0)	<u>6,354</u>
<u>Bulk Equivalent Services</u>					
Bulk Equivalent Services	<u>368</u>	1.1	<u>372</u>	(0.8)	<u>375</u>
Bulk Master Services	<u>22</u>	---	<u>22</u>	(4.3)	<u>23</u>
<u>Internet</u>					
Residential	7,120	2.7	7,310	4.8	6,972
Commercial	<u>439</u>	12.3	<u>493</u>	5.8	<u>466</u>
Total Internet	<u>7,559</u>	3.2	<u>7,803</u>	4.9	<u>7,438</u>
<u>MAN/MME</u>					
MAN/MME	<u>73</u>	11.0	<u>81</u>	14.1	<u>71</u>

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