

Muscatine Power and Water

Communications Utility

Statement of Revenues, Expenses and Changes in Net Position

November 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 - November 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>
<u>Operating Revenue</u>					
CATV	\$560,371	10.4	\$618,578	3.1	\$599,724
Data/Internet	404,414	7.8	435,777	8.9	399,994
MME	54,109	0.5	54,404	14.1	47,679
Miscellaneous	<u>11,079</u>	0.2	<u>11,100</u>	(22.7)	<u>14,355</u>
Total Operating Revenues	<u>1,029,973</u>	8.7	<u>1,119,859</u>	5.5	<u>1,061,752</u>
<u>Operating Expense</u>					
Operation	684,680	4.0	711,907	5.0	678,299
Maintenance	80,732	(13.7)	69,635	9.1	63,807
Depreciation	<u>151,784</u>	(9.3)	<u>137,647</u>	(16.9)	<u>165,622</u>
Total Operating Expenses	<u>917,196</u>	0.2	<u>919,189</u>	1.3	<u>907,728</u>
Operating Income	<u>112,777</u>	77.9	<u>200,670</u>	30.3	<u>154,024</u>
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	1,306	94.6	2,542	(35.9)	3,966
Interest Expense	<u>(8,221)</u>	---	<u>(8,220)</u>	(92.7)	<u>(111,910)</u>
Net Nonoperating Expense	<u>(6,915)</u>	(17.9)	<u>(5,678)</u>	(94.7)	<u>(107,944)</u>
Net Income before Capital Contributions	105,862	84.2	194,992	3.2X	46,080
Capital Contributions	1,000	72.2	1,722	(80.6)	8,897
Prior Period Adj. GASB 68 Pension	---	---	---	---	---
Write Off - Loan from Electric	<u>---</u>	---	<u>---</u>	---	<u>---</u>
Change in Net Position	106,862		196,714		54,977
Beginning Net Position	<u>3,428,605</u>		<u>3,071,721</u>		<u>(23,108,088)</u>
Ending Net Position	<u>\$3,535,467</u>		<u>\$3,268,435</u>		<u>(\$23,053,111)</u>
Net Income to Operating Revenue	10.3		17.4		4.3
Debt Service Coverage on Bank Debt	2.94		3.77		3.53
Debt Service Coverage on Electric Utility Debt	4.00		5.71		2.23

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

	<u>Budget</u> <u>Estimate</u>	<u>% Increase</u> <u>(Decrease)</u> <u>From Budget</u>	<u>This</u> <u>Year</u>	<u>% Increase</u> <u>(Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last</u> <u>Year</u>
<u>Operating Revenue</u>					
CATV	\$6,117,893	6.6	\$6,522,141	(2.1)	\$6,663,558
Data/Internet	4,427,352	4.7	4,634,634	7.2	4,323,635
MME	593,931	(4.3)	568,116	15.5	491,917
Miscellaneous	121,715	13.6	138,258	5.0	131,698
Total Operating Revenues	11,260,891	5.3	11,863,149	2.2	11,610,808
<u>Operating Expense</u>					
Operation	7,500,391	4.1	7,811,105	7.8	7,245,483
Maintenance	881,943	(6.0)	828,820	(2.3)	848,022
Depreciation	1,669,627	(5.0)	1,585,973	(12.5)	1,812,652
Total Operating Expenses	10,051,961	1.7	10,225,898	3.2	9,906,157
Operating Income	1,208,930	35.4	1,637,251	(4.0)	1,704,651
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	13,725	1.2X	29,511	(32.0)	43,400
Interest Expense	(90,431)	---	(90,424)	(92.7)	(1,231,012)
Net Nonoperating Expense	(76,706)	(20.6)	(60,913)	(94.9)	(1,187,612)
Net Income before Capital Contributions	1,132,224	39.2	1,576,338	2.0X	517,039
Capital Contributions	11,000	1.4X	26,593	(20.4)	33,404
Prior Period Adj. GASB 68 Pension	---	---	(726,739)	---	---
Write Off - Loan from Electric	25,327,000	---	25,327,000	---	---
Change in Net Position	26,470,224		26,203,192		550,443
Beginning Net Position	(22,934,757)		(22,934,757)		(23,603,554)
Ending Net Position	\$3,535,467		\$3,268,435		(\$23,053,111)
Net Income (Loss) to Operating Revenue	10.1		13.3		4.5
Debt Service Coverage on Bank Debt	2.91		3.27		3.53
Debt Service Coverage on Electric Utility Debt	3.93		4.68		2.23

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

ASSETS

	<u>2015</u>	<u>2014</u>
Current Assets:		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$6,558,243	\$4,134,918
Investments	780,711	2,152,000
Receivables:		
Consumer Accounts	1,329,135	1,327,968
Interest	28,434	41,224
Inventories	198,536	242,627
Prepaid Expenses	<u>76,184</u>	<u>65,684</u>
Total Unrestricted Current Assets	<u>8,971,243</u>	<u>7,964,421</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>8,971,275</u>	<u>7,964,448</u>
Property and Equipment:		
At Cost	33,642,103	32,958,345
Less Accumulated Depreciation	<u>25,788,409</u>	<u>24,571,834</u>
Net Property and Equipment	<u>7,853,694</u>	<u>8,386,511</u>
Deferred Outflows of Resources - Pension		
Changes of Assumptions	425,212	---
Difference between projected and actual earnings on pension plan	88,477	---
Contributions subsequent to measurement date	<u>268,515</u>	<u>---</u>
Total Deferred Outflows of Resources - Pension	<u>782,204</u>	<u>---</u>
TOTAL ASSETS	<u><u>\$17,607,173</u></u>	<u><u>\$16,350,959</u></u>

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

LIABILITIES AND NET POSITION

	<u>2015</u>	<u>2014</u>
Current Liabilities:		
<u>Payable from Unrestricted Assets</u>		
Accrued Interest	\$20,833	\$519,600
Accounts Payable	811,291	484,697
Pension Provision	---	69,790
Health & Dental Insurance Provision	47,710	37,700
Accrued Payroll	67,415	53,814
Accrued Vacation	157,402	143,556
Accrued Property Taxes	7,328	10,106
Unearned Revenue - Dark Fiber Lease	17,500	17,500
Miscellaneous Accrued Expenses	150,643	87,719
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	1,280,122	1,424,482
<u>Payable from Restricted Assets</u>		
Notes Payable:		
Banks	1,035,000	1,005,000
Electric Utility	476,665	---
Accrued Interest	20,269	39,950
	<hr/>	<hr/>
Total Payable from Restricted Assets	1,531,934	1,044,950
	<hr/>	<hr/>
Total Current Liabilities	2,812,056	2,469,432
Non-Current Liabilities:		
Health & Dental Insurance Provision	142,598	237,003
Post-Employment Health Benefit Provision	64,706	69,697
Unearned Revenue - Dark Fiber Lease	248,438	265,938
Net Pension Liability	1,446,239	---
Notes Payable:		
Banks	---	1,035,000
Electric Utility	9,523,335	35,327,000
	<hr/>	<hr/>
Total Non-Current Liabilities	11,425,316	36,934,638
	<hr/>	<hr/>
Deferred Inflows of Resources - Pension	101,366	---
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Net Position:		
Net Investment in Capital Assets	6,342,029	6,346,511
Restricted	782,204	---
Unrestricted	(3,855,798)	(29,399,622)
	<hr/>	<hr/>
Total Net Position	3,268,435	(23,053,111)
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TOTAL LIABILITIES AND NET POSITION	<u>\$17,607,173</u>	<u>\$16,350,959</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Communications sales	\$1,014,118	\$11,216,641
Advertising sales	56,472	396,679
Miscellaneous sources	8,639	193,433
Cash paid to/for:		
Suppliers	(379,370)	(5,095,723)
Employees payroll, taxes and benefits	(346,409)	(3,390,414)
	353,450	3,320,616
Net cash flows from operating activities		
Cash flows from capital and related financing activities:		
Capital expenditures, net	(211,938)	(835,453)
Loan principal payments	---	(1,005,000)
Loan interest payments	---	(720,784)
	(211,938)	(2,561,237)
Net cash flows from capital and related financing activities		
Cash flows from investing activities:		
Interest received on investments	134	32,093
Mark to Market	---	---
	134	32,093
Net cash flows from investing activities		
Net increase in cash and investments	141,646	791,472
Cash and investments at beginning of period	7,197,340	6,547,514
Cash and investments at end of period	\$7,338,986	\$7,338,986

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$200,670	\$1,637,251
Noncash items in operating income:		
Converter/modem write-off	3,207	32,493
Depreciation of utility plant	137,647	1,585,973
Changes in deferred outflows of resources - pension	(67,129)	(67,129)
Changes in deferred inflows of resources - pension	---	101,366
Changes in assets and liabilities:		
Consumer accounts receivable	(36,255)	(21,600)
Inventories	(14,239)	42,439
Prepaid and deferred expenses	14,713	(4,612)
Accounts payable	54,307	81,588
Net pension liability	27,924	4,426
Health & dental insurance provision	(16,979)	(101,084)
Other post-employment benefit provision	---	(6,345)
Unearned revenue	(1,458)	(27,221)
Accrued payroll	11,934	(8,820)
Accrued vacation	5,675	20,475
Accrued property taxes	232	(3,377)
Miscellaneous accrued expenses	33,201	54,793
	<u>\$353,450</u>	<u>\$3,320,616</u>
Net cash flows from operating activities	<u>\$353,450</u>	<u>\$3,320,616</u>

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>CATV</u>			
Program Acquisition Expense	\$329,958	\$351,940	\$322,542
Promotional Expense	534	462	724
Electricity Expense	2,583	2,697	2,619
Pole Attachment Expense	2,350	983	1,567
Changes of Service	1,407	960	655
Underground Line Expense	2,336	2,355	1,940
Ad Insertion - Marketing/Production	6,797	9,987	9,372
Miscellaneous CATV Expense	13,841	13,669	8,618
Vehicle Expense	5,995	4,318	5,968
Maintenance:			
Fiber	1,094	838	1,458
Coax	1,957	431	934
Drops	2,096	1,711	1,091
Conduit System	1,371	2,083	3,060
Headend	22,108	15,554	14,731
Line Equipment	4,725	4,225	4,760
Converters	6,490	3,331	3,419
Ad Insertion	3,788	3,032	2,271
Vacation, Holiday, Sick Leave	8,552	7,697	9,369
Property Taxes	677	153	733
Depreciation	95,080	81,657	111,937
Total CATV	513,739	508,083	507,768
<u>Data/Internet</u>			
Data/Internet Access Charges	23,437	28,092	35,507
Promotional Expense	534	478	710
Electricity Expense	87	92	89
Pole Attachment Expense	83	21	38
Changes of Service	71	412	281
Customer Wireless Equipment Expense	289	249	---
Underground Line Expense	80	80	66
Miscellaneous Data/Internet Expense	2,405	3,055	1,636
Vehicle Expense	844	528	726
Maintenance:			
Fiber	38	29	51
Coax	67	15	32
Drops	72	58	37
Conduit System	48	73	107
Headend	16,991	26,203	18,269
Line Equipment	209	150	162
Modems	4,916	(731)	2,711
Vacation, Holiday, Sick Leave	4,253	5,273	2,757
Property Taxes	24	5	26
Depreciation	24,401	24,511	24,599
Total Data/Internet	78,849	88,593	\$87,804

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>CATV</u>			
Program Acquisition Expense	\$3,692,378	\$3,925,118	\$3,649,671
Promotional Expense	7,916	7,799	6,620
Electricity Expense	28,417	29,908	28,043
Pole Attachment Expense	25,850	24,483	24,484
Changes of Service	15,769	12,371	13,749
Underground Line Expense	25,863	29,050	25,643
Ad Insertion - Marketing/Production	74,233	87,414	76,636
Miscellaneous CATV Expense	153,670	162,346	113,869
Vehicle Expense	65,573	44,020	58,608
Maintenance:			
Fiber	11,548	7,512	14,209
Coax	21,147	11,369	13,955
Drops	23,825	18,269	16,186
Conduit System	13,686	18,662	16,442
Headend	241,178	191,352	205,136
Line Equipment	52,899	42,961	51,868
Converters	70,611	33,941	43,250
Ad Insertion	41,704	47,103	45,050
Vacation, Holiday, Sick Leave	61,469	63,194	56,827
Property Taxes	7,443	3,250	5,591
Depreciation	1,045,885	981,913	1,231,307
Total CATV	5,681,064	5,742,035	5,697,144
<u>Data/Internet</u>			
Data/Internet Access Charges	257,801	282,679	298,533
Promotional Expense	7,916	6,164	6,806
Electricity Expense	958	1,019	957
Pole Attachment Expense	917	854	871
Changes of Service	791	5,302	5,892
Customer Wireless Equipment Expense	3,131	1,323	278
Underground Line Expense	883	991	875
Miscellaneous Data/Internet Expense	26,426	37,305	27,938
Vehicle Expense	9,287	5,348	7,120
Maintenance:			
Fiber	403	262	1,414
Coax	722	387	477
Drops	813	623	554
Conduit System	478	651	574
Headend	190,753	284,060	288,807
Line Equipment	2,333	1,529	1,770
Modems	54,324	72,763	43,045
Vacation, Holiday, Sick Leave	29,872	36,778	20,702
Property Taxes	268	121	195
Depreciation	268,416	269,621	261,399
Total Data/Internet	\$856,492	\$1,007,780	\$968,207

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>MME</u>			
Pole Attachment Expense	\$1,133	\$481	\$786
Tools Expense	292	64	62
Maintenance:			
Fiber	528	405	703
Conduit System	661	1,005	1,477
MME Equipment	8,816	7,350	4,540
Vacation, Holiday, Sick Leave	909	488	950
Property Taxes	327	74	354
Depreciation	21,657	22,555	20,425
Total MAN/MME	34,323	32,422	29,297
<u>Customer Service Expense</u>			
Customer Information Expense	4,530	3,690	1,071
<u>Consumer Accounts</u>			
Supervision	2,743	2,802	2,577
Consumer Records and Collections	43,129	42,567	38,325
Uncollectible Accounts Expense	1,796	1,796	3,627
Vacation, Holiday, Sick Leave	7,484	7,061	7,977
Total Consumer Accounts	55,152	54,226	52,506
<u>Administrative and General</u>			
Administrative and General Salaries	77,395	69,356	62,880
Office Supplies and Expense	4,422	5,696	4,825
Outside Services Employed	8,765	5,443	15,180
Property Insurance	1,282	1,172	1,187
Casualty Ins, Injuries & Damages	6,228	19,183	14,999
Employee Pensions and Benefits	85,845	82,678	83,631
Fringe Benefits Charges to Construction	(6,189)	(4,165)	(5,210)
Rents	9,482	9,482	9,206
Miscellaneous General Expense	10,311	11,479	14,444
Maintenance of General Plant	4,757	3,873	3,994
Vacation, Holiday, Sick Leave	17,659	19,054	15,485
Depreciation	10,646	8,924	8,661
Total Administrative and General	230,603	232,175	229,282
Total Operating Expenses	\$917,196	\$919,189	\$907,728

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

	<u>Budget Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>MME</u>			
Pole Attachment Expense	\$12,467	\$11,814	\$11,785
Tools Expense	3,208	2,113	3,648
Maintenance:			
Fiber	5,572	3,678	6,743
Conduit System	6,604	9,006	7,934
MME Equipment	96,924	45,096	53,400
Vacation, Holiday, Sick Leave	6,099	4,863	6,680
Property Taxes	3,598	1,573	2,697
Depreciation	238,223	238,385	224,675
Total MAN/MME	372,695	316,528	317,562
<u>Customer Service Expense</u>			
Customer Information Expense	64,430	50,945	26,136
<u>Consumer Accounts</u>			
Supervision	29,504	30,383	29,031
Consumer Records and Collections	469,144	468,512	452,142
Uncollectible Accounts Expense	19,759	19,759	39,893
Vacation, Holiday, Sick Leave	53,363	52,253	59,721
Total Consumer Accounts	571,770	570,907	580,787
<u>Administrative and General</u>			
Administrative and General Salaries	838,237	812,016	789,704
Office Supplies and Expense	50,807	54,466	54,288
Outside Services Employed	94,409	153,890	98,603
Property Insurance	14,000	12,935	12,612
Casualty Ins, Injuries & Damages	69,344	136,055	67,917
Employee Pensions and Benefits	950,619	906,893	903,712
Fringe Benefits Charges to Construction	(66,634)	(48,160)	(71,127)
Rents	104,306	104,306	101,268
Miscellaneous General Expense	159,153	140,173	120,349
Maintenance of General Plant	46,419	39,596	37,208
Vacation, Holiday, Sick Leave	127,747	129,479	106,516
Depreciation	117,103	96,054	95,271
Total Administrative and General	2,505,510	2,537,703	2,316,321
Total Operating Expenses	\$10,051,961	\$10,225,898	\$9,906,157

Muscatine Power and Water - Communications Utility
Statistical Data
November 2015

	Budget Estimate	% Increase (Decrease) From Budget	This Year ^{fn1}	% Increase (Decrease) Fr. Last Yr.	Last Year ^{fn1}
<u>Services</u>					
<u>CATV</u>					
Residential	5,799	0.4	5,820	(5.3)	6,145
Commercial/Hospitality	<u>164</u>	(3.7)	<u>158</u>	(4.2)	<u>165</u>
Total CATV	<u>5,963</u>	0.3	<u>5,978</u>	(5.3)	<u>6,310</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	7,119	3.2	7,347	5.2	6,984
Commercial	<u>441</u>	12.7	<u>497</u>	6.7	<u>466</u>
Total Internet	<u>7,560</u>	3.8	<u>7,844</u>	5.3	<u>7,450</u>
<u>MME</u>	<u>73</u>	12.3	<u>82</u>	12.3	<u>73</u>

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