

Muscatine Power and Water

Communications Utility

Statement of Revenues, Expenses and Changes in Net Position

January 2016

**Muscatine Power and Water
Communications Utility**

Table of Contents

	Page
Statements of Revenues, Expenses, and Changes in Net Position.....	1
Statements of Net Position.....	2-3
Statements of Cash Flows.....	4-5
Summary of Expenses.....	6-7
Statistical Data.....	8

Muscatine Power and Water - Communications Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - January 2016

	<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	\$569,470	7.7	\$613,557	8.9	\$563,497
Data/Internet	436,662	1.5	443,331	9.7	404,100
MME	51,000	5.1	53,625	13.1	47,414
Miscellaneous	11,345	0.1	11,351	0.7	11,277
Total Operating Revenues	<u>1,068,477</u>	5.0	<u>1,121,864</u>	9.3	<u>1,026,288</u>
<u>Operating Expense</u>					
Operation	716,570	(0.1)	715,729	(0.2)	716,979
Maintenance	82,769	(7.8)	76,323	9.2	69,876
Depreciation	148,771	(6.3)	139,329	(2.0)	142,226
Total Operating Expenses	<u>948,110</u>	(1.8)	<u>931,381</u>	0.2	<u>929,081</u>
Operating Income	<u>120,367</u>	58.3	<u>190,483</u>	96.0	<u>97,207</u>
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	1,215	(81.0)	231	(91.3)	2,654
Interest Expense	(27,718)	(85.7)	(3,968)	(51.7)	(8,220)
Net Nonoperating Expense	<u>(26,503)</u>	(85.9)	<u>(3,737)</u>	(32.9)	<u>(5,566)</u>
Net Income before Capital Contributions	93,864	99.0	186,746	1.0X	91,641
Capital Contributions	2,000	(13.9)	1,722	0.0	1,722
Write Off - Loan from Electric	---	---	---	---	25,327,000
Change in Net Position	95,864		188,468		25,420,363
Beginning Net Position	<u>3,656,603</u>		<u>3,484,795</u>		<u>(22,934,757)</u>
Ending Net Position	<u>\$3,752,467</u>		<u>\$3,673,263</u>		<u>\$2,485,606</u>
Net Income to Operating Revenue	8.8		16.7		8.9
Debt Service Coverage on Bank Debt	5.34		---		2.68
Debt Service Coverage on Electric Utility Debt	5.01		7.52		3.46

Muscatine Power and Water - Communications Utility
Statements of Net Position
January 2016

ASSETS

	<u>2016</u>	<u>2015</u>
Current Assets:		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$6,179,703	\$3,242,333
Investments	---	1,782,123
Receivables:		
Consumer Accounts	1,382,771	1,276,806
Interest	85	4,916
Inventories	194,583	246,820
Prepaid Expenses	153,505	130,750
	<u>7,910,647</u>	<u>6,683,748</u>
Total Unrestricted Current Assets		
<u>Restricted Assets</u>		
Cash - interest bearing	<u>6</u>	<u>32</u>
	<u>6</u>	<u>32</u>
Total Restricted Current Assets		
	<u>7,910,653</u>	<u>6,683,780</u>
Total Current Assets		
Property and Equipment:		
At Cost	33,760,515	32,872,247
Less Accumulated Depreciation	25,984,674	24,589,000
	<u>7,775,841</u>	<u>8,283,247</u>
Net Property and Equipment		
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	335,643	---
	<u>849,332</u>	<u>---</u>
Total Deferred Outflows of Resources - Pension		
TOTAL ASSETS	<u><u>\$16,535,826</u></u>	<u><u>\$14,967,027</u></u>

Muscatine Power and Water - Communications Utility
Statements of Net Position
January 2016

LIABILITIES AND NET POSITION

	<u>2016</u>	<u>2015</u>
Current Liabilities:		
<u>Payable from Unrestricted Assets</u>		
Accrued Interest	\$3,968	\$4,167
Accounts Payable	827,945	493,029
Pension Provision	---	27,105
Health & Dental Insurance Provision	53,060	47,710
Accrued Payroll	106,647	92,220
Accrued Vacation	160,479	138,318
Accrued Property Taxes	8,588	11,733
Unearned Revenue - Dark Fiber Lease	17,500	17,500
Miscellaneous Accrued Expenses	112,317	68,287
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	1,290,504	900,069
	<hr/>	<hr/>
<u>Payable from Restricted Assets</u>		
Notes Payable:		
Banks	---	1,035,000
Electric Utility	479,048	476,665
Accrued Interest	---	4,053
	<hr/>	<hr/>
Total Payable from Restricted Assets	479,048	1,515,718
	<hr/>	<hr/>
Total Current Liabilities	1,769,552	2,415,787
	<hr/>	<hr/>
Non-Current Liabilities:		
Health & Dental Insurance Provision	134,447	206,873
Post-Employment Health Benefit Provision	65,128	72,405
Unearned Revenue - Dark Fiber Lease	245,521	263,021
Net Pension Liability	1,502,262	---
Notes Payable:		
Electric Utility	9,044,287	9,523,335
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Total Non-Current Liabilities	10,991,645	10,065,634
	<hr/>	<hr/>
Deferred Inflows of Resources - Pension	101,366	---
	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets	7,296,793	6,771,582
Restricted	849,332	---
Unrestricted	(4,472,862)	(4,285,976)
	<hr/>	<hr/>
Total Net Position	3,673,263	2,485,606
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET POSITION	<u>\$16,535,826</u>	<u>\$14,967,027</u>

Muscatine Power and Water - Communications Utility
Statements of Cash Flows
January 2016

	<u>Current Month</u>
Cash flows from operating activities:	
Cash received from:	
Communications sales	\$3,446,449
Advertising sales	58,465
Miscellaneous sources	8,553
Cash paid to/for:	
Suppliers	(2,923,886)
Employees payroll, taxes and benefits	(276,792)
	312,789
Net cash flows from operating activities	312,789
Cash flows from capital and related financing activities:	
Capital expenditures, net	(106,474)
Loan principal payments	---
Loan interest payments	---
	(106,474)
Net cash flows from capital and related financing activities	(106,474)
Cash flows from investing activities:	
Interest received on investments	15,004
Mark to Market	---
	15,004
Net cash flows from investing activities	15,004
Net increase (decrease) in cash and investments	221,319
Cash and investments at beginning of period	5,958,390
Cash and investments at end of period	\$6,179,709

Muscatine Power and Water - Communications Utility
Statements of Cash Flows
January 2016

	<u>Current Month</u>
Reconciliation of operating income to net cash flows from operating activities	
Operating income	\$190,483
Noncash items in operating income:	
Converter/modem write-off	---
Depreciation of utility plant	139,329
Changes in assets and liabilities:	
Consumer accounts receivable	(45,839)
Inventories	5,243
Prepaid and deferred expenses	(21,379)
Accounts payable	53,372
Net pension liability	28,102
Health & dental insurance provision	(9,790)
Other post-employment benefit provision	422
Unearned revenue	(2,156)
Accrued payroll	12,848
Accrued vacation	7,080
Accrued property taxes	1,028
Miscellaneous accrued expenses	(45,954)
Net cash flows from operating activities	\$312,789

Muscatine Power and Water - Communications Utility
Summary of Expenses
Current Month - January 2016

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>CATV</u>			
Program Acquisition Expense	\$362,694	\$368,310	\$370,490
Promotional Expense	534	627	794
Electricity Expense	2,417	2,497	1,853
Pole Attachment Expense	1,967	1,967	2,350
Changes of Service	944	1,847	1,159
Underground Line Expense	2,422	771	848
Ad Insertion - Marketing/Production	8,082	8,586	5,828
Miscellaneous CATV Expense	13,248	11,296	9,547
Vehicle Expense	6,057	4,057	4,340
Maintenance:			
Fiber	788	512	1,642
Coax	1,075	22	93
Drops	1,667	538	282
Conduit System	764	138	441
Headend	20,648	18,414	20,579
Line Equipment	3,988	5,785	4,102
Converters	5,189	2,541	2,887
Ad Insertion	3,022	2,473	2,719
Vacation, Holiday, Sick Leave	6,354	6,566	6,446
Property Taxes	596	596	677
Depreciation	89,240	82,721	88,602
Total CATV	531,696	520,264	525,679
<u>Data/Internet</u>			
Data/Internet Access Charges	25,575	26,364	25,329
Promotional Expense	534	703	1,014
Electricity Expense	433	316	63
Pole Attachment Expense	346	346	83
Changes of Service	167	326	497
Customer Wireless Equipment Expense	291	---	361
Underground Line Expense	111	136	29
Miscellaneous Data/Internet Expense	4,267	4,493	3,051
Vehicle Expense	844	488	530
Maintenance:			
Fiber	136	90	57
Coax	190	4	3
Drops	294	95	10
Conduit System	108	24	16
Headend	26,151	30,795	23,533
Line Equipment	731	1,021	146
Modems	4,618	6,229	2,878
Vacation, Holiday, Sick Leave	3,158	4,747	2,735
Property Taxes	105	105	25
Depreciation	24,808	25,111	24,511
Total Data/Internet	92,867	101,393	84,871

Muscatine Power and Water - Communications Utility
Summary of Expenses
Current Month - January 2016

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>MME</u>			
Pole Attachment Expense	\$1,079	\$1,079	\$1,133
Tools Expense	208	40	112
Maintenance:			
Fiber	435	281	793
Conduit System	409	76	213
MME Equipment	5,990	3,963	4,651
Vacation, Holiday, Sick Leave	399	421	851
Property Taxes	327	327	327
Depreciation	24,851	21,854	20,611
Total MAN/MME	33,698	28,041	28,691
<u>Customer Service Expense</u>			
Customer Information Expense	2,905	783	5,762
<u>Consumer Accounts</u>			
Supervision	2,643	2,824	2,792
Consumer Records and Collections	45,441	39,520	37,207
Uncollectible Accounts Expense	1,519	1,519	1,796
Vacation, Holiday, Sick Leave	6,003	5,662	5,720
Total Consumer Accounts	55,606	49,525	47,515
<u>Administrative and General</u>			
Administrative and General Salaries	75,649	72,918	71,384
Office Supplies and Expense	4,757	3,964	4,864
Outside Services Employed	7,562	6,796	32,908
Property Insurance	1,234	1,172	1,187
Casualty Ins, Injuries & Damages	6,187	18,329	6,633
Employee Pensions and Benefits	88,348	88,572	83,104
Fringe Benefits Charges to Construction	(5,495)	(3,452)	(5,246)
Rents	9,375	9,375	9,482
Miscellaneous General Expense	13,020	6,089	4,507
Maintenance of General Plant	6,566	3,322	4,831
Vacation, Holiday, Sick Leave	14,263	14,647	14,407
Depreciation	9,872	9,643	8,502
Total Administrative and General	231,338	231,375	236,563
Total Operating Expenses	\$948,110	\$931,381	\$929,081

Muscatine Power and Water - Communications Utility
Statistical Data
January 2016

Services	Budget Estimate	% Increase (Decrease) From Budget	This Year ^{fn1}	% Increase (Decrease) Fr. Last Yr.	Last Year ^{fn1}
<u>CATV</u>					
Residential	5,714	(0.4)	5,692	(5.8)	6,044
Commercial/Hospitality	<u>155</u>	3.9	<u>161</u>	(2.4)	<u>165</u>
Total CATV	<u><u>5,869</u></u>	(0.3)	<u><u>5,853</u></u>	(5.7)	<u><u>6,209</u></u>
Bulk Equivalent Services	<u>368</u>	(3.5)	<u>355</u>	(6.6)	<u>380</u>
Bulk Master Services	<u>24</u>	---	<u>22</u>	0.0	<u>22</u>
<u>Internet</u>					
Residential	7,365	0.1	7,372	5.0	7,019
Commercial	<u>439</u>	13.9	<u>500</u>	6.4	<u>470</u>
Total Internet	<u><u>7,804</u></u>	0.9	<u><u>7,872</u></u>	5.1	<u><u>7,489</u></u>
<u>MME</u>	<u>80</u>	2.5	<u>82</u>	3.8	<u>79</u>

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