

**Muscatine Power and Water**

**Communications Utility**

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

**February 2016**

**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 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>
<b><u>Operating Revenue</u></b>					
CATV	\$566,498	0.4	\$568,976	1.5	\$560,812
Data/Internet	438,883	1.5	445,464	9.6	406,561
MME	51,000	4.0	53,055	7.2	49,511
Miscellaneous	11,344	4.4	11,839	5.7	11,203
Total Operating Revenues	<u>1,067,725</u>	1.1	<u>1,079,334</u>	5.0	<u>1,028,087</u>
<b><u>Operating Expense</u></b>					
Operation	714,244	(0.4)	711,739	0.0	711,463
Maintenance	78,548	(1.1)	77,715	17.7	66,011
Depreciation	148,771	(6.3)	139,329	(2.0)	142,226
Total Operating Expenses	<u>941,563</u>	(1.4)	<u>928,783</u>	1.0	<u>919,700</u>
Operating Income	<u>126,162</u>	19.3	<u>150,551</u>	38.9	<u>108,387</u>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	1,172	(77.1)	268	(89.6)	2,580
Interest Expense	<u>(27,718)</u>	(85.7)	<u>(3,968)</u>	(51.7)	<u>(8,220)</u>
Net Nonoperating Expense	<u>(26,546)</u>	(86.1)	<u>(3,700)</u>	(34.4)	<u>(5,640)</u>
<b>Net Income before Capital Contributions</b>	99,616	47.4	146,851	42.9	102,747
Capital Contributions	2,000	(13.9)	1,722	(1.4)	1,746
Write Off - Loan from Electric	<u>---</u>	---	<u>---</u>	---	<u>---</u>
<b>Change in Net Position</b>	101,616		148,573		104,493
<b>Beginning Net Position</b>	<u>3,580,659</u>		<u>3,673,263</u>		<u>2,485,606</u>
<b>Ending Net Position</b>	<u>\$3,682,275</u>		<u>\$3,821,836</u>		<u>\$2,590,099</u>
Net Income to Operating Revenue	9.3		13.6		10.0
Debt Service Coverage on Bank Debt	5.46		---		2.80
Debt Service Coverage on Electric Utility Debt	5.14		6.61		3.71

**Muscatine Power and Water - Communications Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Calendar Year-to-Date - February 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>
<b><u>Operating Revenue</u></b>					
CATV	\$1,135,968	4.1	\$1,182,533	5.2	\$1,124,311
Data/Internet	875,545	1.5	888,795	9.6	810,662
MME	102,000	4.6	106,680	10.1	96,925
Miscellaneous	22,690	2.2	23,190	3.2	22,479
Total Operating Revenues	<u>2,136,203</u>	3.0	<u>2,201,198</u>	7.1	<u>2,054,377</u>
<b><u>Operating Expense</u></b>					
Operation	1,430,816	(0.2)	1,427,467	(0.1)	1,428,443
Maintenance	161,316	(4.5)	154,039	13.4	135,887
Depreciation	297,542	(6.3)	278,658	(2.0)	284,452
Total Operating Expenses	<u>1,889,674</u>	(1.6)	<u>1,860,164</u>	0.6	<u>1,848,782</u>
Operating Income	<u>246,529</u>	38.3	<u>341,034</u>	65.9	<u>205,595</u>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	2,387	(79.1)	499	(90.5)	5,234
Interest Expense	(55,436)	---	(7,936)	(51.7)	(16,441)
Net Nonoperating Expense	<u>(53,049)</u>	(86.0)	<u>(7,437)</u>	(33.6)	<u>(11,207)</u>
<b>Net Income before Capital Contributions</b>	193,480	72.4	333,597	71.6	194,388
Capital Contributions	4,000	(13.9)	3,444	(0.7)	3,468
Write Off - Loan from Electric	---	---	---	---	25,327,000
<b>Change in Net Position</b>	197,480		337,041		25,524,856
<b>Beginning Net Position</b>	<u>3,484,795</u>		<u>3,484,795</u>		<u>(22,934,757)</u>
<b>Ending Net Position</b>	<u>\$3,682,275</u>		<u>\$3,821,836</u>		<u>\$2,590,099</u>
Net Income (Loss) to Operating Revenue	9.1		15.2		9.5
Debt Service Coverage on Bank Debt	5.40		---		2.74
Debt Service Coverage on Electric Utility Debt	5.07		7.07		3.58

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

**ASSETS**

	<u>2016</u>	<u>2015</u>
<b>Current Assets:</b>		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$6,481,609	\$3,457,185
Investments	---	1,782,123
Receivables:		
Consumer Accounts	1,364,692	1,264,280
Interest	97	7,373
Inventories	189,211	246,820
Prepaid Expenses	140,289	151,513
	<u>8,175,898</u>	<u>6,909,294</u>
 <u>Restricted Assets</u>		
Cash - interest bearing	<u>6</u>	<u>32</u>
	<u>6</u>	<u>32</u>
 Total Restricted Current Assets	<u>6</u>	<u>32</u>
	<u>8,175,904</u>	<u>6,909,326</u>
 Total Current Assets	<u>8,175,904</u>	<u>6,909,326</u>
<b>Property and Equipment:</b>		
At Cost	33,808,147	32,961,300
Less Accumulated Depreciation	<u>26,121,460</u>	<u>24,730,765</u>
	<u>7,686,687</u>	<u>8,230,535</u>
<b>Deferred Outflows of Resources - Pension</b>		
Changes of Assumptions	425,212	---
Difference between projected and actual earnings on pension plan	88,477	---
Contributions subsequent to measurement date	<u>335,643</u>	<u>---</u>
	<u>849,332</u>	<u>---</u>
Total Deferred Outflows of Resources - Pension	<u>849,332</u>	<u>---</u>
<b>TOTAL ASSETS</b>	<u><u>\$16,711,923</u></u>	<u><u>\$15,139,861</u></u>

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

**LIABILITIES AND NET POSITION**

	<u>2016</u>	<u>2015</u>
<b>Current Liabilities:</b>		
<b><u>Payable from Unrestricted Assets</u></b>		
Accrued Interest	\$7,936	\$8,333
Accounts Payable	817,291	516,555
Pension Provision	---	54,210
Health & Dental Insurance Provision	53,060	47,710
Accrued Payroll	112,534	94,430
Accrued Vacation	169,873	145,872
Accrued Property Taxes	9,616	12,761
Unearned Revenue - Dark Fiber Lease	17,500	17,500
Miscellaneous Accrued Expenses	125,450	83,275
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	1,313,260	980,646
	<hr/>	<hr/>
<b><u>Payable from Restricted Assets</u></b>		
Notes Payable:		
Banks	---	1,035,000
Electric Utility	479,048	476,665
Accrued Interest	---	8,108
	<hr/>	<hr/>
Total Payable from Restricted Assets	479,048	1,519,773
	<hr/>	<hr/>
Total Current Liabilities	1,792,308	2,500,419
	<hr/>	<hr/>
<b>Non-Current Liabilities:</b>		
Health & Dental Insurance Provision	112,149	190,686
Post-Employment Health Benefit Provision	65,549	73,759
Unearned Revenue - Dark Fiber Lease	244,063	261,563
Net Pension Liability	1,530,365	---
Notes Payable:		
Electric Utility	9,044,287	9,523,335
	<hr/>	<hr/>
Total Non-Current Liabilities	10,996,413	10,049,343
	<hr/>	<hr/>
<b>Deferred Inflows of Resources - Pension</b>	101,366	---
	<hr/>	<hr/>
<b>Net Position:</b>		
Net Investment in Capital Assets	7,207,639	6,718,870
Restricted	849,332	---
Unrestricted	(4,235,135)	(4,128,771)
	<hr/>	<hr/>
Total Net Position	3,821,836	2,590,099
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$16,711,923</u>	<u>\$15,139,861</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Communications sales	\$1,002,627	\$2,089,128
Advertising sales	40,039	98,504
Miscellaneous sources	15,729	24,282
Cash paid to/for:		
Suppliers	(403,318)	(967,255)
Employees payroll, taxes and benefits	(284,643)	(561,436)
Net cash flows from operating activities	<u>370,434</u>	<u>683,223</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(68,783)	(175,258)
Loan principal payments	---	---
Loan interest payments	---	---
Net cash flows from capital and related financing activities	<u>(68,783)</u>	<u>(175,258)</u>
Cash flows from investing activities:		
Interest received on investments	256	15,260
Mark to Market	---	---
Net cash flows from investing activities	<u>256</u>	<u>15,260</u>
Net increase in cash and investments	<u>301,907</u>	<u>523,225</u>
Cash and investments at beginning of period	<u>6,179,709</u>	<u>5,958,391</u>
Cash and investments at end of period	<u><u>\$6,481,616</u></u>	<u><u>\$6,481,616</u></u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$150,551	\$341,034
Noncash items in operating income:		
Converter/modem write-off	174	174
Depreciation of utility plant	139,329	278,658
Changes in assets and liabilities:		
Consumer accounts receivable	18,079	(27,760)
Inventories	5,372	10,615
Prepaid and deferred expenses	13,216	(8,163)
Accounts payable	9,503	62,875
Net pension liability	28,103	56,205
Health & dental insurance provision	(22,298)	(32,088)
Other post-employment benefit provision	421	843
Unearned revenue	(1,458)	(3,614)
Accrued payroll	5,887	18,735
Accrued vacation	9,394	16,474
Accrued property taxes	1,028	2,056
Miscellaneous accrued expenses	13,133	(32,821)
	<u>          </u>	<u>          </u>
Net cash flows from operating activities	<u>\$370,434</u>	<u>\$683,223</u>

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>CATV</u></b>			
Program Acquisition Expense (751-758)	\$360,925	\$356,529	\$362,421
Promotional Expense (960)	534	395	436
Electricity Expense (736)	2,417	2,283	3,728
Pole Attachment Expense (715)	1,967	1,967	2,350
Changes of Service (742)	929	1,533	1,261
Underground Line Expense (743)	2,422	1,098	711
Ad Insertion - Marketing/Production (964, 965)	8,069	6,463	6,005
Miscellaneous CATV Expense (710, 738, 739)	13,091	17,549	13,842
Vehicle Expense (760)	6,017	4,241	3,823
Maintenance:			
Fiber (711)	815	1,970	647
Coax (712)	931	402	667
Drops (713)	1,506	598	1,349
Conduit System (714)	736	114	87
Headend (721-725)	20,338	17,882	17,871
Line Equipment (731-735)	3,950	3,159	3,263
Converters (741)	5,078	2,096	3,336
Ad Insertion (966)	2,898	2,804	6,720
Vacation, Holiday, Sick Leave (799)	4,323	3,950	4,658
Property Taxes (794)	596	596	677
Depreciation (793)	89,240	82,721	88,602
<b>Total CATV</b>	<b>526,782</b>	<b>508,350</b>	<b>522,454</b>
<b><u>Data/Internet</u></b>			
Data/Internet Access Charges (851-853)	25,575	26,817	23,358
Promotional Expense (961)	534	451	442
Electricity Expense (836)	433	392	127
Pole Attachment Expense (837)	346	346	83
Changes of Service (842)	164	270	540
Customer Wireless Equipment Expense (846)	257	---	173
Underground Line Expense (843)	111	194	24
Miscellaneous Data/Internet Expense (839, 844, 848)	4,184	5,286	2,068
Vehicle Expense (860)	844	510	459
Maintenance:			
Fiber (811)	141	347	23
Coax (813)	164	71	23
Drops (814)	266	106	46
Conduit System (816)	103	20	3
Headend (820, 821)	24,782	32,818	18,013
Line Equipment (831-835)	724	557	117
Modems (841)	4,369	5,164	7,566
Vacation, Holiday, Sick Leave (879)	2,127	2,610	2,044
Property Taxes (894)	105	105	24
Depreciation (893)	24,808	25,111	24,511
<b>Total Data/Internet</b>	<b>90,037</b>	<b>101,175</b>	<b>79,644</b>

**Muscatine Power and Water - Communications Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - February 2016**

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>CATV</u></b>			
Program Acquisition Expense (751-758)	\$723,620	\$724,839	\$732,912
Promotional Expense (960)	1,067	1,022	1,230
Electricity Expense (736)	4,833	4,780	5,581
Pole Attachment Expense (715)	3,935	3,934	4,700
Changes of Service (742)	1,874	3,379	2,420
Underground Line Expense (743)	4,844	1,869	1,558
Ad Insertion - Marketing/Production (964, 965)	16,151	15,049	11,833
Miscellaneous CATV Expense (710, 738, 739)	26,339	28,846	23,389
Vehicle Expense (760)	12,075	8,298	8,163
Maintenance:			
Fiber (711)	1,604	2,483	2,289
Coax (712)	2,006	424	761
Drops (713)	3,173	1,136	1,631
Conduit System (714)	1,500	252	529
Headend (721-725)	40,986	36,296	38,450
Line Equipment (731-735)	7,938	8,944	7,365
Converters (741)	10,268	4,637	6,223
Ad Insertion (966)	5,919	5,277	9,438
Vacation, Holiday, Sick Leave (799)	10,676	10,516	11,104
Property Taxes (794)	1,191	1,191	1,353
Depreciation (793)	178,479	165,442	177,204
<b>Total CATV</b>	<b>1,058,478</b>	<b>1,028,614</b>	<b>1,048,133</b>
<b><u>Data/Internet</u></b>			
Data/Internet Access Charges (851-853)	51,150	53,181	48,687
Promotional Expense (961)	1,067	1,154	1,456
Electricity Expense (836)	867	708	190
Pole Attachment Expense (837)	692	692	167
Changes of Service (842)	331	596	1,037
Customer Wireless Equipment Expense (846)	548	---	534
Underground Line Expense (843)	222	330	53
Miscellaneous Data/Internet Expense (839, 844, 848)	8,451	9,779	5,119
Vehicle Expense (860)	1,688	998	990
Maintenance:			
Fiber (811)	277	437	80
Coax (813)	354	75	26
Drops (814)	560	201	56
Conduit System (816)	210	44	18
Headend (820, 821)	50,933	63,613	41,546
Line Equipment (831-835)	1,455	1,578	263
Modems (841)	8,987	11,393	10,444
Vacation, Holiday, Sick Leave (879)	5,285	7,356	4,779
Property Taxes (894)	211	211	49
Depreciation (893)	49,616	50,222	49,022
<b>Total Data/Internet</b>	<b>\$182,904</b>	<b>\$202,568</b>	<b>\$164,516</b>

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>MME</u></b>			
Pole Attachment Expense (838)	\$1,079	\$1,079	\$1,134
Tools Expense (845)	208	218	1,105
Maintenance:			
Fiber (812)	450	1,080	365
Conduit System (817)	394	63	42
MME Equipment (818, 819)	5,908	4,556	3,421
Vacation, Holiday, Sick Leave (899)	250	225	694
Property Taxes (896)	327	327	327
Depreciation (840)	24,851	21,854	20,611
	<hr/>	<hr/>	<hr/>
Total MAN/MME	33,467	29,402	27,699
<b><u>Customer Service Expense</u></b>			
Customer Information Expense (909)	2,557	848	2,469
	<hr/>	<hr/>	<hr/>
<b><u>Consumer Accounts</u></b>			
Supervision (901)	2,643	3,015	2,720
Consumer Records and Collections (903)	48,444	47,516	35,155
Uncollectible Accounts Expense (904)	1,519	1,519	1,796
Vacation, Holiday, Sick Leave (906)	4,014	4,008	4,316
	<hr/>	<hr/>	<hr/>
Total Consumer Accounts	56,620	56,058	43,987
<b><u>Administrative and General</u></b>			
Administrative and General Salaries (920)	75,252	77,533	67,644
Office Supplies and Expense (921)	5,525	3,985	4,278
Outside Services Employed (923)	6,887	8,972	21,485
Property Insurance (924)	1,234	1,172	1,186
Casualty Ins, Injuries & Damages (925)	6,067	4,900	15,723
Employee Pensions and Benefits (926)	86,734	87,020	81,616
Fringe Benefits Charges to Construction (927)	(5,345)	(3,430)	(3,665)
Rents (931)	9,375	9,375	9,482
Miscellaneous General Expense (930)	21,802	20,176	23,955
Maintenance of General Plant (932)	4,995	3,908	2,452
Vacation, Holiday, Sick Leave (936)	9,702	9,696	10,789
Depreciation (933)	9,872	9,643	8,502
	<hr/>	<hr/>	<hr/>
Total Administrative and General	232,100	232,950	243,447
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	\$941,563	\$928,783	\$919,700

**Muscatine Power and Water - Communications Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - February 2016**

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>MME</u></b>			
Pole Attachment Expense (838)	\$2,157	\$2,158	\$2,267
Tools Expense (845)	417	259	1,217
Maintenance:			
Fiber (812)	884	1,361	1,158
Conduit System (817)	803	138	255
MME Equipment (818, 819)	11,899	8,519	8,072
Vacation, Holiday, Sick Leave (899)	649	646	1,545
Property Taxes (896)	654	654	654
Depreciation (840)	49,702	43,708	41,222
Total MAN/MME	<u>67,165</u>	<u>57,443</u>	<u>56,390</u>
<b><u>Customer Service Expense</u></b>			
Customer Information Expense (909)	<u>5,462</u>	<u>1,631</u>	<u>8,232</u>
<b><u>Consumer Accounts</u></b>			
Supervision (901)	5,287	5,839	5,512
Consumer Records and Collections (903)	93,885	87,036	72,362
Uncollectible Accounts Expense (904)	3,037	3,038	3,592
Vacation, Holiday, Sick Leave (906)	<u>10,017</u>	<u>9,670</u>	<u>10,036</u>
Total Consumer Accounts	<u>112,226</u>	<u>105,583</u>	<u>91,502</u>
<b><u>Administrative and General</u></b>			
Administrative and General Salaries (920)	150,901	150,451	139,029
Office Supplies and Expense (921)	10,283	7,949	9,142
Outside Services Employed (923)	14,449	15,768	54,393
Property Insurance (924)	2,467	2,344	2,373
Casualty Ins, Injuries & Damages (925)	12,254	23,228	22,356
Employee Pensions and Benefits (926)	175,082	175,592	164,720
Fringe Benefits Charges to Construction (927)	(10,839)	(6,882)	(8,912)
Rents (931)	18,750	18,750	18,965
Miscellaneous General Expense (930)	34,822	26,265	28,461
Maintenance of General Plant (932)	11,560	7,231	7,283
Vacation, Holiday, Sick Leave (936)	23,965	24,343	25,195
Depreciation (933)	<u>19,745</u>	<u>19,286</u>	<u>17,004</u>
Total Administrative and General	<u>463,439</u>	<u>464,325</u>	<u>480,009</u>
Total Operating Expenses	<u><u>\$1,889,674</u></u>	<u><u>\$1,860,164</u></u>	<u><u>\$1,848,782</u></u>

**Muscatine Power and Water - Communications Utility**  
**Statistical Data**  
**February 2016**

<u>Services</u>	<u>Budget</u> <u>Estimate</u>	<u>% Increase</u> <u>(Decrease)</u> <u>From Budget</u>	<u>This Year</u> <sup>fn1</sup>	<u>% Increase</u> <u>(Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last Year</u> <sup>fn1</sup>
<u>CATV</u>					
Residential	5,719	(1.0)	5,663	(6.5)	6,057
Commercial/Hospitality	<u>155</u>	3.2	<u>160</u>	(3.0)	<u>165</u>
Total CATV	<u><u>5,874</u></u>	(0.9)	<u><u>5,823</u></u>	(6.4)	<u><u>6,222</u></u>
Bulk Equivalent Services	<u>368</u>	(3.5)	<u>355</u>	(6.6)	<u>380</u>
Bulk Master Services	<u>24</u>	(8.3)	<u>22</u>	---	<u>22</u>
<u>Internet</u>					
Residential	7,407	0.4	7,437	5.1	7,076
Commercial	<u>439</u>	14.1	<u>501</u>	5.9	<u>473</u>
Total Internet	<u><u>7,846</u></u>	1.2	<u><u>7,938</u></u>	5.2	<u><u>7,549</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