

**Muscatine Power and Water**

**Communications Utility**

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

**March 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 - March 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	\$568,752	(0.2)	\$567,875	(0.9)	\$573,266
Data/Internet	442,148	1.7	449,527	10.2	407,988
MME	51,000	4.0	53,055	3.0	51,518
Miscellaneous	11,345	(5.9)	10,677	(26.2)	14,465
Total Operating Revenues	<u>1,073,245</u>	0.7	<u>1,081,134</u>	3.2	<u>1,047,237</u>
<b><u>Operating Expense</u></b>					
Operation	728,839	(1.9)	714,869	(1.1)	722,817
Maintenance	82,061	8.3	88,896	20.4	73,838
Depreciation	148,771	(6.3)	139,329	(2.0)	142,226
Total Operating Expenses	<u>959,671</u>	(1.7)	<u>943,094</u>	0.4	<u>938,881</u>
Operating Income	<u>113,574</u>	21.5	<u>138,040</u>	27.4	<u>108,356</u>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	1,129	16.7	1,317	(54.2)	2,873
Interest Expense	(27,718)	(85.7)	(3,968)	(51.7)	(8,220)
Net Nonoperating Expense	<u>(26,589)</u>	(90.0)	<u>(2,651)</u>	(50.4)	<u>(5,347)</u>
<b>Net Income before Capital Contributions</b>	86,985	55.6	135,389	31.4	103,009
Capital Contributions	2,000	(13.9)	1,722	(73.4)	6,471
Write Off - Loan from Electric	---	---	---	---	---
<b>Change in Net Position</b>	88,985		137,111		109,480
<b>Beginning Net Position</b>	<u>3,682,275</u>		<u>3,821,836</u>		<u>2,590,099</u>
<b>Ending Net Position</b>	<u>\$3,771,260</u>		<u>\$3,958,947</u>		<u>\$2,699,579</u>
Net Income to Operating Revenue	8.1		12.5		9.8
Debt Service Coverage on Bank Debt	5.21		---		2.81
Debt Service Coverage on Electric Utility Debt	4.85		6.35		3.72

**Muscatine Power and Water - Communications Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Calendar Year-to-Date - March 2016**

	<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>
<b><u>Operating Revenue</u></b>					
CATV	\$1,704,720	2.7	\$1,750,408	3.1	\$1,697,577
Data/Internet	1,317,693	1.6	1,338,322	9.8	1,218,650
MME	153,000	4.4	159,734	7.6	148,443
Miscellaneous	34,035	(0.5)	33,868	(8.3)	36,945
Total Operating Revenues	<u>3,209,448</u>	2.3	<u>3,282,332</u>	5.8	<u>3,101,615</u>
<b><u>Operating Expense</u></b>					
Operation	2,159,656	(0.8)	2,142,335	(0.4)	2,151,264
Maintenance	243,378	(0.2)	242,936	15.8	209,721
Depreciation	446,311	(6.3)	417,987	(2.0)	426,678
Total Operating Expenses	<u>2,849,345</u>	(1.6)	<u>2,803,258</u>	0.6	<u>2,787,663</u>
Operating Income	<u>360,103</u>	33.0	<u>479,074</u>	52.6	<u>313,952</u>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	3,516	(48.4)	1,815	(77.6)	8,107
Interest Expense	(83,154)	(85.7)	(11,904)	(51.7)	(24,661)
Net Nonoperating Expense	<u>(79,638)</u>	(87.3)	<u>(10,089)</u>	(39.1)	<u>(16,554)</u>
<b>Net Income before Capital Contributions</b>	280,465	67.2	468,985	57.7	297,398
Capital Contributions	6,000	(13.9)	5,167	(48.0)	9,938
Write Off - Loan from Electric	---	---	---	---	25,327,000
<b>Change in Net Position</b>	286,465		474,152		25,634,336
<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>\$3,771,260</u>		<u>\$3,958,947</u>		<u>\$2,699,579</u>
Net Income (Loss) to Operating Revenue	8.7		14.3		9.6
Debt Service Coverage on Bank Debt	5.33		---		2.76
Debt Service Coverage on Electric Utility Debt	5.00		6.83		3.63

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

**ASSETS**

	<u>2016</u>	<u>2015</u>
<b>Current Assets:</b>		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$2,450,989	\$3,603,949
Investments	4,000,000	1,782,123
Receivables:		
Consumer Accounts	1,269,120	1,201,403
Interest	1,111	10,092
Inventories	185,424	240,111
Prepaid Expenses	252,494	213,813
	<hr/>	<hr/>
Total Unrestricted Current Assets	8,159,138	7,051,491
<u>Restricted Assets</u>		
Cash - interest bearing	6	32
	<hr/>	<hr/>
Total Restricted Current Assets	6	32
Total Current Assets	<hr/>	<hr/>
	8,159,144	7,051,523
<b>Property and Equipment:</b>		
At Cost	34,062,268	33,016,587
Less Accumulated Depreciation	26,260,563	24,871,905
	<hr/>	<hr/>
Net Property and Equipment	7,801,705	8,144,682
<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	335,643	---
	<hr/>	<hr/>
Total Deferred Outflows of Resources - Pension	849,332	---
<b>TOTAL ASSETS</b>	<hr/> <hr/>	<hr/> <hr/>
	\$16,810,181	\$15,196,205

**Muscatine Power and Water - Communications Utility**  
**Statements of Net Position**  
**March 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	\$11,904	\$12,500
Accounts Payable	822,123	484,958
Pension Provision	---	81,315
Health & Dental Insurance Provision	53,060	47,710
Accrued Payroll	41,074	22,552
Accrued Vacation	168,149	144,726
Accrued Property Taxes	6,865	9,249
Unearned Revenue - Dark Fiber Lease	17,500	17,500
Miscellaneous Accrued Expenses	128,218	107,509
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	1,248,893	928,019
	<hr/>	<hr/>
<b><u>Payable from Restricted Assets</u></b>		
Notes Payable:		
Banks	---	1,035,000
Electric Utility	479,048	476,665
Accrued Interest	---	12,161
	<hr/>	<hr/>
Total Payable from Restricted Assets	479,048	1,523,826
	<hr/>	<hr/>
Total Current Liabilities	1,727,941	2,451,845
	<hr/>	<hr/>
<b>Non-Current Liabilities:</b>		
Health & Dental Insurance Provision	110,598	186,228
Post-Employment Health Benefit Provision	65,970	75,114
Unearned Revenue - Dark Fiber Lease	242,604	260,104
Net Pension Liability	1,558,468	---
Notes Payable:		
Electric Utility	9,044,287	9,523,335
	<hr/>	<hr/>
Total Non-Current Liabilities	11,021,927	10,044,781
	<hr/>	<hr/>
<b>Deferred Inflows of Resources - Pension</b>	101,366	---
	<hr/>	<hr/>
<b>Net Position:</b>		
Net Investment in Capital Assets	7,322,657	6,633,017
Restricted	849,332	---
Unrestricted	(4,213,042)	(3,933,438)
	<hr/>	<hr/>
Total Net Position	3,958,947	2,699,579
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$16,810,181</u>	<u>\$15,196,205</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Communications sales	\$1,088,022	\$3,214,904
Advertising sales	73,718	172,222
Miscellaneous sources	12,352	36,634
Cash paid to/for:		
Suppliers	(582,592)	(1,587,602)
Employees payroll, taxes and benefits	(403,132)	(964,568)
Net cash flows from operating activities	<u>188,368</u>	<u>871,590</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(219,290)	(394,547)
Loan principal payments	---	---
Loan interest payments	---	---
Net cash flows from capital and related financing activities	<u>(219,290)</u>	<u>(394,547)</u>
Cash flows from investing activities:		
Interest received on investments	302	15,562
Mark to Market	---	---
Net cash flows from investing activities	<u>302</u>	<u>15,562</u>
Net increase (decrease) in cash and investments	<u>(30,620)</u>	<u>492,605</u>
Cash and investments at beginning of period	<u>6,481,615</u>	<u>5,958,390</u>
Cash and investments at end of period	<u><u>\$6,450,995</u></u>	<u><u>6,450,995</u></u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$138,040	\$479,074
Noncash items in operating income:		
Converter/modem write-off	---	174
Depreciation of utility plant	139,329	417,987
Changes in assets and liabilities:		
Consumer accounts receivable	95,572	67,812
Inventories	3,787	14,402
Prepaid and deferred expenses	(112,205)	(120,368)
Accounts payable	(28,503)	34,371
Net pension liability	28,103	84,308
Health & dental insurance provision	(1,551)	(33,639)
Other post-employment benefit provision	421	1,264
Unearned revenue	(1,459)	(5,073)
Accrued payroll	(71,460)	(52,725)
Accrued vacation	(1,724)	14,750
Accrued property taxes	(2,751)	(695)
Miscellaneous accrued expenses	2,769	(30,052)
	<u>\$188,368</u>	<u>\$871,590</u>
Net cash flows from operating activities	<u>\$188,368</u>	<u>\$871,590</u>

**Muscatine Power and Water - Communications Utility**  
**Summary of Expenses**  
**Current Month - March 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)	\$362,434	\$358,800	\$374,396
Promotional Expense (960)	534	734	531
Electricity Expense (736)	2,417	2,368	3,528
Pole Attachment Expense (715)	1,967	1,967	2,350
Changes of Service (742)	958	1,846	1,217
Underground Line Expense (743)	2,422	2,676	4,262
Ad Insertion - Marketing/Production (964, 965)	8,082	6,278	7,666
Miscellaneous CATV Expense (710, 738, 739)	13,040	15,844	12,094
Vehicle Expense (760)	6,057	3,962	2,981
Maintenance:			
Fiber (711)	955	956	528
Coax (712)	1,081	145	1,909
Drops (713)	1,762	1,345	608
Conduit System (714)	891	1,070	824
Headend (721-725)	20,816	13,905	15,890
Line Equipment (731-735)	4,486	4,428	3,776
Converters (741)	5,257	2,420	2,736
Ad Insertion (966)	3,104	3,045	4,969
Vacation, Holiday, Sick Leave (799)	6,348	5,362	5,187
Property Taxes (794)	596	596	677
Depreciation (793)	89,240	82,721	88,602
<b>Total CATV</b>	<b>532,447</b>	<b>510,468</b>	<b>534,731</b>
<b><u>Data/Internet</u></b>			
Data/Internet Access Charges (851-853)	25,575	26,319	23,754
Promotional Expense (961)	534	770	557
Electricity Expense (836)	433	418	120
Pole Attachment Expense (837)	346	346	83
Changes of Service (842)	169	326	522
Customer Wireless Equipment Expense (846)	291	---	---
Underground Line Expense (843)	111	472	145
Miscellaneous Data/Internet Expense (839, 844, 848)	4,355	5,036	2,525
Vehicle Expense (860)	844	477	359
Maintenance:			
Fiber (811)	165	168	18
Coax (813)	191	26	65
Drops (814)	311	237	21
Conduit System (816)	129	188	29
Headend (820, 821)	25,133	41,863	24,336
Line Equipment (831-835)	819	781	135
Modems (841)	4,712	10,329	8,795
Vacation, Holiday, Sick Leave (879)	3,158	2,219	1,875
Property Taxes (894)	105	105	24
Depreciation (893)	24,808	25,111	24,511
<b>Total Data/Internet</b>	<b>92,189</b>	<b>115,191</b>	<b>87,874</b>

**Muscatine Power and Water - Communications Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - March 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)	\$1,086,053	\$1,083,639	\$1,107,308
Promotional Expense (960)	1,601	1,756	1,762
Electricity Expense (736)	7,250	7,148	9,109
Pole Attachment Expense (715)	5,902	5,901	7,050
Changes of Service (742)	2,832	5,226	3,637
Underground Line Expense (743)	7,266	4,544	5,820
Ad Insertion - Marketing/Production (964, 965)	24,233	21,326	19,499
Miscellaneous CATV Expense (710, 738, 739)	39,379	44,690	35,483
Vehicle Expense (760)	18,132	12,260	11,143
Maintenance:			
Fiber (711)	2,558	3,439	2,816
Coax (712)	3,087	568	2,670
Drops (713)	4,935	2,482	2,239
Conduit System (714)	2,392	1,322	1,353
Headend (721-725)	61,802	50,201	54,340
Line Equipment (731-735)	12,424	13,372	11,141
Converters (741)	15,524	7,057	8,959
Ad Insertion (966)	9,024	8,323	14,408
Vacation, Holiday, Sick Leave (799)	17,024	15,878	16,291
Property Taxes (794)	1,787	1,787	2,030
Depreciation (793)	267,719	248,163	265,806
<b>Total CATV</b>	<b>1,590,924</b>	<b>1,539,082</b>	<b>1,582,864</b>
<b><u>Data/Internet</u></b>			
Data/Internet Access Charges (851-853)	76,725	79,500	72,441
Promotional Expense (961)	1,601	1,924	2,014
Electricity Expense (836)	1,300	1,126	311
Pole Attachment Expense (837)	1,038	1,038	250
Changes of Service (842)	500	922	1,559
Customer Wireless Equipment Expense (846)	839	---	534
Underground Line Expense (843)	333	802	199
Miscellaneous Data/Internet Expense (839, 844, 848)	12,806	14,815	7,644
Vehicle Expense (860)	2,533	1,475	1,349
Maintenance:			
Fiber (811)	442	605	98
Coax (813)	545	100	91
Drops (814)	871	438	76
Conduit System (816)	340	232	47
Headend (820, 821)	76,066	105,475	65,881
Line Equipment (831-835)	2,273	2,360	397
Modems (841)	13,699	21,722	19,239
Vacation, Holiday, Sick Leave (879)	8,444	9,576	6,654
Property Taxes (894)	316	316	73
Depreciation (893)	74,423	75,333	73,533
<b>Total Data/Internet</b>	<b>\$275,094</b>	<b>\$317,759</b>	<b>\$252,390</b>

**Muscatine Power and Water - Communications Utility**  
**Summary of Expenses**  
**Current Month - March 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	\$1,133
Tools Expense (845)	208	(32)	(22)
Maintenance:			
Fiber (812)	527	524	255
Conduit System (817)	479	586	398
MME Equipment (818, 819)	6,032	3,559	3,967
Vacation, Holiday, Sick Leave (899)	399	303	400
Property Taxes (896)	327	327	327
Depreciation (840)	24,851	21,854	20,611
<b>Total MAN/MME</b>	<u>33,902</u>	<u>28,200</u>	<u>27,069</u>
<b><u>Customer Service Expense</u></b>			
Customer Information Expense (909)	<u>6,273</u>	<u>406</u>	<u>2,542</u>
<b><u>Consumer Accounts</u></b>			
Supervision (901)	2,643	3,159	3,149
Consumer Records and Collections (903)	44,965	41,655	46,872
Uncollectible Accounts Expense (904)	1,519	1,519	1,796
Vacation, Holiday, Sick Leave (906)	6,003	6,119	3,902
<b>Total Consumer Accounts</b>	<u>55,130</u>	<u>52,452</u>	<u>55,719</u>
<b><u>Administrative and General</u></b>			
Administrative and General Salaries (920)	75,627	79,417	74,084
Office Supplies and Expense (921)	6,433	3,368	8,731
Outside Services Employed (923)	10,611	8,349	20,891
Property Insurance (924)	1,234	1,172	1,187
Casualty Ins, Injuries & Damages (925)	6,067	6,770	2,413
Employee Pensions and Benefits (926)	87,340	93,322	85,932
Fringe Benefits Charges to Construction (927)	(5,823)	(4,125)	(3,683)
Rents (931)	9,375	9,375	9,482
Miscellaneous General Expense (930)	19,520	12,669	9,404
Maintenance of General Plant (932)	5,211	3,321	4,579
Vacation, Holiday, Sick Leave (936)	14,263	13,096	9,424
Depreciation (933)	9,872	9,643	8,502
<b>Total Administrative and General</b>	<u>239,730</u>	<u>236,377</u>	<u>230,946</u>
<b>Total Operating Expenses</b>	<u><u>\$959,671</u></u>	<u><u>\$943,094</u></u>	<u><u>\$938,881</u></u>

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>MME</u></b>			
Pole Attachment Expense (838)	\$3,236	\$3,237	\$3,400
Tools Expense (845)	625	226	1,196
Maintenance:			
Fiber (812)	1,411	1,886	1,412
Conduit System (817)	1,283	725	653
MME Equipment (818, 819)	17,931	12,077	12,039
Vacation, Holiday, Sick Leave (899)	1,048	949	1,945
Property Taxes (896)	981	981	981
Depreciation (840)	74,552	65,562	61,833
	<hr/>	<hr/>	<hr/>
Total MAN/MME	101,067	85,643	83,459
	<hr/>	<hr/>	<hr/>
<b><u>Customer Service Expense</u></b>			
Customer Information Expense (909)	11,735	2,037	10,774
	<hr/>	<hr/>	<hr/>
<b><u>Consumer Accounts</u></b>			
Supervision (901)	7,930	8,998	8,661
Consumer Records and Collections (903)	138,850	128,690	119,235
Uncollectible Accounts Expense (904)	4,555	4,557	5,389
Vacation, Holiday, Sick Leave (906)	16,020	15,790	13,937
	<hr/>	<hr/>	<hr/>
Total Consumer Accounts	167,355	158,035	147,222
	<hr/>	<hr/>	<hr/>
<b><u>Administrative and General</u></b>			
Administrative and General Salaries (920)	226,528	229,868	213,113
Office Supplies and Expense (921)	16,715	11,317	17,872
Outside Services Employed (923)	25,060	24,117	75,284
Property Insurance (924)	3,701	3,516	3,559
Casualty Ins, Injuries & Damages (925)	18,322	29,998	24,769
Employee Pensions and Benefits (926)	262,423	268,914	250,651
Fringe Benefits Charges to Construction (927)	(16,663)	(11,007)	(12,594)
Rents (931)	28,125	28,125	28,447
Miscellaneous General Expense (930)	54,342	38,934	37,865
Maintenance of General Plant (932)	16,771	10,552	11,862
Vacation, Holiday, Sick Leave (936)	38,229	37,439	34,620
Depreciation (933)	29,617	28,929	25,506
	<hr/>	<hr/>	<hr/>
Total Administrative and General	703,170	700,702	710,954
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	<u>\$2,849,345</u>	<u>\$2,803,258</u>	<u>\$2,787,663</u>

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

<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	5,746	(1.5)	5,659	(6.3)	6,040
Commercial/Hospitality	<u>155</u>	1.9	<u>158</u>	(3.7)	<u>164</u>
Total CATV	<u><u>5,901</u></u>	(1.4)	<u><u>5,817</u></u>	(6.2)	<u><u>6,204</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	7,465	0.5	7,504	5.2	7,132
Commercial	<u>439</u>	14.4	<u>502</u>	7.0	<u>469</u>
Total Internet	<u><u>7,904</u></u>	1.3	<u><u>8,006</u></u>	5.3	<u><u>7,601</u></u>
<u>MME</u>	<u>80</u>	2.5	<u>82</u>	2.5	<u>80</u>

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