

**Muscatine Power and Water**

**Communications Utility**

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

**April 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 - April 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	\$595,965	(0.9)	\$590,757	(2.3)	\$604,625
Data/Internet	444,577	2.8	456,865	9.7	416,419
MME	51,000	4.0	53,043	6.6	49,771
Miscellaneous	<u>11,345</u>	(18.9)	<u>9,206</u>	(17.3)	<u>11,129</u>
Total Operating Revenues	<u>1,102,887</u>	0.6	<u>1,109,871</u>	2.6	<u>1,081,944</u>
<b><u>Operating Expense</u></b>					
Operation	706,612	2.4	723,741	4.8	690,878
Maintenance	84,398	(19.2)	68,177	(8.5)	74,533
Depreciation	<u>148,770</u>	(6.3)	<u>139,329</u>	(2.0)	<u>142,226</u>
Total Operating Expenses	<u>939,780</u>	(0.9)	<u>931,247</u>	2.6	<u>907,637</u>
Operating Income	<u>163,107</u>	9.5	<u>178,624</u>	2.5	<u>174,307</u>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	1,086	1.2X	2,428	(13.6)	2,809
Interest Expense	<u>(27,718)</u>	(85.7)	<u>(3,968)</u>	(51.7)	<u>(8,220)</u>
Net Nonoperating Expense	<u>(26,632)</u>	(94.2)	<u>(1,540)</u>	(71.5)	<u>(5,411)</u>
<b>Net Income before Capital Contributions</b>	136,475	29.8	177,084	4.8	168,896
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>	138,475		178,806		170,642
<b>Beginning Net Position</b>	<u>3,771,260</u>		<u>3,958,947</u>		<u>2,699,579</u>
<b>Ending Net Position</b>	<u>\$3,909,735</u>		<u>\$4,137,753</u>		<u>\$2,870,221</u>
Net Income to Operating Revenue	12.4		16.0		15.6
Debt Service Coverage on Bank Debt	6.18		---		3.54
Debt Service Coverage on Electric Utility Debt	5.98		7.30		5.22

**Muscatine Power and Water - Communications Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Calendar Year-to-Date - April 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	\$2,300,686	1.8	\$2,341,164	1.7	\$2,302,202
Data/Internet	1,762,269	1.9	1,795,188	9.8	1,635,069
MME	204,000	4.3	212,778	7.3	198,214
Miscellaneous	45,380	(5.1)	43,073	(10.4)	48,074
Total Operating Revenues	<u>4,312,335</u>	1.9	<u>4,392,203</u>	5.0	<u>4,183,559</u>
<b><u>Operating Expense</u></b>					
Operation	2,866,270	---	2,866,077	0.8	2,842,141
Maintenance	327,774	(5.1)	311,112	9.4	284,254
Depreciation	595,081	(6.3)	557,316	(2.0)	568,904
Total Operating Expenses	<u>3,789,125</u>	(1.4)	<u>3,734,505</u>	1.1	<u>3,695,299</u>
Operating Income	<u>523,210</u>	25.7	<u>657,698</u>	34.7	<u>488,260</u>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	4,602	(7.8)	4,243	(61.1)	10,916
Interest Expense	(110,872)	(85.7)	(15,872)	(51.7)	(32,882)
Net Nonoperating Expense	<u>(106,270)</u>	(89.1)	<u>(11,629)</u>	(47.1)	<u>(21,966)</u>
<b>Net Income before Capital Contributions</b>	416,940	55.0	646,069	38.6	466,294
Capital Contributions	8,000	(13.9)	6,889	(41.0)	11,684
Write Off - Loan from Electric	---	---	---	---	25,327,000
<b>Change in Net Position</b>	424,940		652,958		25,804,978
<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>\$3,909,735</u>		<u>\$4,137,753</u>		<u>\$2,870,221</u>
Net Income (Loss) to Operating Revenue	9.7		14.7		11.2
Debt Service Coverage on Bank Debt	5.55		---		2.96
Debt Service Coverage on Electric Utility Debt	5.24		6.95		4.03

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

**ASSETS**

	<u>2016</u>	<u>2015</u>
<b>Current Assets:</b>		
<b><u>Unrestricted Assets</u></b>		
Cash - interest bearing	\$2,597,281	\$3,824,398
Investments	4,000,000	1,782,123
Receivables:		
Consumer Accounts	1,321,424	1,237,222
Interest	3,367	12,729
Inventories	178,252	232,726
Prepaid Expenses	236,126	232,246
	<u>8,336,450</u>	<u>7,321,444</u>
<b><u>Restricted Assets</u></b>		
Cash - interest bearing	<u>6</u>	<u>32</u>
	<u>6</u>	<u>32</u>
<b>Total Current Assets</b>	<u>8,336,456</u>	<u>7,321,476</u>
<b>Property and Equipment:</b>		
At Cost	34,182,965	33,055,581
Less Accumulated Depreciation	<u>26,399,892</u>	<u>25,014,131</u>
<b>Net Property and Equipment</b>	<u>7,783,073</u>	<u>8,041,450</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>
<b>Total Deferred Outflows of Resources - Pension</b>	<u>849,332</u>	<u>---</u>
<b>TOTAL ASSETS</b>	<u><u>\$16,968,861</u></u>	<u><u>\$15,362,926</u></u>

**Muscatine Power and Water - Communications Utility**  
**Statements of Net Position**  
**April 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	\$15,872	\$16,668
Accounts Payable	764,695	457,131
Pension Provision	---	108,420
Health & Dental Insurance Provision	53,060	47,710
Retained Percentage on Contracts	301	---
Accrued Payroll	51,485	39,478
Accrued Vacation	169,689	151,762
Accrued Property Taxes	7,893	10,277
Unearned Revenue - Dark Fiber Lease	17,500	17,500
Miscellaneous Accrued Expenses	118,088	77,126
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	1,198,583	926,072
<b><u>Payable from Restricted Assets</u></b>		
Notes Payable:		
Banks	---	1,035,000
Electric Utility	479,048	476,665
Accrued Interest	---	16,214
	<hr/>	<hr/>
Total Payable from Restricted Assets	479,048	1,527,879
	<hr/>	<hr/>
Total Current Liabilities	1,677,631	2,453,951
<b>Non-Current Liabilities:</b>		
Health & Dental Insurance Provision	113,716	180,305
Post-Employment Health Benefit Provision	66,391	76,468
Unearned Revenue - Dark Fiber Lease	241,146	258,646
Net Pension Liability	1,586,571	---
Notes Payable:		
Electric Utility	9,044,287	9,523,335
	<hr/>	<hr/>
Total Non-Current Liabilities	11,052,111	10,038,754
	<hr/>	<hr/>
<b>Deferred Inflows of Resources - Pension</b>	101,366	---
	<hr/>	<hr/>
<b>Net Position:</b>		
Net Investment in Capital Assets	7,304,025	6,529,785
Restricted	849,332	---
Unrestricted	(4,015,604)	(3,659,564)
	<hr/>	<hr/>
Total Net Position	4,137,753	2,870,221
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$16,968,861</u>	<u>\$15,362,926</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Communications sales	\$1,006,953	\$4,221,857
Advertising sales	36,624	208,846
Miscellaneous sources	11,749	48,383
Cash paid to/for:		
Suppliers	(444,697)	(2,032,301)
Employees payroll, taxes and benefits	(271,175)	(1,235,742)
	339,454	1,211,043
Cash flows from capital and related financing activities:		
Capital expenditures, net	(193,333)	(587,880)
Loan principal payments	---	---
Loan interest payments	---	---
	(193,333)	(587,880)
Cash flows from investing activities:		
Interest received on investments	171	15,734
Mark to Market	---	---
	171	15,734
Net increase in cash and investments	146,292	638,897
Cash and investments at beginning of period	6,450,995	5,958,390
Cash and investments at end of period	\$6,597,287	6,597,287

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$178,624	\$657,698
Noncash items in operating income:		
Converter/modem write-off	---	174
Depreciation of utility plant	139,329	557,316
Changes in assets and liabilities:		
Consumer accounts receivable	(52,304)	15,508
Inventories	7,172	21,574
Prepaid and deferred expenses	16,368	(104,000)
Accounts payable	16,930	51,301
Net pension liability	28,103	112,411
Health & dental insurance provision	3,118	(30,521)
Other post-employment benefit provision	421	1,685
Unearned revenue	(1,458)	(6,531)
Retained percentage on contracts	301	301
Accrued payroll	10,411	(42,314)
Accrued vacation	1,540	16,290
Accrued property taxes	1,028	333
Miscellaneous accrued expenses	(10,129)	(40,182)
Net cash flows from operating activities	\$339,454	\$1,211,043

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

	<b>Budget Estimate</b>	<b>This Year</b>	<b>Last Year</b>
<b><u>CATV</u></b>			
Program Acquisition Expense (751-758)	\$360,775	\$354,103	\$348,642
Promotional Expense (960)	534	739	393
Electricity Expense (736)	2,417	2,503	2,770
Pole Attachment Expense (715)	1,967	1,967	2,350
Changes of Service (742)	1,007	1,294	718
Underground Line Expense (743)	2,452	2,358	3,146
Ad Insertion - Marketing/Production (964, 965)	8,069	5,454	6,554
Miscellaneous CATV Expense (710, 738, 739)	13,148	15,389	12,728
Vehicle Expense (760)	6,017	3,258	2,909
Maintenance:			
Fiber (711)	941	1,148	19
Coax (712)	1,229	1,279	1,912
Drops (713)	1,771	4,290	2,688
Conduit System (714)	1,220	1,058	2,470
Headend (721-725)	20,810	18,884	17,562
Line Equipment (731-735)	4,539	3,849	2,995
Converters (741)	5,315	2,281	3,719
Ad Insertion (966)	3,104	2,378	4,446
Vacation, Holiday, Sick Leave (799)	4,323	4,240	6,095
Property Taxes (794)	596	596	677
Depreciation (793)	89,239	82,721	88,602
<b>Total CATV</b>	<b>529,473</b>	<b>509,789</b>	<b>511,395</b>
<b><u>Data/Internet</u></b>			
Data/Internet Access Charges (851-853)	25,575	25,726	24,614
Promotional Expense (961)	534	775	399
Electricity Expense (836)	433	442	93
Pole Attachment Expense (837)	346	346	83
Changes of Service (842)	178	228	308
Customer Wireless Equipment Expense (846)	291	---	163
Underground Line Expense (843)	112	416	107
Miscellaneous Data/Internet Expense (839, 844, 848)	4,210	3,813	1,824
Vehicle Expense (860)	844	391	354
Maintenance:			
Fiber (811)	162	202	1
Coax (813)	217	226	65
Drops (814)	313	757	92
Conduit System (816)	150	186	86
Headend (820, 821)	25,133	19,566	23,209
Line Equipment (831-835)	828	679	108
Modems (841)	4,765	3,355	6,825
Vacation, Holiday, Sick Leave (879)	2,127	1,860	3,660
Property Taxes (894)	105	105	24
Depreciation (893)	24,808	25,111	24,511
<b>Total Data/Internet</b>	<b>91,131</b>	<b>84,184</b>	<b>86,526</b>

**Muscatine Power and Water - Communications Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - April 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)	\$1,446,828	\$1,437,741	\$1,455,950
Promotional Expense (960)	2,135	2,495	2,155
Electricity Expense (736)	9,667	9,651	11,879
Pole Attachment Expense (715)	7,869	7,868	9,400
Changes of Service (742)	3,839	6,520	4,355
Underground Line Expense (743)	9,718	6,903	8,966
Ad Insertion - Marketing/Production (964, 965)	32,302	26,780	26,054
Miscellaneous CATV Expense (710, 738, 739)	52,527	60,079	48,210
Vehicle Expense (760)	24,149	15,518	14,053
Maintenance:			
Fiber (711)	3,499	4,586	2,836
Coax (712)	4,316	1,847	4,581
Drops (713)	6,706	6,772	4,927
Conduit System (714)	3,612	2,380	3,823
Headend (721-725)	82,612	69,085	71,902
Line Equipment (731-735)	16,964	17,221	14,136
Converters (741)	20,839	9,338	12,677
Ad Insertion (966)	12,128	10,701	18,854
Vacation, Holiday, Sick Leave (799)	21,347	20,118	22,387
Property Taxes (794)	2,383	2,383	2,707
Depreciation (793)	356,958	330,884	354,408
<b>Total CATV</b>	<b>2,120,398</b>	<b>2,048,870</b>	<b>2,094,260</b>
<b><u>Data/Internet</u></b>			
Data/Internet Access Charges (851-853)	102,300	105,226	97,056
Promotional Expense (961)	2,135	2,699	2,413
Electricity Expense (836)	1,733	1,568	403
Pole Attachment Expense (837)	1,384	1,384	333
Changes of Service (842)	678	1,150	1,866
Customer Wireless Equipment Expense (846)	1,131	---	696
Underground Line Expense (843)	445	1,218	306
Miscellaneous Data/Internet Expense (839, 844, 848)	17,016	18,628	9,468
Vehicle Expense (860)	3,377	1,866	1,703
Maintenance:			
Fiber (811)	604	807	99
Coax (813)	762	326	156
Drops (814)	1,183	1,195	168
Conduit System (816)	489	418	133
Headend (820, 821)	101,199	125,042	89,090
Line Equipment (831-835)	3,101	3,039	505
Modems (841)	18,464	25,077	26,064
Vacation, Holiday, Sick Leave (879)	10,571	11,435	10,314
Property Taxes (894)	422	422	98
Depreciation (893)	99,231	100,444	98,044
<b>Total Data/Internet</b>	<b>\$366,225</b>	<b>\$401,944</b>	<b>\$338,915</b>

**Muscatine Power and Water - Communications Utility**  
**Summary of Expenses**  
**Current Month - April 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	\$1,279	\$1,133
Tools Expense (845)	208	---	210
Maintenance:			
Fiber (812)	519	629	9
Conduit System (817)	642	580	1,192
MME Equipment (818, 819)	5,908	3,403	3,264
Vacation, Holiday, Sick Leave (899)	251	182	429
Property Taxes (896)	327	327	327
Depreciation (840)	24,851	21,854	20,611
	<hr/>	<hr/>	<hr/>
Total MAN/MME	33,785	28,254	27,175
	<hr/>	<hr/>	<hr/>
<b><u>Customer Service Expense</u></b>			
Customer Information Expense (909)	4,680	3,565	4,053
	<hr/>	<hr/>	<hr/>
<b><u>Consumer Accounts</u></b>			
Supervision (901)	2,643	1,867	3,006
Consumer Records and Collections (903)	44,831	49,010	45,855
Uncollectible Accounts Expense (904)	1,519	1,519	1,796
Vacation, Holiday, Sick Leave (906)	4,014	4,919	5,969
	<hr/>	<hr/>	<hr/>
Total Consumer Accounts	53,007	57,315	56,626
	<hr/>	<hr/>	<hr/>
<b><u>Administrative and General</u></b>			
Administrative and General Salaries (920)	75,533	77,727	74,233
Office Supplies and Expense (921)	4,366	3,654	4,301
Outside Services Employed (923)	7,922	11,786	9,321
Property Insurance (924)	1,302	1,132	1,172
Casualty Ins, Injuries & Damages (925)	6,307	30,308	5,460
Employee Pensions and Benefits (926)	89,919	88,765	85,603
Fringe Benefits Charges to Construction (927)	(5,952)	(5,069)	(3,975)
Rents (931)	9,375	9,375	9,482
Miscellaneous General Expense (930)	12,507	9,905	11,793
Maintenance of General Plant (932)	6,832	3,427	3,871
Vacation, Holiday, Sick Leave (936)	9,721	7,487	12,099
Depreciation (933)	9,872	9,643	8,502
	<hr/>	<hr/>	<hr/>
Total Administrative and General	227,704	248,140	221,862
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	<u>\$939,780</u>	<u>\$931,247</u>	<u>\$907,637</u>

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

	<u>Budget Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>MME</u></b>			
Pole Attachment Expense (838)	\$4,315	\$4,516	\$4,533
Tools Expense (845)	833	227	1,406
Maintenance:			
Fiber (812)	1,930	2,515	1,422
Conduit System (817)	1,924	1,305	1,845
MME Equipment (818, 819)	23,839	15,480	15,303
Vacation, Holiday, Sick Leave (899)	1,299	1,130	2,374
Property Taxes (896)	1,308	1,308	1,308
Depreciation (840)	99,403	87,416	82,444
	<hr/>	<hr/>	<hr/>
Total MAN/MME	134,851	113,897	110,635
	<hr/>	<hr/>	<hr/>
<b><u>Customer Service Expense</u></b>			
Customer Information Expense (909)	16,415	5,602	14,827
	<hr/>	<hr/>	<hr/>
<b><u>Consumer Accounts</u></b>			
Supervision (901)	10,574	10,864	11,668
Consumer Records and Collections (903)	183,681	177,701	165,088
Uncollectible Accounts Expense (904)	6,074	6,076	7,185
Vacation, Holiday, Sick Leave (906)	20,034	20,709	19,906
	<hr/>	<hr/>	<hr/>
Total Consumer Accounts	220,363	215,350	203,847
	<hr/>	<hr/>	<hr/>
<b><u>Administrative and General</u></b>			
Administrative and General Salaries (920)	302,061	307,595	287,346
Office Supplies and Expense (921)	21,082	14,971	22,174
Outside Services Employed (923)	32,982	35,903	84,605
Property Insurance (924)	5,002	4,648	4,731
Casualty Ins, Injuries & Damages (925)	24,629	60,307	30,229
Employee Pensions and Benefits (926)	352,342	357,679	336,254
Fringe Benefits Charges to Construction (927)	(22,615)	(16,076)	(16,570)
Rents (931)	37,500	37,500	37,929
Miscellaneous General Expense (930)	66,849	48,839	49,658
Maintenance of General Plant (932)	23,603	13,978	15,733
Vacation, Holiday, Sick Leave (936)	47,949	44,926	46,718
Depreciation (933)	39,489	38,572	34,008
	<hr/>	<hr/>	<hr/>
Total Administrative and General	930,873	948,842	932,815
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	<u>\$3,789,125</u>	<u>\$3,734,505</u>	<u>\$3,695,299</u>

**Muscatine Power and Water - Communications Utility**  
**Statistical Data**  
**April 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	5,755	(1.7)	5,660	(6.0)	6,024
Commercial/Hospitality	<u>155</u>	1.9	<u>158</u>	(3.1)	<u>163</u>
Total CATV	<u><u>5,910</u></u>	(1.6)	<u><u>5,818</u></u>	(6.0)	<u><u>6,187</u></u>
Bulk Equivalent Services	<u>368</u>	(3.3)	<u>356</u>	(6.3)	<u>380</u>
Bulk Master Services	<u>24</u>	(8.3)	<u>22</u>	---	<u>22</u>
<u>Internet</u>					
Residential	7,507	0.9	7,571	5.1	7,202
Commercial	<u>440</u>	10.9	<u>488</u>	6.8	<u>457</u>
Total Internet	<u><u>7,947</u></u>	1.4	<u><u>8,059</u></u>	5.2	<u><u>7,659</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