

Muscatine Power and Water

Communications Utility

Statement of Revenues, Expenses and Changes in Net Position

May 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 - May 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>
<u>Operating Revenue</u>					
CATV	\$588,864	0.7	\$593,043	(4.7)	\$622,027
Data/Internet	445,212	3.6	461,385	9.3	421,937
MME	51,000	4.0	53,017	3.8	51,059
Miscellaneous	<u>11,345</u>	(5.9)	<u>10,677</u>	(0.4)	<u>10,724</u>
Total Operating Revenues	<u>1,096,421</u>	2.0	<u>1,118,122</u>	1.1	<u>1,105,747</u>
<u>Operating Expense</u>					
Operation	709,026	3.4	733,287	3.1	711,349
Maintenance	82,486	(12.8)	71,963	5.8	68,026
Depreciation	<u>148,771</u>	(6.3)	<u>139,329</u>	(2.0)	<u>142,226</u>
Total Operating Expenses	<u>940,283</u>	0.5	<u>944,579</u>	2.5	<u>921,601</u>
Operating Income	<u>156,138</u>	11.1	<u>173,543</u>	(5.8)	<u>184,146</u>
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	1,043	1.4X	2,527	(6.4)	2,701
Interest Expense	<u>(27,718)</u>	(85.7)	<u>(3,968)</u>	(51.7)	<u>(8,220)</u>
Net Nonoperating Expense	<u>(26,675)</u>	(94.6)	<u>(1,441)</u>	(73.9)	<u>(5,519)</u>
Net Income before Capital Contributions	129,463	32.9	172,102	(3.7)	178,627
Capital Contributions	2,000	26.1	2,522	44.4	1,746
Write Off - Loan from Electric	<u>---</u>	---	<u>---</u>	---	<u>---</u>
Change in Net Position	131,463		174,624		180,373
Beginning Net Position	<u>3,909,735</u>		<u>4,137,753</u>		<u>2,870,221</u>
Ending Net Position	<u>\$4,041,198</u>		<u>\$4,312,377</u>		<u>\$3,050,594</u>
Net Income to Operating Revenue	11.8		15.4		16.2
Debt Service Coverage on Bank Debt	6.05		---		3.64
Debt Service Coverage on Electric Utility Debt	5.82		7.07		5.44

Muscatine Power and Water - Communications Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - May 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	\$2,889,550	1.5	\$2,934,208	0.3	\$2,924,229
Data/Internet	2,207,481	2.2	2,256,573	9.7	2,057,006
MME	255,000	4.2	265,794	6.6	249,274
Miscellaneous	56,725	(5.2)	53,751	(8.6)	58,798
Total Operating Revenues	<u>5,408,756</u>	1.9	<u>5,510,326</u>	4.2	<u>5,289,307</u>
<u>Operating Expense</u>					
Operation	3,575,294	0.7	3,599,365	1.3	3,553,489
Maintenance	410,262	(6.6)	383,074	8.7	352,282
Depreciation	743,852	(6.3)	696,645	(2.0)	711,130
Total Operating Expenses	<u>4,729,408</u>	(1.1)	<u>4,679,084</u>	1.3	<u>4,616,901</u>
Operating Income	<u>679,348</u>	22.4	<u>831,242</u>	23.6	<u>672,406</u>
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	5,645	19.9	6,769	(50.3)	13,617
Interest Expense	(138,590)	(85.7)	(19,840)	(51.7)	(41,102)
Net Nonoperating Expense	<u>(132,945)</u>	(90.2)	<u>(13,071)</u>	(52.4)	<u>(27,485)</u>
Net Income before Capital Contributions	546,403	49.7	818,171	26.9	644,921
Capital Contributions	10,000	(5.9)	9,411	(29.9)	13,430
Write Off - Loan from Electric	---	---	---	---	25,327,000
Change in Net Position	556,403		827,582		25,985,351
Beginning Net Position	<u>3,484,795</u>		<u>3,484,795</u>		<u>(22,934,757)</u>
Ending Net Position	<u>\$4,041,198</u>		<u>\$4,312,377</u>		<u>\$3,050,594</u>
Net Income (Loss) to Operating Revenue	10.1		14.9		12.2
Debt Service Coverage on Bank Debt	5.65		---		3.09
Debt Service Coverage on Electric Utility Debt	5.36		6.97		4.31

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

ASSETS

	<u>2016</u>	<u>2015</u>
Current Assets:		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$2,923,168	\$5,170,316
Investments	4,000,000	780,711
Receivables:		
Consumer Accounts	1,287,459	1,295,406
Interest	5,715	13,781
Inventories	170,681	230,590
Prepaid Expenses	215,630	212,424
	<hr/>	<hr/>
Total Unrestricted Current Assets	8,602,653	7,703,228
	<hr/>	<hr/>
<u>Restricted Assets</u>		
Cash - interest bearing	6	32
	<hr/>	<hr/>
Total Restricted Current Assets	6	32
	<hr/>	<hr/>
Total Current Assets	8,602,659	7,703,260
	<hr/>	<hr/>
Property and Equipment:		
At Cost	34,124,182	33,056,538
Less Accumulated Depreciation	26,434,096	25,103,332
	<hr/>	<hr/>
Net Property and Equipment	7,690,086	7,953,206
	<hr/>	<hr/>
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	379,416	---
	<hr/>	<hr/>
Total Deferred Outflows of Resources - Pension	893,105	---
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$17,185,850</u>	<u>\$15,656,466</u>

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

LIABILITIES AND NET POSITION

	<u>2016</u>	<u>2015</u>
Current Liabilities:		
<u>Payable from Unrestricted Assets</u>		
Accrued Interest	\$19,840	\$20,835
Accounts Payable	741,654	506,239
Pension Provision	---	135,525
Health & Dental Insurance Provision	53,060	47,710
Retained Percentage on Contracts	301	---
Accrued Payroll	72,387	50,792
Accrued Vacation	170,673	153,013
Accrued Property Taxes	6,930	11,305
Unearned Revenue - Dark Fiber Lease	17,500	17,500
Miscellaneous Accrued Expenses	137,907	108,151
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	1,220,252	1,051,070
	<hr/>	<hr/>
<u>Payable from Restricted Assets</u>		
Notes Payable:		
Banks	---	1,035,000
Electric Utility	479,048	476,665
Accrued Interest	---	20,267
	<hr/>	<hr/>
Total Payable from Restricted Assets	479,048	1,531,932
	<hr/>	<hr/>
Total Current Liabilities	1,699,300	2,583,002
	<hr/>	<hr/>
Non-Current Liabilities:		
Health & Dental Insurance Provision	107,346	164,525
Post-Employment Health Benefit Provision	66,812	77,822
Unearned Revenue - Dark Fiber Lease	239,688	257,188
Net Pension Liability	1,614,674	---
Notes Payable:		
Electric Utility	9,044,287	9,523,335
	<hr/>	<hr/>
Total Non-Current Liabilities	11,072,807	10,022,870
	<hr/>	<hr/>
Deferred Inflows of Resources - Pension	101,366	---
	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets	7,211,038	6,441,541
Restricted	893,105	---
Unrestricted	(3,791,766)	(3,390,947)
	<hr/>	<hr/>
Total Net Position	4,312,377	3,050,594
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET POSITION	<u>\$17,185,850</u>	<u>\$15,656,466</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Communications sales	\$1,109,268	\$5,331,125
Advertising sales	28,980	237,826
Miscellaneous sources	9,546	57,929
Cash paid to/for:		
Suppliers	(347,270)	(2,247,106)
Employees payroll, taxes and benefits	(317,529)	(1,553,271)
Net cash flows from operating activities	<u>482,995</u>	<u>1,826,503</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(157,287)	(877,631)
Loan principal payments	---	---
Loan interest payments	---	---
Net cash flows from capital and related financing activities	<u>(157,287)</u>	<u>(877,631)</u>
Cash flows from investing activities:		
Interest received on investments	179	15,912
Mark to Market	---	---
Net cash flows from investing activities	<u>179</u>	<u>15,912</u>
Net increase in cash and investments	<u>325,887</u>	<u>964,784</u>
Cash and investments at beginning of period	<u>6,597,287</u>	<u>5,958,390</u>
Cash and investments at end of period	<u><u>\$6,923,174</u></u>	<u><u>6,923,174</u></u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$173,543	\$831,242
Noncash items in operating income:		
Converter/modem write-off	16,729	16,903
Depreciation of utility plant	139,329	696,645
Change in deferred inflows of resources - pension	---	---
Change in deferred outflows of resources - pension	(43,773)	(43,773)
Changes in assets and liabilities:		
Consumer accounts receivable	33,965	49,473
Inventories	7,571	29,145
Prepaid and deferred expenses	20,496	(83,504)
Accounts payable	73,697	257,462
Net pension liability	28,103	140,514
Health & dental insurance provision	(6,370)	(36,891)
Other post-employment benefit provision	421	2,106
Unearned revenue	(1,458)	(7,989)
Retained percentage on contracts	---	301
Accrued payroll	20,902	(21,412)
Accrued vacation	984	17,274
Accrued property taxes	(963)	(630)
Miscellaneous accrued expenses	19,819	(20,363)
	<u>19,819</u>	<u>(20,363)</u>
Net cash flows from operating activities	<u>\$482,995</u>	<u>\$1,826,503</u>

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>CATV</u>			
Program Acquisition Expense (751-758)	\$356,323	\$355,189	\$360,544
Promotional Expense (960)	534	555	387
Electricity Expense (736)	2,417	1,639	1,822
Pole Attachment Expense (715)	1,967	1,967	2,350
Changes of Service (742)	958	1,175	954
Underground Line Expense (743)	2,422	2,422	2,918
Ad Insertion - Marketing/Production (964, 965)	8,082	6,200	7,056
Miscellaneous CATV Expense (710, 738, 739)	13,120	20,027	13,763
Vehicle Expense (760)	6,057	6,892	3,439
Maintenance:			
Fiber (711)	913	178	8
Coax (712)	1,279	812	570
Drops (713)	1,807	3,423	1,375
Conduit System (714)	1,220	1,091	1,991
Headend (721-725)	20,757	14,640	18,137
Line Equipment (731-735)	4,543	9,245	3,720
Converters (741)	5,288	1,229	1,955
Ad Insertion (966)	3,022	2,418	3,822
Vacation, Holiday, Sick Leave (799)	6,348	5,769	5,525
Property Taxes (794)	596	(556)	677
Depreciation (793)	89,240	82,721	88,602
Total CATV	526,893	517,036	519,615
<u>Data/Internet</u>			
Data/Internet Access Charges (851-853)	25,575	25,726	26,856
Promotional Expense (961)	534	591	433
Electricity Expense (836)	433	289	62
Pole Attachment Expense (837)	346	346	83
Changes of Service (842)	169	207	409
Customer Wireless Equipment Expense (846)	291	---	---
Underground Line Expense (843)	111	428	100
Miscellaneous Data/Internet Expense (839, 844, 848)	4,740	16,591	2,652
Vehicle Expense (860)	844	840	418
Maintenance:			
Fiber (811)	158	31	1
Coax (813)	226	143	19
Drops (814)	319	604	47
Conduit System (816)	150	192	70
Headend (820, 821)	25,133	22,236	24,046
Line Equipment (831-835)	828	1,631	133
Modems (841)	4,712	3,666	6,288
Vacation, Holiday, Sick Leave (879)	3,158	2,558	2,793
Property Taxes (894)	105	(99)	24
Depreciation (893)	24,808	25,111	24,511
Total Data/Internet	92,640	101,091	88,945

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>CATV</u>			
Program Acquisition Expense (751-758)	\$1,803,151	\$1,792,931	\$1,816,494
Promotional Expense (960)	2,668	3,050	2,541
Electricity Expense (736)	12,083	11,290	13,702
Pole Attachment Expense (715)	9,837	9,835	11,750
Changes of Service (742)	4,798	7,695	5,309
Underground Line Expense (743)	12,139	9,325	11,883
Ad Insertion - Marketing/Production (964, 965)	40,384	32,980	33,109
Miscellaneous CATV Expense (710, 738, 739)	65,647	80,106	61,973
Vehicle Expense (760)	30,206	22,410	17,492
Maintenance:			
Fiber (711)	4,413	4,765	2,844
Coax (712)	5,595	2,659	5,151
Drops (713)	8,514	10,196	6,302
Conduit System (714)	4,831	3,471	5,815
Headend (721-725)	103,369	83,724	90,039
Line Equipment (731-735)	21,507	26,466	17,856
Converters (741)	26,127	10,566	14,633
Ad Insertion (966)	15,150	13,119	22,676
Vacation, Holiday, Sick Leave (799)	27,695	25,886	27,911
Property Taxes (794)	2,978	1,826	3,383
Depreciation (793)	446,198	413,605	443,010
Total CATV	<u>2,647,290</u>	<u>2,565,905</u>	<u>2,613,873</u>
<u>Data/Internet</u>			
Data/Internet Access Charges (851-853)	127,875	130,952	123,912
Promotional Expense (961)	2,668	3,290	2,846
Electricity Expense (836)	2,167	1,857	466
Pole Attachment Expense (837)	1,730	1,730	417
Changes of Service (842)	847	1,358	2,275
Customer Wireless Equipment Expense (846)	1,422	---	696
Underground Line Expense (843)	556	1,646	406
Miscellaneous Data/Internet Expense (839, 844, 848)	21,756	35,219	12,120
Vehicle Expense (860)	4,221	2,706	2,120
Maintenance:			
Fiber (811)	762	838	99
Coax (813)	987	469	176
Drops (814)	1,502	1,799	215
Conduit System (816)	639	610	203
Headend (820, 821)	126,332	147,278	113,137
Line Equipment (831-835)	3,930	4,670	638
Modems (841)	23,177	28,743	32,352
Vacation, Holiday, Sick Leave (879)	13,729	13,993	13,107
Property Taxes (894)	527	322	122
Depreciation (893)	124,038	125,555	122,555
Total Data/Internet	<u>\$458,865</u>	<u>\$503,035</u>	<u>\$427,862</u>

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>MME</u>			
Pole Attachment Expense (838)	\$1,079	\$1,179	\$1,133
Tools Expense (845)	208	---	31
Maintenance:			
Fiber (812)	503	98	4
Conduit System (817)	642	598	961
MME Equipment (818, 819)	5,991	6,146	2,472
Vacation, Holiday, Sick Leave (899)	399	327	295
Property Taxes (896)	327	(307)	327
Depreciation (840)	24,851	21,854	20,611
Total MAN/MME	<u>34,000</u>	<u>29,895</u>	<u>25,834</u>
<u>Customer Service Expense</u>			
Customer Information Expense (909)	2,831	2,666	10,454
<u>Consumer Accounts</u>			
Supervision (901)	2,643	2,118	2,147
Consumer Records and Collections (903)	46,615	43,836	40,064
Uncollectible Accounts Expense (904)	1,519	1,519	1,796
Vacation, Holiday, Sick Leave (906)	6,003	5,964	4,647
Total Consumer Accounts	<u>56,780</u>	<u>53,437</u>	<u>48,654</u>
<u>Administrative and General</u>			
Administrative and General Salaries (920)	75,627	77,651	67,870
Office Supplies and Expense (921)	5,056	3,703	5,644
Outside Services Employed (923)	6,287	8,809	17,483
Property Insurance (924)	1,302	1,132	1,172
Casualty Ins, Injuries & Damages (925)	6,067	23,482	16,998
Employee Pensions and Benefits (926)	88,674	87,858	81,858
Fringe Benefits Charges to Construction (927)	(5,970)	(4,612)	(4,240)
Rents (931)	9,375	9,375	9,482
Miscellaneous General Expense (930)	11,610	8,211	8,759
Maintenance of General Plant (932)	4,995	3,582	2,407
Vacation, Holiday, Sick Leave (936)	14,244	11,620	12,164
Depreciation (933)	9,872	9,643	8,502
Total Administrative and General	<u>227,139</u>	<u>240,454</u>	<u>228,099</u>
Total Operating Expenses	<u>\$940,283</u>	<u>\$944,579</u>	<u>\$921,601</u>

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>MME</u>			
Pole Attachment Expense (838)	\$5,393	\$5,695	\$5,667
Tools Expense (845)	1,042	227	1,437
Maintenance:			
Fiber (812)	2,434	2,612	1,426
Conduit System (817)	2,566	1,903	2,806
MME Equipment (818, 819)	29,830	21,626	17,774
Vacation, Holiday, Sick Leave (899)	1,697	1,458	2,669
Property Taxes (896)	1,635	1,002	1,635
Depreciation (840)	124,254	109,270	103,055
Total MAN/MME	<u>168,851</u>	<u>143,793</u>	<u>136,469</u>
<u>Customer Service Expense</u>			
Customer Information Expense (909)	<u>19,246</u>	<u>8,268</u>	<u>25,281</u>
<u>Consumer Accounts</u>			
Supervision (901)	13,217	12,982	13,815
Consumer Records and Collections (903)	230,296	221,537	205,153
Uncollectible Accounts Expense (904)	7,593	7,595	8,981
Vacation, Holiday, Sick Leave (906)	<u>26,037</u>	<u>26,673</u>	<u>24,552</u>
Total Consumer Accounts	<u>277,143</u>	<u>268,787</u>	<u>252,501</u>
<u>Administrative and General</u>			
Administrative and General Salaries (920)	377,689	385,247	355,216
Office Supplies and Expense (921)	26,138	18,674	27,817
Outside Services Employed (923)	39,269	44,712	102,087
Property Insurance (924)	6,304	5,780	5,904
Casualty Ins, Injuries & Damages (925)	30,696	83,788	47,227
Employee Pensions and Benefits (926)	441,015	445,538	418,112
Fringe Benefits Charges to Construction (927)	(28,584)	(20,688)	(20,810)
Rents (931)	46,875	46,875	47,412
Miscellaneous General Expense (930)	78,458	57,049	58,417
Maintenance of General Plant (932)	28,597	17,560	18,140
Vacation, Holiday, Sick Leave (936)	62,194	56,546	58,883
Depreciation (933)	<u>49,362</u>	<u>48,215</u>	<u>42,510</u>
Total Administrative and General	<u>1,158,013</u>	<u>1,189,296</u>	<u>1,160,915</u>
Total Operating Expenses	<u><u>\$4,729,408</u></u>	<u><u>\$4,679,084</u></u>	<u><u>\$4,616,901</u></u>

Muscatine Power and Water - Communications Utility
Statistical Data
May 2016

<u>Services</u>	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u> ^{fn1}	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u> ^{fn1}
<u>CATV</u>					
Residential	5,697	(0.6)	5,662	(5.6)	5,996
Commercial/Hospitality	<u>155</u>	2.6	<u>159</u>	(3.6)	<u>165</u>
Total CATV	<u><u>5,852</u></u>	(0.5)	<u><u>5,821</u></u>	(5.5)	<u><u>6,161</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	7,517	1.0	7,589	5.1	7,219
Commercial	<u>441</u>	12.2	<u>495</u>	6.9	<u>463</u>
Total Internet	<u><u>7,958</u></u>	1.6	<u><u>8,084</u></u>	5.2	<u><u>7,682</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