

Muscatine Power and Water

Communications Utility

Statement of Revenues, Expenses and Changes in Net Position

January 2017

**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 - January 2017

	<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	\$591,145	(3.9)	\$567,933	(7.4)	\$613,557
Data/Internet	462,219	2.2	472,223	6.5	443,331
MME	48,800	30.0	63,423	18.3	53,625
Miscellaneous	11,658	(34.7)	7,613	(32.9)	11,351
Total Operating Revenues	1,113,822	(0.2)	1,111,192	(1.0)	1,121,864
<u>Operating Expense</u>					
Operation	774,564	(5.6)	731,221	2.2	715,729
Maintenance	106,042	(33.2)	70,799	(7.2)	76,323
Depreciation	145,200	(7.1)	134,926	(3.2)	139,329
Total Operating Expenses	1,025,806	(8.7)	936,946	0.6	931,381
Operating Income	88,016	98.0	174,246	(8.5)	190,483
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	949	98.8	1,887	7.2X	231
Interest Expense	(3,768)	---	(3,768)	(5.0)	(3,968)
Net Nonoperating Expense	(2,819)	(33.3)	(1,881)	(49.7)	(3,737)
Net Income before Capital Contributions	85,197	1.0X	172,365	(7.7)	186,746
Capital Contributions	1,722	(20.8)	1,363	(20.8)	1,722
Prior Period Adj. GASB 68 Pension	---	---	---	---	---
Change in Net Position	86,919		173,728		188,468
Beginning Net Position	5,661,535		5,661,535		3,484,795
Ending Net Position	\$5,748,454		\$5,835,263		\$3,673,263
Net Income to Operating Revenue	7.7		15.5		16.7
Debt Service Coverage on Bank Debt	---		---		---
Debt Service Coverage on Electric Utility Debt	5.36		7.12		7.52

Muscatine Power and Water - Communications Utility
Statements of Net Position
January 2017

ASSETS

	<u>2017</u>	<u>2016</u>
Current Assets:		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$8,391,847	\$6,179,703
Investments	---	---
Receivables:		
Consumer Accounts	1,277,016	1,382,771
Interest	1,808	85
Inventories	152,375	194,583
Prepaid Expenses	<u>163,111</u>	<u>153,505</u>
Total Unrestricted Current Assets	<u>9,986,157</u>	<u>7,910,647</u>
<u>Restricted Assets</u>		
Cash - interest bearing	<u>6</u>	<u>6</u>
Total Restricted Current Assets	<u>6</u>	<u>6</u>
Total Current Assets	<u>9,986,163</u>	<u>7,910,653</u>
Property and Equipment:		
At Cost	34,468,964	33,760,515
Less Accumulated Depreciation	<u>27,213,233</u>	<u>25,984,674</u>
Net Property and Equipment	<u>7,255,731</u>	<u>7,775,841</u>
Deferred Outflows of Resources - Pension		
Changes of Assumptions	425,212	425,212
Difference between projected and actual earnings on pension plan	493,996	88,477
Contributions subsequent to measurement date	<u>350,181</u>	<u>335,643</u>
Total Deferred Outflows of Resources - Pension	<u>1,269,389</u>	<u>849,332</u>
TOTAL ASSETS	<u><u>\$18,511,283</u></u>	<u><u>\$16,535,826</u></u>

Muscatine Power and Water - Communications Utility
Statements of Net Position
January 2017

LIABILITIES AND NET POSITION

	<u>2017</u>	<u>2016</u>
Current Liabilities:		
<u>Payable from Unrestricted Assets</u>		
Accrued Interest	\$3,768	\$3,968
Accounts Payable	702,451	827,945
Health & Dental Insurance Provision	49,280	53,060
Retained Percentage on Contracts	1,679	---
Accrued Payroll	23,302	106,647
Accrued Vacation	181,633	160,479
Accrued Property Taxes	7,031	8,588
Unearned Revenue - Dark Fiber Lease	17,500	17,500
Miscellaneous Accrued Expenses	111,183	112,317
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	1,097,827	1,290,504
	<hr/>	<hr/>
<u>Payable from Restricted Assets</u>		
Notes Payable:		
Banks	---	---
Electric Utility	481,443	479,048
	<hr/>	<hr/>
Total Payable from Restricted Assets	481,443	479,048
	<hr/>	<hr/>
Total Current Liabilities	1,579,270	1,769,552
	<hr/>	<hr/>
Non-Current Liabilities:		
Health & Dental Insurance Provision	94,762	134,447
Post-Employment Health Benefit Provision	70,181	65,128
Unearned Revenue - Dark Fiber Lease	228,021	245,521
Net Pension Liability	2,043,599	1,502,262
Notes Payable:		
Electric Utility	8,562,844	9,044,287
	<hr/>	<hr/>
Total Non-Current Liabilities	10,999,407	10,991,645
	<hr/>	<hr/>
Deferred Inflows of Resources - Pension	97,343	101,366
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Net Position:		
Net Investment in Capital Assets	6,774,288	7,296,793
Restricted	---	---
Unrestricted	(939,025)	(3,623,530)
	<hr/>	<hr/>
Total Net Position	5,835,263	3,673,263
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$18,511,283</u></u>	<u><u>\$16,535,826</u></u>

Muscatine Power and Water - Communications Utility
Statements of Cash Flows
January 2017

	<u>Current Month</u>
Cash flows from operating activities:	
Cash received from:	
Communications sales	\$1,099,496
Advertising sales	23,485
Miscellaneous sources	5,921
Cash paid to/for:	
Suppliers	(498,429)
Employees payroll, taxes and benefits	(380,536)
	<hr/>
Net cash flows from operating activities	249,937
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Cash flows from capital and related financing activities:	
Capital expenditures, net	(116,976)
Loan principal payments	---
Loan interest payments	---
	<hr/>
Net cash flows from capital and related financing activities	(116,976)
	<hr/>
Cash flows from investing activities:	
Interest received on investments	1,425
Mark to Market	---
	<hr/>
Net cash flows from investing activities	1,425
	<hr/>
Net increase in cash and investments	134,386
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Cash and investments at beginning of period	8,257,467
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Cash and investments at end of period	\$8,391,853
	<hr/> <hr/>

Muscatine Power and Water - Communications Utility
Statements of Cash Flows
January 2017

	<u>Current Month</u>
Reconciliation of operating income to net cash flows from operating activities	
Operating income	\$174,246
Noncash items in operating income:	
Converter/modem write-off	2,164
Depreciation of utility plant	134,926
Change in deferred inflows of resources - pension	---
Change in deferred outflows of resources - pension	---
Changes in assets and liabilities:	
Consumer accounts receivable	75,402
Inventories	(8,863)
Prepaid and deferred expenses	(56,361)
Accounts payable	23,984
Net pension liability	30,474
Health & dental insurance provision	(5,298)
Other post-employment benefit provision	422
Unearned revenue	(9,066)
Retained percentage on contracts	338
Accrued payroll	(82,039)
Accrued vacation	6,669
Accrued property taxes	541
Miscellaneous accrued expenses	(37,602)
	<hr/>
Net cash flows from operating activities	<hr/> <hr/> \$249,937

Muscatine Power and Water - Communications Utility
Summary of Expenses
Current Month - January 2017

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>CATV</u>			
Program Acquisition Expense (751-758)	\$388,128	\$367,983	\$368,310
Promotional Expense (960)	6,534	1,501	627
Electricity Expense (736)	2,235	1,694	2,497
Pole Attachment Expense (715)	1,967	1,967	1,967
Changes of Service (742)	1,142	1,444	1,847
Underground Line Expense (743)	2,829	991	771
Ad Insertion - Marketing/Production (964, 965)	7,142	7,157	8,586
Miscellaneous CATV Expense (710, 738, 739)	14,448	16,512	11,296
Vehicle Expense (760)	4,988	2,958	4,057
Maintenance:			
Fiber (711)	663	725	512
Coax (712)	1,234	691	22
Drops (713)	3,355	720	538
Conduit System (714)	1,185	508	138
Headend (721-725)	21,192	13,890	18,414
Line Equipment (731-735)	2,436	3,212	5,785
Converters (741)	3,649	4,905	2,541
Ad Insertion (966)	3,438	3,915	2,473
Vacation, Holiday, Sick Leave (799)	6,294	10,332	6,566
Property Taxes (794)	731	314	596
Depreciation (793)	84,951	76,631	82,721
Total CATV	558,541	518,050	520,264
<u>Data/Internet</u>			
Data/Internet Access Charges (851-853)	25,769	24,879	26,364
Promotional Expense (961)	6,534	1,557	703
Electricity Expense (836)	394	299	316
Pole Attachment Expense (837)	346	346	346
Changes of Service (842)	201	481	326
Customer Wireless Equipment Expense (846)	---	---	---
Underground Line Expense (843)	177	330	136
Miscellaneous Data/Internet Expense (839, 844, 848)	5,221	9,154	4,493
Vehicle Expense (860)	803	352	488
Maintenance:			
Fiber (811)	114	302	90
Coax (813)	218	230	4
Drops (814)	2,308	240	95
Conduit System (816)	179	212	24
Headend (820, 821)	49,226	28,351	30,795
Line Equipment (831-835)	394	766	1,021
Modems (841)	4,162	2,406	6,229
Vacation, Holiday, Sick Leave (879)	3,193	3,962	4,747
Property Taxes (894)	129	55	105
Depreciation (893)	27,909	26,898	25,111
Total Data/Internet	127,277	100,820	101,393

Muscatine Power and Water - Communications Utility
Summary of Expenses
Current Month - January 2017

	<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	\$1,079
Tools Expense (845)	208	24	40
Maintenance:			
Fiber (812)	365	483	281
Conduit System (817)	641	338	76
MME Equipment (818, 819)	3,377	2,155	3,963
Vacation, Holiday, Sick Leave (899)	479	267	421
Property Taxes (896)	400	172	327
Depreciation (840)	22,135	22,038	21,854
Total MAN/MME	28,684	26,656	28,041
<u>Customer Service Expense</u>			
Customer Information Expense (909)	1,658	276	783
<u>Consumer Accounts</u>			
Supervision (901)	2,697	3,098	2,824
Consumer Records and Collections (903)	46,563	41,504	39,520
Uncollectible Accounts Expense (904)	1,574	1,574	1,519
Vacation, Holiday, Sick Leave (906)	6,154	6,941	5,662
Total Consumer Accounts	56,988	53,117	49,525
<u>Administrative and General</u>			
Administrative and General Salaries (920)	78,323	80,840	72,918
Office Supplies and Expense (921)	5,105	3,288	3,964
Outside Services Employed (923)	13,939	6,179	6,796
Property Insurance (924)	1,132	1,132	1,172
Casualty Ins, Injuries & Damages (925)	7,752	6,983	18,329
Employee Pensions and Benefits (926)	95,360	88,820	88,572
Fringe Benefits Charges to Construction (927)	(5,603)	(5,799)	(3,452)
Rents (931)	9,656	9,656	9,375
Miscellaneous General Expense (930)	13,957	14,954	6,089
Maintenance of General Plant (932)	7,906	6,750	3,322
Vacation, Holiday, Sick Leave (936)	14,926	15,865	14,647
Depreciation (933)	10,205	9,359	9,643
Total Administrative and General	252,658	238,027	231,375
Total Operating Expenses	\$1,025,806	\$936,946	\$931,381

\$20,145

Muscatine Power and Water - Communications Utility
Statistical Data
January 2017

Services	Budget Estimate	% Increase (Decrease) From Budget	This Year ^{fn1}	% Increase (Decrease) Fr. Last Yr.	Last Year ^{fn1}
<u>CATV</u>					
Residential	5,427	(1.8)	5,330	(6.4)	5,692
Commercial/Hospitality	<u>145</u>	9.7	<u>159</u>	(1.2)	<u>161</u>
Total CATV	<u>5,572</u>	(1.5)	<u>5,489</u>	(6.2)	<u>5,853</u>
Bulk Equivalent Services	<u>368</u>	(3.0)	<u>357</u>	0.6	<u>355</u>
Bulk Master Services	<u>24</u>	4.2	<u>25</u>	13.6	<u>22</u>
<u>Internet</u>					
Residential	7,687	0.8	7,752	5.2	7,372
Commercial	<u>488</u>	5.3	<u>514</u>	7.8	<u>477</u>
Total Internet	<u>8,175</u>	1.1	<u>8,266</u>	5.3	<u>7,849</u>
<u>MME</u>	<u>80</u>	6.3	<u>85</u>	3.7	<u>82</u>

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