

**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**

	<b>Budget Estimate</b>	<b>% Increase (Decrease) From Budget</b>	<b>This Year</b>	<b>% Increase (Decrease) Fr. Last Yr.</b>	<b>Last Year</b>
<b><u>Operating Revenue</u></b>					
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	<u>11,658</u>	(34.7)	<u>7,613</u>	(32.9)	<u>11,351</u>
Total Operating Revenues	<u>1,113,822</u>	(0.2)	<u>1,111,192</u>	(1.0)	<u>1,121,864</u>
<b><u>Operating Expense</u></b>					
Operation	774,564	(5.6)	731,221	2.2	715,729
Maintenance	106,042	(33.2)	70,799	(7.2)	76,323
Depreciation	<u>145,200</u>	(7.1)	<u>134,926</u>	(3.2)	<u>139,329</u>
Total Operating Expenses	<u>1,025,806</u>	(8.7)	<u>936,946</u>	0.6	<u>931,381</u>
Operating Income	<u>88,016</u>	98.0	<u>174,246</u>	(8.5)	<u>190,483</u>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	949	98.8	1,887	7.2X	231
Interest Expense	<u>(3,768)</u>	---	<u>(3,768)</u>	(5.0)	<u>(3,968)</u>
Net Nonoperating Expense	<u>(2,819)</u>	(33.3)	<u>(1,881)</u>	(49.7)	<u>(3,737)</u>
<b>Net Income before Capital Contributions</b>	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	<u>---</u>	---	<u>---</u>	---	<u>---</u>
<b>Change in Net Position</b>	86,919		173,728		188,468
<b>Beginning Net Position</b>	<u>5,661,535</u>		<u>5,661,535</u>		<u>3,484,795</u>
<b>Ending Net Position</b>	<u>\$5,748,454</u>		<u>\$5,835,263</u>		<u>\$3,673,263</u>
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>
<b>Current Assets:</b>		
<b><u>Unrestricted Assets</u></b>		
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>
<b><u>Restricted Assets</u></b>		
Cash - interest bearing	6	6
Total Restricted Current Assets	6	6
Total Current Assets	<u>9,986,163</u>	<u>7,910,653</u>
<b>Property and Equipment:</b>		
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>
<b>Deferred Outflows of Resources - Pension</b>		
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>
<b>TOTAL ASSETS</b>	<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**

	<b><u>2017</u></b>	<b><u>2016</u></b>
<b>Current Liabilities:</b>		
<b><u>Payable from Unrestricted Assets</u></b>		
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	<u>111,183</u>	<u>112,317</u>
Total Payable from Unrestricted Assets	<u>1,097,827</u>	<u>1,290,504</u>
<b><u>Payable from Restricted Assets</u></b>		
Notes Payable:		
Banks	---	---
Electric Utility	481,443	479,048
Total Payable from Restricted Assets	<u>481,443</u>	<u>479,048</u>
Total Current Liabilities	<u>1,579,270</u>	<u>1,769,552</u>
<b>Non-Current Liabilities:</b>		
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	<u>8,562,844</u>	<u>9,044,287</u>
Total Non-Current Liabilities	<u>10,999,407</u>	<u>10,991,645</u>
<b>Deferred Inflows of Resources - Pension</b>	<u>97,343</u>	<u>101,366</u>
<b>Net Position:</b>		
Net Investment in Capital Assets	6,774,288	7,296,793
Restricted	---	---
Unrestricted	<u>(939,025)</u>	<u>(3,623,530)</u>
Total Net Position	<u>5,835,263</u>	<u>3,673,263</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b><u>\$18,511,283</u></b>	<b><u>\$16,535,826</u></b>

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

	<b><u>Current</u></b> <b><u>Month</u></b>
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	<u>(380,536)</u>
Net cash flows from operating activites	<u>249,937</u>
Cash flows from capital and related financing activities:	
Capital expenditures, net	(116,976)
Loan principal payments	---
Loan interest payments	<u>---</u>
Net cash flows from capital and related financing activities	<u>(116,976)</u>
Cash flows from investing activities:	
Interest received on investments	1,425
Mark to Market	<u>---</u>
Net cash flows from investing activities	<u>1,425</u>
Net increase in cash and investments	<u>134,386</u>
Cash and investments at beginning of period	<u>8,257,467</u>
Cash and investments at end of period	<u>\$8,391,853</u>

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

	<b><u>Current</u></b>
	<b><u>Month</u></b>
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	<u>(37,602)</u>
Net cash flows from operating activities	<u><u>\$249,937</u></u>

**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>
<b>CATV</b>			
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)	<u>84,951</u>	<u>76,631</u>	<u>82,721</u>
Total CATV	<u>558,541</u>	<u>518,050</u>	<u>520,264</u>
<b>Data/Internet</b>			
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)	<u>27,909</u>	<u>26,898</u>	<u>25,111</u>
Total Data/Internet	<u>127,277</u>	<u>100,820</u>	<u>101,393</u>

**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>
<b><u>MME</u></b>			
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)	<u>22,135</u>	<u>22,038</u>	<u>21,854</u>
Total MAN/MME	<u>28,684</u>	<u>26,656</u>	<u>28,041</u>
<b><u>Customer Service Expense</u></b>			
Customer Information Expense (909)	<u>1,658</u>	<u>276</u>	<u>783</u>
<b><u>Consumer Accounts</u></b>			
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)	<u>6,154</u>	<u>6,941</u>	<u>5,662</u>
Total Consumer Accounts	<u>56,988</u>	<u>53,117</u>	<u>49,525</u>
<b><u>Administrative and General</u></b>			
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)	<u>10,205</u>	<u>9,359</u>	<u>9,643</u>
Total Administrative and General	<u>252,658</u>	<u>238,027</u>	<u>231,375</u>
Total Operating Expenses	<u>\$1,025,806</u>	<u>\$936,946</u>	<u>\$931,381</u>

\$20,145

**Muscatine Power and Water - Communications Utility**  
**Statistical Data**  
**January 2017**

<u>Services</u>	<u>Budget</u> <u>Estimate</u>	<u>% Increase (Decrease)</u> <u>From Budget</u>	<u>This Year</u> <sup>fn1</sup>	<u>% Increase (Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last Year</u> <sup>fn1</sup>					
<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>					
<u>Bulk Equivalent Services</u>										
Bulk Master Services	<u>368</u>	(3.0)	<u>357</u>	0.6	<u>355</u>					
	<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