

Muscatine Power and Water

Communications Utility

Statement of Revenues, Expenses and Changes in Net Position

June 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 - June 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	\$605,505	(4.1)	\$580,649	(1.2)	\$587,931
Data/Internet	475,692	4.2	495,709	7.5	460,922
MAN	48,800	23.9	60,469	14.6	52,773
Miscellaneous	<u>11,658</u>	26.6	<u>14,762</u>	34.2	<u>10,996</u>
Total Operating Revenues	<u>1,141,655</u>	0.9	<u>1,151,589</u>	3.5	<u>1,112,622</u>
<u>Operating Expense</u>					
Operation	763,297	(4.5)	728,841	4.5	697,325
Maintenance	86,406	0.5	86,850	(9.0)	95,416
Depreciation	<u>145,201</u>	(7.1)	<u>134,926</u>	(3.2)	<u>139,329</u>
Total Operating Expenses	<u>994,904</u>	(4.5)	<u>950,617</u>	2.0	<u>932,070</u>
Operating Income	<u>146,751</u>	36.9	<u>200,972</u>	11.3	<u>180,552</u>
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	618	6.0X	4,348	74.8	2,487
Interest Expense	<u>(3,768)</u>	---	<u>(3,768)</u>	(5.0)	<u>(3,968)</u>
Net Nonoperating Expense	<u>(3,150)</u>	-1.2X	<u>580</u>	-1.4X	<u>(1,481)</u>
Net Income before Capital Contributions	143,601	40.4	201,552	12.6	179,071
Capital Contributions	<u>1,722</u>	(28.1)	<u>1,238</u>	(27.7)	<u>1,713</u>
Change in Net Position	145,323		202,790		180,784
Beginning Net Position	<u>6,228,024</u>		<u>6,588,198</u>		<u>4,312,377</u>
Ending Net Position	<u>\$6,373,347</u>		<u>\$6,790,988</u>		<u>\$4,493,161</u>
Net Income (Loss) to Operating Revenue	12.6		17.5		16.1
Debt Service Coverage on Electric Utility Debt	6.67		7.75		7.35

Muscatine Power and Water - Communications Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - May 2017

	Budget Estimate	% Increase (Decrease) From Budget	This Year	% Increase (Decrease) Fr. Last Yr.	Last Year
<u>Operating Revenue</u>					
CATV	\$3,602,262	(4.7)	\$3,434,076	(2.5)	\$3,522,139
Data/Internet	2,819,613	3.2	2,910,220	7.1	2,717,494
MAN	292,800	25.9	368,625	15.7	318,568
Miscellaneous	<u>69,950</u>	(1.9)	<u>68,602</u>	6.0	<u>64,747</u>
Total Operating Revenues	<u>6,784,625</u>	---	<u>6,781,523</u>	2.4	<u>6,622,948</u>
<u>Operating Expense</u>					
Operation	4,668,041	(6.1)	4,383,637	2.0	4,296,687
Maintenance	526,002	(12.1)	462,214	(3.4)	478,493
Depreciation	<u>871,197</u>	(7.1)	<u>809,556</u>	(3.2)	<u>835,974</u>
Total Operating Expenses	<u>6,065,240</u>	(6.8)	<u>5,655,407</u>	0.8	<u>5,611,154</u>
Operating Income	<u>719,385</u>	56.5	<u>1,126,116</u>	11.3	<u>1,011,794</u>
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	4,703	2.6X	17,014	83.8	9,256
Interest Expense	<u>(22,608)</u>	---	<u>(22,611)</u>	(5.0)	<u>(23,808)</u>
Net Nonoperating Expense	<u>(17,905)</u>	(68.7)	<u>(5,597)</u>	(61.5)	<u>(14,552)</u>
Net Income before Capital Contributions	701,480	59.7	1,120,519	12.4	997,242
Capital Contributions	<u>10,332</u>	(13.5)	<u>8,934</u>	(19.7)	<u>11,124</u>
Change in Net Position	711,812		1,129,453		1,008,366
Beginning Net Position	<u>5,661,535</u>		<u>5,661,535</u>		<u>3,484,795</u>
Ending Net Position	<u>\$6,373,347</u>		<u>\$6,790,988</u>		<u>\$4,493,161</u>
Net Income (Loss) to Operating Revenue	10.3		16.5		15.1
Debt Service Coverage on Electric Utility Debt	6.06		7.42		7.05

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

ASSETS

	<u>2017</u>	<u>2016</u>
Current Assets:		
Cash - interest bearing	\$8,271,480	\$3,193,010
Investments	---	4,000,000
Receivables:		
Consumer Accounts	1,285,530	1,275,973
Interest	4,172	8,008
Inventories	126,571	157,005
Prepaid Expenses	<u>280,033</u>	<u>210,996</u>
Total Current Assets	<u>9,967,786</u>	<u>8,844,992</u>
Property and Equipment:		
At Cost	36,560,056	34,165,428
Less Accumulated Depreciation	<u>27,711,612</u>	<u>26,542,698</u>
Net Property and Equipment	<u>8,848,444</u>	<u>7,622,730</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>423,188</u>
Total Deferred Outflows of Resources - Pension	<u>1,269,389</u>	<u>936,877</u>
TOTAL ASSETS	<u><u>\$20,085,619</u></u>	<u><u>\$17,404,599</u></u>

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

LIABILITIES AND NET POSITION

	<u>2017</u>	<u>2016</u>
Current Liabilities:		
<u>Payable from Unrestricted Assets</u>		
Accrued Interest	---	---
Accounts Payable	1,045,402	753,159
Health & Dental Insurance Provision	49,280	53,060
Retained Percentage on Contracts	21,419	301
Accrued Payroll	118,183	89,972
Accrued Vacation	181,438	171,239
Accrued Property Taxes	6,490	7,560
Unearned Revenue - Dark Fiber Lease	17,500	17,500
Miscellaneous Accrued Expenses	149,385	149,728
 Total Payable from Unrestricted Assets	 1,589,097	 1,242,519
<u>Payable from Restricted Assets</u>		
Notes Payable:		
Electric Utility	481,443	479,048
 Total Payable from Restricted Assets	 481,443	 479,048
 Total Current Liabilities	 2,070,540	 1,721,567
Non-Current Liabilities:		
Health & Dental Insurance Provision	74,919	95,979
Post-Employment Health Benefit Provision	72,286	67,233
Unearned Revenue - Dark Fiber Lease	220,729	238,229
Net Pension Liability	2,195,970	1,642,777
Notes Payable:		
Electric Utility	8,562,844	9,044,287
 Total Non-Current Liabilities	 11,126,748	 11,088,505
Deferred Inflows of Resources - Pension	 97,343	 101,366
Net Position:		
Net Investment in Capital Assets	8,367,001	7,143,682
Unrestricted	(1,576,013)	(2,650,521)
 Total Net Position	 6,790,988	 4,493,161
 TOTAL LIABILITIES AND NET POSITION	 \$20,085,619	 \$17,404,599

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

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Communications sales	\$1,114,759	\$6,545,258
Advertising sales	35,140	155,111
Miscellaneous sources	28,385	69,675
Cash paid to/for:		
Suppliers	(422,133)	(2,899,034)
Employees payroll, taxes and benefits	<u>(275,677)</u>	<u>(1,786,285)</u>
Net cash flows from operating activities	<u>480,474</u>	<u>2,084,725</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(1,071,214)	(2,062,289)
Loan interest payments	<u>(22,611)</u>	<u>(22,611)</u>
Net cash flows from capital and related financing activities	<u>(1,093,825)</u>	<u>(2,084,900)</u>
Cash flows from investing activities:		
Interest received on investments	<u>3,378</u>	<u>14,188</u>
Net cash flows from investing activities	<u>3,378</u>	<u>14,188</u>
Net increase (decrease) in cash and investments	<u>(609,973)</u>	<u>14,013</u>
Cash and investments at beginning of period	<u>8,881,453</u>	<u>8,257,467</u>
Cash and investments at end of period	<u>\$8,271,480</u>	<u>\$8,271,480</u>

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

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$200,972	\$1,126,116
Noncash items in operating income:		
Converter/modem write-off	3,171	13,465
Depreciation of utility plant	134,926	809,556
Changes in assets and liabilities:		
Consumer accounts receivable	30,880	66,888
Inventories	6,233	16,941
Prepaid and deferred expenses	(22,091)	(173,283)
Accounts payable	31,248	41,175
Net pension liability	30,474	182,845
Health & dental insurance provision	(6,256)	(25,141)
Other post-employment benefit provision	421	2,527
Unearned revenue	(1,459)	(16,358)
Retained percentage on contracts	16,184	20,078
Accrued payroll	35,351	12,842
Accrued vacation	(6,087)	6,474
Accrued property taxes	541	---
Miscellaneous accrued expenses	<u>25,966</u>	<u>600</u>
Net cash flows from operating activities	<u><u>\$480,474</u></u>	<u><u>\$2,084,725</u></u>

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
CATV			
Program Acquisition Expense (751-758)	\$383,728	\$352,351	\$352,425
Promotional Expense (960)	5,838	1,368	705
Electricity Expense (736)	2,235	2,666	2,942
Pole Attachment Expense (715)	1,967	1,967	1,967
Changes of Service (742)	1,099	1,239	1,339
Underground Line Expense (743)	9,090	4,457	2,282
Ad Insertion - Marketing/Production (964, 965)	6,743	16,730	6,255
Miscellaneous CATV Expense (710, 738, 739)	14,352	21,299	14,649
Vehicle Expense (760)	4,898	4,080	10,017
Maintenance:			
Fiber (711)	662	230	1,157
Coax (712)	1,203	465	1,137
Drops (713)	3,371	3,542	2,463
Conduit System (714)	1,718	1,423	1,003
Headend (721-725)	21,448	24,707	22,801
Line Equipment (731-735)	2,775	1,787	5,832
Converters (741)	3,948	2,342	1,941
Ad Insertion (966)	3,437	4,047	16,944
Vacation, Holiday, Sick Leave (799)	4,307	3,910	3,577
Property Taxes (794)	731	314	365
Depreciation (793)	<u>84,951</u>	<u>76,631</u>	<u>82,721</u>
Total CATV	<u>558,501</u>	<u>525,555</u>	<u>532,522</u>
Data/Internet			
Data/Internet Access Charges (851-853)	28,019	26,384	25,726
Promotional Expense (961)	5,838	1,404	721
Electricity Expense (836)	394	339	519
Pole Attachment Expense (837)	346	346	346
Changes of Service (842)	194	413	236
Underground Line Expense (843)	391	1,035	403
Miscellaneous Data/Internet Expense (839, 844, 848)	5,345	7,895	4,904
Vehicle Expense (860)	803	491	1,225
Maintenance:			
Fiber (811)	114	96	204
Coax (813)	212	155	201
Drops (814)	2,310	1,181	435
Conduit System (816)	232	593	176
Headend (820, 821)	29,146	28,904	27,920
Line Equipment (831-835)	454	472	1,029
Modems (841)	4,923	6,179	3,997
Vacation, Holiday, Sick Leave (879)	2,162	1,817	1,803
Property Taxes (894)	129	55	65
Depreciation (893)	<u>27,910</u>	<u>26,898</u>	<u>25,111</u>
Total Data/Internet	<u>108,922</u>	<u>104,657</u>	<u>95,021</u>

Muscatine Power and Water - Communications Utility
Summary of Expenses
Calendar Year-to-Date - May 2017

	<u>Budget Estimate</u>	<u>This Year</u>	<u>Last Year</u>
CATV			
Program Acquisition Expense (751-758)	\$2,324,947	\$2,149,349	\$2,145,355
Promotional Expense (960)	40,671	6,578	3,755
Electricity Expense (736)	13,410	14,622	14,232
Pole Attachment Expense (715)	11,804	11,804	11,802
Changes of Service (742)	6,589	7,328	9,034
Underground Line Expense (743)	35,722	15,602	11,607
Ad Insertion - Marketing/Production (964, 965)	41,685	50,444	39,235
Miscellaneous CATV Expense (710, 738, 739)	84,740	108,553	94,755
Vehicle Expense (760)	29,757	23,489	32,427
Maintenance:			
Fiber (711)	4,301	2,779	5,922
Coax (712)	7,281	3,235	3,797
Drops (713)	20,156	14,979	12,659
Conduit System (714)	8,539	4,262	4,474
Headend (721-725)	127,221	104,753	106,526
Line Equipment (731-735)	16,354	16,562	32,298
Converters (741)	22,761	16,982	12,507
Ad Insertion (966)	20,669	29,229	30,063
Vacation, Holiday, Sick Leave (799)	31,804	42,035	29,463
Property Taxes (794)	4,385	1,882	2,191
Depreciation (793)	<u>509,706</u>	<u>459,786</u>	<u>496,326</u>
Total CATV	<u>3,362,502</u>	<u>3,084,253</u>	<u>3,098,428</u>
Data/Internet			
Data/Internet Access Charges (851-853)	159,115	157,765	156,678
Promotional Expense (961)	40,671	6,553	4,011
Electricity Expense (836)	2,364	1,963	2,376
Pole Attachment Expense (837)	2,076	2,076	2,076
Changes of Service (842)	1,163	2,443	1,594
Underground Line Expense (843)	1,704	4,750	2,048
Miscellaneous Data/Internet Expense (839, 844, 848)	31,682	47,108	40,123
Vehicle Expense (860)	4,815	2,821	3,931
Maintenance:			
Fiber (811)	743	1,158	1,042
Coax (813)	1,285	1,078	670
Drops (814)	13,849	4,993	2,234
Conduit System (816)	1,203	1,776	787
Headend (820, 821)	192,154	175,320	175,198
Line Equipment (831-835)	2,568	4,558	5,699
Modems (841)	26,051	23,767	32,740
Vacation, Holiday, Sick Leave (879)	16,067	15,925	15,796
Property Taxes (894)	771	331	387
Depreciation (893)	<u>167,456</u>	<u>161,388</u>	<u>150,666</u>
Total Data/Internet	<u>665,737</u>	<u>615,773</u>	<u>\$598,056</u>

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>MAN</u>			
Pole Attachment Expense (838)	\$1,079	\$1,179	\$1,179
Tools Expense (845)	208	238	260
Maintenance:			
Fiber (812)	365	153	635
Conduit System (817)	915	948	550
MAN Equipment (818, 819)	3,292	4,642	3,673
Vacation, Holiday, Sick Leave (899)	318	184	234
Property Taxes (896)	401	172	200
Depreciation (840)	<u>22,135</u>	<u>22,038</u>	<u>21,854</u>
Total MAN	<u>28,713</u>	<u>29,554</u>	<u>28,585</u>
<u>Customer Service Expense</u>			
Customer Information Expense (909)	<u>2,768</u>	<u>2,001</u>	<u>2,191</u>
<u>Consumer Accounts</u>			
Supervision (901)	2,697	2,268	3,159
Consumer Records and Collections (903)	46,551	49,014	44,535
Uncollectible Accounts Expense (904)	1,574	1,574	1,519
Vacation, Holiday, Sick Leave (906)	<u>4,121</u>	<u>3,679</u>	<u>3,504</u>
Total Consumer Accounts	<u>54,943</u>	<u>56,535</u>	<u>52,717</u>
<u>Administrative and General</u>			
Administrative and General Salaries (920)	78,317	80,971	77,978
Office Supplies and Expense (921)	4,374	5,832	3,571
Outside Services Employed (923)	12,526	9,154	13,676
Property Insurance (924)	1,206	1,173	1,132
Casualty Ins, Injuries & Damages (925)	7,632	10,281	3,366
Employee Pensions and Benefits (926)	94,280	93,163	87,093
Fringe Benefits Charges to Construction (927)	(5,816)	(6,646)	(7,075)
Rents (931)	9,656	9,656	9,375
Miscellaneous General Expense (930)	12,608	4,607	8,804
Maintenance of General Plant (932)	5,881	4,984	3,318
Vacation, Holiday, Sick Leave (936)	10,188	9,781	10,153
Depreciation (933)	<u>10,205</u>	<u>9,359</u>	<u>9,643</u>
Total Administrative and General	<u>241,057</u>	<u>232,315</u>	<u>221,034</u>
Total Operating Expenses	<u><u>\$994,904</u></u>	<u><u>\$950,617</u></u>	<u><u>\$932,070</u></u>

Muscatine Power and Water - Communications Utility
Summary of Expenses
Calendar Year-to-Date - May 2017

	<u>Budget Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>MAN</u>			
Pole Attachment Expense (838)	\$6,472	\$7,072	\$6,874
Tools Expense (845)	1,250	1,270	487
Maintenance:			
Fiber (812)	2,372	1,853	3,247
Conduit System (817)	4,575	2,841	2,453
MAN Equipment (818, 819)	20,049	23,155	25,299
Vacation, Holiday, Sick Leave (899)	2,391	1,485	1,692
Property Taxes (896)	2,404	1,032	1,202
Depreciation (840)	<u>132,808</u>	<u>132,228</u>	<u>131,124</u>
Total MAN	<u>172,321</u>	<u>170,936</u>	<u>172,378</u>
<u>Customer Service Expense</u>			
Customer Information Expense (909)	<u>25,874</u>	<u>8,107</u>	<u>10,459</u>
<u>Consumer Accounts</u>			
Supervision (901)	16,181	15,988	16,141
Consumer Records and Collections (903)	281,988	292,782	266,071
Uncollectible Accounts Expense (904)	9,444	9,444	9,114
Vacation, Holiday, Sick Leave (906)	<u>30,823</u>	<u>31,732</u>	<u>30,177</u>
Total Consumer Accounts	<u>338,436</u>	<u>349,946</u>	<u>321,503</u>
<u>Administrative and General</u>			
Administrative and General Salaries (920)	469,532	472,260	463,225
Office Supplies and Expense (921)	28,447	24,982	22,245
Outside Services Employed (923)	78,754	49,935	58,388
Property Insurance (924)	7,014	6,916	6,912
Casualty Ins, Injuries & Damages (925)	46,151	46,553	87,155
Employee Pensions and Benefits (926)	571,726	560,698	532,630
Fringe Benefits Charges to Construction (927)	(34,126)	(38,509)	(27,763)
Rents (931)	57,937	57,937	56,250
Miscellaneous General Expense (930)	104,535	86,019	65,853
Maintenance of General Plant (932)	33,871	28,934	20,878
Vacation, Holiday, Sick Leave (936)	75,302	74,513	66,699
Depreciation (933)	<u>61,227</u>	<u>56,154</u>	<u>57,858</u>
Total Administrative and General	<u>1,500,370</u>	<u>1,426,392</u>	<u>1,410,330</u>
Total Operating Expenses	<u><u>\$6,065,240</u></u>	<u><u>\$5,655,407</u></u>	<u><u>\$5,611,154</u></u>

Muscatine Power and Water - Communications Utility
Statistical Data
June 2017

<u>Services</u>	<u>Budget</u>	<u>% Increase (Decrease)</u>	<u>This Year</u>	^{fn1} <u>Fr. Last Yr.</u>	<u>% Increase (Decrease)</u>	<u>Last Year</u>	^{fn1}
	<u>Estimate</u>	<u>From Budget</u>					
CATV							
Residential	5,351	(2.4)	5,222	(7.3)		5,634	
Commercial/Hospitality	146	11.6	163	3.8		157	
Total CATV	<u>5,497</u>	(2.0)	<u>5,385</u>	(7.0)		<u>5,791</u>	
Bulk Equivalent Services	368	(13.3)	319	(10.4)		356	
Bulk Master Services	24	---	24	9.1		22	
Internet							
Residential	7,823	1.8	7,963	4.4		7,627	
Commercial	539	(2.6)	525	6.3		494	
Total Internet	<u>8,362</u>	1.5	<u>8,488</u>	4.5		<u>8,121</u>	
MAN	<u>80</u>	10.0	<u>88</u>	7.3		<u>82</u>	

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