

**Muscatine Power and Water**

**Communications Utility**

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

**August 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 - August 2017**

	<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	\$608,908	(4.6)	\$580,890	(1.1)	\$587,335
Data/Internet	475,995	4.6	497,976	7.0	465,510
MAN	48,800	31.4	64,102	23.9	51,724
Miscellaneous	11,670	25.9	14,694	36.8	10,740
Total Operating Revenues	<u>1,145,373</u>	1.1	<u>1,157,662</u>	3.8	<u>1,115,309</u>
<b><u>Operating Expense</u></b>					
Operation	780,104	(2.9)	757,130	5.2	719,478
Maintenance	80,306	(4.8)	76,422	(5.4)	80,813
Depreciation	145,200	(7.1)	134,926	(3.2)	139,329
Total Operating Expenses	<u>1,005,610</u>	(3.7)	<u>968,478</u>	3.1	<u>939,620</u>
Operating Income	<u>139,763</u>	35.4	<u>189,184</u>	7.7	<u>175,689</u>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	484	6.4X	3,600	38.3	2,603
Interest Expense	(3,769)	---	(3,769)	(5.0)	(3,968)
Net Nonoperating Expense	<u>(3,285)</u>	(94.9)	<u>(169)</u>	(87.6)	<u>(1,365)</u>
<b>Net Income before Capital Contributions</b>	136,478	38.5	189,015	8.4	174,324
Capital Contributions	<u>1,722</u>	(37.2)	<u>1,081</u>	(34.4)	<u>1,649</u>
<b>Change in Net Position</b>	138,200		190,096		175,973
<b>Beginning Net Position</b>	<u>6,501,419</u>		<u>7,051,033</u>		<u>4,693,408</u>
<b>Ending Net Position</b>	<u>\$6,639,619</u>		<u>\$7,241,129</u>		<u>\$4,869,381</u>
Net Income (Loss) to Operating Revenue	11.9		16.3		15.6
Debt Service Coverage on Electric Utility Debt	6.50		7.47		7.24

**Muscatine Power and Water - Communications Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Calendar Year-to-Date - August 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>
<b><u>Operating Revenue</u></b>					
CATV	\$4,818,639	(4.6)	\$4,597,923	(2.2)	\$4,700,816
Data/Internet	3,770,462	3.6	3,905,820	7.1	3,646,353
MAN	390,400	27.4	497,378	17.4	423,537
Miscellaneous	93,290	(3.0)	90,448	4.3	86,722
Total Operating Revenues	<u>9,072,791</u>	0.2	<u>9,091,569</u>	2.6	<u>8,857,428</u>
<b><u>Operating Expense</u></b>					
Operation	6,222,029	(6.3)	5,828,802	1.9	5,720,270
Maintenance	700,450	(13.0)	609,729	(4.0)	635,091
Depreciation	1,161,596	(7.1)	1,079,408	(3.2)	1,114,632
Total Operating Expenses	<u>8,084,075</u>	(7.0)	<u>7,517,939</u>	0.6	<u>7,469,993</u>
Operating Income	<u>988,716</u>	59.2	<u>1,573,630</u>	13.4	<u>1,387,435</u>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	5,737	3.4X	25,016	73.4	14,428
Interest Expense	(30,145)	---	(30,148)	(5.0)	(31,744)
Net Nonoperating Expense	<u>(24,408)</u>	(79.0)	<u>(5,132)</u>	(70.4)	<u>(17,316)</u>
<b>Net Income before Capital Contributions</b>	964,308	62.7	1,568,498	14.5	1,370,119
Capital Contributions	<u>13,776</u>	(19.5)	<u>11,096</u>	(23.3)	<u>14,467</u>
<b>Change in Net Position</b>	978,084		1,579,594		1,384,586
<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>\$6,639,619</u>		<u>\$7,241,129</u>		<u>\$4,869,381</u>
Net Income (Loss) to Operating Revenue	10.6		17.3		15.5
Debt Service Coverage on Electric Utility Debt	6.14		7.63		7.17

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

**ASSETS**

	<u>2017</u>	<u>2016</u>
<b>Current Assets:</b>		
Cash - interest bearing	\$6,217,915	\$3,685,165
Investments	---	4,000,000
Receivables:		
Consumer Accounts	1,303,030	1,266,360
Interest	3,441	12,766
Inventories	122,400	161,835
Prepaid Expenses	<u>257,445</u>	<u>164,403</u>
Total Current Assets	<u>7,904,231</u>	<u>9,290,529</u>
<b>Property and Equipment:</b>		
At Cost	39,185,392	34,269,139
Less Accumulated Depreciation	<u>27,931,050</u>	<u>26,775,139</u>
Net Property and Equipment	<u>11,254,342</u>	<u>7,494,000</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>413,231</u>	<u>510,733</u>
Total Deferred Outflows of Resources - Pension	<u>1,332,439</u>	<u>1,024,422</u>
<b>TOTAL ASSETS</b>	<u><u>\$20,491,012</u></u>	<u><u>\$17,808,951</u></u>

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

**LIABILITIES AND NET POSITION**

	<u>2017</u>	<u>2016</u>
<b>Current Liabilities:</b>		
<b><u>Payable from Unrestricted Assets</u></b>		
Accrued Interest	7,537	7,936
Accounts Payable	990,516	774,015
Health & Dental Insurance Provision	49,280	53,060
Retained Percentage on Contracts	54,759	671
Accrued Payroll	46,456	31,824
Accrued Vacation	180,864	172,859
Accrued Property Taxes	7,572	8,820
Unearned Revenue - Dark Fiber Lease	17,500	17,500
Miscellaneous Accrued Expenses	119,803	134,105
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	1,474,287	1,200,790
<b><u>Payable from Restricted Assets</u></b>		
Notes Payable:		
Electric Utility	481,443	479,048
Total Payable from Restricted Assets	481,443	479,048
	<hr/>	<hr/>
Total Current Liabilities	1,955,730	1,679,838
<b>Non-Current Liabilities:</b>		
Health & Dental Insurance Provision	86,902	111,708
Post-Employment Health Benefit Provision	72,333	68,075
Unearned Revenue - Dark Fiber Lease	217,813	235,313
Net Pension Liability	2,256,918	1,698,983
Notes Payable:		
Electric Utility	8,562,844	9,044,287
	<hr/>	<hr/>
Total Non-Current Liabilities	11,196,810	11,158,366
	<hr/>	<hr/>
<b>Deferred Inflows of Resources - Pension</b>	97,343	101,366
	<hr/>	<hr/>
<b>Net Position:</b>		
Net Investment in Capital Assets	10,772,899	7,014,952
Unrestricted	(3,531,770)	(2,145,571)
	<hr/>	<hr/>
Total Net Position	7,241,129	4,869,381
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$20,491,012</u>	<u>\$17,808,951</u>

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

	<b><u>Current Month</u></b>	<b><u>Year- To-Date</u></b>
Cash flows from operating activities:		
Cash received from:		
Communications sales	\$1,096,288	\$8,755,405
Advertising sales	25,771	208,811
Miscellaneous sources	13,547	89,129
Cash paid to/for:		
Suppliers	(401,410)	(3,737,039)
Employees payroll, taxes and benefits	(465,026)	(2,539,481)
Net cash flows from operating activities	<u>269,170</u>	<u>2,776,825</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(1,807,366)	(4,816,688)
Loan interest payments	---	(22,611)
Net cash flows from capital and related financing activities	<u>(1,807,366)</u>	<u>(4,839,299)</u>
Cash flows from investing activities:		
Interest received on investments	<u>4,349</u>	<u>22,922</u>
Net cash flows from investing activities	<u>4,349</u>	<u>22,922</u>
Net decrease in cash and investments	<u>(1,533,847)</u>	<u>(2,039,552)</u>
Cash and investments at beginning of period	<u>7,751,762</u>	<u>8,257,467</u>
Cash and investments at end of period	<u><u>\$6,217,915</u></u>	<u><u>\$6,217,915</u></u>

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

	<b><u>Current</u></b> <b><u>Month</u></b>	<b><u>Year-</u></b> <b><u>To-Date</u></b>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$189,184	\$1,573,630
Noncash items in operating income:		
Converter/modem write-off	---	13,465
Depreciation of utility plant	134,926	1,079,408
Change in deferred outflows of resources - pension	(63,050)	(63,050)
Changes in assets and liabilities:		
Consumer accounts receivable	(16,904)	49,388
Inventories	1,320	21,112
Prepaid and deferred expenses	(1,277)	(150,695)
Accounts payable	22,779	67,100
Net pension liability	30,474	243,793
Health & dental insurance provision	3,815	(13,158)
Other post-employment benefit provision	391	2,574
Unearned revenue	(1,458)	(19,274)
Retained percentage on contracts	21,719	53,418
Accrued payroll	(63,534)	(58,885)
Accrued vacation	(676)	5,900
Accrued property taxes	541	1,082
Miscellaneous accrued expenses	10,920	(28,983)
	<u>10,920</u>	<u>(28,983)</u>
Net cash flows from operating activities	<u>\$269,170</u>	<u>\$2,776,825</u>

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

	<b><u>Budget</u></b> <b><u>Estimate</u></b>	<b><u>This Year</u></b>	<b><u>Last Year</u></b>
<b><u>CATV</u></b>			
Program Acquisition Expense (751-758)	\$381,183	\$358,604	\$351,137
Promotional Expense (960)	5,838	863	610
Electricity Expense (736)	2,235	2,700	2,570
Pole Attachment Expense (715)	1,967	1,967	1,967
Changes of Service (742)	1,125	451	1,018
Underground Line Expense (743)	9,106	7,388	2,675
Ad Insertion - Marketing/Production (964, 965)	7,064	6,990	6,217
Miscellaneous CATV Expense (710, 738, 739)	15,022	20,134	14,989
Vehicle Expense (760)	4,808	4,136	2,686
Maintenance:			
Fiber (711)	721	1,201	6
Coax (712)	1,229	2,120	698
Drops (713)	3,385	1,092	2,939
Conduit System (714)	1,748	876	1,338
Headend (721-725)	21,475	20,874	16,918
Line Equipment (731-735)	3,481	4,501	3,003
Converters (741)	4,011	1,622	1,713
Ad Insertion (966)	3,450	4,470	5,435
Vacation, Holiday, Sick Leave (799)	4,384	3,537	3,802
Property Taxes (794)	731	314	365
Depreciation (793)	84,951	76,631	82,721
<b>Total CATV</b>	<b>557,914</b>	<b>520,471</b>	<b>502,807</b>
<b><u>Data/Internet</u></b>			
Data/Internet Access Charges (851-853)	25,769	26,397	29,241
Promotional Expense (961)	5,838	899	646
Electricity Expense (836)	394	350	330
Pole Attachment Expense (837)	346	346	346
Changes of Service (842)	199	150	180
Underground Line Expense (843)	392	2,463	472
Miscellaneous Data/Internet Expense (839, 844, 848)	5,662	10,742	8,077
Vehicle Expense (860)	803	498	322
Maintenance:			
Fiber (811)	124	500	1
Coax (813)	217	707	123
Drops (814)	2,313	364	519
Conduit System (816)	237	365	235
Headend (820, 821)	22,147	30,346	35,933
Line Equipment (831-835)	472	1,229	530
Modems (841)	4,483	(1,846)	4,473
Vacation, Holiday, Sick Leave (879)	2,216	1,973	1,693
Property Taxes (894)	128	55	65
Depreciation (893)	27,909	26,898	25,111
<b>Total Data/Internet</b>	<b>99,649</b>	<b>102,436</b>	<b>108,297</b>

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

	<b><u>Budget</u></b> <b><u>Estimate</u></b>	<b><u>This Year</u></b>	<b><u>Last Year</u></b>
<b><u>MAN</u></b>			
Pole Attachment Expense (838)	\$1,079	\$1,179	\$1,179
Tools Expense (845)	208	17	112
Maintenance:			
Fiber (812)	398	801	3
Conduit System (817)	932	584	734
MAN Equipment (818, 819)	3,373	2,549	3,233
Vacation, Holiday, Sick Leave (899)	326	185	176
Property Taxes (896)	401	172	200
Depreciation (840)	22,135	22,038	21,854
<b>Total MAN</b>	<b>28,852</b>	<b>27,525</b>	<b>27,491</b>
<b><u>Customer Service Expense</u></b>			
Customer Information Expense (909)	10,061	3,852	1,706
<b><u>Consumer Accounts</u></b>			
Supervision (901)	2,778	3,229	3,098
Consumer Records and Collections (903)	47,652	54,002	48,716
Uncollectible Accounts Expense (904)	1,574	1,574	1,519
Vacation, Holiday, Sick Leave (906)	4,239	3,180	5,334
<b>Total Consumer Accounts</b>	<b>56,243</b>	<b>61,985</b>	<b>58,667</b>
<b><u>Administrative and General</u></b>			
Administrative and General Salaries (920)	80,514	91,632	82,674
Office Supplies and Expense (921)	4,033	3,299	3,408
Outside Services Employed (923)	12,526	10,652	5,480
Property Insurance (924)	1,206	1,173	1,132
Casualty Ins, Injuries & Damages (925)	7,632	8,316	8,538
Employee Pensions and Benefits (926)	94,916	92,479	86,231
Fringe Benefits Charges to Construction (927)	(5,919)	(7,105)	(8,529)
Rents (931)	9,656	9,656	9,375
Miscellaneous General Expense (930)	21,559	19,251	29,815
Maintenance of General Plant (932)	6,110	4,067	2,979
Vacation, Holiday, Sick Leave (936)	10,453	9,430	9,906
Depreciation (933)	10,205	9,359	9,643
<b>Total Administrative and General</b>	<b>252,891</b>	<b>252,209</b>	<b>240,652</b>
<b>Total Operating Expenses</b>	<b>\$1,005,610</b>	<b>\$968,478</b>	<b>\$939,620</b>

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>CATV</u></b>			
Program Acquisition Expense (751-758)	\$3,086,068	\$2,858,726	\$2,848,058
Promotional Expense (960)	52,572	8,326	5,435
Electricity Expense (736)	17,880	19,906	19,194
Pole Attachment Expense (715)	15,739	15,739	15,736
Changes of Service (742)	8,839	9,884	11,516
Underground Line Expense (743)	53,933	26,363	16,773
Ad Insertion - Marketing/Production (964, 965)	56,153	64,872	52,346
Miscellaneous CATV Expense (710, 738, 739)	114,562	146,322	125,274
Vehicle Expense (760)	39,373	32,200	41,658
Maintenance:			
Fiber (711)	5,744	4,060	7,243
Coax (712)	9,772	5,815	6,326
Drops (713)	26,974	17,992	16,982
Conduit System (714)	12,035	6,090	6,936
Headend (721-725)	170,355	146,242	139,409
Line Equipment (731-735)	22,510	22,842	41,199
Converters (741)	30,657	19,862	16,298
Ad Insertion (966)	27,569	38,831	39,533
Vacation, Holiday, Sick Leave (799)	42,596	51,305	39,931
Property Taxes (794)	5,847	2,509	2,921
Depreciation (793)	679,607	613,048	661,768
<b>Total CATV</b>	<b>4,478,785</b>	<b>4,110,934</b>	<b>4,114,536</b>
<b><u>Data/Internet</u></b>			
Data/Internet Access Charges (851-853)	210,653	210,561	211,661
Promotional Expense (961)	52,572	8,392	5,763
Electricity Expense (836)	3,152	2,717	3,128
Pole Attachment Expense (837)	2,768	2,768	2,768
Changes of Service (842)	1,560	3,295	2,032
Underground Line Expense (843)	2,487	8,337	2,960
Miscellaneous Data/Internet Expense (839, 844, 848)	42,581	64,066	52,708
Vehicle Expense (860)	6,421	3,873	5,051
Maintenance:			
Fiber (811)	992	1,692	1,274
Coax (813)	1,724	1,938	1,116
Drops (814)	18,484	5,949	2,997
Conduit System (816)	1,678	2,537	1,220
Headend (820, 821)	242,272	231,434	238,233
Line Equipment (831-835)	3,476	6,240	6,988
Modems (841)	35,234	26,537	41,937
Vacation, Holiday, Sick Leave (879)	21,556	20,913	20,468
Property Taxes (894)	1,028	441	517
Depreciation (893)	223,275	215,184	200,888
<b>Total Data/Internet</b>	<b>871,913</b>	<b>816,874</b>	<b>801,709</b>

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

	<b><u>Budget</u></b> <b><u>Estimate</u></b>	<b><u>This Year</u></b>	<b><u>Last Year</u></b>
<b><u>MAN</u></b>			
Pole Attachment Expense (838)	\$8,629	\$9,429	\$9,232
Tools Expense (845)	1,667	1,648	605
Maintenance:			
Fiber (812)	3,168	2,706	3,971
Conduit System (817)	6,438	4,060	3,803
MAN Equipment (818, 819)	35,472	27,890	31,660
Vacation, Holiday, Sick Leave (899)	3,208	2,041	2,243
Property Taxes (896)	3,206	1,376	1,602
Depreciation (840)	177,077	176,304	174,832
Total MAN	238,865	225,454	227,948
<b><u>Customer Service Expense</u></b>			
Customer Information Expense (909)	37,927	13,453	13,631
<b><u>Consumer Accounts</u></b>			
Supervision (901)	21,737	21,838	22,038
Consumer Records and Collections (903)	377,262	384,072	357,498
Uncollectible Accounts Expense (904)	12,592	12,592	12,152
Vacation, Holiday, Sick Leave (906)	41,395	40,829	41,550
Total Consumer Accounts	452,986	459,331	433,238
<b><u>Administrative and General</u></b>			
Administrative and General Salaries (920)	630,560	632,814	618,419
Office Supplies and Expense (921)	36,859	31,645	28,875
Outside Services Employed (923)	105,719	65,752	78,681
Property Insurance (924)	9,425	9,262	9,177
Casualty Ins, Injuries & Damages (925)	61,655	59,637	104,976
Employee Pensions and Benefits (926)	761,957	742,145	702,389
Fringe Benefits Charges to Construction (927)	(45,959)	(51,938)	(41,333)
Rents (931)	77,250	77,250	75,000
Miscellaneous General Expense (930)	137,501	112,972	107,135
Maintenance of General Plant (932)	45,896	37,012	27,966
Vacation, Holiday, Sick Leave (936)	101,099	100,470	90,502
Depreciation (933)	81,637	74,872	77,144
Total Administrative and General	2,003,599	1,891,893	1,878,931
Total Operating Expenses	\$8,084,075	\$7,517,939	\$7,469,993



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

<b>Services</b>	<b>Budget Estimate</b>	<b>% Increase (Decrease) From Budget</b>	<b>This Year <sup>fn1</sup></b>	<b>% Increase (Decrease) Fr. Last Yr.</b>	<b>Last Year <sup>fn1</sup></b>
<u>CATV</u>					
Residential	5,296	(2.1)	5,183	(7.0)	5,573
Commercial/Hospitality	<u>148</u>	8.8	<u>161</u>	0.6	<u>160</u>
Total CATV	<u><u>5,444</u></u>	(1.8)	<u><u>5,344</u></u>	(6.8)	<u><u>5,733</u></u>
<u>Bulk Equivalent Services</u>					
Bulk Equivalent Services	<u>368</u>	(13.3)	<u>319</u>	(10.6)	<u>357</u>
Bulk Master Services	<u><u>24</u></u>	---	<u><u>24</u></u>	(4.0)	<u><u>25</u></u>
<u>Internet</u>					
Residential	7,838	1.8	7,978	3.9	7,679
Commercial	<u>502</u>	5.8	<u>531</u>	6.2	<u>500</u>
Total Internet	<u><u>8,340</u></u>	2.0	<u><u>8,509</u></u>	4.0	<u><u>8,179</u></u>
<u>MAN</u>					
MAN	<u><u>80</u></u>	10.0	<u><u>88</u></u>	7.3	<u><u>82</u></u>

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