

Muscatine Power and Water
Communications Utility
Operating Statements and Balance Sheets
January 2008

**Muscatine Power and Water
Communications Utility**

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Muscatine Power and Water - Communications Utility
Statements of Revenues, Expenses, and Changes in Net Deficit
January 2008

Current Month

	<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	\$512,387	1.8	\$521,548	4.1	\$501,134
Data/Internet	235,849	1.3	238,868	5.7	225,990
MAN	29,671	(0.7)	29,472	1.9	28,921
Miscellaneous	6,234	2.6	6,396	14.7	5,576
	<u>784,141</u>	1.5	<u>796,284</u>	4.6	<u>761,621</u>
<u>Operating Expense</u>					
Operation	522,523	0.4	524,689	5.9	495,686
Maintenance	70,430	(3.2)	68,158	9.9	62,029
Depreciation	136,256	1.3	137,971	(4.7)	144,730
Amortization	64,421	---	64,421	---	64,421
	<u>793,630</u>	0.2	<u>795,239</u>	3.7	<u>766,866</u>
Operating Income (Loss)	<u>(9,489)</u>	(111.0)	<u>1,045</u>	---	<u>(5,245)</u>
<u>Interest and Miscellaneous</u>					
Interest Income	6,953	32.8	9,235	27.4	7,247
Interest Expense	<u>(103,920)</u>	---	<u>(103,920)</u>	---	<u>(103,922)</u>
Total Interest and Miscellaneous	<u>(96,967)</u>	(2.4)	<u>(94,685)</u>	(2.1)	<u>(96,675)</u>
Loss Before Capital Contributions	(106,456)	(12.0)	(93,640)	(8.1)	(101,920)
Capital Contributions	<u>---</u>	---	<u>---</u>	---	<u>---</u>
Change in Net Deficit	(106,456)	(12.0)	(93,640)	(8.1)	(101,920)
Beginning Net Deficit	<u>(17,299,315)</u>		<u>(17,299,315)</u>		<u>(16,430,393)</u>
Ending Net Deficit	<u>(\$17,405,771)</u>		<u>(\$17,392,955)</u>		<u>(\$16,532,313)</u>
Percent To Total Income	(13.5)		(11.6)		(13.3)

Muscatine Power and Water - Communications Utility
Balance Sheets
January 2008

ASSETS

	<u>2008</u>	<u>2007</u>
Current Assets:		
Cash	\$479,258	\$447,785
Investments	1,733,126	1,323,168
Receivables:		
Consumer Accounts	834,706	814,638
Interest	7,864	10,860
Inventories	304,221	331,123
Prepaid Expenses	<u>78,832</u>	<u>112,008</u>
Total Current Assets	<u>3,438,007</u>	<u>3,039,582</u>
Property and Equipment:		
At Cost	25,578,889	24,633,849
Less Accumulated Depreciation	<u>14,035,919</u>	<u>12,578,737</u>
Net Property and Equipment	<u>11,542,970</u>	<u>12,055,112</u>
Intangible Assets:		
Intangible Assets - Less Accumulated Amortization of \$4,354,081 in 2008 and \$3,581,022 in 2007	<u>3,801,106</u>	<u>4,574,165</u>
TOTAL ASSETS	<u><u>\$18,782,083</u></u>	<u><u>\$19,668,859</u></u>

Muscatine Power and Water - Communications Utility
Balance Sheets
January 2008

LIABILITIES AND NET DEFICIT

	<u>2008</u>	<u>2007</u>
Current Liabilities:		
Interest Payable	\$103,920	\$103,920
Accounts Payable	325,307	400,509
Pension Provision	11,455	8,875
Health Insurance Provision	183,014	143,860
Intercompanies	8,879	9,472
Retained Percentage on Contracts	145	---
Accrued Payroll	30,800	21,788
Accrued Vacation	93,747	86,246
Accrued Property Taxes	28,515	26,933
Miscellaneous Accrued Expenses	<u>62,256</u>	<u>72,569</u>
Total Current Liabilities	<u>848,038</u>	<u>874,172</u>
Long-Term Liabilities:		
Note Payable	<u>35,327,000</u>	<u>35,327,000</u>
Net Deficit - Unrestricted	<u>(17,392,955)</u>	<u>(16,532,313)</u>
 TOTAL LIABILITIES AND NET DEFICIT	 <u><u>\$18,782,083</u></u>	 <u><u>\$19,668,859</u></u>

Muscatine Power and Water - Communications Utility
Statements of Cash Flows
January 2008

	<u>Current Month</u>
Cash flows from operating activities:	
Cash received from:	
Communications sales	\$757,509
Advertising sales	41,213
Miscellaneous sources	7,414
Cash paid to/for:	
Suppliers	(514,902)
Employees payroll, taxes and benefits	(224,598)
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Net cash flows from operating activities	66,636
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Cash flows from capital and related financing activities:	
Capital expenditures, net	(105,776)
Loan interest payments	(623,520)
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Net cash flows from capital and related financing activities	(729,296)
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Cash flows from investing activities:	
Interest received on investments	6,091
Accrued interest purchased	---
Amortization/accretion of investments	1,472
Mark to market	1,560
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Net cash flows from investing activities	9,123
	<hr/>
Net decrease in cash and investments	(653,537)
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Cash and investments at beginning of period	2,865,921
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Cash and investments at end of period	\$2,212,384
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Muscatine Power and Water - Communications Utility
Statements of Cash Flows
January 2008

	<u>Current</u> <u>Month</u>
Reconciliation of operating income to net cash flows from operating activities	
Operating income	\$1,045
Noncash items in operating income (loss):	
Converter/modem write-off	---
Depreciation of utility plant	137,971
Amortization of intangible assets	64,421
Changes in assets and liabilities:	
Consumer accounts receivable	17,063
Inventories	8,005
Prepaid and deferred expenses	(13,548)
Accounts payable	(65,569)
Pension provision	11,455
Health insurance provision	7,520
Intercompany payable	1,074
Accrued payroll	(54,330)
Accrued vacation	5,164
Accrued property taxes	2,084
Miscellaneous accrued expenses	(55,719)
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Net cash flows from operating activities	<hr/> \$66,636 <hr/>

Muscatine Power and Water - Communications Utility
Summary of Expenses
Current Month - January 2008

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>CATV</u>			
Program Acquisition Expense	\$243,224	\$244,497	\$229,854
Promotional Expense	542	121	12
Electricity Expense	1,962	2,028	1,960
Pole Attachment Expense	2,010	2,010	2,012
Changes of Service	2,288	2,066	2,121
Underground Line Expense	2,405	1,421	1,205
Ad Insertion - Marketing/Production	7,784	9,621	8,737
Miscellaneous CATV Expense	10,073	11,869	12,467
Vehicle Expense	4,242	4,868	3,481
Maintenance:			
Fiber	1,024	488	27
Coax	3,162	3,579	6,089
Drops	4,145	1,331	525
Conduit System	696	412	2,275
Headend	16,178	12,976	13,565
Line Equipment	4,260	6,422	6,215
Converters	3,253	3,657	3,219
Ad Insertion	3,649	6,590	2,035
Vacation, Holiday , Sick Leave	4,930	4,718	5,319
Property Taxes	1,372	1,373	1,483
Depreciation	89,778	92,015	88,747
Amortization	48,316	48,316	48,316
Total CATV	455,293	460,378	439,664
<u>Data/Internet</u>			
Data/Internet Access Charges	20,215	23,509	20,267
Promotional Expense	208	---	---
Electricity Expense	67	69	67
Pole Attachment Expense	70	70	71
Changes of Service	980	885	909
Customer Wireless Equipment Expense	836	1,095	938
Underground Line Expense	82	49	41
Miscellaneous Data/Internet Expense	8,251	7,483	7,619
Vehicle Expense	664	707	541
Maintenance:			
Fiber	81	17	1
Coax	74	122	207
Drops	92	46	18
Conduit System	23	14	79
Headend	16,458	14,299	12,347
Line Equipment	145	219	212
Modems	6,661	3,718	5,330
Vacation, Holiday, Sick Leave	3,720	3,050	4,792
Property Taxes	48	48	52
Depreciation	23,828	23,508	23,725
Amortization	16,105	16,105	16,105
Total Data/Internet	\$98,608	\$95,013	\$93,321

Muscatine Power and Water - Communications Utility
Summary of Expenses
Current Month - January 2008

	<u>Budget Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>MAN</u>			
Pole Attachment Expense	\$970	\$970	\$971
Tools Expense	---	419	266
Maintenance:			
Fiber	494	235	13
Conduit System	312	199	1,098
MAN Equipment	6,422	7,773	5,742
Vacation, Holiday, Sick Leave	135	122	41
Property Taxes	662	663	716
Depreciation	13,436	13,723	23,311
Total MAN	22,431	24,104	32,158
<u>Customer Service Expense</u>			
Customer Information Expense	9,349	4,513	1,842
<u>Consumer Accounts</u>			
Supervision	2,250	2,679	2,581
Consumer Records and Collections	34,131	36,639	32,938
Uncollectible Accounts Expense	342	342	1,875
Vacation, Holiday, Sick Leave	4,531	4,865	5,222
Total Consumer Accounts	41,254	44,525	42,616
<u>Administrative and General</u>			
Administrative and General Salaries	49,685	53,341	49,515
Office Supplies and Expense	3,576	5,685	5,099
Outside Services Employed	8,518	4,920	8,100
Property Insurance	713	682	788
Casualty Ins, Injuries & Damages	4,358	2,393	5,968
Employee Pensions and Benefits	64,561	63,207	58,675
Fringe Benefits Charges to Construction	(3,751)	(4,200)	(3,642)
Rents	7,278	7,278	7,229
Miscellaneous General Expense	9,970	4,521	5,390
Maintenance of General Plant	3,301	6,061	3,032
Vacation, Holiday, Sick Leave	9,272	14,093	8,164
Depreciation	9,214	8,725	8,947
Total Administrative and General	166,695	166,706	157,265
Total Operating Expenses	\$793,630	\$795,239	\$766,866

Muscatine Power and Water - Communications Utility
Statistical Data
January 2008

<u>Services</u>	<u>Budget Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>CATV</u>			
Residential	7,920	7,899	8,086
Commercial	160	167	162
Bulk	16	16	16
	<u>16</u>	<u>16</u>	<u>16</u>
Total CATV	<u>8,096</u>	<u>8,082</u>	<u>8,264</u>
 <u>Internet</u>			
Residential	5,568	5,648	5,505
Commercial	520	537	516
	<u>520</u>	<u>537</u>	<u>516</u>
Total Internet	<u>6,088</u>	<u>6,185</u>	<u>6,021</u>
 <u>MAN</u>			
	<u>15</u>	<u>16</u>	<u>15</u>