

Muscatine Power and Water

Communications Utility

Statement of Revenues, Expenses and Changes in Net Position

January 2014

**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 2014

	<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	\$617,999	0.9	\$623,498	(3.5)	\$646,429
Data/Internet	376,054	1.9	383,064	20.9	316,929
MAN/MME	46,070	(7.0)	42,858	9.1	39,273
Miscellaneous	9,516	26.7	12,059	(3.7)	12,522
Total Operating Revenues	1,049,639	1.1	1,061,479	4.6	1,015,153
<u>Operating Expense</u>					
Operation	712,494	(3.8)	685,571	(1.9)	699,000
Maintenance	77,992	3.4	80,672	5.6	76,379
Depreciation	170,609	(3.5)	164,703	(15.6)	195,032
Total Operating Expenses	961,095	(3.1)	930,946	(4.1)	970,411
Operating Income	88,544	47.4	130,533	1.9X	44,742
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	4,177	(5.0)	3,968	(40.8)	6,699
Interest Expense	(111,910)	0.0	(111,910)	(3.3)	(115,670)
Net Nonoperating Expense	(107,733)	0.2	(107,942)	(0.9)	(108,971)
Net Loss before Capital Contributions	(19,189)	-2.2X	22,591	-1.4X	(64,229)
Capital Contributions	---		902	24.4	725
Change in Net Position	(\$19,189)		\$23,493		(\$63,504)
Beginning Net Position	(23,603,554)		(23,603,554)		(23,484,194)
Ending Net Position	(\$23,622,743)		(\$23,580,061)		(\$23,547,698)
Net Loss to Operating Revenue	(1.8)		2.1		(6.3)
Debt Service Coverage on Bank Debt	2.87		3.26		2.69
Debt Service Coverage on Electric Utility Debt	1.65		2.00		1.49

Muscatine Power and Water - Communications Utility
Statements of Net Position
January 2014

ASSETS

	<u>2014</u>	<u>2013</u>
Current Assets:		
<u>Restricted</u>		
Cash - interest bearing	<u>\$20</u>	<u>\$19</u>
Total Restricted Current Assets	<u>20</u>	<u>19</u>
<u>Unrestricted</u>		
Cash - interest bearing	3,134,112	2,556,261
Investments	1,652,120	2,112,000
Receivables:		
Consumer Accounts	1,262,217	1,192,385
Interest	3,908	6,519
Inventories	271,690	323,357
Prepaid Expenses	<u>263,732</u>	<u>225,455</u>
Total Unrestricted Current Assets	<u>6,587,779</u>	<u>6,415,977</u>
Total Current Assets	<u>6,587,799</u>	<u>6,415,996</u>
Property and Equipment:		
At Cost	32,536,877	31,602,272
Less Accumulated Depreciation	<u>23,420,688</u>	<u>21,529,945</u>
Net Property and Equipment	<u>9,116,189</u>	<u>10,072,327</u>
TOTAL ASSETS	<u>\$15,703,988</u>	<u>\$16,488,323</u>

Muscatine Power and Water - Communications Utility
Statements of Net Position
January 2014

LIABILITIES AND NET POSITION

	<u>2014</u>	<u>2013</u>
Current Liabilities:		
<u>Restricted</u>		
Notes Payable - Banks	\$1,005,000	\$960,000
Accrued Interest	<u>7,990</u>	<u>11,750</u>
Total Restricted Current Liabilities	<u>1,012,990</u>	<u>971,750</u>
<u>Unrestricted</u>		
Accrued Interest	103,920	103,920
Accounts Payable	726,140	552,153
Pension Provision	27,699	26,812
Health & Dental Insurance Provision	37,700	30,858
Accrued Payroll	111,118	86,424
Accrued Vacation	135,650	135,698
Accrued Property Taxes	13,441	15,356
Unearned Revenue - Dark Fiber Lease	17,500	17,500
Miscellaneous Accrued Expenses	<u>112,702</u>	<u>110,067</u>
Total Unrestricted Current Liabilities	<u>1,285,870</u>	<u>1,078,788</u>
Total Current Liabilities	<u>2,298,860</u>	<u>2,050,538</u>
Non-Current Liabilities:		
Health & Dental Insurance Provision	286,513	295,073
Post-Employment Health Benefit Provision	56,155	25,389
Unearned Revenue - Dark Fiber Lease	280,521	298,021
Notes Payable:		
Banks	1,035,000	2,040,000
Electric Utility	<u>35,327,000</u>	<u>35,327,000</u>
Total Non-Current Liabilities	<u>36,985,189</u>	<u>37,985,483</u>
Net Position:		
Net Investment in Capital Assets	7,076,189	7,072,327
Unrestricted	<u>(30,656,250)</u>	<u>(30,620,025)</u>
Total Net Position	<u>(23,580,061)</u>	<u>(23,547,698)</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$15,703,988</u>	<u>\$16,488,323</u>

Muscatine Power and Water - Communications Utility
Statements of Cash Flows
January 2014

	Current <u>Month</u>
Cash flows from operating activities:	
Cash received from:	
Communications sales	\$1,045,118
Advertising sales	35,296
Miscellaneous sources	25,309
Cash paid to/for:	
Suppliers	(586,643)
Employees payroll, taxes and benefits	<u>(276,540)</u>
Net cash flows from operating activities	<u>242,540</u>
Cash flows from capital and related financing activities:	
Capital expenditures, net	(115,708)
Loan principal payments	(960,000)
Loan interest payments	<u>(694,022)</u>
Net cash flows from capital and related financing activities	<u>(1,769,730)</u>
Cash flows from investing activities:	
Interest received on investments	79,833
Accrued interest purchased	---
Amortization/accretion of investments	(18)
Mark to Market	<u>---</u>
Net cash flows from investing activities	<u>79,815</u>
Net increase (decrease) in cash and investments	<u>(1,447,375)</u>
Cash and investments at beginning of period	<u>6,233,627</u>
Cash and investments at end of period	<u>\$4,786,252</u>

Muscatine Power and Water - Communications Utility
Statements of Cash Flows
January 2014

	<u>Current</u>
	<u>Month</u>
Reconciliation of operating income to net cash flows from operating activities	
Operating income	\$130,533
Noncash items in operating income:	
Converter/modem write-off	430
Depreciation of utility plant	164,703
Changes in assets and liabilities:	
Consumer accounts receivable	45,042
Inventories	15,254
Prepaid and deferred expenses	(201,345)
Accounts payable	82,305
Pension provision	27,699
Health & dental insurance provision	(5,806)
Other post-employment benefit provision	1,354
Deferred Revenue	(1,458)
Intercompany payable	---
Accrued payroll	39,934
Accrued vacation	(8,594)
Accrued property taxes	1,113
Miscellaneous accrued expenses	<u>(48,624)</u>
Net cash flows from operating activities	<u><u>\$242,540</u></u>

Muscatine Power and Water - Communications Utility
Summary of Expenses
Current Month - January 2014

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
CATV			
Program Acquisition Expense	\$365,458	\$355,352	\$353,728
Promotional Expense	888	847	1,539
Electricity Expense	2,667	2,506	2,443
Pole Attachment Expense	2,292	2,292	2,250
Changes of Service	1,280	1,309	1,516
Underground Line Expense	2,551	1,166	1,269
Ad Insertion - Marketing/Production	6,573	5,751	6,567
Miscellaneous CATV Expense	13,647	11,352	23,608
Vehicle Expense	6,009	4,767	5,189
Maintenance:			
Fiber	650	2,557	894
Coax	2,327	518	1,442
Drops	1,960	304	1,655
Conduit System	699	---	266
Headend	23,214	22,055	25,739
Line Equipment	3,795	5,755	3,816
Converters	6,024	5,456	5,202
Ad Insertion	3,999	4,374	4,172
Vacation, Holiday, Sick Leave	5,862	5,112	8,613
Property Taxes	733	733	1,318
Depreciation	<u>116,212</u>	<u>111,937</u>	<u>144,995</u>
Total CATV	<u>566,840</u>	<u>544,143</u>	<u>596,221</u>
Data/Internet			
Data/Internet Access Charges	30,608	25,989	26,336
Promotional Expense	888	853	1,486
Electricity Expense	100	85	83
Pole Attachment Expense	83	83	83
Changes of Service	67	561	650
Customer Wireless Equipment Expense	260	---	1,431
Underground Line Expense	87	40	43
Miscellaneous Data/Internet Expense	2,296	1,858	10,753
Vehicle Expense	836	580	629
Maintenance:			
Fiber	23	666	31
Coax	79	18	49
Drops	67	10	57
Conduit System	24	---	9
Headend	17,584	28,630	24,483
Line Equipment	126	196	130
Modems	4,535	2,769	3,486
Vacation, Holiday, Sick Leave	2,788	2,666	5,015
Property Taxes	26	26	46
Depreciation	<u>24,382</u>	<u>23,680</u>	<u>20,798</u>
Total Data/Internet	<u>\$84,859</u>	<u>\$88,710</u>	<u>\$95,598</u>

Muscatine Power and Water - Communications Utility
Summary of Expenses
Current Month - January 2014

	<u>Budget Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>MAN/MME</u>			
Pole Attachment Expense	\$1,100	\$1,100	\$1,042
Tools Expense	292	58	58
Maintenance:			
Fiber	314	1,234	431
Conduit System	337	--	128
MAN/MME Equipment	7,548	2,863	1,697
Vacation, Holiday, Sick Leave	596	752	588
Property Taxes	354	354	636
Depreciation	<u>20,841</u>	<u>20,425</u>	<u>20,963</u>
Total MAN/MME	<u>31,382</u>	<u>26,786</u>	<u>25,543</u>
<u>Customer Service Expense</u>			
Customer Information Expense	5,866	1,965	2,545
<u>Consumer Accounts</u>			
Supervision	2,507	2,926	2,854
Consumer Records and Collections	39,577	42,507	41,446
Uncollectible Accounts Expense	3,627	3,626	2,952
Vacation, Holiday, Sick Leave	<u>5,145</u>	<u>6,819</u>	<u>6,452</u>
Total Consumer Accounts	<u>50,856</u>	<u>55,878</u>	<u>53,704</u>
<u>Administrative and General</u>			
Administrative and General Salaries	70,840	79,392	56,724
Office Supplies and Expense	5,253	2,143	4,138
Outside Services Employed	10,142	9,924	6,153
Property Insurance	1,098	1,040	971
Casualty Ins, Injuries & Damages	6,503	6,106	3,672
Employee Pensions and Benefits	84,289	83,796	91,727
Fringe Benefits Charges to Construction	(5,525)	(6,494)	(5,329)
Rents	9,206	9,206	8,938
Miscellaneous General Expense	13,118	5,504	4,446
Maintenance of General Plant	4,687	3,267	2,692
Vacation, Holiday, Sick Leave	12,507	10,919	14,392
Depreciation	<u>9,174</u>	<u>8,661</u>	<u>8,276</u>
Total Administrative and General	<u>221,292</u>	<u>213,464</u>	<u>196,800</u>
Total Operating Expenses	<u>\$961,095</u>	<u>\$930,946</u>	<u>\$970,411</u>

Muscatine Power and Water - Communications Utility
Statistical Data
January 2014

<u>Services</u>	<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>
			^{fn1}		
<u>CATV</u>					
Residential	6,715	(1.2)	6,635	(6.2)	7,075
Commercial/Hospitality	<u>160</u>	2.5	<u>164</u>	(1.2)	<u>166</u>
Total CATV	<u>6,875</u>	(1.1)	<u>6,799</u>	(6.1)	<u>7,241</u>
<u>Bulk Equivalent Services</u>					
Bulk Master Services	<u>359</u>	(2.5)	<u>350</u>	(2.0)	<u>357</u>
	<u>22</u>	0.0	<u>22</u>	4.8	<u>21</u>
<u>Internet</u>					
Residential	6,845	(0.3)	6,826	1.1	6,749
Commercial	<u>437</u>	6.9	<u>467</u>	0.9	<u>463</u>
Total Internet	<u>7,282</u>	0.2	<u>7,293</u>	1.1	<u>7,212</u>
<u>MAN/MME</u>					
	<u>67</u>	(9.0)	<u>61</u>	19.6	<u>51</u>

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