

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

Current Month

	<u>Budget</u>	<u>% Increase</u>		<u>% Increase</u>	
	<u>Estimate</u>	<u>(Decrease)</u>	<u>This</u>	<u>(Decrease)</u>	<u>Last</u>
		<u>From Budget</u>	<u>Year</u>	<u>Fr. Last Yr.</u>	<u>Year</u>
<u>Operating Revenue</u>					
CATV	\$513,273	3.5	\$531,049	7.6	\$493,347
Data/Internet	235,920	1.6	239,590	4.8	228,707
MAN	29,671	(0.7)	29,472	1.9	28,921
Miscellaneous	6,234	3.7	6,466	15.8	5,586
	<u>785,098</u>		<u>806,577</u>		<u>756,561</u>
Total Operating Revenues		2.7		6.6	
<u>Operating Expense</u>					
Operation	524,084	(1.0)	519,072	9.0	476,352
Maintenance	65,860	(23.3)	50,482	(36.0)	78,905
Depreciation	136,256	1.3	137,971	(4.7)	144,730
Amortization	64,421	---	64,421	---	64,421
	<u>790,621</u>		<u>771,946</u>		<u>764,408</u>
Total Operating Expenses		(2.4)		1.0	
Operating Income (Loss)	<u>(5,523)</u>	---	<u>34,631</u>	---	<u>(7,847)</u>
<u>Interest and Miscellaneous</u>					
Interest Income	7,043	(6.4)	6,592	(22.1)	8,460
Interest Expense	<u>(103,920)</u>	---	<u>(103,920)</u>	---	<u>(103,920)</u>
Total Interest and Miscellaneous	<u>(96,877)</u>	0.5	<u>(97,328)</u>	2.0	<u>(95,460)</u>
Loss Before Capital Contributions	(102,400)	(38.8)	(62,697)	(39.3)	(103,307)
Capital Contributions	<u>---</u>	---	<u>---</u>	---	<u>---</u>
Change in Net Deficit	(102,400)	(38.8)	(62,697)	(39.3)	(103,307)
Beginning Net Deficit	<u>(17,405,771)</u>		<u>(17,392,955)</u>		<u>(16,532,313)</u>
Ending Net Deficit	<u>(\$17,508,171)</u>		<u>(\$17,455,652)</u>		<u>(\$16,635,620)</u>
Percent To Total Income	(12.9)		(7.7)		(13.5)

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

Calendar Year-to-Date

	<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	\$1,025,660	2.6	\$1,052,597	5.8	\$994,481
Data/Internet	471,769	1.4	478,459	5.2	454,696
MAN	59,342	(0.7)	58,944	1.9	57,843
Miscellaneous	<u>12,469</u>	3.1	<u>12,860</u>	15.2	<u>11,162</u>
Total Operating Revenues	<u>1,569,240</u>	2.1	<u>1,602,860</u>	5.6	<u>1,518,182</u>
<u>Operating Expense</u>					
Operation	1,046,606	(0.3)	1,043,763	7.4	972,037
Maintenance	136,290	(13.0)	118,637	(15.8)	140,934
Depreciation	272,512	1.3	275,942	(4.7)	289,460
Amortization	<u>128,843</u>	---	<u>128,843</u>	---	<u>128,843</u>
Total Operating Expenses	<u>1,584,251</u>	(1.1)	<u>1,567,185</u>	2.3	<u>1,531,274</u>
Operating Income (Loss)	<u>(15,011)</u>	---	<u>35,675</u>	---	<u>(13,092)</u>
<u>Interest and Miscellaneous</u>					
Interest Income	13,996	13.1	15,828	0.8	15,705
Interest Expense	<u>(207,841)</u>	---	<u>(207,840)</u>	---	<u>(207,840)</u>
Total Interest and Miscellaneous	<u>(193,845)</u>	(0.9)	<u>(192,012)</u>	(0.1)	<u>(192,135)</u>
Loss Before Capital Contributions	(208,856)	(25.1)	(156,337)	(23.8)	(205,227)
Capital Contributions	<u>---</u>	---	<u>---</u>	---	<u>---</u>
Change in Net Deficit	(208,856)	(25.1)	(156,337)	(23.8)	(205,227)
Beginning Net Deficit	<u>(17,299,315)</u>		<u>(17,299,315)</u>		<u>(16,430,393)</u>
Ending Net Deficit	<u>(\$17,508,171)</u>		<u>(\$17,455,652)</u>		<u>(\$16,635,620)</u>
Percent To Total Income	(13.2)		(9.7)		(13.4)

Muscatine Power and Water - Communications Utility
Balance Sheets
February 2008

ASSETS

	<u>2008</u>	<u>2007</u>
Current Assets:		
Cash	\$761,690	\$854,529
Investments	1,620,126	1,053,841
Receivables:		
Consumer Accounts	904,158	864,540
Interest	11,099	11,597
Inventories	301,189	321,778
Prepaid Expenses	<u>77,223</u>	<u>82,548</u>
Total Current Assets	<u>3,675,485</u>	<u>3,188,833</u>
Property and Equipment:		
At Cost	25,631,035	24,705,580
Less Accumulated Depreciation	<u>14,163,658</u>	<u>12,723,061</u>
Net Property and Equipment	<u>11,467,377</u>	<u>11,982,519</u>
Intangible Assets:		
Intangible Assets - Less Accumulated Amortization of \$4,418,502 in 2008 and \$3,645,444 in 2007	<u>3,736,684</u>	<u>4,509,743</u>
TOTAL ASSETS	<u><u>\$18,879,546</u></u>	<u><u>\$19,681,095</u></u>

Muscatine Power and Water - Communications Utility
Balance Sheets
February 2008

LIABILITIES AND NET DEFICIT

	<u>2008</u>	<u>2007</u>
Current Liabilities:		
Interest Payable	\$207,840	\$207,840
Accounts Payable	316,518	359,437
Pension Provision	22,910	17,750
Health Insurance Provision	175,852	153,902
Intercompanies	26,039	7,503
Retained Percentage on Contracts	145	---
Accrued Payroll	37,873	26,715
Accrued Vacation	95,762	90,057
Accrued Property Taxes	30,597	29,184
Miscellaneous Accrued Expenses	<u>94,662</u>	<u>97,327</u>
Total Current Liabilities	<u>1,008,198</u>	<u>989,715</u>
Long-Term Liabilities:		
Note Payable	<u>35,327,000</u>	<u>35,327,000</u>
Net Deficit:		
Invested in capital assets	15,204,061	16,492,262
Unrestricted	<u>(32,659,713)</u>	<u>(33,127,882)</u>
Total Net Deficit	<u>(17,455,652)</u>	<u>(16,635,620)</u>
TOTAL LIABILITIES AND NET DEFICIT	<u><u>\$18,879,546</u></u>	<u><u>\$19,681,095</u></u>

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

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Communications sales	\$698,840	\$1,456,349
Advertising sales	40,363	81,576
Miscellaneous sources	21,896	29,310
Cash paid to/for:		
Suppliers	(326,153)	(841,055)
Employees payroll, taxes and benefits	(206,583)	(431,181)
	<u>228,363</u>	<u>294,999</u>
Net cash flows from operating activities	<u>228,363</u>	<u>294,999</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(62,288)	(168,064)
Loan interest payments	---	(623,520)
	<u>(62,288)</u>	<u>(791,584)</u>
Net cash flows from capital and related financing activities	<u>(62,288)</u>	<u>(791,584)</u>
Cash flows from investing activities:		
Interest received on investments	3,302	9,393
Accrued interest purchased	(79)	(79)
Amortization/accretion of investments	744	2,216
Mark to market	(610)	950
	<u>3,357</u>	<u>12,480</u>
Net cash flows from investing activities	<u>3,357</u>	<u>12,480</u>
Net increase (decrease) in cash and investments	<u>169,432</u>	<u>(484,105)</u>
Cash and investments at beginning of period	<u>2,212,384</u>	<u>2,865,921</u>
Cash and investments at end of period	<u><u>\$2,381,816</u></u>	<u><u>\$2,381,816</u></u>

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

	<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	\$34,631	\$35,675
Noncash items in operating income (loss):		
Converter/modem write-off	(90)	(90)
Depreciation of utility plant	137,971	275,942
Amortization of intangible assets	64,421	128,843
Changes in assets and liabilities:		
Consumer accounts receivable	(69,452)	(52,389)
Inventories	3,032	11,037
Prepaid and deferred expenses	1,609	(11,939)
Accounts payable	(8,789)	(74,358)
Pension provision	11,455	22,910
Health insurance provision	(7,162)	358
Intercompany payable	17,160	18,234
Accrued payroll	7,073	(47,257)
Accrued vacation	2,015	7,179
Accrued property taxes	2,082	4,166
Miscellaneous accrued expenses	32,407	(23,312)
	<u>32,407</u>	<u>(23,312)</u>
Net cash flows from operating activities	<u>\$228,363</u>	<u>\$294,999</u>

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>CATV</u>			
Program Acquisition Expense	\$243,492	\$245,775	\$230,552
Promotional Expense	542	122	631
Electricity Expense	1,962	2,079	1,970
Pole Attachment Expense	2,010	2,010	2,012
Changes of Service	2,288	1,731	1,824
Underground Line Expense	2,405	485	1,282
Ad Insertion - Marketing/Production	7,415	6,418	5,319
Miscellaneous CATV Expense	11,175	12,529	9,493
Vehicle Expense	4,242	4,402	2,793
Maintenance:			
Fiber	1,024	2,138	1,504
Coax	3,162	739	2,680
Drops	4,130	799	2,695
Conduit System	723	137	34
Headend	13,296	11,983	29,360
Line Equipment	4,260	2,740	4,919
Converters	3,336	3,265	2,585
Ad Insertion	3,622	3,636	4,263
Vacation, Holiday , Sick Leave	3,178	3,130	3,625
Property Taxes	1,372	1,372	1,483
Depreciation	89,778	92,015	88,747
Amortization	48,316	48,316	48,316
Total CATV	451,728	445,821	446,087
<u>Data/Internet</u>			
Data/Internet Access Charges	20,215	23,509	19,886
Promotional Expense	208	20	---
Electricity Expense	67	71	67
Pole Attachment Expense	70	70	71
Changes of Service	980	742	782
Customer Wireless Equipment Expense	869	(391)	(169)
Underground Line Expense	82	17	44
Miscellaneous Data/Internet Expense	8,183	7,477	7,549
Vehicle Expense	664	624	438
Maintenance:			
Fiber	81	75	53
Coax	74	25	91
Drops	91	27	92
Conduit System	24	5	1
Headend	16,267	12,242	11,798
Line Equipment	145	94	168
Modems	6,619	2,899	6,507
Vacation, Holiday, Sick Leave	2,397	2,617	2,540
Property Taxes	48	48	52
Depreciation	23,828	23,508	23,725
Amortization	16,105	16,105	16,105
Total Data/Internet	\$97,017	\$89,784	\$89,800

Muscatine Power and Water - Communications Utility
Summary of Expenses
Year-to-Date - February 2008

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>CATV</u>			
Program Acquisition Expense	\$486,716	\$490,271	\$460,406
Promotional Expense	1,083	243	642
Electricity Expense	3,924	4,107	3,930
Pole Attachment Expense	4,020	4,020	4,024
Changes of Service	4,575	3,797	3,945
Underground Line Expense	4,810	1,905	2,487
Ad Insertion - Marketing/Production	15,199	16,039	14,056
Miscellaneous CATV Expense	21,248	24,398	21,960
Vehicle Expense	8,485	9,270	6,274
Maintenance:			
Fiber	2,048	2,626	1,532
Coax	6,324	4,318	8,769
Drops	8,275	2,130	3,219
Conduit System	1,419	549	2,309
Headend	29,475	24,959	42,925
Line Equipment	8,519	9,162	11,134
Converters	6,589	6,921	5,804
Ad Insertion	7,271	10,226	6,298
Vacation, Holiday, Sick Leave	8,107	7,849	8,944
Property Taxes	2,744	2,745	2,966
Depreciation	179,555	184,030	177,494
Amortization	96,632	96,632	96,632
Total CATV	907,018	906,197	885,750
<u>Data/Internet</u>			
Data/Internet Access Charges	40,430	47,018	40,153
Promotional Expense	417	20	---
Electricity Expense	134	140	134
Pole Attachment Expense	140	140	142
Changes of Service	1,961	1,627	1,691
Customer Wireless Equipment Expense	1,704	704	769
Underground Line Expense	164	65	85
Miscellaneous Data/Internet Expense	16,434	14,960	15,168
Vehicle Expense	1,328	1,332	979
Maintenance:			
Fiber	161	92	53
Coax	148	147	298
Drops	183	73	110
Conduit System	46	19	81
Headend	32,726	26,541	24,145
Line Equipment	291	312	381
Modems	13,280	6,617	11,837
Vacation, Holiday, Sick Leave	6,116	5,668	7,331
Property Taxes	96	96	104
Depreciation	47,655	47,016	47,450
Amortization	32,211	32,211	32,211
Total Data/Internet	\$195,625	\$184,798	\$183,122

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

	<u>Budget Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>MAN</u>			
Pole Attachment Expense	\$970	\$970	\$971
Tools Expense	---	223	78
Maintenance:			
Fiber	494	1,032	726
Conduit System	325	66	17
MAN Equipment	6,390	6,041	7,671
Vacation, Holiday, Sick Leave	86	90	27
Property Taxes	662	662	716
Depreciation	13,436	13,723	23,311
Total MAN	22,363	22,807	33,517
<u>Customer Service Expense</u>			
Customer Information Expense	10,678	3,642	3,667
<u>Consumer Accounts</u>			
Supervision	2,250	2,586	2,346
Consumer Records and Collections	33,782	28,482	29,277
Uncollectible Accounts Expense	342	342	1,875
Vacation, Holiday, Sick Leave	2,953	3,687	3,547
Total Consumer Accounts	39,327	35,097	37,045
<u>Administrative and General</u>			
Administrative and General Salaries	47,643	53,091	44,953
Office Supplies and Expense	3,645	4,859	3,201
Outside Services Employed	7,822	4,466	6,078
Property Insurance	713	682	788
Casualty Ins, Injuries & Damages	4,358	12,592	3,554
Employee Pensions and Benefits	62,085	63,573	60,248
Fringe Benefits Charges to Construction	(3,772)	(4,279)	(3,009)
Rents	7,278	7,278	7,229
Miscellaneous General Expense	22,495	13,492	13,259
Maintenance of General Plant	1,797	2,539	3,741
Vacation, Holiday, Sick Leave	6,230	7,777	5,303
Depreciation	9,214	8,725	8,947
Total Administrative and General	169,508	174,795	154,292
Total Operating Expenses	\$790,621	\$771,946	\$764,408

Muscatine Power and Water - Communications Utility
Summary of Expenses
Year-to-Date - February 2008

	<u>Budget Estimate</u>	<u>This Year</u>	<u>This Year</u>
<u>MAN</u>			
Pole Attachment Expense	\$1,940	\$1,940	\$1,942
Tools Expense	---	642	344
Maintenance:			
Fiber	988	1,267	739
Conduit System	637	265	1,114
MAN Equipment	12,812	13,814	13,413
Vacation, Holiday, Sick Leave	221	212	68
Property Taxes	1,324	1,325	1,432
Depreciation	26,873	27,446	46,622
Total MAN	44,795	46,911	65,674
<u>Customer Service Expense</u>			
Customer Information Expense	20,027	8,155	5,509
<u>Consumer Accounts</u>			
Supervision	4,501	5,265	4,926
Consumer Records and Collections	67,913	65,121	62,216
Uncollectible Accounts Expense	683	684	3,750
Vacation, Holiday, Sick Leave	7,483	8,553	8,769
Total Consumer Accounts	80,580	79,623	79,661
<u>Administrative and General</u>			
Administrative and General Salaries	97,328	106,432	94,467
Office Supplies and Expense	7,222	10,544	8,300
Outside Services Employed	16,340	9,386	14,178
Property Insurance	1,426	1,365	1,577
Casualty Ins, Injuries & Damages	8,716	14,986	9,522
Employee Pensions and Benefits	126,646	126,780	118,924
Fringe Benefits Charges to Construction	(7,523)	(8,479)	(6,651)
Rents	14,556	14,556	14,458
Miscellaneous General Expense	32,465	18,013	18,649
Maintenance of General Plant	5,098	8,599	6,773
Vacation, Holiday, Sick Leave	15,503	21,869	13,467
Depreciation	18,429	17,450	17,894
Total Administrative and General	336,206	341,501	311,558
Total Operating Expenses	\$1,584,251	\$1,567,185	\$1,531,274

Muscatine Power and Water - Communications Utility
Statistical Data
February 2008

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>Services</u>			
<u>CATV</u>			
Residential	7,932	7,882	8,192
Commercial	160	168	164
Bulk	<u>16</u>	<u>16</u>	<u>16</u>
Total CATV	<u><u>8,108</u></u>	<u><u>8,066</u></u>	<u><u>8,372</u></u>
 <u>Internet</u>			
Residential	5,562	5,661	5,656
Commercial	<u>520</u>	<u>539</u>	<u>506</u>
Total Internet	<u><u>6,082</u></u>	<u><u>6,200</u></u>	<u><u>6,162</u></u>
 <u>MAN</u>			
	<u><u>15</u></u>	<u><u>16</u></u>	<u><u>15</u></u>