

**Muscatine Power and Water
Communications Utility
Operating Statements and Balance Sheets
January 2013**

**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 2013

	Budget Estimate	% Increase (Decrease) From Budget	This Year	% Increase (Decrease) Fr. Last Yr.	Last Year
<u>Operating Revenue</u>					
CATV	\$644,956	0.2	\$646,429	1.4	\$637,274
Data/Internet	316,858	0.0	316,929	6.4	297,983
MAN/MME	44,042	(10.8)	39,273	1.5	38,685
Miscellaneous	8,809	42.2	12,522	47.9	8,467
Total Operating Revenues	1,014,665	0.0	1,015,153	3.3	982,409
<u>Operating Expense</u>					
Operation	682,125	2.5	699,000	8.0	647,497
Maintenance	75,604	1.0	76,379	22.7	62,271
Depreciation	199,084	(2.0)	195,032	(0.3)	195,673
Amortization	---	---	---	---	64,428
Total Operating Expenses	956,813	1.4	970,411	0.1	969,869
Operating Income	57,852	(22.7)	44,742	2.6X	12,540
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	6,977	(4.0)	6,699	(16.1)	7,985
Interest Expense	(115,200)	0.4	(115,670)	(4.0)	(120,459)
Net Nonoperating Expense	(108,223)	0.7	(108,971)	(3.1)	(112,474)
Net Loss before Capital Contributions	(50,371)	27.5	(64,229)	(35.7)	(99,934)
Capital Contributions	---	---	725	1.7X	266
Change in Net Position	(\$50,371)		(\$63,504)		(\$99,668)
Beginning Net Position	(23,484,194)		(23,484,194)		(22,285,710)
Ending Net Position	(\$23,534,565)		(\$23,547,698)		(\$22,385,378)
Net Loss to Operating Income	(87.1)		(141.9)		(794.8)
Debt Service Coverage on Bank Debt	2.88		2.69		3.06
Debt Service Coverage on Electric Utility Debt	1.66		1.49		1.82

Muscatine Power and Water - Communications Utility
Statements of Net Position
January 2013

ASSETS

	<u>2013</u>	<u>2012</u>
Current Assets:		
<u>Restricted</u>		
Cash - interest bearing	\$19	\$6
Total Restricted Current Assets	<u>19</u>	<u>6</u>
<u>Unrestricted</u>		
Cash - interest bearing	2,556,261	2,052,444
Investments	2,112,000	3,027,000
Receivables:		
Consumer Accounts	1,192,385	1,151,024
Interest	6,519	9,150
Inventories	323,357	302,360
Prepaid Expenses	<u>225,455</u>	<u>105,668</u>
Total Unrestricted Current Assets	<u>6,415,977</u>	<u>6,647,646</u>
Total Current Assets	<u>6,415,996</u>	<u>6,647,652</u>
Property and Equipment:		
At Cost	31,602,272	30,721,438
Less Accumulated Depreciation	<u>21,529,945</u>	<u>19,691,827</u>
Net Property and Equipment	<u>10,072,327</u>	<u>11,029,611</u>
Other Assets:		
Unamortized Cost of Issuing Debt	---	9,847
Total Other Assets	---	9,847
Intangible Assets:		
Intangible Assets - Less Accumulated Amortization of \$7,730,912 in 2013 and \$7,022,204 in 2012	---	708,708
TOTAL ASSETS	<u>\$16,488,323</u>	<u>\$18,395,818</u>

Muscatine Power and Water - Communications Utility
Statements of Net Position
January 2013

LIABILITIES AND NET DEFICIT

	<u>2013</u>	<u>2012</u>
Current Liabilities:		
<u>Restricted</u>		
Notes Payable - Banks	\$960,000	\$915,000
Accrued Interest	11,750	15,377
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Total Restricted Current Liabilities	971,750	930,377
<u>Unrestricted</u>		
Accrued Interest	103,920	103,920
Accounts Payable	552,153	458,743
Pension Provision	26,812	25,684
Health & Dental Insurance Provision	30,858	34,889
Intercompanies	---	15,646
Accrued Payroll	86,424	56,232
Accrued Vacation	135,698	113,208
Accrued Property Taxes	15,356	23,428
Deferred Revenue - Dark Fiber Lease	17,500	17,039
Miscellaneous Accrued Expenses	110,067	141,291
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Total Unrestricted Current Liabilities	1,078,788	990,080
	<hr/>	<hr/>
Total Current Liabilities	2,050,538	1,920,457
Non-Current Liabilities:		
Health & Dental Insurance Provision	295,073	192,737
Post-Employment Health Benefit Provision	25,389	25,020
Deferred Revenue - Dark Fiber Lease	298,021	315,982
Notes Payable:		
Banks	2,040,000	3,000,000
Electric Utility	35,327,000	35,327,000
	<hr/>	<hr/>
Total Non-Current Liabilities	37,985,483	38,860,739
Net Position:		
Invested in capital assets, net of related debt	7,072,327	7,840,533
Restricted	---	---
Unrestricted	(30,620,025)	(30,225,911)
	<hr/>	<hr/>
Total Net Position	(23,547,698)	(22,385,378)
TOTAL LIABILITIES AND NET POSITION	<u>\$16,488,323</u>	<u>\$18,395,818</u>

Muscatine Power and Water - Communications Utility
Statements of Cash Flows
January 2013

	Current Month
Cash flows from operating activities:	
Cash received from:	
Communications sales	\$962,265
Advertising sales	28,572
Sale of digital equipment	420
Miscellaneous sources	7,671
Cash paid to/for:	
Suppliers	(556,885)
Employees payroll, taxes and benefits	<u>(264,784)</u>
Net cash flows from operating activities	<u>177,259</u>
Cash flows from capital and related financing activities:	
Capital expenditures, net	(74,430)
Loan principal payments	(915,000)
Loan interest payments	<u>(715,524)</u>
Net cash flows from capital and related financing activities	<u>(1,704,954)</u>
Cash flows from investing activities:	
Interest received on investments	<u>113,485</u>
Net cash flows from investing activities	<u>113,485</u>
Net decrease in cash and investments	<u>(1,414,210)</u>
Cash and investments at beginning of period	<u>6,082,490</u>
Cash and investments at end of period	<u>\$4,668,280</u>

Muscatine Power and Water - Communications Utility
Statements of Cash Flows
January 2013

	<u>Current</u> <u>Month</u>
Reconciliation of operating income to net cash flows from operating activities	
Operating income	\$44,742
Noncash items in operating income:	
Converter/modem write-off	2,368
Depreciation of utility plant	195,032
Changes in assets and liabilities:	
Consumer accounts receivable	(13,570)
Inventories	1,880
Prepaid and deferred expenses	(160,000)
Accounts payable	85,114
Pension provision	26,812
Health & dental insurance provision	5,821
Other post-employment benefit provision	387
Deferred Revenue	(1,458)
Intercompany payable	(8,719)
Accrued payroll	27,216
Accrued vacation	10,494
Accrued property taxes	2,000
Miscellaneous accrued expenses	<u>(40,860)</u>
Net cash flows from operating activities	<u><u>\$177,259</u></u>

Muscatine Power and Water - Communications Utility
Summary of Expenses
Current Month - January 2013

	Budget <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>CATV</u>			
Program Acquisition Expense	\$352,900	\$353,728	\$344,335
Promotional Expense	1,584	1,539	35
Electricity Expense	2,500	2,443	1,947
Pole Attachment Expense	2,250	2,250	2,067
Changes of Service	916	1,516	840
Underground Line Expense	2,604	1,269	1,133
Ad Insertion - Marketing/Production	6,365	6,567	6,627
Miscellaneous CATV Expense	18,077	23,608	12,320
Vehicle Expense	5,835	5,189	5,099
Maintenance:			
Fiber	1,480	894	817
Coax	1,891	1,442	1,243
Drops	2,634	1,655	785
Conduit System	718	266	270
Headend	22,712	25,739	21,123
Line Equipment	3,214	3,816	6,638
Converters	5,423	5,202	5,123
Ad Insertion	5,045	4,172	2,582
Vacation, Holiday, Sick Leave	6,419	8,613	5,610
Property Taxes	1,318	1,318	1,188
Depreciation	145,759	144,995	146,724
Amortization	---	---	48,321
 Total CATV	 589,644	 596,221	 614,827
 <u>Data/Internet</u>			
Data/Internet Access Charges	18,313	26,336	21,635
Promotional Expense	1,584	1,486	(10)
Electricity Expense	83	83	664
Pole Attachment Expense	83	83	72
Changes of Service	393	650	360
Customer Wireless Equipment Expense	620	1,431	4,297
Underground Line Expense	89	43	39
Miscellaneous Data/Internet Expense	9,359	10,753	9,107
Vehicle Expense	814	629	617
Maintenance:			
Fiber	52	31	29
Coax	65	49	44
Drops	90	57	28
Conduit System	25	9	9
Headend	16,318	24,483	11,843
Line Equipment	110	130	227
Modems	4,227	3,486	3,043
Vacation, Holiday, Sick Leave	4,494	5,015	3,887
Property Taxes	46	46	41
Depreciation	21,967	20,798	20,183
Amortization	---	---	16,107
 Total Data/Internet	 \$78,732	 \$95,598	 \$92,222

Muscatine Power and Water - Communications Utility
Summary of Expenses
Current Month - January 2013

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>MAN/MME</u>			
Pole Attachment Expense	\$1,042	\$1,042	\$993
Tools Expense	292	58	29
Maintenance:			
Fiber	714	431	394
Conduit System	346	128	130
MAN/MME Equipment	7,410	1,697	3,801
Vacation, Holiday, Sick Leave	435	588	155
Property Taxes	636	636	573
Depreciation	<u>22,135</u>	<u>20,963</u>	<u>20,341</u>
Total MAN/MME	<u>33,010</u>	<u>25,543</u>	<u>26,416</u>
<u>Customer Service Expense</u>			
Customer Information Expense	<u>6,254</u>	<u>2,545</u>	<u>8,537</u>
<u>Consumer Accounts</u>			
Supervision	2,429	2,854	2,592
Consumer Records and Collections	37,903	41,446	35,137
Uncollectible Accounts Expense	2,952	2,952	2,871
Vacation, Holiday, Sick Leave	<u>4,909</u>	<u>6,452</u>	<u>5,094</u>
Total Consumer Accounts	<u>48,193</u>	<u>53,704</u>	<u>45,694</u>
<u>Administrative and General</u>			
Administrative and General Salaries	55,634	56,724	47,588
Office Supplies and Expense	5,277	4,138	4,423
Outside Services Employed	8,649	6,153	11,056
Property Insurance	874	971	809
Casualty Ins, Injuries & Damages	5,422	3,672	8,547
Employee Pensions and Benefits	86,914	91,727	78,338
Fringe Benefits Charges to Construction	(5,040)	(5,329)	(7,049)
Rents	8,938	8,938	8,727
Miscellaneous General Expense	12,439	4,446	7,528
Maintenance of General Plant	3,130	2,692	4,142
Vacation, Holiday, Sick Leave	9,520	14,392	9,639
Depreciation	<u>9,223</u>	<u>8,276</u>	<u>8,425</u>
Total Administrative and General	<u>200,980</u>	<u>196,800</u>	<u>182,173</u>
Total Operating Expenses	<u><u>\$956,813</u></u>	<u><u>\$970,411</u></u>	<u><u>\$969,869</u></u>

Muscatine Power and Water - Communications Utility**Statistical Data****January 2013**

<u>Services</u>	<u>Budget</u> <u>Estimate</u>	<u>% Increase (Decrease)</u> <u>From Budget</u>	<u>This Year</u> ^{fn1}	<u>% Increase (Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last Year</u> ^{fn1}
<u>CATV</u>					
Residential	7,136	(0.9)	7,075	(1.2)	7,161
Commercial/Hospitality	160	3.8	166	(2.9)	171
Total CATV	<u>7,296</u>	(0.8)	<u>7,241</u>	(1.2)	<u>7,332</u>
Bulk Equivalent Services	357	---	357	---	476
Bulk Master Services	21	---	21	---	26
<u>Internet</u>					
Residential	6,876	(1.8)	6,749	5.7	6,388
Commercial	452	2.4	463	0.0	463
Total Internet	<u>7,328</u>	(1.6)	<u>7,212</u>	5.3	<u>6,851</u>
<u>MAN/MME</u>	<u>56</u>	(8.9)	<u>51</u>	54.5	<u>33</u>

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