

**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**

	<b><u>Budget Estimate</u></b>	<b><u>% Increase (Decrease) From Budget</u></b>	<b><u>This Year</u></b>	<b><u>% Increase (Decrease) Fr. Last Yr.</u></b>	<b><u>Last Year</u></b>
<b><u>Operating Revenue</u></b>					
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	<u>1,014,665</u>	0.0	<u>1,015,153</u>	3.3	<u>982,409</u>
<b><u>Operating Expense</u></b>					
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	<u>956,813</u>	1.4	<u>970,411</u>	0.1	<u>969,869</u>
Operating Income	<u>57,852</u>	(22.7)	<u>44,742</u>	2.6X	<u>12,540</u>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	6,977	(4.0)	6,699	(16.1)	7,985
Interest Expense	<u>(115,200)</u>	0.4	<u>(115,670)</u>	(4.0)	<u>(120,459)</u>
Net Nonoperating Expense	<u>(108,223)</u>	0.7	<u>(108,971)</u>	(3.1)	<u>(112,474)</u>
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	<u>(23,484,194)</u>		<u>(23,484,194)</u>		<u>(22,285,710)</u>
Ending Net Position	<u>(\$23,534,565)</u>		<u>(\$23,547,698)</u>		<u>(\$22,385,378)</u>
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>
<b>Current Assets:</b>		
<u><b>Restricted</b></u>		
Cash - interest bearing	\$19	\$6
Total Restricted Current Assets	19	6
<u><b>Unrestricted</b></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	225,455	105,668
Total Unrestricted Current Assets	6,415,977	6,647,646
Total Current Assets	6,415,996	6,647,652
<b>Property and Equipment:</b>		
At Cost	31,602,272	30,721,438
Less Accumulated Depreciation	21,529,945	19,691,827
Net Property and Equipment	10,072,327	11,029,611
<b>Other Assets:</b>		
Unamortized Cost of Issuing Debt	---	9,847
Total Other Assets	---	9,847
<b>Intangible Assets:</b>		
Intangible Assets - Less Accumulated Amortization of \$7,730,912 in 2013 and \$7,022,204 in 2012	---	708,708
<b>TOTAL ASSETS</b>	<u><u>\$16,488,323</u></u>	<u><u>\$18,395,818</u></u>

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

**LIABILITIES AND NET DEFICIT**

	<u>2013</u>	<u>2012</u>
<b>Current Liabilities:</b>		
<u>Restricted</u>		
Notes Payable - Banks	\$960,000	\$915,000
Accrued Interest	11,750	15,377
	<hr/>	<hr/>
Total Restricted Current Liabilities	971,750	930,377
	<hr/>	<hr/>
<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
	<hr/>	<hr/>
<b>Non-Current Liabilities:</b>		
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
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Total Non-Current Liabilities	37,985,483	38,860,739
	<hr/>	<hr/>
<b>Net Position:</b>		
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)
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$16,488,323</u>	<u>\$18,395,818</u>

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

	<b><u>Current Month</u></b>
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><u>\$4,668,280</u></u>

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

	<b><u>Current Month</u></b>
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	(40,860)
	<hr/>
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**

	<u>Budget Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>CATV</u></b>			
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
<b>Total CATV</b>	<b>589,644</b>	<b>596,221</b>	<b>614,827</b>
<b><u>Data/Internet</u></b>			
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
<b>Total Data/Internet</b>	<b>\$78,732</b>	<b>\$95,598</b>	<b>\$92,222</b>



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

	<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/MME</u></b>			
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	22,135	20,963	20,341
Total MAN/MME	33,010	25,543	26,416
<b><u>Customer Service Expense</u></b>			
Customer Information Expense	6,254	2,545	8,537
<b><u>Consumer Accounts</u></b>			
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	4,909	6,452	5,094
Total Consumer Accounts	48,193	53,704	45,694
<b><u>Administrative and General</u></b>			
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	9,223	8,276	8,425
Total Administrative and General	200,980	196,800	182,173
Total Operating Expenses	\$956,813	\$970,411	\$969,869

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

	<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>
<b><u>Services</u></b>					
<b><u>CATV</u></b>					
Residential	7,136	(0.9)	7,075	(1.2)	7,161
Commercial/Hospitality	<u>160</u>	3.8	<u>166</u>	(2.9)	<u>171</u>
Total CATV	<u>7,296</u>	(0.8)	<u>7,241</u>	(1.2)	<u>7,332</u>
Bulk Equivalent Services	<u>357</u>	---	<u>357</u>	---	<u>476</u>
Bulk Master Services	<u>21</u>	---	<u>21</u>	---	<u>26</u>
<b><u>Internet</u></b>					
Residential	6,876	(1.8)	6,749	5.7	6,388
Commercial	<u>452</u>	2.4	<u>463</u>	0.0	<u>463</u>
Total Internet	<u>7,328</u>	(1.6)	<u>7,212</u>	5.3	<u>6,851</u>
<b><u>MAN/MME</u></b>	<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