

Muscatine Power and Water

Communications Utility

Statement of Revenues, Expenses and Changes in Net Position

April 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 - April 2013

	<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	\$655,120	(0.7)	\$650,842	1.6	\$640,866
Data/Internet	320,244	2.8	329,162	8.3	303,921
MAN/MME	46,742	(14.2)	40,109	(5.5)	42,451
Miscellaneous	8,809	(2.4)	8,595	(8.4)	9,384
Total Operating Revenues	1,030,915	(0.2)	1,028,708	3.2	996,622
<u>Operating Expense</u>					
Operation	686,966	1.5	697,240	8.6	641,818
Maintenance	73,821	(12.0)	64,932	(0.1)	65,026
Depreciation	199,083	(2.0)	195,032	(0.3)	195,673
Amortization	---	---	---	---	64,428
Total Operating Expenses	959,870	(0.3)	957,204	(1.0)	966,945
Operating Income	71,045	0.6	71,504	1.4X	29,677
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	6,929	(3.2)	6,707	(28.8)	9,421
Interest Expense	(115,200)	0.4	(115,670)	(3.8)	(120,182)
Net Nonoperating Expense	(108,271)	0.6	(108,963)	(1.6)	(110,761)
Net Loss before Capital Contributions	(37,226)	0.6	(37,459)	(53.8)	(81,084)
Capital Contributions	---	---	734	1.1X	353
Change in Net Position	(\$37,226)		(\$36,725)		(\$80,731)
Beginning Net Position	(23,657,997)		(23,572,444)		(22,600,341)
Ending Net Position	(\$23,695,223)		(\$23,609,169)		(\$22,681,072)
Net Loss to Operating Income	(52.4)		(51.4)		(272.0)
Debt Service Coverage on Bank Debt	3.02		2.98		3.27
Debt Service Coverage on Electric Utility Debt	1.78		1.75		2.00

Muscatine Power and Water - Communications Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - April 2013

	<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	\$2,593,382	(0.1)	\$2,591,256	2.6	\$2,525,683
Data/Internet	1,277,537	1.0	1,290,272	7.3	1,202,677
MAN/MME	178,870	(11.3)	158,601	1.9	155,698
Miscellaneous	<u>35,235</u>	13.5	<u>39,985</u>	13.6	<u>35,210</u>
Total Operating Revenues	<u>4,085,024</u>	(0.1)	<u>4,080,114</u>	4.1	<u>3,919,268</u>
<u>Operating Expense</u>					
Operation	2,769,946	(1.7)	2,721,484	5.4	2,581,628
Maintenance	296,787	(8.9)	270,417	8.7	248,754
Depreciation	796,332	(2.0)	780,128	(0.3)	782,692
Amortization	<u>---</u>	---	<u>---</u>	---	<u>257,712</u>
Total Operating Expenses	<u>3,863,065</u>	(2.4)	<u>3,772,029</u>	(2.6)	<u>3,870,786</u>
Operating Income	<u>221,959</u>	38.8	<u>308,085</u>	5.4X	<u>48,482</u>
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	27,812	(4.0)	26,710	(25.8)	36,011
Interest Expense	<u>(460,800)</u>	0.4	<u>(462,680)</u>	(3.8)	<u>(481,005)</u>
Net Nonoperating Expense	<u>(432,988)</u>	0.7	<u>(435,970)</u>	(2.0)	<u>(444,994)</u>
Net Loss before Capital Contributions	(211,029)	(39.4)	(127,885)	(67.7)	(396,512)
Capital Contributions	<u>---</u>	---	<u>2,910</u>	1.5X	<u>1,150</u>
Change in Net Position	(211,029)		(124,975)		(395,362)
Beginning Net Position	<u>(23,484,194)</u>		<u>(23,484,194)</u>		<u>(22,285,710)</u>
Ending Net Position	<u><u>(\$23,695,223)</u></u>		<u><u>(\$23,609,169)</u></u>		<u><u>(\$22,681,072)</u></u>
Net Loss to Operating Income	(95.1)		(40.6)		(815.5)
Debt Service Coverage on Bank Debt	2.85		3.05		3.07
Debt Service Coverage on Electric Utility Debt	1.63		1.81		1.82

Muscatine Power and Water - Communications Utility
Statements of Net Position
April 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	513,939	2,490,218
Investments	4,611,741	3,027,000
Receivables:		
Consumer Accounts	1,199,369	1,143,253
Interest	26,059	36,925
Inventories	304,873	316,793
Prepaid Expenses	175,991	146,754
Total Unrestricted Current Assets	<u>6,831,972</u>	<u>7,160,943</u>
Total Current Assets	<u>6,831,991</u>	<u>7,160,949</u>
Property and Equipment:		
At Cost	31,892,432	31,154,138
Less Accumulated Depreciation	<u>22,046,512</u>	<u>20,229,254</u>
Net Property and Equipment	<u>9,845,920</u>	<u>10,924,884</u>
Other Assets:		
Unamortized Cost of Issuing Debt	<u>---</u>	<u>7,765</u>
Total Other Assets	<u>---</u>	<u>7,765</u>
Intangible Assets:		
Intangible Assets - Less Accumulated Amortization of \$7,730,912 in 2013 and \$7,215,488 in 2012	<u>---</u>	<u>515,424</u>
TOTAL ASSETS	<u><u>\$16,677,911</u></u>	<u><u>\$18,609,022</u></u>

Muscatine Power and Water - Communications Utility
Statements of Net Position
April 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	47,000	61,508
	<hr/>	<hr/>
Total Restricted Current Liabilities	1,007,000	976,508
	<hr/>	<hr/>
<u>Unrestricted</u>		
Accrued Interest	415,680	415,680
Accounts Payable	427,381	567,675
Pension Provision	107,250	102,736
Health & Dental Insurance Provision	30,858	34,889
Intercompanies	28	16,227
Accrued Payroll	18,746	100,977
Accrued Vacation	147,452	126,157
Accrued Property Taxes	14,679	18,021
Deferred Revenue - Dark Fiber Lease	17,500	17,500
Miscellaneous Accrued Expenses	112,902	91,632
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Total Unrestricted Current Liabilities	1,292,476	1,491,494
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Total Current Liabilities	2,299,476	2,468,002
	<hr/>	<hr/>
Non-Current Liabilities:		
Health & Dental Insurance Provision	300,406	157,885
Post-Employment Health Benefit Provision	26,552	26,061
Deferred Revenue - Dark Fiber Lease	293,646	311,146
Notes Payable:		
Banks	2,040,000	3,000,000
Electric Utility	35,327,000	35,327,000
	<hr/>	<hr/>
Total Non-Current Liabilities	37,987,604	38,822,092
	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets	6,845,920	7,539,867
Unrestricted	(30,455,089)	(30,220,939)
	<hr/>	<hr/>
Total Net Position	(23,609,169)	(22,681,072)
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TOTAL LIABILITIES AND NET POSITION	<u>\$16,677,911</u>	<u>\$18,609,022</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Communications sales	\$1,060,222	\$3,912,926
Advertising sales	25,748	89,648
Sale of digital equipment	---	420
Miscellaneous sources	1,163	22,391
Cash paid to/for:		
Suppliers	(486,270)	(1,979,831)
Employees payroll, taxes and benefits	(342,029)	(1,089,664)
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Net cash flows from operating activities	258,834	955,890
	<hr/>	<hr/>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(143,387)	(396,113)
Loan principal payments	---	(915,000)
Loan interest payments	---	(715,524)
	<hr/>	<hr/>
Net cash flows from capital and related financing activities	(143,387)	(2,026,637)
	<hr/>	<hr/>
Cash flows from investing activities:		
Interest received on investments	(63)	113,783
Accrued interest purchased	(193)	(193)
Amortization/accretion of investments	167	167
Mark to Market	57	199
	<hr/>	<hr/>
Net cash flows from investing activities	(32)	113,956
	<hr/>	<hr/>
Net increase (decrease) in cash and investments	115,415	(956,791)
	<hr/>	<hr/>
Cash and investments at beginning of period	5,010,284	6,082,490
	<hr/>	<hr/>
Cash and investments at end of period	<u>\$5,125,699</u>	<u>\$5,125,699</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$71,504	\$308,085
Noncash items in operating income:		
Converter/modem write-off	2,817	7,160
Depreciation of utility plant	195,032	780,128
Changes in assets and liabilities:		
Consumer accounts receivable	77,945	(20,554)
Inventories	17,148	20,364
Prepaid and deferred expenses	27,756	(110,536)
Accounts payable	(55,139)	(79,273)
Pension provision	26,812	107,250
Health & dental insurance provision	6,165	11,154
Other post-employment benefit provision	388	1,550
Deferred Revenue	(1,458)	(5,833)
Intercompany payable	28	(8,691)
Accrued payroll	(75,862)	(40,462)
Accrued vacation	4,861	22,248
Accrued property taxes	2,000	1,322
Miscellaneous accrued expenses	(41,163)	(38,022)
	<u>\$258,834</u>	<u>\$955,890</u>
Net cash flows from operating activities	<u>\$258,834</u>	<u>\$955,890</u>

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>CATV</u>			
Program Acquisition Expense	\$356,260	\$362,217	\$342,472
Promotional Expense	1,584	573	559
Electricity Expense	2,500	2,512	2,312
Pole Attachment Expense	2,250	2,250	2,167
Changes of Service	978	973	875
Underground Line Expense	2,631	2,418	2,029
Ad Insertion - Marketing/Production	6,365	4,238	7,307
Miscellaneous CATV Expense	17,877	25,830	14,848
Vehicle Expense	5,799	6,640	5,289
Maintenance:			
Fiber	1,568	207	1,967
Coax	1,837	540	(5,322)
Drops	2,803	2,032	3,216
Conduit System	790	771	199
Headend	22,643	15,839	21,918
Line Equipment	3,526	6,565	3,493
Converters	5,520	5,404	3,419
Ad Insertion	5,015	2,800	11,353
Vacation, Holiday, Sick Leave	4,173	4,192	5,479
Property Taxes	1,318	1,318	1,188
Depreciation	145,759	144,995	146,724
Amortization	---	---	48,321
Total CATV	591,196	592,314	619,813
<u>Data/Internet</u>			
Data/Internet Access Charges	28,813	26,839	27,086
Promotional Expense	1,584	533	356
Electricity Expense	83	86	133
Pole Attachment Expense	83	83	75
Changes of Service	419	417	375
Customer Wireless Equipment Expense	727	2,050	1,894
Underground Line Expense	90	83	69
Miscellaneous Data/Internet Expense	9,318	13,811	10,684
Vehicle Expense	814	807	643
Maintenance:			
Fiber	55	7	69
Coax	63	19	(180)
Drops	96	69	111
Conduit System	28	27	7
Headend	13,808	22,397	11,201
Line Equipment	120	224	119
Modems	4,217	3,478	2,056
Vacation, Holiday, Sick Leave	2,948	2,030	4,189
Property Taxes	46	46	41
Depreciation	21,966	20,798	20,183
Amortization	---	---	16,107
Total Data/Internet	\$85,278	\$93,804	\$95,218

Muscatine Power and Water - Communications Utility
Summary of Expenses
Calendar Year-to-Date - April 2013

	Budget		
	Estimate	This Year	Last Year
<u>CATV</u>			
Program Acquisition Expense	\$1,406,998	\$1,422,094	\$1,367,811
Promotional Expense	6,807	3,349	1,504
Electricity Expense	10,000	9,732	9,714
Pole Attachment Expense	9,000	9,000	8,567
Changes of Service	3,769	4,891	3,997
Underground Line Expense	10,478	5,762	6,170
Ad Insertion - Marketing/Production	25,443	23,147	27,769
Miscellaneous CATV Expense	72,398	85,460	58,080
Vehicle Expense	23,268	20,811	22,570
Maintenance:			
Fiber	6,115	1,939	3,748
Coax	7,441	3,627	1,663
Drops	11,005	6,020	6,886
Conduit System	2,954	1,978	1,069
Headend	90,812	75,369	87,088
Line Equipment	13,618	17,995	18,298
Converters	21,867	23,292	18,416
Ad Insertion	20,073	13,596	18,882
Vacation, Holiday, Sick Leave	21,111	24,658	18,182
Property Taxes	5,271	5,271	4,752
Depreciation	583,036	579,980	586,896
Amortization	---	---	193,284
Total CATV	2,351,464	2,337,971	2,465,346
<u>Data/Internet</u>			
Data/Internet Access Charges	98,752	101,697	103,468
Promotional Expense	6,807	3,179	1,316
Electricity Expense	333	332	332
Pole Attachment Expense	333	333	297
Changes of Service	1,615	2,096	1,713
Customer Wireless Equipment Expense	2,588	5,326	8,902
Underground Line Expense	358	197	211
Miscellaneous Data/Internet Expense	37,459	45,792	39,181
Vehicle Expense	3,256	2,523	2,744
Maintenance:			
Fiber	213	68	131
Coax	254	124	64
Drops	376	206	239
Conduit System	103	69	37
Headend	57,670	93,203	50,103
Line Equipment	465	614	610
Modems	17,011	12,842	10,995
Vacation, Holiday, Sick Leave	14,619	12,862	13,572
Property Taxes	186	186	164
Depreciation	87,866	83,192	80,732
Amortization	---	---	64,428
Total Data/Internet	\$330,264	\$364,841	\$379,239

Muscatine Power and Water - Communications Utility
Summary of Expenses
Current Month - April 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	\$1,042
Tools Expense	291	---	4
Maintenance:			
Fiber	757	100	949
Conduit System	381	372	96
MAN/MME Equipment	7,464	1,359	5,372
Vacation, Holiday, Sick Leave	254	435	160
Property Taxes	636	636	573
Depreciation	22,135	20,963	20,341
Total MAN/MME	32,960	24,907	28,537
<u>Customer Service Expense</u>			
Customer Information Expense	9,233	1,050	3,138
<u>Consumer Accounts</u>			
Supervision	2,429	2,956	2,576
Consumer Records and Collections	37,903	47,101	33,857
Uncollectible Accounts Expense	2,952	2,952	2,871
Vacation, Holiday, Sick Leave	3,266	3,483	5,770
Total Consumer Accounts	46,550	56,492	45,074
<u>Administrative and General</u>			
Administrative and General Salaries	55,495	58,115	50,389
Office Supplies and Expense	4,364	3,927	5,412
Outside Services Employed	7,510	5,550	5,703
Property Insurance	1,050	1,040	971
Casualty Ins, Injuries & Damages	5,422	6,209	4,043
Employee Pensions and Benefits	86,458	85,566	74,354
Fringe Benefits Charges to Construction	(5,780)	(8,045)	(6,628)
Rents	8,938	8,938	8,727
Miscellaneous General Expense	12,463	9,518	9,948
Maintenance of General Plant	3,130	2,722	4,983
Vacation, Holiday, Sick Leave	6,380	6,821	8,838
Depreciation	9,223	8,276	8,425
Total Administrative and General	194,653	188,637	175,165
Total Operating Expenses	\$959,870	\$957,204	\$966,945

Muscatine Power and Water - Communications Utility
Summary of Expenses
Calendar Year-to-Date - April 2013

	Budget		
	Estimate	This Year	Last Year
<u>MAN/MME</u>			
Pole Attachment Expense	\$4,167	\$4,167	\$4,118
Tools Expense	1,167	180	251
Maintenance:			
Fiber	2,950	936	1,809
Conduit System	1,426	954	516
MAN/MME Equipment	29,846	6,645	13,200
Vacation, Holiday, Sick Leave	1,341	2,032	501
Property Taxes	2,544	2,544	2,292
Depreciation	88,539	83,852	81,364
	<hr/>	<hr/>	<hr/>
Total MAN/MME	131,980	101,310	104,051
	<hr/>	<hr/>	<hr/>
<u>Customer Service Expense</u>			
Customer Information Expense	32,842	7,318	18,482
	<hr/>	<hr/>	<hr/>
<u>Consumer Accounts</u>			
Supervision	9,671	10,636	9,923
Consumer Records and Collections	157,203	158,067	138,341
Uncollectible Accounts Expense	11,808	11,808	11,483
Vacation, Holiday, Sick Leave	16,349	20,202	19,369
	<hr/>	<hr/>	<hr/>
Total Consumer Accounts	195,031	200,713	179,116
	<hr/>	<hr/>	<hr/>
<u>Administrative and General</u>			
Administrative and General Salaries	222,262	216,630	198,749
Office Supplies and Expense	18,948	18,672	18,905
Outside Services Employed	51,019	27,512	37,576
Property Insurance	3,672	3,954	3,397
Casualty Ins, Injuries & Damages	21,688	17,234	21,402
Employee Pensions and Benefits	342,808	339,626	308,434
Fringe Benefits Charges to Construction	(21,506)	(22,572)	(22,513)
Rents	35,752	35,752	34,908
Miscellaneous General Expense	65,671	38,587	45,273
Maintenance of General Plant	12,588	10,940	15,000
Vacation, Holiday, Sick Leave	31,691	40,437	29,721
Depreciation	36,891	33,104	33,700
	<hr/>	<hr/>	<hr/>
Total Administrative and General	821,484	759,876	724,552
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	<u>\$3,863,065</u>	<u>\$3,772,029</u>	<u>\$3,870,786</u>

Muscatine Power and Water - Communications Utility
Statistical Data
April 2013

<u>Services</u>	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u> ^{fn1}	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u> ^{fn1}
<u>CATV</u>					
Residential	7,207	(2.1)	7,059	(2.5)	7,237
Commercial/Hospitality	<u>163</u>	1.2	<u>165</u>	(1.2)	<u>167</u>
Total CATV	<u>7,370</u>	(2.0)	<u>7,224</u>	(2.4)	<u>7,404</u>
Bulk Equivalent Services	<u>357</u>	---	<u>373</u>	---	<u>476</u>
Bulk Master Services	<u>21</u>	---	<u>22</u>	---	<u>26</u>
<u>Internet</u>					
Residential	6,973	(1.3)	6,885	3.4	6,656
Commercial	<u>452</u>	1.5	<u>459</u>	(0.6)	<u>462</u>
Total Internet	<u>7,425</u>	(1.1)	<u>7,344</u>	3.2	<u>7,118</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