

**Muscatine Power and Water**

**Communications Utility**

**Statement of Revenues, Expenses and Changes in Net Position**

**November 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 - November 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>
<b><u>Operating Revenue</u></b>					
CATV	\$643,972	(6.9)	\$599,724	(5.6)	\$635,502
Data/Internet	385,745	3.7	399,994	6.3	376,224
MAN/MME	46,070	3.5	47,679	49.4	31,915
Miscellaneous	<u>9,031</u>	59.0	<u>14,355</u>	43.5	<u>10,006</u>
Total Operating Revenues	<u>1,084,818</u>	(2.1)	<u>1,061,752</u>	0.8	<u>1,053,647</u>
<b><u>Operating Expense</u></b>					
Operation	719,503	(5.7)	678,299	1.1	671,097
Maintenance	76,513	(16.6)	63,807	(12.8)	73,134
Depreciation	<u>170,609</u>	(2.9)	<u>165,622</u>	(15.1)	<u>195,032</u>
Total Operating Expenses	<u>966,625</u>	(6.1)	<u>907,728</u>	(3.4)	<u>939,263</u>
Operating Income	<u>118,193</u>	30.3	<u>154,024</u>	34.7	<u>114,384</u>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	3,924	1.1	3,966	(42.0)	6,839
Interest Expense	<u>(111,910)</u>	---	<u>(111,910)</u>	(3.3)	<u>(115,670)</u>
Net Nonoperating Expense	<u>(107,986)</u>	(0.0)	<u>(107,944)</u>	(0.8)	<u>(108,831)</u>
Net Income before Capital Contributions	10,207	3.5X	46,080	7.3X	5,553
Capital Contributions	<u>---</u>	---	<u>8,897</u>	1.1X	<u>4,280</u>
Change in Net Position	\$10,207		\$54,977		\$9,833
Beginning Net Position	<u>(23,621,102)</u>		<u>(23,108,088)</u>		<u>(23,651,751)</u>
Ending Net Position	<u><u>(\$23,610,895)</u></u>		<u><u>(\$23,053,111)</u></u>		<u><u>(\$23,641,918)</u></u>
Net Income to Operating Revenue	0.9		4.3		0.5
Debt Service Coverage on Bank Debt	3.19		3.53		3.45
Debt Service Coverage on Electric Utility Debt	1.93		2.23		2.16

**Muscatine Power and Water - Communications Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Calendar Year-to-Date - November 2014**

	<u>Budget</u> <u>Estimate</u>	<u>% Increase</u> <u>(Decrease)</u> <u>From Budget</u>	<u>This</u> <u>Year</u>	<u>% Increase</u> <u>(Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last</u> <u>Year</u>
<b><u>Operating Revenue</u></b>					
CATV	\$6,884,186	(3.2)	\$6,663,558	(6.0)	\$7,089,481
Data/Internet	4,210,688	2.7	4,323,635	15.4	3,747,094
MAN/MME	533,267	(7.8)	491,917	12.3	438,124
Miscellaneous	100,214	31.4	131,698	19.7	110,009
<b>Total Operating Revenues</b>	<u>11,728,355</u>	(1.0)	<u>11,610,808</u>	2.0	<u>11,384,708</u>
<b><u>Operating Expense</u></b>					
Operation	7,842,227	(7.6)	7,245,483	(2.3)	7,414,513
Maintenance	839,346	1.0	848,022	5.8	801,797
Depreciation	1,876,701	(3.4)	1,812,652	(15.5)	2,145,352
<b>Total Operating Expenses</b>	<u>10,558,274</u>	(6.2)	<u>9,906,157</u>	(4.4)	<u>10,361,662</u>
<b>Operating Income</b>	<u>1,170,081</u>	45.7	<u>1,704,651</u>	66.6	<u>1,023,046</u>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	44,413	(2.3)	43,400	(45.6)	79,809
Interest Expense	(1,231,010)	---	(1,231,012)	(3.3)	(1,272,372)
<b>Net Nonoperating Expense</b>	<u>(1,186,597)</u>	0.1	<u>(1,187,612)</u>	(0.4)	<u>(1,192,563)</u>
<b>Net Income (Loss) before Capital Contributions</b>	(16,516)	-32.3X	517,039	-4.1X	(169,517)
<b>Capital Contributions</b>	<u>9,175</u>	2.6X	<u>33,404</u>	1.8X	<u>11,793</u>
<b>Change in Net Position</b>	(7,341)		550,443		(157,724)
<b>Beginning Net Position</b>	<u>(23,603,554)</u>		<u>(23,603,554)</u>		<u>(23,484,194)</u>
<b>Ending Net Position</b>	<u>(\$23,610,895)</u>		<u>(\$23,053,111)</u>		<u>(\$23,641,918)</u>
<b>Net Income (Loss) to Operating Revenue</b>	(0.1)		4.5		(1.5)
<b>Debt Service Coverage on Bank Debt</b>	3.06		3.53		3.22
<b>Debt Service Coverage on Electric Utility Debt</b>	1.82		2.23		1.96

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

**ASSETS**

	<u>2014</u>	<u>2013</u>
<b>Current Assets:</b>		
<u>Restricted</u>		
Cash - interest bearing	\$27	\$20
Total Restricted Current Assets	<u>27</u>	<u>20</u>
<u>Unrestricted</u>		
Cash - interest bearing	4,134,918	3,313,383
Investments	2,152,000	2,612,145
Receivables:		
Consumer Accounts	1,327,968	1,304,066
Interest	41,224	73,050
Inventories	242,627	292,348
Prepaid Pension	---	39,271
Prepaid Expenses	65,684	70,098
Total Unrestricted Current Assets	<u>7,964,421</u>	<u>7,704,361</u>
Total Current Assets	<u>7,964,448</u>	<u>7,704,381</u>
<b>Property and Equipment:</b>		
At Cost	32,958,345	32,351,275
Less Accumulated Depreciation	<u>24,571,834</u>	<u>23,236,626</u>
Net Property and Equipment	<u>8,386,511</u>	<u>9,114,649</u>
<b>TOTAL ASSETS</b>	<u><u>\$16,350,959</u></u>	<u><u>\$16,819,030</u></u>

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

**LIABILITIES AND NET POSITION**

	<u>2014</u>	<u>2013</u>
<b>Current Liabilities:</b>		
<u>Restricted</u>		
Notes Payable - Banks	\$1,005,000	\$960,000
Accrued Interest	39,950	58,750
	<hr/>	<hr/>
Total Restricted Current Liabilities	1,044,950	1,018,750
	<hr/>	<hr/>
<u>Unrestricted</u>		
Accrued Interest	519,600	519,600
Accounts Payable	484,697	512,456
Pension Provision	69,790	---
Health & Dental Insurance Provision	37,700	30,858
Accrued Payroll	53,814	52,198
Accrued Vacation	143,556	152,478
Accrued Property Taxes	10,106	12,362
Unearned Revenue - Dark Fiber Lease	17,500	17,500
Miscellaneous Accrued Expenses	87,719	127,904
	<hr/>	<hr/>
Total Unrestricted Current Liabilities	1,424,482	1,425,356
	<hr/>	<hr/>
Total Current Liabilities	2,469,432	2,444,106
	<hr/>	<hr/>
<b>Non-Current Liabilities:</b>		
Health & Dental Insurance Provision	237,003	316,182
Post-Employment Health Benefit Provision	69,697	50,222
Unearned Revenue - Dark Fiber Lease	265,938	283,438
Notes Payable:		
Banks	1,035,000	2,040,000
Electric Utility	35,327,000	35,327,000
	<hr/>	<hr/>
Total Non-Current Liabilities	36,934,638	38,016,842
	<hr/>	<hr/>
<b>Net Position:</b>		
Net Investment in Capital Assets	6,346,511	6,114,649
Unrestricted	(29,399,622)	(29,756,567)
	<hr/>	<hr/>
Total Net Position	(23,053,111)	(23,641,918)
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<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$16,350,959</u>	<u>\$16,819,030</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
<b>Cash flows from operating activities:</b>		
Cash received from:		
Communications sales	\$860,437	\$10,951,433
Advertising sales	66,709	404,654
Miscellaneous sources	4,713	155,561
Cash paid to/for:		
Suppliers	(388,716)	(4,747,053)
Employees payroll, taxes and benefits	(260,596)	(3,258,277)
	<u>282,547</u>	<u>3,506,318</u>
<b>Cash flows from capital and related financing activities:</b>		
Capital expenditures, net	(102,354)	(1,209,448)
Loan principal payments	---	(960,000)
Loan interest payments	---	(1,365,484)
	<u>(102,354)</u>	<u>(3,534,932)</u>
<b>Cash flows from investing activities:</b>		
Interest received on investments	179	82,003
Amortization/accretion of investments	---	(71)
Mark to Market	---	---
	<u>179</u>	<u>81,932</u>
Net cash flows from investing activities	<u>179</u>	<u>81,932</u>
Net increase in cash and investments	<u>180,372</u>	<u>53,318</u>
Cash and investments at beginning of period	<u>6,106,573</u>	<u>6,233,627</u>
Cash and investments at end of period	<u><u>\$6,286,945</u></u>	<u><u>\$6,286,945</u></u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$154,024	\$1,704,651
Noncash items in operating income:		
Converter/modem write-off	141	16,873
Depreciation of utility plant	165,622	1,812,652
Changes in assets and liabilities:		
Consumer accounts receivable	(124,954)	(20,709)
Inventories	(7,365)	44,317
Prepaid and deferred expenses	11,488	(3,297)
Accounts payable	36,766	32,388
Pension provision	34,868	69,790
Health & dental insurance provision	(24,333)	(55,316)
Other post-employment benefit provision	1,354	14,896
Unearned revenue	(1,458)	(16,041)
Intercompany payable	---	---
Accrued payroll	1,031	(17,370)
Accrued vacation	5,027	(688)
Accrued property taxes	5,654	(2,222)
Miscellaneous accrued expenses	24,682	(73,606)
	<hr/>	<hr/>
Net cash flows from operating activities	<u>\$282,547</u>	<u>\$3,506,318</u>

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>CATV</u></b>			
Program Acquisition Expense	\$364,187	\$322,542	\$337,067
Promotional Expense	887	724	458
Electricity Expense	2,667	2,619	2,488
Pole Attachment Expense	2,292	1,567	3,765
Changes of Service	1,319	655	882
Underground Line Expense	2,598	1,940	2,204
Ad Insertion - Marketing/Production	6,656	9,372	6,065
Miscellaneous CATV Expense	13,492	8,618	16,871
Vehicle Expense	6,013	5,968	4,374
Maintenance:			
Fiber	752	1,458	849
Coax	2,364	934	1,356
Drops	2,089	1,091	2,971
Conduit System	835	3,060	2,417
Headend	23,569	14,731	19,034
Line Equipment	4,063	4,760	2,187
Converters	6,210	3,419	4,246
Ad Insertion	3,985	2,271	4,270
Vacation, Holiday, Sick Leave	8,105	9,369	9,425
Property Taxes	733	733	(23)
Depreciation	116,212	111,937	144,995
<b>Total CATV</b>	<b>569,028</b>	<b>507,768</b>	<b>565,901</b>
<b><u>Data/Internet</u></b>			
Data/Internet Access Charges	33,646	35,507	24,874
Promotional Expense	888	710	464
Electricity Expense	100	89	85
Pole Attachment Expense	83	38	136
Changes of Service	68	281	378
Customer Wireless Equipment Expense	268	---	---
Underground Line Expense	89	66	75
Miscellaneous Data/Internet Expense	2,348	1,636	9,104
Vehicle Expense	836	726	529
Maintenance:			
Fiber	26	51	30
Coax	81	32	46
Drops	71	37	101
Conduit System	29	107	84
Headend	15,335	18,269	27,135
Line Equipment	135	162	75
Modems	4,643	2,711	2,932
Vacation, Holiday, Sick Leave	3,895	2,757	4,303
Conduit System	835	3,060	2,417
Headend	23,569	14,731	19,034
Line Equipment	4,063	4,760	2,187
Converters	6,210	3,419	4,246
Ad Insertion	3,985	2,271	4,270
Vacation, Holiday, Sick Leave	8,105	9,369	9,425
Property Taxes	733	733	(23)

**Muscatine Power and Water - Communications Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - November 2014**

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>CATV</u></b>			
Program Acquisition Expense	\$4,017,265	\$3,649,671	\$3,829,797
Promotional Expense	9,763	6,620	6,868
Electricity Expense	29,333	28,043	27,220
Pole Attachment Expense	25,208	24,484	26,265
Changes of Service	14,773	13,749	12,617
Underground Line Expense	28,286	25,643	24,453
Ad Insertion - Marketing/Production	72,717	76,636	63,249
Miscellaneous CATV Expense	150,162	113,869	196,720
Vehicle Expense	65,791	58,608	57,957
Maintenance:			
Fiber	7,943	14,209	8,942
Coax	25,678	13,955	15,698
Drops	23,716	16,186	29,156
Conduit System	8,614	16,442	14,569
Headend	256,552	205,136	204,604
Line Equipment	45,580	51,868	50,634
Converters	67,541	43,250	56,109
Ad Insertion	43,860	45,050	40,246
Vacation, Holiday, Sick Leave	57,211	56,827	88,968
Property Taxes	8,069	5,591	7,807
Depreciation	1,278,330	1,231,307	1,594,945
<b>Total CATV</b>	<b>6,236,392</b>	<b>5,697,144</b>	<b>6,356,824</b>
<b><u>Data/Internet</u></b>			
Data/Internet Access Charges	351,726	298,533	281,097
Promotional Expense	9,763	6,806	6,539
Electricity Expense	1,100	957	929
Pole Attachment Expense	917	871	970
Changes of Service	758	5,892	6,781
Customer Wireless Equipment Expense	2,903	278	9,058
Underground Line Expense	965	875	834
Miscellaneous Data/Internet Expense	25,804	27,938	110,139
Vehicle Expense	9,192	7,120	7,042
Maintenance:			
Fiber	278	1,414	306
Coax	876	477	516
Drops	810	554	999
Conduit System	301	574	508
Headend	169,626	288,807	279,757
Line Equipment	1,519	1,770	1,425
Modems	51,559	43,045	40,119
Vacation, Holiday, Sick Leave	27,101	20,702	33,668
Property Taxes	281	195	274
Depreciation	268,199	261,399	228,778
<b>Total Data/Internet</b>	<b>\$923,678</b>	<b>\$968,207</b>	<b>\$1,009,739</b>

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

	<b>Budget Estimate</b>	<b>This Year</b>	<b>Last Year</b>
<b><u>MAN/MME</u></b>			
Pole Attachment Expense	\$1,100	\$786	\$1,773
Tools Expense	292	62	2
Maintenance:			
Fiber	363	703	410
Conduit System	403	1,477	1,167
MAN/MME Equipment	7,663	4,540	1,017
Vacation, Holiday, Sick Leave	863	950	758
Property Taxes	354	354	(11)
Depreciation	20,841	20,425	20,963
<b>Total MAN/MME</b>	<b>31,879</b>	<b>29,297</b>	<b>26,079</b>
<b><u>Customer Service Expense</u></b>			
Customer Information Expense	5,775	1,071	5,183
<b><u>Consumer Accounts</u></b>			
Supervision	2,585	2,577	1,951
Consumer Records and Collections	39,731	38,325	37,677
Uncollectible Accounts Expense	3,627	3,627	2,952
Vacation, Holiday, Sick Leave	7,108	7,977	6,789
<b>Total Consumer Accounts</b>	<b>53,051</b>	<b>52,506</b>	<b>49,369</b>
<b><u>Administrative and General</u></b>			
Administrative and General Salaries	72,739	62,880	54,860
Office Supplies and Expense	4,395	4,825	3,257
Outside Services Employed	8,175	15,180	5,286
Property Insurance	1,177	1,187	1,040
Casualty Ins, Injuries & Damages	6,263	14,999	6,440
Employee Pensions and Benefits	82,351	83,631	96,658
Fringe Benefits Charges to Construction	(6,442)	(5,210)	(5,805)
Rents	9,206	9,206	8,938
Miscellaneous General Expense	11,945	14,444	6,026
Maintenance of General Plant	3,897	3,994	2,807
Vacation, Holiday, Sick Leave	17,063	15,485	13,800
Depreciation	9,174	8,661	8,276
<b>Total Administrative and General</b>	<b>219,943</b>	<b>229,282</b>	<b>201,583</b>
<b>Total Operating Expenses</b>	<b>\$966,625</b>	<b>\$907,728</b>	<b>\$939,263</b>

**Muscatine Power and Water - Communications Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - November 2014**

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>MAN/MME</u></b>			
Pole Attachment Expense	\$12,100	\$11,785	\$12,190
Tools Expense	3,208	3,648	396
Maintenance:			
Fiber	3,833	6,743	4,227
Conduit System	4,157	7,934	7,030
MAN/MME Equipment	84,307	53,400	16,257
Vacation, Holiday, Sick Leave	5,710	6,680	6,610
Property Taxes	3,893	2,697	3,767
Depreciation	229,256	224,675	230,593
<b>Total MAN/MME</b>	<b>346,464</b>	<b>317,562</b>	<b>281,070</b>
<b><u>Customer Service Expense</u></b>			
Customer Information Expense	85,452	26,136	31,958
<b><u>Consumer Accounts</u></b>			
Supervision	27,783	29,031	28,545
Consumer Records and Collections	439,748	452,142	444,037
Uncollectible Accounts Expense	39,893	39,893	32,472
Vacation, Holiday, Sick Leave	50,251	59,721	53,582
<b>Total Consumer Accounts</b>	<b>557,675</b>	<b>580,787</b>	<b>558,636</b>
<b><u>Administrative and General</u></b>			
Administrative and General Salaries	788,152	789,704	653,706
Office Supplies and Expense	50,902	54,288	44,749
Outside Services Employed	115,894	98,603	72,873
Property Insurance	12,707	12,612	11,232
Casualty Ins, Injuries & Damages	69,731	67,917	48,079
Employee Pensions and Benefits	909,705	903,712	928,433
Fringe Benefits Charges to Construction	(68,683)	(71,127)	(66,955)
Rents	101,268	101,268	98,318
Miscellaneous General Expense	162,432	120,349	104,875
Maintenance of General Plant	42,596	37,208	30,695
Vacation, Holiday, Sick Leave	122,993	106,516	106,394
Depreciation	100,916	95,271	91,036
<b>Total Administrative and General</b>	<b>2,408,613</b>	<b>2,316,321</b>	<b>2,123,435</b>
<b>Total Operating Expenses</b>	<b>\$10,558,274</b>	<b>\$9,906,157</b>	<b>\$10,361,662</b>

**Muscatine Power and Water - Communications Utility**  
**Statistical Data**  
**November 2014**

<u>Services</u>	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u> <sup>fn1</sup>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u> <sup>fn1</sup>
<u>CATV</u>					
Residential	6,631	(7.3)	6,145	(8.7)	6,734
Commercial/Hospitality	<u>164</u>	0.6	<u>165</u>	1.2	<u>163</u>
Total CATV	<u><u>6,795</u></u>	(7.1)	<u><u>6,310</u></u>	(8.5)	<u><u>6,897</u></u>
Bulk Equivalent Services	<u>359</u>	4.5	<u>375</u>	7.1	<u>350</u>
Bulk Master Services	<u><u>22</u></u>	4.5	<u><u>23</u></u>	4.5	<u><u>22</u></u>
<u>Internet</u>					
Residential	7,001	(0.2)	6,984	3.0	6,783
Commercial	<u>441</u>	5.7	<u>466</u>	(0.9)	<u>470</u>
Total Internet	<u><u>7,442</u></u>	0.1	<u><u>7,450</u></u>	2.7	<u><u>7,253</u></u>
<u>MAN/MME</u>	<u><u>67</u></u>	---	<u><u>73</u></u>	21.7	<u><u>60</u></u>

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