

**Muscatine Power and Water**

**Communications Utility**

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

**February 2015**

**Muscatine Power and Water  
Communications Utility**

**Table of Contents**

	<b>Page</b>
Statements of Revenues, Expenses, and Changes in Net Position.....	1-2
Statements of Net Position.....	3-4
Statements of Cash Flows.....	5-6
Summary of Expenses.....	7-10
Statistical Data.....	11

**Muscatine Power and Water - Communications Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Current Month - February 2015**

	<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	\$537,804	4.3	\$560,812	(10.6)	\$627,349
Data/Internet	399,594	1.7	406,561	5.6	384,998
MAN/MME	53,687	(7.8)	49,511	14.9	43,088
Miscellaneous	<u>11,054</u>	1.3	<u>11,203</u>	(7.3)	<u>12,082</u>
Total Operating Revenues	<u>1,002,139</u>	2.6	<u>1,028,087</u>	(3.7)	<u>1,067,517</u>
<b><u>Operating Expense</u></b>					
Operation	685,311	3.8	711,463	5.4	675,209
Maintenance	77,045	(14.3)	66,011	(6.6)	70,696
Depreciation	<u>151,785</u>	(6.3)	<u>142,226</u>	(13.6)	<u>164,703</u>
Total Operating Expenses	<u>914,141</u>	0.6	<u>919,700</u>	1.0	<u>910,608</u>
Operating Income	<u>87,998</u>	23.2	<u>108,387</u>	(30.9)	<u>156,909</u>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	1,281	1.0X	2,580	(26.1)	3,492
Interest Expense	<u>(8,221)</u>	---	<u>(8,220)</u>	(92.7)	<u>(111,910)</u>
Net Nonoperating Expense	<u>(6,940)</u>	(18.7)	<u>(5,640)</u>	(94.8)	<u>(108,418)</u>
Net Income before Capital Contributions	81,058	26.8	102,747	1.1X	48,491
Capital Contributions	1,000	---	1,746	87.1	933
Write Off - Loan from Electric	<u>---</u>	---	<u>---</u>	---	<u>---</u>
Change in Net Position	82,058		104,493		49,424
Beginning Net Position	<u>2,468,566</u>		<u>2,485,606</u>		<u>(23,580,061)</u>
Ending Net Position	<u>\$2,550,624</u>		<u>\$2,590,099</u>		<u>(\$23,530,637)</u>
Net Income to Operating Revenue	8.1		10.0		4.5
Debt Service Coverage on Bank Debt	2.67		2.80		3.54
Debt Service Coverage on Electric Utility Debt	3.43		3.71		2.25

**Muscatine Power and Water - Communications Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Calendar Year-to-Date - February 2015**

	<b>Budget Estimate</b>	<b>% Increase (Decrease) From Budget</b>	<b>This Year</b>	<b>% Increase (Decrease) Fr. Last Yr.</b>	<b>Last Year</b>
<b><u>Operating Revenue</u></b>					
CATV	\$1,081,107	4.0	\$1,124,311	(10.1)	\$1,250,847
Data/Internet	794,790	2.0	810,662	5.5	768,062
MAN/MME	107,374	(9.7)	96,925	12.8	85,946
Miscellaneous	22,107	1.7	22,479	(6.9)	24,141
Total Operating Revenues	<u>2,005,378</u>	2.4	<u>2,054,377</u>	(3.5)	<u>2,128,996</u>
<b><u>Operating Expense</u></b>					
Operation	1,372,391	4.1	1,428,443	5.0	1,360,780
Maintenance	159,130	(14.6)	135,887	(10.2)	151,368
Depreciation	303,568	(6.3)	284,452	(13.6)	329,406
Total Operating Expenses	<u>1,835,089</u>	0.7	<u>1,848,782</u>	0.4	<u>1,841,554</u>
Operating Income	<u>170,289</u>	20.7	<u>205,595</u>	(28.5)	<u>287,442</u>
<b><u>Nonoperating Revenue (Expense)</u></b>					
Interest Income	2,534	1.1X	5,234	(29.8)	7,459
Interest Expense	(16,442)	---	(16,441)	(92.7)	(223,820)
Net Nonoperating Expense	<u>(13,908)</u>	(19.4)	<u>(11,207)</u>	(94.8)	<u>(216,361)</u>
Net Income before Capital Contributions	156,381	24.3	194,388	1.7X	71,081
Capital Contributions	2,000	73.4	3,468	88.9	1,836
Write Off - Loan from Electric	25,327,000	---	25,327,000	---	---
Change in Net Position	25,485,381		25,524,856		72,917
Beginning Net Position	<u>(22,934,757)</u>		<u>(22,934,757)</u>		<u>(23,603,554)</u>
Ending Net Position	<u>\$2,550,624</u>		<u>\$2,590,099</u>		<u>(\$23,530,637)</u>
Net Income (Loss) to Operating Revenue	7.8		9.5		3.3
Debt Service Coverage on Bank Debt	2.64		2.74		3.40
Debt Service Coverage on Electric Utility Debt	3.37		3.58		2.12

**Muscatine Power and Water - Communications Utility**  
**Statements of Net Position**  
**February 2015**

**ASSETS**

	<u>2015</u>	<u>2014</u>
<b>Current Assets:</b>		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$3,457,185	\$3,113,319
Investments	1,782,123	1,652,065
Receivables:		
Consumer Accounts	1,264,280	1,330,024
Interest	7,373	7,298
Inventories	246,820	270,521
Prepaid Expenses	151,513	257,571
	<u>6,909,294</u>	<u>6,630,798</u>
<b>Total Unrestricted Current Assets</b>		
<u>Restricted Assets</u>		
Cash - interest bearing	<u>32</u>	<u>20</u>
	<u>32</u>	<u>20</u>
<b>Total Restricted Current Assets</b>		
	<u>6,909,326</u>	<u>6,630,818</u>
<b>Total Current Assets</b>		
<b>Property and Equipment:</b>		
At Cost	32,961,300	32,535,439
Less Accumulated Depreciation	<u>24,730,765</u>	<u>23,549,337</u>
	<u>8,230,535</u>	<u>8,986,102</u>
<b>Net Property and Equipment</b>		
	<u>8,230,535</u>	<u>8,986,102</u>
<b>TOTAL ASSETS</b>	<u><u>\$15,139,861</u></u>	<u><u>\$15,616,920</u></u>

**Muscatine Power and Water - Communications Utility**  
**Statements of Net Position**  
**February 2015**

**LIABILITIES AND NET POSITION**

	<u>2015</u>	<u>2014</u>
<b>Current Liabilities:</b>		
<b><u>Payable from Unrestricted Assets</u></b>		
Accrued Interest	\$8,333	\$207,840
Accounts Payable	516,555	460,870
Pension Provision	54,210	55,398
Health & Dental Insurance Provision	47,710	37,700
Accrued Payroll	94,430	97,724
Accrued Vacation	145,872	142,496
Accrued Property Taxes	12,761	14,554
Unearned Revenue - Dark Fiber Lease	17,500	17,500
Miscellaneous Accrued Expenses	83,275	131,964
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	980,646	1,166,046
	<hr/>	<hr/>
<b><u>Payable from Restricted Assets</u></b>		
Notes Payable:		
Banks	1,035,000	1,005,000
Electric Utility	476,665	---
Accrued Interest	8,108	15,980
	<hr/>	<hr/>
Total Payable from Restricted Assets	1,519,773	1,020,980
	<hr/>	<hr/>
Total Current Liabilities	2,500,419	2,187,026
	<hr/>	<hr/>
<b>Non-Current Liabilities:</b>		
Health & Dental Insurance Provision	190,686	261,959
Post-Employment Health Benefit Provision	73,759	57,509
Unearned Revenue - Dark Fiber Lease	261,563	279,063
Notes Payable:		
Banks	---	1,035,000
Electric Utility	9,523,335	35,327,000
	<hr/>	<hr/>
Total Non-Current Liabilities	10,049,343	36,960,531
	<hr/>	<hr/>
<b>Net Position:</b>		
Net Investment in Capital Assets	6,718,870	6,946,102
Unrestricted	(4,128,771)	(30,476,739)
	<hr/>	<hr/>
Total Net Position	2,590,099	(23,530,637)
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$15,139,861</u>	<u>\$15,616,920</u>

**Muscatine Power and Water - Communications Utility**  
**Statements of Cash Flows**  
**February 2015**

	<b><u>Current Month</u></b>	<b><u>Year- To-Date</u></b>
<b>Cash flows from operating activities:</b>		
Cash received from:		
Communications sales	\$915,693	\$1,908,487
Advertising sales	37,460	78,737
Miscellaneous sources	80,310	91,220
Cash paid to/for:		
Suppliers	(475,506)	(1,057,709)
Employees payroll, taxes and benefits	(250,207)	(518,769)
	307,750	501,966
<b>Cash flows from capital and related financing activities:</b>		
Capital expenditures, net	(93,021)	(162,555)
Loan principal payments	---	(1,005,000)
Loan interest payments	---	(671,462)
	(93,021)	(1,839,017)
<b>Cash flows from investing activities:</b>		
Interest received on investments	123	28,877
Amortization/accretion of investments	---	---
Mark to Market	---	---
	123	28,877
Net cash flows from investing activities	123	28,877
Net increase (decrease) in cash and investments	214,852	(1,308,174)
Cash and investments at beginning of period	5,024,488	6,547,514
Cash and investments at end of period	\$5,239,340	\$5,239,340

**Muscatine Power and Water - Communications Utility**  
**Statements of Cash Flows**  
**February 2015**

	<b><u>Current</u></b> <b><u>Month</u></b>	<b><u>Year-</u></b> <b><u>To-Date</u></b>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$108,387	\$205,595
Noncash items in operating income:		
Converter/modem write-off	49	2,318
Depreciation of utility plant	142,226	284,452
Changes in assets and liabilities:		
Consumer accounts receivable	12,526	43,255
Inventories	---	(5,845)
Prepaid and deferred expenses	(20,763)	(79,941)
Accounts payable	28,730	45,684
Pension provision	27,105	54,210
Health & dental insurance provision	(16,187)	(52,996)
Other post-employment benefit provision	1,354	2,708
Unearned revenue	(1,458)	(14,096)
Accrued payroll	2,210	18,195
Accrued vacation	7,554	8,945
Accrued property taxes	1,028	2,056
Miscellaneous accrued expenses	14,989	(12,574)
	<hr/>	<hr/>
Net cash flows from operating activities	<u>\$307,750</u>	<u>\$501,966</u>

**Muscatine Power and Water - Communications Utility**  
**Summary of Expenses**  
**Current Month - February 2015**

	<b>Budget</b>		
	<b><u>Estimate</u></b>	<b><u>This Year</u></b>	<b><u>Last Year</u></b>
<b><u>CATV</u></b>			
Program Acquisition Expense	\$338,087	\$362,421	\$355,315
Promotional Expense	533	436	497
Electricity Expense	2,583	3,728	2,474
Pole Attachment Expense	2,350	2,350	2,292
Changes of Service	1,450	1,261	963
Underground Line Expense	2,336	711	972
Ad Insertion - Marketing/Production	6,708	6,005	6,429
Miscellaneous CATV Expense	13,788	13,842	11,153
Vehicle Expense	5,951	3,823	4,639
Maintenance:			
Fiber	1,022	647	1,654
Coax	1,823	667	1,024
Drops	1,990	1,349	523
Conduit System	967	87	79
Headend	21,420	17,871	16,757
Line Equipment	4,556	3,263	4,584
Converters	6,252	3,336	4,523
Ad Insertion	3,649	6,720	4,605
Vacation, Holiday, Sick Leave	4,204	4,658	786
Property Taxes	677	677	733
Depreciation	95,081	88,602	111,937
<b>Total CATV</b>	<b>515,427</b>	<b>522,454</b>	<b>531,939</b>
<b><u>Data/Internet</u></b>			
Data/Internet Access Charges	23,436	23,358	24,952
Promotional Expense	533	442	523
Electricity Expense	87	127	84
Pole Attachment Expense	83	83	83
Changes of Service	72	540	413
Customer Wireless Equipment Expense	281	173	---
Underground Line Expense	80	24	33
Miscellaneous Data/Internet Expense	2,336	2,068	3,038
Vehicle Expense	844	459	560
Maintenance:			
Fiber	36	23	407
Coax	62	23	35
Drops	68	46	18
Conduit System	34	3	3
Headend	16,388	18,013	26,507
Line Equipment	204	117	156
Modems	4,700	7,566	3,411
Vacation, Holiday, Sick Leave	1,999	2,044	1,291
Property Taxes	24	24	26
Depreciation	24,401	24,511	23,680
<b>Total Data/Internet</b>	<b>75,668</b>	<b>79,644</b>	<b>85,220</b>

**Muscatine Power and Water - Communications Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - February 2015**

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>CATV</u></b>			
Program Acquisition Expense	\$679,376	\$732,912	\$710,667
Promotional Expense	1,066	1,230	1,344
Electricity Expense	5,167	5,581	4,980
Pole Attachment Expense	4,700	4,700	4,583
Changes of Service	2,818	2,420	2,272
Underground Line Expense	4,673	1,558	2,138
Ad Insertion - Marketing/Production	13,417	11,833	12,180
Miscellaneous CATV Expense	27,752	23,389	22,505
Vehicle Expense	11,940	8,163	9,406
Maintenance:			
Fiber	2,006	2,289	4,211
Coax	3,734	761	1,542
Drops	3,953	1,631	827
Conduit System	1,933	529	79
Headend	43,959	38,450	38,812
Line Equipment	9,003	7,365	10,339
Converters	12,551	6,223	9,979
Ad Insertion	7,453	9,438	8,978
Vacation, Holiday, Sick Leave	10,468	11,104	5,899
Property Taxes	1,353	1,353	1,467
Depreciation	190,161	177,204	223,874
<b>Total CATV</b>	<b>1,037,483</b>	<b>1,048,133</b>	<b>1,076,082</b>
<b><u>Data/Internet</u></b>			
Data/Internet Access Charges	46,873	48,687	50,941
Promotional Expense	1,066	1,456	1,376
Electricity Expense	174	190	170
Pole Attachment Expense	167	167	167
Changes of Service	142	1,037	974
Customer Wireless Equipment Expense	562	534	---
Underground Line Expense	160	53	73
Miscellaneous Data/Internet Expense	4,686	5,119	4,896
Vehicle Expense	1,689	990	1,140
Maintenance:			
Fiber	70	80	1,073
Coax	127	26	53
Drops	135	56	28
Conduit System	67	18	3
Headend	36,099	41,546	55,137
Line Equipment	403	263	353
Modems	9,452	10,444	6,180
Vacation, Holiday, Sick Leave	5,064	4,779	3,956
Property Taxes	49	49	51
Depreciation	48,803	49,022	47,360
<b>Total Data/Internet</b>	<b>\$155,788</b>	<b>\$164,516</b>	<b>\$173,931</b>

**Muscatine Power and Water - Communications Utility**  
**Summary of Expenses**  
**Current Month - February 2015**

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>MAN/MME</u></b>			
Pole Attachment Expense	\$1,133	\$1,134	\$1,100
Tools Expense	292	1,105	121
Maintenance:			
Fiber	493	365	798
Conduit System	466	42	38
MAN/MME Equipment	8,672	3,421	2,610
Vacation, Holiday, Sick Leave	385	694	212
Property Taxes	327	327	354
Depreciation	21,657	20,611	20,425
<b>Total MAN/MME</b>	<b>33,425</b>	<b>27,699</b>	<b>25,658</b>
<b><u>Customer Service Expense</u></b>			
Customer Information Expense	7,437	2,469	1,348
<b><u>Consumer Accounts</u></b>			
Supervision	2,616	2,720	2,647
Consumer Records and Collections	42,145	35,155	38,881
Uncollectible Accounts Expense	1,796	1,796	3,627
Vacation, Holiday, Sick Leave	3,623	4,316	4,027
<b>Total Consumer Accounts</b>	<b>50,180</b>	<b>43,987</b>	<b>49,182</b>
<b><u>Administrative and General</u></b>			
Administrative and General Salaries	75,081	67,644	64,017
Office Supplies and Expense	4,428	4,278	3,847
Outside Services Employed	9,515	21,485	12,697
Property Insurance	1,248	1,186	1,040
Casualty Ins, Injuries & Damages	6,228	15,723	5,905
Employee Pensions and Benefits	86,063	81,616	87,638
Fringe Benefits Charges to Construction	(5,679)	(3,665)	(4,887)
Rents	9,482	9,482	9,206
Miscellaneous General Expense	21,978	23,955	19,189
Maintenance of General Plant	4,243	2,452	2,964
Vacation, Holiday, Sick Leave	8,771	10,789	6,984
Depreciation	10,646	8,502	8,661
<b>Total Administrative and General</b>	<b>232,004</b>	<b>243,447</b>	<b>217,261</b>
<b>Total Operating Expenses</b>	<b>\$914,141</b>	<b>\$919,700</b>	<b>\$910,608</b>

**Muscatine Power and Water - Communications Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - February 2015**

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>MAN/MME</u></b>			
Pole Attachment Expense	\$2,267	\$2,267	\$2,200
Tools Expense	583	1,217	179
Maintenance:			
Fiber	968	1,158	2,032
Conduit System	933	255	38
MAN/MME Equipment	17,356	8,072	5,473
Vacation, Holiday, Sick Leave	1,019	1,545	963
Property Taxes	654	654	708
Depreciation	43,313	41,222	40,850
<b>Total MAN/MME</b>	<u>67,093</u>	<u>56,390</u>	<u>52,443</u>
<b><u>Customer Service Expense</u></b>			
Customer Information Expense	<u>9,827</u>	<u>8,232</u>	<u>3,313</u>
<b><u>Consumer Accounts</u></b>			
Supervision	5,279	5,512	5,573
Consumer Records and Collections	84,220	72,362	81,389
Uncollectible Accounts Expense	3,592	3,592	7,253
Vacation, Holiday, Sick Leave	9,073	10,036	10,846
<b>Total Consumer Accounts</b>	<u>102,164</u>	<u>91,502</u>	<u>105,061</u>
<b><u>Administrative and General</u></b>			
Administrative and General Salaries	150,351	139,029	143,409
Office Supplies and Expense	9,451	9,142	5,990
Outside Services Employed	19,180	54,393	22,621
Property Insurance	2,496	2,373	2,080
Casualty Ins, Injuries & Damages	12,665	22,356	12,011
Employee Pensions and Benefits	173,913	164,720	171,434
Fringe Benefits Charges to Construction	(11,318)	(8,912)	(11,382)
Rents	18,965	18,965	18,412
Miscellaneous General Expense	35,059	28,461	24,693
Maintenance of General Plant	8,928	7,283	6,231
Vacation, Holiday, Sick Leave	21,753	25,195	17,903
Depreciation	21,291	17,004	17,322
<b>Total Administrative and General</b>	<u>462,734</u>	<u>480,009</u>	<u>430,724</u>
<b>Total Operating Expenses</b>	<u><u>\$1,835,089</u></u>	<u><u>\$1,848,782</u></u>	<u><u>\$1,841,554</u></u>

**Muscatine Power and Water - Communications Utility**  
**Statistical Data**  
**February 2015**

<b>Services</b>	<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>CATV</b>					
Residential	6,023	0.3	6,044	(8.8)	6,628
Commercial/Hospitality	<u>160</u>	3.1	<u>165</u>	0.6	<u>164</u>
<b>Total CATV</b>	<b><u>6,183</u></b>	<b>0.4</b>	<b><u>6,209</u></b>	<b>(8.6)</b>	<b><u>6,792</u></b>
<b>Bulk Equivalent Services</b>	<b><u>368</u></b>	<b>3.3</b>	<b><u>380</u></b>	<b>1.3</b>	<b><u>375</u></b>
<b>Bulk Master Services</b>	<b><u>22</u></b>	<b>---</b>	<b><u>22</u></b>	<b>---</b>	<b><u>23</u></b>
<b>Internet</b>					
Residential	7,015	0.9	7,076	3.2	6,855
Commercial	<u>437</u>	8.2	<u>473</u>	0.9	<u>469</u>
<b>Total Internet</b>	<b><u>7,452</u></b>	<b>1.3</b>	<b><u>7,549</u></b>	<b>3.1</b>	<b><u>7,324</u></b>
<b>MAN/MME</b>	<b><u>73</u></b>	<b>8.2</b>	<b><u>79</u></b>	<b>29.5</b>	<b><u>61</u></b>

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