

Muscatine Power and Water

Communications Utility

Statement of Revenues, Expenses and Changes in Net Position

March 2015

**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 - March 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>
<u>Operating Revenue</u>					
CATV	\$539,100	6.3	\$573,266	(8.1)	\$624,065
Data/Internet	402,639	1.3	407,988	5.3	387,280
MAN/MME	53,687	(4.0)	51,518	19.6	43,088
Miscellaneous	11,053	30.9	14,465	26.9	11,398
Total Operating Revenues	<u>1,006,479</u>	4.0	<u>1,047,237</u>	(1.7)	<u>1,065,831</u>
<u>Operating Expense</u>					
Operation	678,840	6.5	722,817	4.0	694,693
Maintenance	79,647	(7.3)	73,838	(3.4)	76,474
Depreciation	151,785	(6.3)	142,226	(13.6)	164,703
Total Operating Expenses	<u>910,272</u>	3.1	<u>938,881</u>	0.3	<u>935,870</u>
Operating Income	<u>96,207</u>	12.6	<u>108,356</u>	(16.6)	<u>129,961</u>
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	1,310	1.2X	2,873	(26.6)	3,914
Interest Expense	(8,221)	---	(8,220)	(92.7)	(111,910)
Net Nonoperating Expense	<u>(6,911)</u>	(22.6)	<u>(5,347)</u>	(95.0)	<u>(107,996)</u>
Net Income before Capital Contributions	89,296	15.4	103,009	3.7X	21,965
Capital Contributions	1,000	5.5X	6,471	5.9X	933
Write Off - Loan from Electric	---	---	---	---	---
Change in Net Position	90,296		109,480		22,898
Beginning Net Position	<u>2,550,624</u>		<u>2,590,099</u>		<u>(23,530,637)</u>
Ending Net Position	<u>\$2,640,920</u>		<u>\$2,699,579</u>		<u>(\$23,507,739)</u>
Net Income to Operating Revenue	8.9		9.8		2.1
Debt Service Coverage on Bank Debt	2.76		2.81		3.25
Debt Service Coverage on Electric Utility Debt	3.62		3.72		1.99

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

	<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>
<u>Operating Revenue</u>					
CATV	\$1,620,207	4.8	\$1,697,577	(9.5)	\$1,874,912
Data/Internet	1,197,429	1.8	1,218,650	5.5	1,155,342
MAN/MME	161,061	(7.8)	148,443	15.0	129,034
Miscellaneous	33,161	11.4	36,945	4.0	35,540
Total Operating Revenues	3,011,858	3.0	3,101,615	(2.9)	3,194,828
<u>Operating Expense</u>					
Operation	2,051,229	4.9	2,151,264	4.7	2,055,476
Maintenance	238,780	(12.2)	209,721	(8.0)	227,840
Depreciation	455,353	(6.3)	426,678	(13.6)	494,109
Total Operating Expenses	2,745,362	1.5	2,787,663	0.4	2,777,425
Operating Income	266,496	17.8	313,952	(24.8)	417,403
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	3,844	1.1X	8,107	(28.7)	11,373
Interest Expense	(24,663)	---	(24,661)	(92.7)	(335,730)
Net Nonoperating Expense	(20,819)	(20.5)	(16,554)	(94.9)	(324,357)
Net Income before Capital Contributions	245,677	21.1	297,398	2.2X	93,046
Capital Contributions	3,000	2.3X	9,938	2.6X	2,769
Write Off - Loan from Electric	25,327,000	---	25,327,000	---	---
Change in Net Position	25,575,677		25,634,336		95,815
Beginning Net Position	(22,934,757)		(22,934,757)		(23,603,554)
Ending Net Position	\$2,640,920		\$2,699,579		(\$23,507,739)
Net Income (Loss) to Operating Revenue	8.2		9.6		2.9
Debt Service Coverage on Bank Debt	2.68		2.76		3.35
Debt Service Coverage on Electric Utility Debt	3.45		3.63		2.08

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

ASSETS

	<u>2015</u>	<u>2014</u>
Current Assets:		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$3,603,949	\$3,518,747
Investments	1,782,123	1,652,040
Receivables:		
Consumer Accounts	1,201,403	1,256,329
Interest	10,092	11,044
Inventories	240,111	263,331
Prepaid Expenses	<u>213,813</u>	<u>222,741</u>
Total Unrestricted Current Assets	<u>7,051,491</u>	<u>6,924,232</u>
<u>Restricted Assets</u>		
Cash - interest bearing	<u>32</u>	<u>20</u>
Total Restricted Current Assets	<u>32</u>	<u>20</u>
Total Current Assets	<u>7,051,523</u>	<u>6,924,252</u>
Property and Equipment:		
At Cost	33,016,587	32,657,631
Less Accumulated Depreciation	<u>24,871,905</u>	<u>23,715,323</u>
Net Property and Equipment	<u>8,144,682</u>	<u>8,942,308</u>
TOTAL ASSETS	<u><u>\$15,196,205</u></u>	<u><u>\$15,866,560</u></u>

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

LIABILITIES AND NET POSITION

	<u>2015</u>	<u>2014</u>
Current Liabilities:		
<u>Payable from Unrestricted Assets</u>		
Accrued Interest	\$12,500	\$311,760
Accounts Payable	484,958	508,460
Pension Provision	81,315	83,097
Health & Dental Insurance Provision	47,710	37,700
Accrued Payroll	22,552	110,024
Accrued Vacation	144,726	146,351
Accrued Property Taxes	9,249	9,503
Unearned Revenue - Dark Fiber Lease	17,500	17,500
Miscellaneous Accrued Expenses	107,509	159,016
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	928,019	1,383,411
	<hr/>	<hr/>
<u>Payable from Restricted Assets</u>		
Notes Payable:		
Banks	1,035,000	1,005,000
Electric Utility	476,665	---
Accrued Interest	12,161	23,970
	<hr/>	<hr/>
Total Payable from Restricted Assets	1,523,826	1,028,970
	<hr/>	<hr/>
Total Current Liabilities	2,451,845	2,412,381
	<hr/>	<hr/>
Non-Current Liabilities:		
Health & Dental Insurance Provision	186,228	263,450
Post-Employment Health Benefit Provision	75,114	58,864
Unearned Revenue - Dark Fiber Lease	260,104	277,604
Notes Payable:		
Banks	---	1,035,000
Electric Utility	9,523,335	35,327,000
	<hr/>	<hr/>
Total Non-Current Liabilities	10,044,781	36,961,918
	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets	6,633,017	6,902,308
Unrestricted	(3,933,438)	(30,410,047)
	<hr/>	<hr/>
Total Net Position	2,699,579	(23,507,739)
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TOTAL LIABILITIES AND NET POSITION	<u>\$15,196,205</u>	<u>\$15,866,560</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Communications sales	\$1,069,755	\$2,978,243
Advertising sales	33,420	112,157
Miscellaneous sources	11,502	102,722
Cash paid to/for:		
Suppliers	(570,477)	(1,628,186)
Employees payroll, taxes and benefits	(343,586)	(862,356)
Net cash flows from operating activities	200,614	702,580
Cash flows from capital and related financing activities:		
Capital expenditures, net	(54,005)	(216,559)
Loan principal payments	---	(1,005,000)
Loan interest payments	---	(671,462)
Net cash flows from capital and related financing activities	(54,005)	(1,893,021)
Cash flows from investing activities:		
Interest received on investments	155	29,031
Amortization/accretion of investments	---	---
Mark to Market	---	---
Net cash flows from investing activities	155	29,031
Net increase (decrease) in cash and investments	146,764	(1,161,410)
Cash and investments at beginning of period	5,239,340	6,547,514
Cash and investments at end of period	\$5,386,104	\$5,386,104

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$108,356	\$313,952
Noncash items in operating income:		
Converter/modem write-off	192	2,510
Depreciation of utility plant	142,226	426,678
Changes in assets and liabilities:		
Consumer accounts receivable	62,877	106,132
Inventories	6,709	864
Prepaid and deferred expenses	(62,300)	(142,241)
Accounts payable	(27,686)	17,998
Pension provision	27,105	81,315
Health & dental insurance provision	(4,458)	(57,454)
Other post-employment benefit provision	1,355	4,063
Unearned revenue	(1,459)	(15,555)
Accrued payroll	(71,878)	(53,683)
Accrued vacation	(1,146)	7,799
Accrued property taxes	(3,512)	(1,456)
Miscellaneous accrued expenses	24,233	11,658
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Net cash flows from operating activities	<u>\$200,614</u>	<u>\$702,580</u>

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

	<u>Budget Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>CATV</u>			
Program Acquisition Expense	\$339,165	\$374,396	\$359,788
Promotional Expense	533	531	601
Electricity Expense	2,583	3,528	2,504
Pole Attachment Expense	2,350	2,350	2,292
Changes of Service	1,367	1,217	1,124
Underground Line Expense	2,337	4,262	1,674
Ad Insertion - Marketing/Production	6,708	7,666	6,807
Miscellaneous CATV Expense	13,941	12,094	9,210
Vehicle Expense	5,990	2,981	5,349
Maintenance:			
Fiber	1,067	528	774
Coax	1,911	1,909	497
Drops	2,224	608	1,104
Conduit System	978	824	226
Headend	21,881	15,890	19,444
Line Equipment	4,891	3,776	5,270
Converters	6,355	2,736	2,840
Ad Insertion	3,850	4,969	4,189
Vacation, Holiday, Sick Leave	4,204	5,187	2,579
Property Taxes	677	677	733
Depreciation	95,081	88,602	111,937
Total CATV	518,093	534,731	538,942
<u>Data/Internet</u>			
Data/Internet Access Charges	23,437	23,754	25,655
Promotional Expense	533	557	667
Electricity Expense	87	120	85
Pole Attachment Expense	83	83	83
Changes of Service	70	522	482
Customer Wireless Equipment Expense	281	---	---
Underground Line Expense	80	145	57
Miscellaneous Data/Internet Expense	2,466	2,525	1,759
Vehicle Expense	844	359	649
Maintenance:			
Fiber	37	18	27
Coax	65	65	17
Drops	76	21	38
Conduit System	34	29	8
Headend	16,713	24,336	30,406
Line Equipment	215	135	180
Modems	4,831	8,795	2,688
Vacation, Holiday, Sick Leave	1,999	1,875	1,641
Property Taxes	24	24	26
Depreciation	24,401	24,511	23,680
Total Data/Internet	76,276	87,874	\$88,148

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>CATV</u>			
Program Acquisition Expense	\$1,018,542	\$1,107,308	\$1,070,456
Promotional Expense	1,599	1,762	1,945
Electricity Expense	7,750	9,109	7,484
Pole Attachment Expense	7,050	7,050	6,875
Changes of Service	4,185	3,637	3,396
Underground Line Expense	7,009	5,820	3,812
Ad Insertion - Marketing/Production	20,125	19,499	18,987
Miscellaneous CATV Expense	41,692	35,483	31,715
Vehicle Expense	17,930	11,143	14,755
Maintenance:			
Fiber	3,073	2,816	4,985
Coax	5,646	2,670	2,039
Drops	6,177	2,239	1,930
Conduit System	2,911	1,353	305
Headend	65,840	54,340	58,256
Line Equipment	13,894	11,141	15,608
Converters	18,906	8,959	12,819
Ad Insertion	11,303	14,408	13,168
Vacation, Holiday, Sick Leave	14,672	16,291	8,478
Property Taxes	2,030	2,030	2,200
Depreciation	285,242	265,806	335,811
Total CATV	1,555,576	1,582,864	1,615,024
<u>Data/Internet</u>			
Data/Internet Access Charges	70,310	72,441	76,595
Promotional Expense	1,599	2,014	2,043
Electricity Expense	261	311	255
Pole Attachment Expense	250	250	250
Changes of Service	212	1,559	1,456
Customer Wireless Equipment Expense	842	534	---
Underground Line Expense	239	199	130
Miscellaneous Data/Internet Expense	7,152	7,644	6,656
Vehicle Expense	2,533	1,349	1,789
Maintenance:			
Fiber	107	98	1,100
Coax	193	91	70
Drops	211	76	66
Conduit System	102	47	11
Headend	52,812	65,881	85,543
Line Equipment	618	397	533
Modems	14,283	19,239	8,868
Vacation, Holiday, Sick Leave	7,063	6,654	5,597
Property Taxes	73	73	77
Depreciation	73,204	73,533	71,040
Total Data/Internet	\$232,064	\$252,390	\$262,079

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>MAN/MME</u>			
Pole Attachment Expense	\$1,133	\$1,133	\$1,100
Tools Expense	292	(22)	85
Maintenance:			
Fiber	515	255	374
Conduit System	472	398	109
MAN/MME Equipment	8,868	3,967	5,285
Vacation, Holiday, Sick Leave	385	400	368
Property Taxes	327	327	354
Depreciation	21,657	20,611	20,425
Total MAN/MME	<u>33,649</u>	<u>27,069</u>	<u>28,100</u>
<u>Customer Service Expense</u>			
Customer Information Expense	<u>3,409</u>	<u>2,542</u>	<u>2,457</u>
<u>Consumer Accounts</u>			
Supervision	2,664	3,149	2,856
Consumer Records and Collections	42,335	46,872	40,245
Uncollectible Accounts Expense	1,796	1,796	3,627
Vacation, Holiday, Sick Leave	3,623	3,902	4,435
Total Consumer Accounts	<u>50,418</u>	<u>55,719</u>	<u>51,163</u>
<u>Administrative and General</u>			
Administrative and General Salaries	75,228	74,084	72,654
Office Supplies and Expense	4,743	8,731	6,767
Outside Services Employed	11,199	20,891	8,373
Property Insurance	1,248	1,187	1,040
Casualty Ins, Injuries & Damages	6,228	2,413	9,936
Employee Pensions and Benefits	85,947	85,932	89,426
Fringe Benefits Charges to Construction	(5,899)	(3,683)	(6,843)
Rents	9,482	9,482	9,206
Miscellaneous General Expense	16,151	9,404	16,100
Maintenance of General Plant	4,664	4,579	2,998
Vacation, Holiday, Sick Leave	8,790	9,424	8,742
Depreciation	10,646	8,502	8,661
Total Administrative and General	<u>228,427</u>	<u>230,946</u>	<u>227,060</u>
Total Operating Expenses	<u><u>\$910,272</u></u>	<u><u>\$938,881</u></u>	<u><u>\$935,870</u></u>

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

	Budget Estimate	This Year	Last Year
<u>MAN/MME</u>			
Pole Attachment Expense	\$3,400	\$3,400	\$3,300
Tools Expense	875	1,196	264
Maintenance:			
Fiber	1,483	1,412	2,406
Conduit System	1,405	653	147
MAN/MME Equipment	26,224	12,039	10,758
Vacation, Holiday, Sick Leave	1,405	1,945	1,332
Property Taxes	981	981	1,062
Depreciation	64,970	61,833	61,275
Total MAN/MME	100,743	83,459	80,544
<u>Customer Service Expense</u>			
Customer Information Expense	13,236	10,774	5,770
<u>Consumer Accounts</u>			
Supervision	7,943	8,661	8,429
Consumer Records and Collections	126,554	119,235	121,634
Uncollectible Accounts Expense	5,389	5,389	10,880
Vacation, Holiday, Sick Leave	12,696	13,937	15,281
Total Consumer Accounts	152,582	147,222	156,224
<u>Administrative and General</u>			
Administrative and General Salaries	225,579	213,113	216,063
Office Supplies and Expense	14,194	17,872	12,757
Outside Services Employed	30,379	75,284	30,993
Property Insurance	3,744	3,559	3,120
Casualty Ins, Injuries & Damages	18,893	24,769	21,948
Employee Pensions and Benefits	259,860	250,651	260,860
Fringe Benefits Charges to Construction	(17,217)	(12,594)	(18,225)
Rents	28,447	28,447	27,619
Miscellaneous General Expense	51,210	37,865	40,793
Maintenance of General Plant	13,592	11,862	9,228
Vacation, Holiday, Sick Leave	30,543	34,620	26,645
Depreciation	31,937	25,506	25,983
Total Administrative and General	691,161	710,954	657,784
Total Operating Expenses	\$2,745,362	\$2,787,663	\$2,777,425

Muscatine Power and Water - Communications Utility
Statistical Data
March 2015

<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	6,040	0.0	6,040	(9.1)	6,645
Commercial/Hospitality	<u>160</u>	2.5	<u>164</u>	0.6	<u>163</u>
Total CATV	<u><u>6,200</u></u>	0.1	<u><u>6,204</u></u>	(8.9)	<u><u>6,808</u></u>
Bulk Equivalent Services	<u>368</u>	3.3	<u>380</u>	1.3	<u>375</u>
Bulk Master Services	<u><u>22</u></u>	---	<u><u>22</u></u>	---	<u><u>23</u></u>
<u>Internet</u>					
Residential	7,073	0.8	7,132	3.0	6,926
Commercial	<u>437</u>	7.3	<u>469</u>	0.2	<u>468</u>
Total Internet	<u><u>7,510</u></u>	1.2	<u><u>7,601</u></u>	2.8	<u><u>7,394</u></u>
<u>MAN/MME</u>	<u><u>73</u></u>	9.6	<u><u>80</u></u>	31.1	<u><u>61</u></u>

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