

Muscatine Power and Water

Communications Utility

Statement of Revenues, Expenses and Changes in Net Position

April 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 - April 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	\$576,227	4.9	\$604,625	(2.9)	\$622,672
Data/Internet	402,909	3.4	416,419	5.9	393,059
MAN/MME	54,109	(8.0)	49,771	14.8	43,350
Miscellaneous	11,054	0.7	11,129	(3.7)	11,555
Total Operating Revenues	<u>1,044,299</u>	3.6	<u>1,081,944</u>	1.1	<u>1,070,636</u>
<u>Operating Expense</u>					
Operation	694,001	(0.4)	690,878	(1.3)	700,236
Maintenance	78,895	(5.5)	74,533	(2.7)	76,612
Depreciation	151,784	(6.3)	142,226	(13.6)	164,703
Total Operating Expenses	<u>924,680</u>	(1.8)	<u>907,637</u>	(3.6)	<u>941,551</u>
Operating Income	<u>119,619</u>	45.7	<u>174,307</u>	35.0	<u>129,085</u>
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	1,339	1.1X	2,809	(26.4)	3,814
Interest Expense	(8,221)	---	(8,220)	(92.7)	(111,910)
Net Nonoperating Expense	<u>(6,882)</u>	(21.4)	<u>(5,411)</u>	(95.0)	<u>(108,096)</u>
Net Income before Capital Contributions	112,737	49.8	168,896	7.0X	20,989
Capital Contributions	1,000	74.6	1,746	22.8	1,422
Write Off - Loan from Electric	---	---	---	---	---
Change in Net Position	113,737		170,642		22,411
Beginning Net Position	<u>2,640,920</u>		<u>2,699,579</u>		<u>(23,507,739)</u>
Ending Net Position	<u>\$2,754,657</u>		<u>\$2,870,221</u>		<u>(\$23,485,328)</u>
Net Income to Operating Revenue	10.8		15.6		2.0
Debt Service Coverage on Bank Debt	3.02		3.54		3.24
Debt Service Coverage on Electric Utility Debt	4.16		5.22		1.98

Muscatine Power and Water - Communications Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - April 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	\$2,196,434	4.8	\$2,302,202	(7.8)	\$2,497,585
Data/Internet	1,600,338	2.2	1,635,069	5.6	1,548,401
MAN/MME	215,170	(7.9)	198,214	15.0	172,384
Miscellaneous	44,215	8.7	48,074	2.1	47,092
Total Operating Revenues	<u>4,056,157</u>	3.1	<u>4,183,559</u>	(1.9)	<u>4,265,462</u>
<u>Operating Expense</u>					
Operation	2,745,229	3.5	2,842,141	3.1	2,755,710
Maintenance	317,675	(10.5)	284,254	(6.6)	304,453
Depreciation	607,138	(6.3)	568,904	(13.6)	658,812
Total Operating Expenses	<u>3,670,042</u>	0.7	<u>3,695,299</u>	(0.6)	<u>3,718,975</u>
Operating Income	<u>386,115</u>	26.5	<u>488,260</u>	(10.7)	<u>546,487</u>
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	5,183	1.1X	10,916	(28.1)	15,188
Interest Expense	(32,884)	---	(32,882)	(92.7)	(447,640)
Net Nonoperating Expense	<u>(27,701)</u>	(20.7)	<u>(21,966)</u>	(94.9)	<u>(432,452)</u>
Net Income before Capital Contributions	358,414	30.1	466,294	3.1X	114,035
Capital Contributions	4,000	1.9X	11,684	1.8X	4,191
Write Off - Loan from Electric	25,327,000	---	25,327,000	---	---
Change in Net Position	25,689,414		25,804,978		118,226
Beginning Net Position	<u>(22,934,757)</u>		<u>(22,934,757)</u>		<u>(23,603,554)</u>
Ending Net Position	<u>\$2,754,657</u>		<u>\$2,870,221</u>		<u>(\$23,485,328)</u>
Net Income (Loss) to Operating Revenue	8.8		11.2		2.7
Debt Service Coverage on Bank Debt	2.76		2.96		3.33
Debt Service Coverage on Electric Utility Debt	3.63		4.03		2.05

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

ASSETS

	<u>2015</u>	<u>2014</u>
Current Assets:		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$3,824,398	\$4,239,197
Investments	1,782,123	1,152,000
Receivables:		
Consumer Accounts	1,237,222	1,225,171
Interest	12,729	14,449
Inventories	232,726	265,860
Prepaid Expenses	232,246	205,897
	<hr/>	<hr/>
Total Unrestricted Current Assets	7,321,444	7,102,574
	<hr/>	<hr/>
<u>Restricted Assets</u>		
Cash - interest bearing	32	20
	<hr/>	<hr/>
Total Restricted Current Assets	32	20
	<hr/>	<hr/>
Total Current Assets	7,321,476	7,102,594
	<hr/>	<hr/>
Property and Equipment:		
At Cost	33,055,581	32,659,399
Less Accumulated Depreciation	25,014,131	23,813,017
	<hr/>	<hr/>
Net Property and Equipment	8,041,450	8,846,382
	<hr/>	<hr/>
TOTAL ASSETS	<u><u>\$15,362,926</u></u>	<u><u>\$15,948,976</u></u>

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

LIABILITIES AND NET POSITION

	<u>2015</u>	<u>2014</u>
Current Liabilities:		
<u>Payable from Unrestricted Assets</u>		
Accrued Interest	\$16,668	\$415,680
Accounts Payable	457,131	530,983
Pension Provision	108,420	110,796
Health & Dental Insurance Provision	47,710	37,700
Intercompanies	---	58
Accrued Payroll	39,478	29,961
Accrued Vacation	151,762	149,733
Accrued Property Taxes	10,277	10,616
Unearned Revenue - Dark Fiber Lease	17,500	17,500
Miscellaneous Accrued Expenses	77,126	116,691
	<hr/>	<hr/>
Total Payable from Unrestricted Assets	926,072	1,419,718
	<hr/>	<hr/>
<u>Payable from Restricted Assets</u>		
Notes Payable:		
Banks	1,035,000	1,005,000
Electric Utility	476,665	---
Accrued Interest	16,214	31,960
	<hr/>	<hr/>
Total Payable from Restricted Assets	1,527,879	1,036,960
	<hr/>	<hr/>
Total Current Liabilities	2,453,951	2,456,678
	<hr/>	<hr/>
Non-Current Liabilities:		
Health & Dental Insurance Provision	180,305	279,262
Post-Employment Health Benefit Provision	76,468	60,218
Unearned Revenue - Dark Fiber Lease	258,646	276,146
Notes Payable:		
Banks	---	1,035,000
Electric Utility	9,523,335	35,327,000
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Total Non-Current Liabilities	10,038,754	36,977,626
	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets	6,529,785	6,806,382
Unrestricted	(3,659,564)	(30,291,710)
	<hr/>	<hr/>
Total Net Position	2,870,221	(23,485,328)
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET POSITION	<u>\$15,362,926</u>	<u>\$15,948,976</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Communications sales	\$999,329	\$3,977,572
Advertising sales	35,172	147,330
Miscellaneous sources	8,916	111,639
Cash paid to/for:		
Suppliers	(514,618)	(2,142,807)
Employees payroll, taxes and benefits	(271,810)	(1,134,165)
Net cash flows from operating activities	<u>256,989</u>	<u>959,569</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(36,712)	(253,272)
Loan principal payments	---	(1,005,000)
Loan interest payments	---	(671,462)
Net cash flows from capital and related financing activities	<u>(36,712)</u>	<u>(1,929,734)</u>
Cash flows from investing activities:		
Interest received on investments	172	29,204
Mark to Market	---	---
Net cash flows from investing activities	<u>172</u>	<u>29,204</u>
Net increase (decrease) in cash and investments	<u>220,449</u>	<u>(940,961)</u>
Cash and investments at beginning of period	<u>5,386,104</u>	<u>6,547,514</u>
Cash and investments at end of period	<u><u>\$5,606,553</u></u>	<u><u>\$5,606,553</u></u>

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

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$174,307	\$488,260
Noncash items in operating income:		
Converter/modem write-off	---	2,510
Depreciation of utility plant	142,226	568,904
Changes in assets and liabilities:		
Consumer accounts receivable	(35,819)	70,313
Inventories	7,385	8,249
Prepaid and deferred expenses	(18,433)	(160,674)
Accounts payable	(28,363)	(10,365)
Pension provision	27,105	108,420
Health & dental insurance provision	(5,923)	(63,377)
Other post-employment benefit provision	1,354	5,417
Unearned revenue	(1,458)	(17,013)
Accrued payroll	16,926	(36,757)
Accrued vacation	7,036	14,835
Accrued property taxes	1,028	(428)
Miscellaneous accrued expenses	(30,382)	(18,725)
	<u>\$256,989</u>	<u>\$959,569</u>
Net cash flows from operating activities	<u>\$256,989</u>	<u>\$959,569</u>

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>CATV</u>			
Program Acquisition Expense	\$340,650	\$348,642	\$368,666
Promotional Expense	533	393	445
Electricity Expense	2,583	2,770	2,508
Pole Attachment Expense	2,350	2,350	2,292
Changes of Service	1,466	718	875
Underground Line Expense	2,365	3,146	2,842
Ad Insertion - Marketing/Production	6,708	6,554	5,692
Miscellaneous CATV Expense	13,621	12,728	8,096
Vehicle Expense	5,951	2,909	5,735
Maintenance:			
Fiber	1,052	19	1,001
Coax	1,856	1,912	2,879
Drops	2,138	2,688	2,530
Conduit System	1,308	2,470	1,415
Headend	21,706	17,562	19,360
Line Equipment	4,800	2,995	4,208
Converters	6,411	3,719	2,063
Ad Insertion	3,850	4,446	4,411
Vacation, Holiday, Sick Leave	6,260	6,095	5,876
Property Taxes	677	677	734
Depreciation	95,080	88,602	111,937
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Total CATV	521,365	511,395	553,565
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<u>Data/Internet</u>			
Data/Internet Access Charges	23,436	24,614	27,114
Promotional Expense	533	399	491
Electricity Expense	87	93	86
Pole Attachment Expense	83	83	83
Changes of Service	73	308	375
Customer Wireless Equipment Expense	281	163	---
Underground Line Expense	81	107	97
Miscellaneous Data/Internet Expense	2,342	1,824	3,063
Vehicle Expense	844	354	695
Maintenance:			
Fiber	37	1	35
Coax	63	65	98
Drops	73	92	88
Conduit System	46	86	49
Headend	16,711	23,209	27,498
Line Equipment	212	108	144
Modems	4,888	6,825	3,790
Vacation, Holiday, Sick Leave	3,066	3,660	1,990
Property Taxes	24	24	26
Depreciation	24,401	24,511	23,680
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Total Data/Internet	77,281	86,526	\$89,402
	<hr/>	<hr/>	<hr/>

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

	Budget		
	Estimate	This Year	Last Year
<u>CATV</u>			
Program Acquisition Expense	\$1,359,191	\$1,455,950	\$1,439,122
Promotional Expense	2,132	2,155	2,390
Electricity Expense	10,333	11,879	9,992
Pole Attachment Expense	9,400	9,400	9,167
Changes of Service	5,651	4,355	4,271
Underground Line Expense	9,374	8,966	6,654
Ad Insertion - Marketing/Production	26,834	26,054	24,679
Miscellaneous CATV Expense	55,313	48,210	39,811
Vehicle Expense	23,880	14,053	20,490
Maintenance:			
Fiber	4,126	2,836	5,986
Coax	7,502	4,581	4,918
Drops	8,316	4,927	4,461
Conduit System	4,219	3,823	1,720
Headend	87,546	71,902	77,615
Line Equipment	18,694	14,136	19,816
Converters	25,317	12,677	14,882
Ad Insertion	15,153	18,854	17,579
Vacation, Holiday, Sick Leave	20,932	22,387	14,354
Property Taxes	2,707	2,707	2,934
Depreciation	380,322	354,408	447,748
Total CATV	2,076,942	2,094,260	2,168,589
<u>Data/Internet</u>			
Data/Internet Access Charges	93,746	97,056	103,710
Promotional Expense	2,132	2,413	2,534
Electricity Expense	348	403	341
Pole Attachment Expense	333	333	333
Changes of Service	285	1,866	1,831
Customer Wireless Equipment Expense	1,123	696	---
Underground Line Expense	320	306	227
Miscellaneous Data/Internet Expense	9,494	9,468	9,718
Vehicle Expense	3,377	1,703	2,484
Maintenance:			
Fiber	144	99	1,135
Coax	256	156	168
Drops	284	168	154
Conduit System	147	133	60
Headend	69,523	89,090	113,041
Line Equipment	830	505	676
Modems	19,170	26,064	12,659
Vacation, Holiday, Sick Leave	10,129	10,314	7,587
Property Taxes	98	98	102
Depreciation	97,606	98,044	94,720
Total Data/Internet	\$309,345	\$338,915	\$351,480

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

	<u>Budget 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	210	12
Maintenance:			
Fiber	508	9	483
Conduit System	631	1,192	683
MAN/MME Equipment	8,748	3,264	2,518
Vacation, Holiday, Sick Leave	634	429	489
Property Taxes	327	327	354
Depreciation	21,657	20,611	20,425
Total MAN/MME	33,930	27,175	26,064
<u>Customer Service Expense</u>			
Customer Information Expense	6,257	4,053	1,643
<u>Consumer Accounts</u>			
Supervision	2,663	3,006	1,532
Consumer Records and Collections	42,666	45,855	42,561
Uncollectible Accounts Expense	1,796	1,796	3,627
Vacation, Holiday, Sick Leave	5,450	5,969	5,560
Total Consumer Accounts	52,575	56,626	53,280
<u>Administrative and General</u>			
Administrative and General Salaries	75,110	74,233	73,326
Office Supplies and Expense	4,711	4,301	4,279
Outside Services Employed	8,885	9,321	7,414
Property Insurance	1,282	1,172	1,186
Casualty Ins, Injuries & Damages	6,438	5,460	5,982
Employee Pensions and Benefits	89,320	85,603	93,313
Fringe Benefits Charges to Construction	(6,021)	(3,975)	(7,770)
Rents	9,482	9,482	9,206
Miscellaneous General Expense	16,580	11,793	8,711
Maintenance of General Plant	3,857	3,871	3,359
Vacation, Holiday, Sick Leave	12,982	12,099	9,930
Depreciation	10,646	8,502	8,661
Total Administrative and General	233,272	221,862	217,597
Total Operating Expenses	\$924,680	\$907,637	\$941,551

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

	Budget		
	Estimate	This Year	Last Year
<u>MAN/MME</u>			
Pole Attachment Expense	\$4,533	\$4,533	\$4,400
Tools Expense	1,167	1,406	276
Maintenance:			
Fiber	1,991	1,422	2,889
Conduit System	2,036	1,845	830
MAN/MME Equipment	34,972	15,303	13,276
Vacation, Holiday, Sick Leave	2,038	2,374	1,821
Property Taxes	1,308	1,308	1,416
Depreciation	86,627	82,444	81,700
Total MAN/MME	134,672	110,635	106,608
<u>Customer Service Expense</u>			
Customer Information Expense	19,493	14,827	7,412
<u>Consumer Accounts</u>			
Supervision	10,606	11,668	9,962
Consumer Records and Collections	169,220	165,088	164,194
Uncollectible Accounts Expense	7,185	7,185	14,506
Vacation, Holiday, Sick Leave	18,145	19,906	20,841
Total Consumer Accounts	205,156	203,847	209,503
<u>Administrative and General</u>			
Administrative and General Salaries	300,689	287,346	289,389
Office Supplies and Expense	18,905	22,174	17,036
Outside Services Employed	39,264	84,605	38,407
Property Insurance	5,026	4,731	4,306
Casualty Ins, Injuries & Damages	25,331	30,229	27,930
Employee Pensions and Benefits	349,180	336,254	354,173
Fringe Benefits Charges to Construction	(23,238)	(16,570)	(25,995)
Rents	37,929	37,929	36,825
Miscellaneous General Expense	67,790	49,658	49,504
Maintenance of General Plant	17,449	15,733	12,588
Vacation, Holiday, Sick Leave	43,526	46,718	36,576
Depreciation	42,583	34,008	34,644
Total Administrative and General	924,434	932,815	875,383
Total Operating Expenses	\$3,670,042	\$3,695,299	\$3,718,975

Muscatine Power and Water - Communications Utility
Statistical Data
April 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	6,041	(0.3)	6,024	(9.4)	6,646
Commercial/Hospitality	<u>160</u>	1.9	<u>163</u>	---	<u>163</u>
Total CATV	<u>6,201</u>	(0.2)	<u>6,187</u>	(9.1)	<u>6,809</u>
Bulk Equivalent Services	<u>368</u>	3.3	<u>380</u>	1.3	<u>375</u>
Bulk Master Services	<u>22</u>	---	<u>22</u>	---	<u>23</u>
<u>Internet</u>					
Residential	7,106	1.4	7,202	3.2	6,977
Commercial	<u>437</u>	9.4	<u>478</u>	2.6	<u>466</u>
Total Internet	<u>7,543</u>	1.8	<u>7,680</u>	3.2	<u>7,443</u>
<u>MAN/MME</u>	<u>73</u>	9.6	<u>80</u>	19.4	<u>67</u>

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