

# MOHAWK VALLEY WATER AUTHORITY

Month 1: Month Ended April 30, 2011

**Finance Committee Members**

**Terms Ending**

December 31,

Rocco Arcuri, Finance Committee Chair	2010
Vincent Coyne	2011
Elis DeLia, Board Chairman	2013
George Gaston	2011
Bruce Brodsky	2011

Prepared By: Accounting Staff  
Jim Korfonta, CPA  
Comptroller

# MOHAWK VALLEY WATER AUTHORITY

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MOHAWK VALLEY WATER AUTHORITY  
For the Month Ended April 30, 2011

**EXECUTIVE SUMMARY**

**Consumption:**

**Fiscal Month Ended April 30, 2011**

After water consumption stabilized during fiscal year 2011, consumption for April 2011 ( first month of the fiscal year ) was lower by almost 2 million cubic feet compared to the April 2010 consumption. We will continue to monitor this situation for the next few months, and suggest corrective actions if necessary.

**Water Sales:**

For the first month of the current fiscal year, water sales are slightly above the budget.

**Cash Flow:**

Cash-flow took a drop of ( \$200,000 ) during April primarily due to lower than expected collections on water sales. As in past years, this is anticipated to recover in the next several months.

# MOHAWK VALLEY WATER AUTHORITY

## STATEMENT OF ASSETS AND LIABILITIES (NET ASSETS STATEMENT)

As of April 30, 2011

<u>Accounts</u>	<u>Reference to Detail</u>	<u>April Balances</u>	<u>March Balances</u>
<b>ASSETS</b>			
Current Assets			
Cash	See Page 5	\$ 6,387,094	\$ 6,871,597
Accounts Receivable	See Page 6-7	2,270,411	1,953,785
Other Receivables		78,786	77,254
Allowance for Bad Debts	(1)	(406,445)	(387,746)
Net Accounts Receivable		1,942,752	1,643,293
Inventory		239,736	188,224
Prepays	(2)	475,521	1,189,602
Total Current Assets		9,045,103	9,892,716
Long Term Assets			
Trust Fund Deposits		14,803,766	15,439,909
Unamortized Bond Costs		1,616,825	1,625,586
		16,420,591	17,065,495
Property & Equipment		88,986,760	88,373,690
Accumulated Depreciation	(3)	(15,430,423)	(15,304,918)
Net Property & Equipment		73,556,337	73,068,772
Total Long Term Assets		89,976,928	90,134,267
Total Assets (Short and Long Term)		\$ 99,022,031	\$ 100,026,983

(1)--Account is adjusted quarterly using the "percentage" method.

(2)--Consists primarily of prepaid interest expense on outstanding bonds.

(3)--Adjusted monthly using the straight-line method based upon an asset's useful life.

# MOHAWK VALLEY WATER AUTHORITY

## STATEMENT OF ASSETS AND LIABILITIES (NET ASSETS STATEMENT)

As of April 30, 2011

Accounts	Reference to Detail	April Balances	March Balances
<b>LIABILITIES</b>			
Current Liabilities			
Currently Due on Bonds		\$ 2,615,000	\$ 2,490,000
Currently Due on Note to City of Utica		108,704	108,704
Accounts Payable		539,180	666,010
Other Accrued Liabilities		337,007	35,561
Accrued Interest		377,155	1,078,940
Total Current Liabilities		3,977,046	4,379,215
Long Term Debt			
Bonds Payable		57,848,720	58,578,720
Bond (Discounts)/ Premiums		(2,199,380)	(2,214,536)
Net Bonds Payable		55,649,340	56,364,184
Promissory Note		6,213,172	6,213,172
Other Long Term Liabilities		1,559,042	1,559,042
Total Long Term Debt		63,421,554	64,136,398
Total Liabilities (Short and Long Term)		67,398,600	68,515,613
Net Assets			
Invested in Utility Plant, Net		18,178,331	18,178,331
Reserves:			
Bond Covenant Reserve-Legislative	(4)	763,948	763,948
Repair & Improvement Reserve-Legislative		621,715	621,715
Board-Created Reserves		3,244,066	3,244,066
Total Reserves		4,629,729	4,629,729
Currently Unrestricted		8,815,371	8,703,310
Total Net Assets		31,623,431	31,511,370
Total Liabilities and Net Assets		\$ 99,022,031	\$ 100,026,983

(4)--Covenant requires 115% of the estimated aggregate debt service be budgeted and collected.

**MOHAWK VALLEY WATER AUTHORITY**  
**STATEMENT OF REVENUES AND EXPENSES**  
**As of April 30, 2011**

Account/Function	Reference to Detail	Year to Date Actual	YTD Budget Cash Basis	Variance	Variance %
<b>Revenues:</b>					
Metered Consumption		1,085,486	1,044,261	41,225	3.95%
Water System Charge		432,388	432,388	-	0.00%
		1,517,874	1,476,649	41,225	2.79%
Delinquency Charges		57,832	61,080	(3,248)	(5.32%)
Fees and Ancillary Charges		25,834	17,299	8,535	49.34%
Other Services		44,431	43,067	1,364	3.17%
Nonoperating Revenue		7,064	30,219 (a)	(23,155)	(76.62%)
		135,161	151,665	(16,504)	(10.88%)
<b>Total Revenue</b>		<b>1,653,035</b>	<b>1,628,314</b>	<b>24,721</b>	<b>1.52%</b>
<b>Expenses:</b>					
	See pages 8-10				
<b>Operating-</b>					
Administration		36,850	45,301	8,451	18.66%
Finance & Accounting		73,480	74,267	787	1.06%
Customer Service		25,045	32,979	7,934	24.06%
Engineering		48,192	71,876	23,684	32.95%
Water Distribution		39,328	47,524	8,196	17.25%
Capital Projects (Merged into Engineering-FY2012)		-	-	-	0.00%
Information Technology		42,989	61,668	18,679	30.29%
Water Quality		47,553	62,726	15,173	24.19%
Treatment Plant		73,082	141,283	68,201	48.27%
Maintenance		197,413	426,391	228,978	53.70%
General Services		109,055	120,759	11,704	9.69%
		692,987	1,084,774	391,787	36.12%
<b>Non-Operating-</b>					
Interest Expense/ Debt Service		955,510	484,067	(471,443)	(97.39%)
PILOT Payments		121,683	121,683	-	0.00%
Depreciation and Amortization		137,230	-	(137,230)	100.00%
Post-Employment Health Expense		-	-	-	100.00%
		1,214,423	605,750	(608,673)	(100.48%)
<b>Total Expenses</b>		<b>1,907,410</b>	<b>1,690,524</b>	<b>(216,886)</b>	<b>(12.83%)</b>
<b>Net Revenues</b>		<b>(254,375)</b>	<b>(62,210)</b>	<b>(192,165)</b>	

(a)--Budgeted to use \$581,888 cash carried over from prior year.

**MOHAWK VALLEY WATER AUTHORITY  
CASH FLOW--WATER SALES--CONSUMPTION  
FISCAL YEAR 2012**

**CASH FLOW**

		Beginning Cash	Cash In	Cash Out	Net Change In Cash	Balance Remaining
April 30, 2011	Operating Cash		\$ 1,244,526	\$ 1,434,893	\$ (190,367)	
	Capital		\$ 323,130	\$ 80,140	\$ 242,991	
Year-To-Date	Operating Cash	\$ 6,072,595	\$ 1,244,526	\$ 1,434,893	\$ (190,367)	\$ 5,882,228
	Capital	\$ 261,875	\$ 323,130	\$ 80,140	\$ 242,991	\$ 504,866
<b>Total</b>		<b>\$ 6,334,470</b>	<b>\$ 1,567,657</b>	<b>\$ 1,515,033</b>	<b>\$ 52,623</b>	<b>\$ 6,387,094</b>

**WATER SALES**

FISCAL 2012	Budgeted Water Billings	Actual Water Billings	Cash Receipts	Reading Areas	FISCAL 2011 Actual Water Billings	Cash Receipts
April	\$1,476,649	\$ 1,517,874	\$ 1,149,159	Area 1	\$1,524,835	\$ 1,211,790
May	\$1,482,975			Area 2	1,530,553	1,537,891
June	\$1,522,483			Area 3	1,571,161	1,611,596
July	\$1,554,060			Area 1	1,605,775	1,604,075
August	\$1,642,945			Area 2	1,697,865	1,656,386
September	\$1,597,241			Area 3	1,649,457	1,718,673
October	\$1,557,201			Area 1	2,044,298	1,351,231
November	\$1,518,693			Area 2	1,132,602	1,793,221
December	\$1,504,112			Area 3	1,552,168	1,581,069
January	\$1,484,560			Area 1	1,532,578	1,519,209
February	\$1,466,785			Area 2	1,513,859	1,469,531
March	\$1,454,632			Area 3	1,500,181	1,940,315
<b>Total</b>	<b>\$ 18,262,335</b>	<b>\$ 1,517,874</b>	<b>\$ 1,149,159</b>		<b>\$ 18,855,332</b>	<b>\$ 18,994,987</b>

**WATER CONSUMPTION ( In 100s of cubic feet )**

	FISCAL 12	FISCAL 112	FISCAL 10	FISCAL 09	FISCAL 08	FISCAL 07	FISCAL 06
April	375,710	395,309	395,288	378,976	432,916	419,926	421,158
May		397,704	406,161	457,738	426,915	412,210	433,169
June		399,503	406,167	430,138	443,804	439,976	463,071
July		424,367	421,843	403,899	441,659	434,777	477,805
August		459,796	446,467	476,222	509,872	475,315	514,883
September		450,066	441,571	443,089	490,350	481,714	507,461
October		425,486	429,416	445,281	442,832	433,788	469,375
November		407,850	412,449	465,692	453,228	472,441	473,127
December		380,616	370,445	382,666	396,729	405,714	408,938
January		395,501	406,686	417,041	414,074	383,500	407,949
February		381,602	382,237	388,846	426,833	434,822	398,579
March		375,282	382,409	388,181	413,102	410,349	400,517
<b>Total</b>	<b>375,710</b>	<b>4,893,082</b>	<b>4,901,139</b>	<b>5,077,769</b>	<b>5,292,314</b>	<b>5,204,532</b>	<b>5,376,032</b>

April, 2011

**CURRENT WATER RECEIVABLES – AGING OF ACCOUNTS:**

Note: Accounts have been specifically identified if they are greater than \$1,000 with significant balances over 71 days old.

Customer	Route & Account	Address	Total	0-23	24-45	46-71	72-122	123-157	158 +	Acct. Status
City of Utica	75 accounts	Various	52,029	6,469	638	1,259	3,146	828	39,689	Posted
Louis & Michael Diana	1A 12	104 Genesee Street, Utica	1,737	-	15	-	1,722	-	-	Posted
Rowan Apartment, LLC	1E 16	14-16 Watson Place, Utica	2,137	1,538	-	15	584	-	-	Posted
Rose Riversong	1E 35	3 Waverly Place, Utica	2,356	2,356	-	-	-	-	-	Posted
Lilowite Puran	1E 134	700 Oswego Street, Utica	5,014	429	60	67	585	57	3,816	Posted
Tony Myers	3C 4A	1612 Sunset Avenue, Utica	1,998	106	-	-	1,892	-	-	Posted
Robert Hadjuk	3C 112A	1654 Hager Str. ( 2nd Fl ) Utica	3,301	2,375	-	16	895	15	-	Posted
Trisha Wolfe	7C 74	910 Matthews Avenue, Utica	1,150	56	14	28	87	26	939	Posted
Jo-Mic, Inc.	8B 4	814 Charlotte Street, Utica	2,995	104	-	-	2,108	-	783	Posted
Jo-Mic, Inc.	8B 5	812 Charlotte Street, Utica	2,176	70	-	15	2,076	15	-	Posted
Cheryl Bush	11E 90BK	1670 Howard Ave. Utica	1,792	571	15	-	576	15	615	Posted
Stateside Properties	15B 152A	611 South Street, Utica	2,353	10	15	-	1,293	-	1,035	Posted
Mohamed Ashin	16E 94	776 Bleker Street, Utica	1,020	10	15	-	356	-	639	Posted
Peter Dawes	16F 21	740-42 Catherine Street, Utica	1,807	-	-	-	63	-	1,744	Posted
Robert Dole	31B 144	P.O. Box 595, Oriskany, NY	1,036	-	11	127	33	124	741	Posted
Richard Alexander, Co.	31D 98	5920 Airport Rd. Oriskany	4,336	-	-	2,146	1,416	774	-	Posted
Simpson Manors	37A 1C	99 Commercial Dr. Whitesb.	2,130	-	1,290	15	-	825	-	Posted
Ronald Steven Prince	50A 51	520 Seneca Street, Utica	3,466	15	196	228	447	218	2,362	Posted
Utica Industrial Dev. Agency	52A 32	173-77 Genesee Street, Utica	2,102	15	373	432	865	417	-	Posted
Express Food Mart	52A 35	167 Genesee Street, Utica	1,202	15	95	120	236	120	616	Posted
Kurt Wiess Utica	55B 13	1113 Herkimer Road, Utica	8,976	-	4,242	3,353	1,381	-	-	Posted
Timothy Klotz	16 accounts	See separate attachment	7,643	210	158	638	2,394	532	3,711	Posted
JAC Builders / Joel Kraut	6 accounts	See separate attachment	3,031	60	253	49	582	93	1,994	Posted
H Palmer Properties	9 accounts	See separate attachment	5,721	174	236	994	353	1,313	2,651	Posted

April, 2011

**CURRENT WATER RECEIVABLES – AGING OF ACCOUNTS:**

Note: Accounts have been specifically identified if they are greater than \$1,000 with significant balances over 71 days old.

Customer	Route & Account	Address	Total	0-23	24-45	46-71	72-122	123-157	158 +	Acct. Status
<b>DELINQUENT ACCOUNTS - SHUT-OFFS</b>										
Robert Williams	1F 111	23 Shaw Street, Utica	2,247	1,112	-	17	1,103	15	-	Shut-off
Robert Hadjuk	3C 112	1654 Hager Str. ( 1st Fl ) Utica	3,272	2,303	2	16	728	15	208	Shut-off
Stuart Bannatyne	7F 13	330-334 Main Street	1,109	447	3	19	248	15	377	Shut-off
Stuart Bannatyne	7F 26	330-334 Main Street	1,219	311	4	18	309	15	562	Shut-off
PROS Mam	11C 43	1560-62 West Street, Utica	2,394	56	-	-	63	-	2,275	Shut-off
Chanel Colvin	11F 77	1626 Neilson Street, Utica	2,353	836	15	-	1,487	15	-	Shut-off
Marco Gonzales	13F 61	1124 Dudley Avenue, Utica	1,133	106	25	10	162	15	815	Shut-off
Lloyd Barth	17D 23	612 Kossuth Avenue, Utica	5,816	-	-	-	63	-	5,753	Shut-off
Cavallos Restaurant	25C 23	40 Genesee Street, Utica	1,450	15	-	-	1,435	-	-	Shut-off
Wendy Baldanza	33K 42BK	7874 Steuben Street, HP	3,107	-	2,984	15	-	108	-	Shut-off
Khalid Siddiqui	26E 28A	402 Higby Rd. NH	3,656	-	2	2	3,454	-	198	Shut-off
SIBFS, 1900 LLC	52E 61	1900 Bleeker Street, Utica	2,513	15	400	536	1,049	513	-	Shut-off
Charleston Mall	55A 17	311 Turner Street, Utica	7,663	15	1,246	1,636	3,201	1,565	-	Shut-off
City of Utica Delinquents-FY '11			219,120	-	-	-	-	-	219,120	
City of Utica Delinquents-FY '10			153,481	-	-	-	-	-	153,481	
City of Utica Delinquents-FY '09			87,490	-	-	-	-	-	87,490	
Oneida County Delinquents			47,757	-	-	-	-	-	47,757	
Village Delinquents			99,984	-	-	-	-	-	99,984	
Remaining Accounts			1,534,245	916,031	190,377	133,626	166,445	55,600	72,166	Change
<b>April, 2011</b>			<u>2,301,517</u>	<u>935,830</u>	<u>202,684</u>	<u>145,397</u>	<u>202,837</u>	<u>63,248</u>	<u>751,521</u>	15.03%
<b>March, 2011</b>			<u>2,000,764</u>	<u>573,822</u>	<u>192,077</u>	<u>164,203</u>	<u>174,078</u>	<u>42,084</u>	<u>854,500</u>	-17.13%
<b>February, 2011</b>			<u>2,414,308</u>	<u>794,772</u>	<u>245,386</u>	<u>200,209</u>	<u>159,540</u>	<u>156,067</u>	<u>858,334</u>	3.25%
<b>January, 2011</b>			<u>2,338,328</u>	<u>771,459</u>	<u>155,591</u>	<u>151,578</u>	<u>297,660</u>	<u>82,620</u>	<u>879,420</u>	2.58%
<b>December, 2010</b>			<u>2,279,559</u>	<u>598,399</u>	<u>244,304</u>	<u>242,660</u>	<u>265,148</u>	<u>72,810</u>	<u>856,238</u>	-0.45%
<b>November, 2010</b>			<u>2,289,906</u>	<u>725,408</u>	<u>403,930</u>	<u>108,155</u>	<u>158,438</u>	<u>136,023</u>	<u>757,951</u>	-9.24%
<b>October, 2010</b>			<u>2,523,132</u>	<u>1,016,710</u>	<u>218,395</u>	<u>140,046</u>	<u>248,601</u>	<u>43,267</u>	<u>856,113</u>	9.42%
<b>September, 2010</b>			<u>2,305,960</u>	<u>797,875</u>	<u>164,855</u>	<u>175,588</u>	<u>237,282</u>	<u>94,177</u>	<u>836,183</u>	1.04%
<b>August, 2010</b>			<u>2,282,322</u>	<u>693,307</u>	<u>303,017</u>	<u>189,176</u>	<u>170,472</u>	<u>145,191</u>	<u>781,159</u>	2.78%
<b>July, 2010</b>			<u>2,220,606</u>	<u>785,484</u>	<u>197,118</u>	<u>145,615</u>	<u>255,223</u>	<u>71,718</u>	<u>765,448</u>	-0.82%
<b>June, 2010</b>			<u>2,239,001</u>	<u>788,348</u>	<u>201,336</u>	<u>247,079</u>	<u>178,173</u>	<u>77,853</u>	<u>746,212</u>	1.00%
<b>May, 2010</b>			<u>2,216,834</u>	<u>833,670</u>	<u>281,512</u>	<u>153,389</u>	<u>139,749</u>	<u>100,237</u>	<u>708,277</u>	2.55%
<b>April, 2010</b>			<u>2,161,752</u>	<u>928,832</u>	<u>140,780</u>	<u>141,198</u>	<u>171,822</u>	<u>56,961</u>	<u>722,159</u>	16.49%

**MAJOR EXPENSE ACCOUNT VARIANCES**

<b>April, 2011</b>					
<b><u>EXPENSES</u></b>	<b>Annual Budget (Cash-Basis)</b>	<b>Actual (Accrual-Basis)</b>	<b>Percent of Current Budget</b>	<b>Favorable (Unfavorable) Variance</b>	<b>Monthly Variance Explanation</b>
<b>Finance &amp; Accounting</b>					
Contracted Services	9,730	17,163	176.39%	(7,433)	Credit card usage and charges up to highest level (\$17k)
<b>Engineering</b>					
Contracted Services	6,293	832	13.22%	5,461	Removing mercury from gauges and surveying contractors-not done to date.
<b>Water Distribution</b>					
Small Equipment	0	3,605	-	(3,605)	Timing--Meters for pump stations purchased from prior budget
Contracted Services	3,150	5,284	167.75%	(2,134)	Emergency generator Maintenance
<b>Information Technology</b>					
Operating Supplies	2,850	364	12.77%	2,486	Timing--computer paper not purchased.
Contracted Services	21,630	14,025	64.84%	7,605	Outside support for network services conducted; Billing system updates scheduled for near future.

## MAJOR EXPENSE ACCOUNT VARIANCES

April, 2011					Monthly Variance Explanation
Annual Budget (Cash-Basis)	Actual (Accrual-Basis)	Percent of Current Budget	Favorable (Unfavorable) Variance		
<b>Water Quality</b>					
Dues	3,494	2,787	79.77%	707	AWWA Research Association
Operating Supplies	8,500	3,470	40.82%	5,030	Reduced estimates in FY2012 budget--still remains positive variance.
<b>Treatment Plant</b>					
Operating Supplies	88,545	35,479	40.07%	53,066	Timing of purchase of various chemicals for treatment.
<b>Maintenance</b>					
Street Repair Materials	13,950	598	4.29%	13,352	Timing of repair of road cuts (concrete) and cold patch.
Small Equipment	2,250	4,500	200.00%	(2,250)	Timing of pumps--budgeted in last yer's budget
Operating Supplies	9,150	920	10.05%	8,230	Includes general supplies to maintain water lines ( i.e. clamps, adaptors, etc. ). Timing of purchases.
Vehicles / Equipment Repairs	9,600	1,061	11.05%	8,539	Repairs and repair part purchases for vehicles, backhoes, tractors, and trailers. Currently running positive variance.
Meters	24,100	2,580	10.71%	21,520	Purchase of meters (\$44k) occurred in May.
<b>General Services</b>					
Telephone	11,527	6,464	56.08%	5,063	Timing of charges for cell phones and GPS units.
Gas & Electricity	45,300	39,758	87.77%	5,542	Timing of gas charges left over from winter/ cold months.
Postage	9,840	527	5.36%	9,313	Timing of postage for water billings.

**MOHAWK VALLEY WATER AUTHORITY  
BOND COVENANT AND DEBT SERVICE RESERVE COVENANT  
FISCAL YEAR 2011**

(1) **Bond Covenant**

Definition: Bond covenant requires 115% of the estimated aggregate debt service be budgeted and collected.

Budgeted Debt Service (Principal & Interest):

Existing Debt Service	\$ 5,112,457
New Debt Service	-
	5,112,457
	15%
15% Requirement	766,869
Set-aside in previous years	766,869
Current Year Funding--FY2012	-
Additional Requirement during FY12	\$ (0)

(2) **Debt Service Reserve Covenant**

Definition: Master Bond Resolution requires the debt service reserve fund (in aggregate) be the lesser of the maximum annual debt service over the bond's life or 125% of the average annual debt service.

<b>DSRF Test</b>	
10% Total Par	6,373,381.99
100% Max Annual D/S	5,329,250.75
125% Average Annual D/S	5,041,586.96
<b>DSRF Requirement</b>	
Total DSRF Requirement	5,041,587
Less: Current Balances	(5,233,315)
Underfunded (Overfunded)	(191,728)