

# MOHAWK VALLEY WATER AUTHORITY

## *MONTHLY FINANCIAL REPORTING PACKAGE*

### **Month 9: Month Ended December 31, 2006**

#### **Finance Committee Members**

#### **Terms Ending**

December 31,

Bruce Brodsky, Committee Chairman	2008
Vincent Coyne	2008
Elis DeLia	2007
George Gaston, Board Chairman	2008
Joseph Hobika, Jr.	2007
Frank Trevisani	2006

Report produced by Jim Korfonta, Comptroller

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**VITAL SIGNS—(KEY PERFORMANCE INDICATORS)**

Month 9 - December 31, 2006

**PRODUCTION & CONSUMPTION**

	<u>December</u>	<u>November</u>	<u>October</u>	<u>September</u>	<u>August</u>	<u>July</u>
Water Production (1,000 gallons)	548,200	531,900	549,900	547,100	551,400	537,600
Billed Consumption (1,000 gallons)	337,610	353,410	326,291	360,347	355,560	325,235

**Note**—Water production is for the current month while billed consumption is for the prior three months.

**CASH FLOW**

Cash Flow-(See cash flow detail on page 4.)	<b>Beginning Cash</b>	<b>Operating Cash In</b>	<b>Operating Cash Out</b>	<b>Net Change In Cash</b>	<b>Balance Remaining</b>
November 2006		\$ 1,426,215	\$ 1,756,619	\$ (330,404)	
Year-To-Date	\$ 2,445,083	\$ 12,356,211	\$ 11,920,570	\$ 435,641	\$ 2,880,724

**CUSTOMER ACCOUNT MAINTENANCE**

<b>Customers in the Water System</b>	<b>Beginning Balance</b>	<b>New Accounts</b>	<b>Moved Out of Svs. Area</b>	<b>Ending Balance</b>
December 2006		18	(35)	
Year- to-Date (Fiscal 2007)	38,589	801	(604)	38,786
Fiscal 2006	38,449	573	( 433)	38,589

**Breakdown of Customer Movement:**

- Currently, 1,393 final bills were processed of which 1,123 moved within the service area.
- For last year (Fiscal 2006), 1,976 final bills were processed--customers that move from their current location. Of this balance, 1,754 moved within our service area.

Below is an analysis, by percentage, of the area they are moving from and where they are relocating to:

**From Utica To:**

Utica	43%	Movement within service area outside Utica	29%
New Hartford	4%	Out of area	16%
Other	8%		

**MOHAWK VALLEY WATER AUTHORITY**

**VITAL SIGNS—(KEY PERFORMANCE INDICATORS)--continued**

Month 9 - December 31, 2006

**WATER SYSTEM MAINTENANCE--METER ACTIVITY**

Current Fiscal Year	Meters Replaced							Daily Activity			
	5/8"	3/4"	1"- 1 1/2"	2"	3"-4"	6"-8"	Total	High	Low	Daily Avg.	Staff Avg.
April 2006	185	1	1	1	0	0	188	16	4	9.4	2.3
May 2006	201	6	4	3	1	5	220	17	5	10.0	2.5
June 2006	169	0	1	1	14	5	190	19	5	8.6	2.1
July 2006	142	2	3	0	0	2	149	14	1	7.0	1.8
August 2006	209	3	1	1	1	2	217	16	5	10.3	2.6
Sept. 2006	222	3	2	0	2	0	229	19	6	11.5	2.9
October 2006	227	5	3	1	1	1	238	18	5	11.3	2.8
November 2006	195	3	6	1	1	0	206	17	3	11.4	2.9
December 2006	171	3	4	0	0	1	179	17	5	9.0	2.3
Year-To-Date	1,721	26	25	8	20	16	1,816	19	1	8.4	2.4

Last Year Activity	Meters Replaced							Daily Activity			
	5/8"	3/4"	1"- 1 1/2"	2"	3"-4"	6"-8"	Total	High	Low	Daily Avg.	Staff Avg.
Fiscal 2005	2,964	54	51	24	0	3	3,096	27	1	12.6	3.2
Fiscal 2006	2,486	50	51	18	6	20	2,631	24	1	10.9	2.7

**COMPTROLLER'S MESSAGE**

Month 9 - December 31, 2006

**WATER SYSTEM MAINTENANCE—PRODUCTION ACTIVITY**

Month	Water Main Breaks / Install, etc.	Curb Box	Leak Investigations	Meters-- Inspect./ Special Reads / Replaced	Hydrants	Valves	Pavement Cuts	Other	TOTALS
Dec. 2005	29	77	38	968	23	9	87	16	1,247
Jan. 2006	22	93	31	1,043	1	10	35	11	1,246
Feb. 2006	16	63	30	742	0	55	20	32	958
Mar. 2006	21	114	28	1,052	8	5	49	22	1,299
April, 2006	22	74	44	832	23	7	52	16	1,070
May, 2006	34	100	27	913	14	3	25	3	1,119
June, 2006	27	69	26	793	7	3	38	24	987
July, 2006	28	72	42	779	8	4	28	10	971
August, 2006	20	69	51	1,073	4	3	34	9	1,263
September, 2006	18	81	46	862	5	6	36	6	1,060
October, 2006	25	99	14	1,071	5	9	41	8	1,272
November, 2006	41	73	14	826	15	4	30	6	1,009
December, 2006	29	40	24	828	3	12	59	8	1,003

**ACCOUNTS PAYABLE**

	Total	0-10	10-20	20-30	30-50	50+	Capital Project Retention
December 2006	\$223,742	\$72,893	\$58,285	\$37,117	(705)	\$56,152	\$0

Useful Information To Know: (UPDATED for 2006-2007 RATES)

- There are approximately 38,000 service connections in our service area.
- An average family of four uses approximately 2,940 cubic feet or 22,000 gallons per quarter. (This amount has been used in several newspaper articles in Syracuse, etc.) The average quarterly bill for a customer with this usage is \$83.00 or \$332.00 annually.
- An average individual uses approximately (220-260 cubic ft.) 1,650—1,950 gallons per month. The average quarterly bill is approximately \$42.00 or annually is \$168.00.

**COMPTROLLER'S MESSAGE**

Month 9 - December 31, 2006

**Big Picture**

***Monthly Water Sales:*** At nine months, billed water sales are slightly above budgeted estimates by \$44,000 (\$10,724,854 budget vs. \$10,768,823 actual).

***Monthly Consumption:*** At nine months, consumption is 12.4 million cubic feet below the prior year. A recovery of 3 million cubic feet occurred during December. Prior to this recovery, consumption dropped five consecutive months at an average of 3.7 million cubic feet per month.

Prior month's reductions in consumption were scattered throughout the areas billed. Last summer was very hot and dry. This past summer period was cool and wet. We will continue to analyze accounts to determine if other factors can be attributed to this reduction.

This current consumption deficit compared to the previous year, equates to approximately \$330,000 water revenue under our current rate structure of \$27.86 per 1,000 cubic feet.

**COMPTROLLER'S MESSAGE**

Month 9 - December 31, 2006

**Big Picture**-continued

**Cash Flow:** At nine months, there remains a positive cash position following the annual retirement payment of \$495,000. Cash receipts are above estimates by \$650,000; however, payments to suppliers are also ahead by \$900,000 partly due to the timing of vehicles purchases and paving costs. In addition, the annual payment to the NYS retirement system was paid in December for approximately \$450,000. We will continue to monitor the effect of larger unanticipated commitments into the final months of the year. We will also continue to monitor the impact of legal costs on our overall cash position.

Below is a summary of “target” cash flow and actual amounts for the month and year-to-date:

	MONTHLY ACTIVITY		YEAR-TO-DATE ACTIVITY	
	TARGET	DECEMBER 2006	TARGET	ACTUAL
<b>Cash Inflow</b>	\$ 1,300,000	\$ 1,426,000	\$ 11,700,000	\$ 12,356,000
<b>Outflows--</b>				
<b>Personnel Costs</b>	322,000	335,000	3,059,000	3,058,000
<b>Reimb. Capital Labor</b>	-	-	-	-
<b>PILOTS</b>	125,000	124,000	1,089,000	1,078,000
<b>Debt Service</b>	305,000	369,000	2,785,000	2,788,000
<b>Payments to Suppliers</b>	848,000	929,000	3,648,000	4,536,000
<b>Other Commitments:</b>				
<b>Set Aside for New Bonding-Debt Service</b>	-	-	360,000	360,000
	1,600,000	1,757,000	10,941,000	11,820,000
<b>Cash Remaining</b>	\$ (300,000)	\$ (331,000)	\$ 759,000	\$ 536,000

**LITIGATION EXPENSES—TO DATE**

FISCAL YEAR	PURPOSE	AMOUNT
2005	WATER PERMIT REVIEW & DISCOVERY	\$ 44,180
2006	DISCOVERY & DECLARATORY JUDGMENT	\$ 142,845
2007 (April 1, 2006 to September 30, 2006)	DECLARATORY JUDGMENT	\$ 131,978
	<b>TOTALS</b>	<b>\$ 319,003</b>

**COMPTROLLER'S MESSAGE**

Month 9 - December 31, 2006

The following information was provided by **Steve Gassner, Customer Service Manager:**

**CURRENT CUSTOMER SERVICE ACTIVITY**

**New Initiatives--**

- We are currently teaming Customer Service Representatives with field personnel for cross training. This will allow the CSR's to see what the field crews experience on a daily basis to better communication efforts.
- Customer Service has teamed up with the Meter Repair shop to develop a more concentrated route schedule to allow for more repairs in a day resulting in higher production.
- We are in the process of setting up a phone line so meter readers and other staff can report properties not on their route or in our data bases so follow-up review can be performed and properly accounted for. This will prevent field personnel from tying up Customer Service lines as well as field personnel not having to wait for a representative to report a property.
- We are also considering creating a Theft of Service/Tampering Hotline for customers to report potential theft or miss-use.

**Ongoing Initiatives--**

- ***Estimated Reads:*** We are reviewing accounts with four or more estimated reads and attempting to correct what is required to obtain actual reads. We have also incorporated it with our Large Meter Project and are replacing meters with excessive estimated reads. With this list, Meter Readers are investigating the reasons for the estimates and attempting to correct for future reads. Since we started this program, we have reduced estimated reads for a year or more by 27%. (From 947 accounts in April to 692 accounts currently.)
- We are working on a layout for the web site for on-line viewing of customer's accounts. We are also in the process of accepting on-line payments and requesting service work orders on-line.
- We continue to concentrate on properties that have registered "0" consumption for three or more quarters. Meter readers have a list of these accounts on each route and make a concerted effort to access the property. This is to assist in our tampering efforts and to correct stopped meters.
- We have been working on a new category in the work order system for non-appointment meter work that allows Customer Service to assign work to technicians on a more efficient basis. We have found this to be a productive tool when a customer cancels a scheduled appointment or the daily work is completed quicker than expected.

**COMPTROLLER'S MESSAGE**

Month 9 - December 31, 2006

**METER REPLACEMENT**

**LARGE METER REPLACEMENT 3" +**

*Project Synopsis:* 18 large meters were identified for replacement based on age and accuracy. All were replaced during the summer and fall of 2006.

All currently are showing and increase in revenue and consumption except for one. The highest performer has an increase of 45 in revenue. Current ROI (return on investment) without results of the recently replaced meters is approximately 20 months.

**PROJECT 5--ESTIMATED CUSTOMER READINGS AND BILLING/ METER REPLACEMENT PROGRAM**

*Project Synopsis:* Meter Reading, Meter Repair and Customer Service crews are working together to obtain meter reading and repair/replace meters through different strategies including working off-hours and week-ends. The off-hours and week-ends have not been initiated in the current fiscal year. Past efforts resulted in a reduction of approximately 40% of the identified estimated accounts.

Currently, for the month, 33% of the monthly accounts were estimated; 7% of the quarterly accounts were estimated. Monthly accounts are consistent with the prior month; quarterly accounts remained constant. We continue to institute corrective actions to reduce account estimates.

**BILLING/COLLECTIONS:**

The following reflects the results sine the beginning of the fiscal year:

<b>Fiscal 2007</b>	<b>Beginning Balance</b>	<b>Sent to Collections</b>	<b>Amount Collected</b>	<b>Amount Returned</b>	<b>Ending Balance</b>
April 2006		\$ 23,149	\$ 7,024	\$ 3,670	
May 2006		19,139	19,139	5,150	
June 2006		69,972	12,874	17,779	
July 2006		19,029	30,802	589	
August 2006		31,255	31,881	29,515	
September		55,397	23,304	10,431	
October		52,047	29,007	10,338	
November		50,570	30,723	21,896	
December		67,108	34,202	0	
Year to Date	\$ 9,460	\$387,666	\$218,956	\$99,368	\$ 78,802

<b>Prior Fiscal Years</b>	<b>Beginning Balance</b>	<b>Sent to Collections</b>	<b>Amount Collected</b>	<b>Amount Returned</b>	<b>Ending Balance</b>
Fiscal 2005		\$ 673,903	\$ 368,184	\$ 305,719	
Fiscal 2006		\$ 588,361	\$ 356,190	\$ 222,711	

**MOHAWK VALLEY WATER AUTHORITY**

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**COMPTROLLER’S MESSAGE**

Month 9 - December 31, 2006

**BILLING/COLLECTIONS:** (continued)

Our efforts of posting properties with unpaid notices continue. The following is a summary of the efforts for the current month:

	<b>Prior Month Balance</b>	<b>Customers Added/ Returned From Collections</b>	<b>Customers Paid</b>	<b>Shut-Off</b>	<b>Ending Balance</b>
“Posted” Accounts	362	18	37	5	338

- Since the beginning of the fiscal year, \$489,921 has been posted.
- For the current month, accounts totaling \$39,594 have been “posted”. Of the outstanding posted balances, \$359,481 has been collected for the fiscal year.
- For the previous fiscal year, accounts totaling \$1,067,125 were “posted”. Of this amount, \$781,518 was collected for the 2006 year.

**TAMPERING ISSUES:**

The following chart reflects the ongoing status of accounts found to be tampering with Authority property/ or unauthorized use of water service.

<b>Date</b>	<b>Last Name</b>	<b>Acct. #</b>	<b>Address</b>	<b>Fee Amt.</b>	<b>Fee Paid</b>	<b>Evidence</b>	<b>Letter Sent</b>	<b>Posted</b>	<b>Shut Off</b>	<b>Status</b>
6/20/05	Riggles	35A-75HL	10853 Coby Mnr	\$ 2,000		Admit	1/9/07			1
1/13/06	Marris	30A-74	16 Wind Pl	\$ 2,000	\$ 2,000	Pict/Admit	1/24/06			11
5/4/06	Muon	17A-28	677 Bleecker St	\$ 2,000	\$ 2,000	Pict/	5/24/06			11
5/24/06	Moun	12A-15	1428-30 Seymour	\$ 2,000	\$ 2,000	Pict	5/24/06			11
7/25/06	Helmes	14E-51	1134 Hilton Ave	\$ 2,000	\$ 1,000	Pict	7/25/06	8/8/06		11
8/9/06	Rivera	17E-171	715 Albany St	\$ 2,000	\$ 2,000	Pict	8/11/06			11

**STATUS LEGEND:**

- 1—Fee assessed; no further activity.
- 2—Fee paid or currently paying, not forwarded to the DA; no further activity.
- 3—In negotiations for payment with offender’s lawyer; Have forwarded to DA with no response.
- 4—No activity, property scheduled to be shut-off.
- 5—Police notified; no further activity.
- 6—Customer sued MVWA in small claims-presently in arbitration.
- 7—Property shut-off. Agreed on payment plan w/ attorney; Customer is not making payments.
- 8—Police notified; DA negotiated misdemeanor for offender.
- 9—Police notified; forwarded to DA, DA does not think there is enough evidence.
- 10—With DA, currently prosecuting in criminal court.
- 11—Fee assessed, waiting for results from criminal court.
- 12—Fees assessed and remains unpaid; levied on appropriate City, County or Town taxes.

**MOHAWK VALLEY WATER AUTHORITY**

**FLASH REPORT**

Month 9 - December 31, 2006

The following is a “**snapshot**” of operating results for major account balances in our financial statements.

The “**Critical Ratio Percentages**” are a comparison of our month-to-date **Budget** to the month-to-date **Actual**.)

	<b>Critical Ratio %</b>	<b>December</b>	<b>November</b>	<b>October</b>	<b>September</b>	<b>August</b>	<b>July</b>
<b>ASSETS</b>							
Cash		\$ 2,982,921	\$ 3,172,007	\$ 3,265,305	\$ 2,727,153	\$ 2,966,635	\$ 2,623,256
Water Sales Receivable, Net		\$ 1,549,176	\$ 1,682,544	\$ 1,582,621	\$ 1,769,856	\$ 1,636,966	\$ 1,732,378
Trust Fund Assets		\$ 25,045,669	\$ 25,195,331	\$ 12,647,988	\$ 12,487,860	\$ 12,108,741	\$ 12,025,942
Utility Long Term Assets, Net		\$ 50,004,195	\$ 49,896,378	\$ 49,985,026	\$ 50,038,746	\$ 50,023,776	\$ 50,051,688
<b>Total Assets</b>		<b>\$ 80,870,259</b>	<b>\$ 81,092,965</b>	<b>\$ 69,196,857</b>	<b>\$ 68,598,131</b>	<b>\$ 68,136,084</b>	<b>\$ 67,807,647</b>
<b>LIABILITIES</b>							
Accounts Payable		\$ 223,742	\$ 325,249	\$ 280,055	\$ 348,514	\$ 305,501	\$ 141,153
Long Term Debt, Principal		\$ 66,986,242	\$ 67,060,000	\$ 47,927,286	\$ 47,914,568	\$ 47,901,849	\$ 47,964,129
<b>Total Liabilities</b>		<b>\$ 70,494,631</b>	<b>\$ 70,241,694</b>	<b>\$ 51,755,597</b>	<b>\$ 51,527,676</b>	<b>\$ 51,206,353</b>	<b>\$ 51,147,153</b>
<b>EQUITY</b>							
Unrestricted Earnings		\$ (1,179,435)	\$ (701,090)	\$ (585,905)	\$ (991,915)	\$ (1,132,639)	\$ (1,401,876)
Invested in Utility Plant, Net		\$ 16,124,408	\$ 16,124,408	\$ 16,131,408	\$ 16,131,408	\$ 16,131,408	\$ 16,131,408
Timber Sales Reserve		\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638
"3R" Reserve		\$ 332,706	\$ 331,355	\$ 328,624	\$ 328,624	\$ 328,624	\$ 328,624
Oper. and Maint. Reserve		\$ 303,504	\$ 302,153	\$ 299,422	\$ 292,133	\$ 292,133	\$ 292,133
Repair & Improvement (legislative)		\$ 539,099	\$ 539,099	\$ 539,099	\$ 539,099	\$ 539,099	\$ 539,099
Bond Covenant Reserve		\$ 487,362	\$ 487,362	\$ 487,362	\$ 487,362	\$ 487,362	\$ 487,362
<b>OPERATIONS - (Monthly Accumulation)</b>							
	<b>% of Accum. Budget</b>	<b>9th Month FY 2007</b>	<b>8th Month FY 2007</b>	<b>7th Month FY 2007</b>	<b>6th Month FY 2007</b>	<b>5th Month FY 2007</b>	<b>4th Month FY 2007</b>
Water Sales	100%	\$ 10,768,823	\$ 9,641,309	\$ 8,472,165	\$ 7,265,137	\$ 6,017,896	\$ 4,745,764
Other Revenue	126%	\$ 1,682,000	\$ 1,682,000	\$ 1,419,603	\$ 1,191,339	\$ 999,950	\$ 794,946
Operating Expenses	95%	\$ 7,575,990	\$ 6,436,969	\$ 5,657,075	\$ 5,561,430	\$ 4,405,270	\$ 3,447,112
Debt Service, Interest only	76%	\$ 1,434,973	\$ 772,873	\$ 772,873	\$ 772,873	\$ 760,333	\$ 663,782
PILOT Payments	100%	\$ 1,076,353	\$ 957,950	\$ 839,547	\$ 721,144	\$ 602,741	\$ 484,338

**SIGNIFICANT DELINQUENT RECEIVABLE BALANCES**

Month 9 - December 31, 2006

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

**Note:** Accounts have been specifically identified if they are greater than \$1,000 with significant balances over 60 days old.

<b>Customer</b>	<b>Route &amp; Account</b>	<b>Address</b>	<b>Total</b>	<b>0-30</b>	<b>31-60</b>	<b>61-90</b>	<b>91-120</b>	<b>Over 120</b>	<b>Acct. Status</b>
City of Utica-Facilities	6 accounts		0						
City of Utica-Tax Levy	Various		220,503	2,580	9,145	4,096	3,065	201,617	
Jose Urena	12A 155	1517 Neilson Street, Utica	1,086	19	4	162	18	883	Posted
Carolyn Upshaw	13E 55	231 Eagle Street, Utica	1,087	23	8	101	17	938	Posted
Nira Maljisevic	14B 50	1173 McQuade Avenue, Utica	1,039	22	7	173	17	820	Posted
Ron Helmes	14E 51	1134 Hilton Street, Utica	1,210	15	0	69	15	1,111	Pd. \$800 on 12/22
Magnus Ognunsanwo	15F 137A	707 John Street, Utica	1,673	8	449	5	20	1,191	Posted
Tony's Sports Car.	28H 77	3921 Oneida Str. Washington Mills	1,208	471	15	0	722	0	Posted
Airport Road Property, Inc.	31D 98	5920 Airport Road, Oriskany	4,243	1,907	15	0	2,321	0	Posted
Doug Talerico	36A 51	2441 Broad Street, Schuylar	1,069	51	24	8	56	930	Posted
Heritage Acres	37A 95	1593 Herkimer Road, Schuylar	1,740	878	15	847	0	0	Posted
Heritage Acres	37A 95A	1593 Herkimer Road, Schuylar	3,399	1,574	15	0	1,810	0	Posted
Blackburn Property, LLC	52D 76	2005 Beechgrove Place, Utica	1,025	15	678	0	332	0	Posted
Brandegeee Gar. Apts.	52E 27C	827 Jay Street, Utica	8,511	40	3,086	3,906	1,479	0	Collections
Soggs Realty Shopping Plaza	56DE 99	Oriskany Blvd. New Hartford	1,843	15	1,417	0	411	0	Posted
Timothy Klotz (see also shut-offs)	37 accounts	Multiple accounts listed seperately	19,281	523	1,657	2,765	775	13,561	Posted/collect.

**DELINQUENT ACCOUNTS SHUT-OFF**

Word Faith Deliverance	1C 2	306-8 Court Street, Utica	1,418	8	23	8	343	1,036	Shut-off
Henry Topolski	3F 53	708 Plant Street, Utica	1,084	24	9	82	23	946	Shut-off
Henry Topolski	8B 35	1000 Park Avenue, Utica	1,865	32	17	63	30	1,723	Shut-off
Haru Lukac/Renata Vujeva	8C 46BK	17 Clinton Place, Utica	3,916	0	0	165	0	3,751	Shut-off
Wanda Brito	10B 114	1668 Steuben Street, Utica	1,100	22	7	100	20	951	Shut-off
Som Mang Porn	10D 6	1335 Oneida Street, Utica	1,532	22	7	365	19	1,119	Shut-off
James Jones	10F 91	137 Wall Street, Utica	1,785	31	16	51	18	1,669	Shut-off
Angel & Mario Santana	11D 26	1428 Miller Street, Utica	1,765	31	15	113	30	1,576	Shut-off

**MOHAWK VALLEY WATER AUTHORITY**

**SIGNIFICANT DELINQUENT RECEIVABLE BALANCES**

Month 9 - December 31, 2006

**Note:** Accounts have been specifically identified if they are greater than \$1,000 with significant balances over 60 days old.

Customer	Route & Account	Address	Total	0-30	31-60	61-90	91-120	Over 120	Acct. Status
NYMA Properties	13B 133	1311 Steuben Street, Utica	1,558	29	14	49	16	1,450	Shut-off
Christiana Joseph	14A 41	601 Eagle Street, Utica	1,730	25	10	373	22	1,300	Shut-off
Magen Letrende	17B 107	906 Catherine Street, Utica	1,442	12	60	10	25	1,335	Shut-off
Fiore Carbone	17C 56	1021-23 Bleeker Street, Utica	1,816	12	560	8	22	1,214	Shut-off
Ingrid Grimm	24B 136	37 Pratt Street, Clark Mills	2,751	26	73	40	25	2,587	Shut-off
132-42 Hotel Inc.	50A 21	132-42 Hotel Street, Utica	1,411	23	187	6	181	1,014	Shut-off
Tartan Textile Serv.	55B 29	311-15 Whitesboro Street, Utica	8,072	42	1,791	9	1,774	4,456	Shut-off
Raymond DeCarr	3 accounts	Multiple accounts listed seperately	1,458	84	57	105	53	1,159	Shut-off
Sandra Albert	8 accounts	Multiple accounts listed seperately	9,252	141	273	249	153	8,436	Shut-off
Timothy Klotz ( also, see above )	3 accounts	Multiple accounts listed seperately	4,726	56	89	261	66	4,254	Shut-off
City Delinquents-FY '06			28,163					28,163	
City Delinquents-FY '05			94,381					94,381	
City Delinquents-FY '04			108,591					108,591	
City Delinquents-FY '03			195,050					195,050	
City Delinquents-FY '02			194,476					194,476	
County Delinquents-FY '06			27,984					27,984	%
County Delinquents-FY '07			6,934					6,934	
Remaining Accounts			1,351,473	535,224	205,013	178,567	78,322	354,347	<b>Change</b>
<b>December, 2006</b>			<u>2,324,650</u>	<u>543,985</u>	<u>224,756</u>	<u>192,756</u>	<u>92,200</u>	<u>1,270,953</u>	-4.37%
<b>November, 2006</b>			<u>2,431,002</u>	<u>711,597</u>	<u>258,271</u>	<u>135,084</u>	<u>68,585</u>	<u>1,257,465</u>	4.85%
<b>October, 2006</b>			<u>2,318,544</u>	<u>719,644</u>	<u>194,147</u>	<u>87,351</u>	<u>128,356</u>	<u>1,189,046</u>	1.14%
<b>September, 2006</b>			<u>2,292,431</u>	<u>628,857</u>	<u>232,531</u>	<u>117,426</u>	<u>56,697</u>	<u>1,256,920</u>	0.22%
<b>August, 2006</b>			<u>2,287,325</u>	<u>612,805</u>	<u>249,745</u>	<u>114,533</u>	<u>60,521</u>	<u>1,249,721</u>	-3.44%
<b>July, 2006</b>			<u>2,368,888</u>	<u>682,512</u>	<u>191,817</u>	<u>89,614</u>	<u>158,625</u>	<u>1,246,320</u>	-1.61%
<b>June, 2006</b>			<u>2,407,580</u>	<u>661,601</u>	<u>201,844</u>	<u>200,139</u>	<u>47,516</u>	<u>1,296,480</u>	5.95%
<b>May, 2006</b>			<u>2,272,423</u>	<u>588,663</u>	<u>275,909</u>	<u>85,650</u>	<u>61,878</u>	<u>1,260,323</u>	-3.85%
<b>April, 2006</b>			<u>2,363,426</u>	<u>835,711</u>	<u>133,146</u>	<u>82,487</u>	<u>100,208</u>	<u>1,211,874</u>	18.62%
<b>March, 2006</b>			<u>1,992,436</u>	<u>409,009</u>	<u>149,063</u>	<u>134,106</u>	<u>62,288</u>	<u>1,237,970</u>	-10.62%
<b>February, 2006</b>			<u>2,229,258</u>	<u>616,596</u>	<u>147,754</u>	<u>105,240</u>	<u>130,457</u>	<u>1,229,211</u>	-0.33%
<b>January, 2006</b>			<u>2,236,659</u>	<u>618,757</u>	<u>143,619</u>	<u>102,351</u>	<u>136,911</u>	<u>1,235,021</u>	1.29%
<b>December, 2005</b>			<u>2,208,260</u>	<u>515,278</u>	<u>190,476</u>	<u>167,458</u>	<u>104,461</u>	<u>1,230,587</u>	-11.33%

**MOHAWK VALLEY WATER AUTHORITY**

**WORK IN PROCESS—CAPITAL PROJECTS**

Month 9 - December 31, 2006

**CAPITAL PROJECTS - FY2003**

CAPITAL PROJECT	LOCATION	ORIGINAL BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEARS EXPENSE	ADD'L. COMMITTED	EXPENSED AND/OR COMMITTED
Toby Road Tank-Land Purchase	Marcy	25,000	0	2,500	0	0	2,500
Toby Road Tank	Marcy	80,164	0	0	30,164	50,000	80,164
Safety & Security	Water Treatment Plant	30,000	0	0	24,067	2,898	26,965
New Tank--Pre-Design	Airport Industrial Park	30,000	0	0	67,630	0	67,630
Pump Station & Treatment Facility	System Wide	43,000	0	0	10,610	32,390	43,000
Fiscal 2003 Budgeted Capital Projects		<u>183,164</u>	<u>0</u>	<u>0</u>	<u>132,471</u>	<u>85,288</u>	<u>217,759</u>

\*\*--Project performed in-house--does not fully include MVWA labor or equipment.

**CAPITAL PROJECTS - FY2005**

CAPITAL PROJECT	LOCATION	BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEAR EXPENSE	ADD'L. COMMITTED	EXPENSED AND/OR COMMITTED
Verona/Airport Tank & Mains	Verona/OC Airport	3,450,000	3,123	30,942	15,768	3,406,413	3,453,123
SCADA-Computer Hardware	System Wide	39,255	0	0	51,186	0	51,186
Hydrolic Analysis & GIS Dev.	System Wide	80,000	0	24,490	36,026	19,484	80,000
Main Replacement	New Hartford	90,000	0	0	7,671	82,000	89,671
Emergency Generator	City Hall	135,000	0	0	1,125	133,875	135,000
Main Replacement	Park Ave., Holland Pat.	93,750	0	0	37,458	56,292	93,750
Storage Tank #2-Higby Rd	New Hartford	20,000	0	6,221	17,976	0	24,197
Distribution Analysis-Chloramines	System Wide	165,000	3,576	39,455	108,465	20,656	168,576
Tank Safety Ladder	Valley View Tank	19,500	0	0	19,500	0	19,500
Install Water Mains	Chapman Road	44,000	0	6,761	28,990	0	35,751
SCADA	System Wide	43,000	0	2,578	31,341	9,081	43,000
Clearwell	WTP	74,500	0	18,625	44,700	11,175	74,500
Fiscal 2005 Budgeted Capital Projects		<u>4,254,005</u>	<u>6,699</u>	<u>129,072</u>	<u>400,206</u>	<u>3,738,976</u>	<u>4,268,254</u>

**MOHAWK VALLEY WATER AUTHORITY**

**WORK IN PROCESS—CAPITAL PROJECTS**

Month 9 - December 31, 2006

**CAPITAL PROJECTS - FY2006**

CAPITAL PROJECT	LOCATION	BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEAR EXPENSE	ADD'L. COMMITTED	EXPENSED AND/OR COMMITTED	
Chemical Feed	WTP	7,500	0	0	7,500	0	7,500	
Security Protection	WTP	20,000	0	0	20,264	0	20,264	
Water Main	Holland Patent	90,000	0	21,017	189	68,794	90,000	
Storage Tank	Deerfield	0	0	2,460	0	0	2,460	
		117,500	0	21,017	0	27,953	68,794	117,764

**CAPITAL PROJECTS - FY2007**

CAPITAL PROJECT	LOCATION	ORIGINAL BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEAR EXPENSE	ADD'L. COMMITTED	EXPENSED AND/OR COMMITTED
Disinfection BY-Product	Deerfield Tank	6,500,000	0	3,500	354	6,496,146	6,500,000
Main Replacement	Commercial Drive	30,000	0	11,326	0	0	11,326
Main Replacement	Leah St.	51,600	0	23,056	0	0	23,056
Main Replacement	Sherman Drive & Tilden Ave	14,000	0	4,447	0	7,273	11,720
Corrosion Compliance Study	System Wide	180,000	14,319	59,458	0	0	59,458
Main Replacement	Church St.	0	0	45,668	0	0	45,668
Main Replacement	York St.	33,440	0	17,271	0	0	17,271
Pump Station	Cascade Drive, NH	180,000	937	937	0	0	937
GIS & Hydrolic Modeling	Sytem Wide	400,000	196,163	196,163	0	0	196,163
Fiscal 2007 Budgeted Capital Projects		7,389,040	211,419	361,826	354	6,503,419	6,865,599

**MOHAWK VALLEY WATER AUTHORITY**

**MAJOR REVENUE AND EXPENSE ACCOUNT ANALYSIS**

Month 9 - December 31, 2006

**MONTHLY CONSUMPTION- (IN HUNDREDS OF CUBIC FEET)**

	<b>FISCAL 07</b>	<b>FISCAL 06</b>	<b>FISCAL 05</b>	<b>FISCAL 04</b>	<b>FISCAL 03</b>
April	419,898	421,158	436,874	438,082	448,176
May	412,183	433,169	433,732	437,133	369,245
June	483,811	463,071	432,431	430,936	433,322
July	434,748	477,805	476,038	443,310	449,260
August	475,336	514,883	469,873	440,876	552,861
September	481,683	513,111	449,233	546,365	547,595
October	436,160	469,375	529,942	477,584	486,491
November	472,410	474,227	424,247	458,962	458,808
December	451,290	<u>424,902</u>	<u>426,796</u>	<u>416,941</u>	<u>426,849</u>
		4,191,701	4,079,166	4,090,189	4,172,607
January	0	407,949	409,415	463,977	459,749
February	0	398,579	452,494	428,836	485,891
March	<u>0</u>	<u>400,517</u>	<u>427,874</u>	<u>436,128</u>	<u>478,881</u>
Total	<u>4,067,519</u>	<u>5,398,746</u>	<u>5,368,949</u>	<u>5,419,130</u>	<u>5,597,128</u>

**MONTHLY WATER BILLINGS:**

	<b>FISCAL 2007</b>			<b>FISCAL 2006</b>	
	<b>Billings</b>	<b>Cash Receipts</b>	<b>Customer Routes Read</b>	<b>Billings</b>	<b>Cash Receipts</b>
April	\$ 1,167,491	\$ 774,267	1-23; 75-77	\$ 996,320	\$ 887,900
May	1,168,917	1,303,161	24-42; 58; 75-77	1,041,242	918,904
June	1,205,518	1,077,589	43-57; 59; 75-77	1,038,762	1,211,380
July	1,214,680	1,260,740	1-23; 75-77	1,078,160	1,058,316
August	1,296,257	1,365,171	24-42; 58; 75-77	1,150,982	1,166,226
September	1,265,491	1,124,613	43-57; 59; 75-77	1,160,332	1,180,519
October	1,247,789	1,394,845	1-23; 75-77	1,114,747	1,188,611
November	1,224,796	1,133,510	24-42; 58; 75-77	1,086,651	838,573
December	1,132,871	1,283,037	43-57; 59; 75-77	<u>983,813</u>	<u>1,339,885</u>
				9,651,009	9,790,314
January	0	0		1,000,181	1,007,019
February	0	0		980,290	1,097,821
March	<u>0</u>	<u>0</u>		<u>972,949</u>	<u>1,197,891</u>
Total	<u>\$10,923,810</u>	<u>\$10,716,933</u>		<u>\$ 12,604,429</u>	<u>\$ 13,093,045</u>

**MAJOR REVENUE ACCOUNT ANALYSIS**

Month 9 - December 31, 2006

REVENUE

- *Metered Water Sales:*

- Quarterly and Monthly Billings – For the month, water sales is above by \$150,000 compared to the prior year.

- Overall Sales vs. Prior Year – Water sales are up \$1,272,000 for the year compared to the prior year.

- “*System Charge*” – Both quarterly billed and monthly billed system charges have fallen slightly behind estimates.
- *Quarterly and Monthly Penalties and Unpaid Bill Fees* –Overall, penalties are above budget estimates by approximately 26%. Cash collection of these assessments is in the range of 85% to 90%, on target with budgeted amounts.
- *Other Delinquent Charges*— Revenue from shut-off fees and metered line charges are significantly above budget estimates.
- *Interest Income*— Interest earnings are exceeding estimates due to the recovery of the markets over the fiscal year.
- *Other Charges* –Lab Fees, termination of services, miscellaneous income and inspection of new mains remain below estimates. We will continue monitoring these accounts in the next months.

**MAJOR EXPENSE ACCOUNT ANALYSIS**

Month 9 - December 31, 2006

	<b>Month-To-Date</b>		<b>Percent of Current Budget</b>	<b>Favorable (Unfavorable) Variance</b>	<b>Explanation of Variance</b>
	<b>Budget (Cash-Basis)</b>	<b>Actual-Dec. 31, 2006 (Accrual-Basis)</b>			
<b>Administration</b>					
Salaries	212,414	216,253	101.81%	(3,839)	Unbudgeted position paid until May.
Unemployment	3,000	6,302	210.07%	(3,302)	Actual cost for reduction of marketing position
Contracted Services	41,490	56,032	135.05%	(14,542)	Marketing firm expenses exceeding budget amount.
Training & Education	3,750	1,128	30.08%	2,622	Minimal training/seminars to date.
Contracted Services.-Legal Fees	166,200	146,220	87.98%	19,980	Billed up to Sept. for litigation; have not been billed for Oct., Nov., Dec.
<b>Finance &amp; Accounting</b>					
Salaries	300,516	297,218	98.90%	3,298	Reasonable favorable variance
Contracted Services	131,850	157,222	119.24%	(25,372)	M&T banking charges unfavorable by \$13.4K. In process of RFP for banking svcs. Credit card charges unfavorable by \$7.1K.
Training & Education	1,500	0	0.00%	1,500	No training for accounting staff; two seminars in Jan.
<b>Customer Service</b>					
Salaries	154,539	151,672	98.14%	2,867	Meter reader position vacant for short period of time.
Travel	1,580	172	10.89%	1,408	Minimal travel to date.
<b>Engineering</b>					
Salaries	359,800	363,469	101.02%	(3,669)	As part of employ. contract, 2 staff sold a week's vacation; in addition 'ee paid for opting out of medical plan.
Wages	52,471	52,867	100.75%	(396)	On track w/ budget.
Operating Supplies	12,735	7,704	60.49%	5,031	Purchase of parts for pressure regulator has not occurred = \$4K..
Contractor Services	31,411	12,716	40.48%	18,695	The following has not been performed to date: transfer switch replacement = \$4K; calibration of equipment = \$2K; flushing kits = \$3K; interns for data entry = \$1.5K; annual inspect. of Hydo generators.-
Travel	756	2,030	268.52%	(1,274)	Travel to AWWA conference not budgeted.
Training and Education	4,400	1,340	30.45%	3,060	Hydraulic Modeling training budgeted for 2 employees ( \$2,000 ) will take place later in the year.

**MAJOR EXPENSE ACCOUNT ANALYSIS-CONTINUED**

Month 9 - December 31, 2006

	Month-To-Date		Percent of Current Budget	Favorable (Unfavorable) Variance	
	Budget (Cash-Basis)	Actual-Dec. 31, 2006 (Accrual-Basis)			
<b>Information Technology</b>					
Office Equipment	21,400	18,841	88.04%	2,559	Supplies for equipment less than anticipated.
Travel & Vehicle Usage	1,700	18	1.06%	1,682	Minimal travel for training incurred to date
Operating Supplies	11,800	6,324	53.59%	5,476	Timing of purchases ( i.e.. Toner and paper )
Contracted Services	103,759	55,677	53.66%	48,082	Items not spent as scheduled: Software consultant-\$25K; Cool Ice software-\$7K; Timing of lease on server w/ UNYSIS-\$3K; Web Page development-\$6K; Firewall anti-virus = \$6K.
Training and Education	7,400	1,890	25.54%	5,510	The following budgeted training programs have not occurred: Arc IMS Administrator = \$1.4K; SCADA Training = \$1.8K; GIS training = \$1.2K.
Repairs	2,250	0	0.00%	2,250	No repairs on computer equipment incurred to date.
<b>Water Quality</b>					
Office Equipment	11,000	801	7.28%	10,199	Delay in purchase of watershed lab equipment = \$3K; purchase of convection oven = \$2K; On-Line Monitoring Chips \$1K; all other (ie., automatic pipetors) = \$3K.
Contracted Services	19,000	7,867	41.41%	11,133	Regulated Monitoring performed = \$9K favorable; Maintenance of microscopes not performed = \$1.5K favorable. Charges for summer intern unbudgeted = (\$1.5K)
Repairs	5,000	912	18.24%	4,088	Minimal repairs to date.
Shipping Charges	5,580	4,923	88.23%	657	Less shipping than anticipated for outside analysis of samples.
Travel	8,600	11,813	137.36%	(3,213)	Add'l cost for national confernece not budgeted.
<b>Treatment Plant</b>					
Salaries	242,780	240,388	99.01%	2,392	Reasonable positive variance
Wages	8,250	18,592	225.37%	(10,342)	Part-time WQ position working more than budgeted.
Office Equipment	13,250	7,353	55.49%	5,897	Items not purchased to date: PH analyzer and sensor = \$1K; Hypo Feed = \$4K
Operating Supplies	504,604	566,165	112.20%	(61,561)	Polymer purchases - \$36K unfavorable. Aluminum sulphate purchases = \$15K unfavorable. High usage of polymer and aluminum sulphate is attributed to excessive rainfall which caused high levels of turbidity in the water. Chlorine purchases are also unfavorable by \$5K.
Travel	1,675	3,085	184.18%	(1,410)	Add'l member attended national conference.
Training and Education	4,000	1,321	33.03%	2,679	Operator training not performed to date.

MAJOR EXPENSE ACCOUNT ANALYSIS-CONTINUED

Month 9 - December 31, 2006

	Month-To-Date		Percent of Current Budget	Favorable (Unfavorable) Variance	
	Budget (Cash-Basis)	Actual-Dec. 31, 2006 (Accrual-Basis)			
<b>Maintenance</b>					
Salaries	415,112	387,789	93.42%	27,323	Unfilled meter shop supervisor position recently filled; variance will continue to y/e.
Wages	681,320	607,930	89.23%	73,390	Positions being filled by part-timers in anticipation for full-time; variance will continue to y/e..
Street Repair Materials	594,902	580,263	97.54%	14,639	Timing of paving charges. Expected to even out throughout the rest of the year.
Office Equipment	5,725	729	12.73%	4,996	Limited purchase of office furniture to date.
Small Equipment	34,450	797	2.31%	33,653	Several budgeted items have not been purchased. Pipe thawers = \$4K; leak surveying equipment = \$8K; gears for Horz Rensselear = \$6K; diaphragm pump = \$5K; weed eaters = \$3K; air drill = \$3K; all other = \$4K.
Operating Supplies	353,620	311,728	88.15%	41,892	Purchases to date: meters \$5K unfavorable; hydrants \$28K favorable; valves \$10K unfavorable; general supplies \$2K favorable.
Contracted Services	19,625	14,729	75.05%	4,896	Unbudgeted railroad flagman = \$6K; offset by temp. services of \$4.6K
Training & Education	22,320	2,055	9.21%	20,265	Various safety training programs have not occurred or are running under budget (ie. Pesh, Haz Communication)
Clothing Allowance	9,100	11,907	130.85%	(2,807)	Timing of clothing allowance purchases.
Vehicle & Equip. Repairs	141,675	114,657	80.93%	27,018	Favorable year to date. Will continue to monitor account for significant variances.
<b>General Services</b>					
Printing	35,455	17,372	49.00%	18,083	Timing of water bill and envelopes purchases.
Heat	39,565	23,428	59.21%	16,137	Year to date favorability is due to budget estimates based on anticipated higher fuel costs and mild winter to date.
Electricity and Gas	355,000	293,542	82.69%	61,458	Year to date favorability is due to budget estimates based on anticipated higher utility rates and mild winter to date.
Postage	58,452	62,989	107.76%	(4,537)	Timing of water billing postage.
Gas & Oil	79,000	88,205	111.65%	(9,205)	Gasoline purchases for vehicles are unfavorable by \$13K.
<b>Overtime</b>					
Finance & Accounting	500	3,551	0.00%	(3,051)	Project for upgrading data related to tap cards and other engineering data bases
Engineering	18,450	17,505	94.88%	945	
Info. Technology	10,500	9,428	89.79%	1,072	Services for City of Utica not performed to date
Treatment Plant	37,278	47,034	126.17%	(9,756)	
Maintenance	127,500	121,960	95.65%	5,540	
Total Overtime	195,208	199,989	102.45%	(1,868)	

**FINANCIAL RATIOS**

Month 9 - December 31, 2006

**LIQUIDITY** – The Authority’s ability to pay its most immediate obligations.

**A. *CURRENT RATIO***

**What does it measure?** The ratio measures the extent to which the Authority’s has current assets in excess of current liabilities. This measures our ability to pay bills when they become due.

(Current assets / Current liabilities)

**Best Practice:** Current Ratio of 2.0

<u>Dec. '06</u>	<u>Nov. '06</u>	<u>Oct. '06</u>	<u>Sept '06</u>	<u>Aug '06</u>	<u>July '06</u>	<u>Avg.-Past Six months</u>
1.81	2.05	1.83	1.80	1.96	1.95	2.90

**B. *WORKING CAPITAL***

**What does it measure?** The Authority’s ability to meet short-term obligations using current, liquid assets.

(Current assets - Current liabilities)

**Best Practice:** Any amount in excess of current liabilities.

<u>Dec '06</u>	<u>Nov. '06</u>	<u>Oct. '06</u>	<u>Sept '06</u>	<u>Aug '06</u>	<u>July '06</u>	<u>Avg.-Past Six months</u>
\$2,562,885	\$2,970,444	\$2,886,411	\$2,609,297	\$2,849,942	\$2,698,000	\$2,524,112

**FINANCIAL RATIOS**

Month 9 - December 31, 2006

**SOLVENCY** – The Authority’s ability to pay its long-term obligations.

**A. DEBT TO ASSETS LEVERAGE RATIO**

**What does it measure?** – The degree to which the Authority’s assets are financed through borrowings and other long-term obligations.

(Total liabilities / Total assets)

Example: 0.50 would indicate half the assets are financed with outstanding debt.

**Best Practice:** Lower, the better. However, 40% -50% depending on an organization’s future ability to pay.

<u>Dec '06</u>	<u>Nov '06</u>	<u>Oct '06</u>	<u>Sept '06</u>	<u>Aug '06</u>	<u>July '06</u>	<u>Avg.-Past Six months</u>
75%	74%	75%	75%	75%	80%	80%

Note: Excluding the original debt financing of approx. \$25 million to buy the regional water system, the debt to assets leverage ratio would be 47%.

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**B. COVERAGE RATIO**

**What does it measure?** – Measures cash flow generated by operations compared to debt service and PILOT payments (non-discretionary costs).

(Total Cash Received / Total Debt Service (principal & interest) + PILOT payments)

Example: 1.25 indicates the Authority generated 25% more than the cash needed to pay monthly/annual debt service.

**Best Practice:** Over 1.00 indicates an organization can at least pay these non-discretionary costs. However, higher the better.

<u>Dec. '06</u>	<u>Nov. '06</u>	<u>Oct. '06</u>	<u>Sept '06</u>	<u>Aug '06</u>	<u>July '06</u>	<u>Avg.-Past Six months</u>
2.89	4.59	4.29	3.00	3.69	3.37	3.00

**FINANCIAL RATIOS**

Month 9 - December 31, 2006

**CAPACITY RATIOS** – Comparison of financial and economic indicators to measure changes in financial capacity over time. Capacity ratios can compare financial to other financial or financial to non-financial.

**A. UNACCOUNTED FOR WATER RATIO**

**What does it measure?** – The Authority’s loss of treated water from the filtration plant to its customers.

Example: 25% indicates the Authority has lost one quarter of its treated water due to unaccounted-for factors including fire fighting, evaporation, and leakage.

**Best Practice** (Industry Standard): Water systems with 20% - 30% loss are in the medium range for standard losses.

**Please Note:** In a memo dated March 28, 2003 from the Principal Engineer, as part of the NYSDEC water supply permit, a water supply audit was performed for the calendar year ending December 31, 2002 submitted to NYSDEC. The water supply audit calculated the following percentages related to unmetered usage:

- |                            |       |
|----------------------------|-------|
| • Firefighting             | 2.50% |
| • Construction             | .01%  |
| • Street Cleaning          | .02%  |
| • Flushing                 | .001% |
| • Main Breaks              | 1.50% |
| • Meter Under-Registration | 5.64% |
| TOTAL                      | 9.67% |

Comment: In the annual water supply audit, an additional item was noted-- “water leaks that have since been repaired” which accounted for 14% of the unaccounted for water usage. Per review of Jan. ’03 to December ’03, no significant reduction of water produced has occurred.

(1 –(((3-Month Average Billed Consumption)/(3-Month Average Water Production))) + un-metered usage noted above)

<u>Dec ‘06</u>	<u>Nov ‘06</u>	<u>Oct ‘06</u>	<u>Sept ‘06</u>	<u>Aug ‘06</u>	<u>July ‘06</u>	<u>June ‘06</u>	<u>Avg.-Past Six months</u>
27.68%	27.79%	29.70%	28.79%	27.54%	29.27%	32.23%	34.90%

**Caution:** There is no standardized method of calculating this ratio. Factors such as fire fighting, leakage, evaporation and amounts used for system backwash may impact the percentage of water loss.

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**FINANCIAL RATIOS**

Month 9 - December 31, 2006

**B. DEBT & PILOT PAYMENT BURDEN RATIO**

**What does it measure?**– The portion of an average customer’s quarterly bill attributed to non-discretionary costs (debt service and PILOT payments).

(Monthly Debt Service + PILOTs) / # of Customers Billed per Month)

Example: The average quarterly bill for a family of four (4) using approximately 21,000 gallons is \$87.00. A burden of \$25.00 indicates that this portion of an average customer’s bill goes toward paying monthly debt service and PILOT payments.

<u>Dec. 06</u>	<u>Nov. 06</u>	<u>Oct. 06</u>	<u>Sept. 06</u>	<u>Aug 06</u>	<u>July 06</u>	<u>Avg.-Past Six months</u>
\$38.11	\$32.53	\$32.71	\$32.71	\$32.16	\$34.11	\$35.30

**GLOSSARY OF TERMS**

Month 9 - December 31, 2006

**1) Three Traditional Financial Statements:**

- I. **Balance Sheet** – Indicates “where we are now”. Includes accounts like cash, receivables, long term assets, accounts payable and debt.
- II. **Statement of Income** – Shows “how we are doing” at a point in time-usually a month or year. The statement identifies the revenue earned and expenses incurred at that specific point in time. The difference between revenues and expenses is an organization’s net income or deficit.
- III. **Statement of Cash Flows** – Shows “where the cash came from and where it went”. Drawback: Does not indicate assets used to generate cash nor any commitments or liabilities for which cash will be needed in the short term or long term.

**2) Strategic Plan** - Defines the Authority’s mission, value and strategy. It also defines how the Authority’s mission, value and strategy will be carried out. The Plan is a dynamic process that is flexible enough to allow modification of plans in order to respond to changing circumstances.

**3) Business Plan/Operating Plan** – This is the implementation of the strategic plan through the use of identifying specific results to be achieved within a given period, usually one year. The plan also identifies the actions and resources to achieve those results.

**4) Profits and Net Income** – **Profits** are usually stated in dollars, and **Net Income** is the positive difference between revenues and expenses.

**5) Viability** – The ability of a business to continue to survive and succeed into the future.

**6) Accounting** – The art of recording, classifying and summarizing, in a significant manner and in terms of money, transactions and events which are in part at least, of a financial character, and interpreting the results thereof.

**7) GAAP** – (Generally Accepted Accounting Principals) Accounting principals developed and approved by the Financial Accounting Standards Board (FASB), an independent body created by the SEC, to provide guidelines as to how financial accounting should be performed.

**8) Cash Basis** - Sales (Revenues) and Expenses (Costs) are accounted for on a “cash received” and “cash paid” basis. There are no Accounts Receivable and Accounts Payable with the Cash Basis of Accounting.

**9) Accrual Basis** – the practice by which revenues are recorded when “earned” and expenses are recorded when “incurred” even if the cash has not yet been received or paid out. Expenses incurred to produce the Sales are properly “matched” against each other within the same accounting period.

**GLOSSARY OF TERMS**

Month 9 - December 31, 2006

- 10) Matching Principle** – As stated above, expenses incurred to produce Sales must be matched together within the same period. Otherwise, there is a distortion of Net Income for certain accounting periods.
- 11) Capitalization** – The practice of recording purchases where the usefulness will be recognized over time to generate revenue. (The “usefulness” is what we call depreciation.)
- 12) Net Realizable Value** – The value of a transaction or series of transactions after allowances or discounts have been taken against the transaction(s).

Example - Accounts Receivable: Gross receivables less an allowance for bad debts = Net Realizable Value of Accounts Receivable.

- 13) Meter Route/ Meter Cycle** – A **meter route** is a Meter Reader’s walking/driving direction used to read meters at residence and businesses. A route usually encompasses approximately 175 meter readings. A **meter cycle** is a group of meter routes that are within the same demographic area. A meter cycle usually includes 4-5 meter routes or approximately 700 meter readings.