

MOHAWK VALLEY WATER AUTHORITY

MONTHLY FINANCIAL REPORTING PACKAGE

Month 11: Month Ended February 28, 2007

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 11 - February 28, 2007

PRODUCTION & CONSUMPTION

	<u>February</u>	<u>January</u>	<u>December</u>	<u>November</u>	<u>October</u>	<u>September</u>
Water Production (1,000 gallons)	533,300	556,900	548,200	531,900	549,900	547,100
Billed Consumption (1,000 gallons)	325,269	297,130	337,610	353,410	326,291	360,347

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.)	Beginning Cash	Operating Cash In	Operating Cash Out	Net Change In Cash	Balance Remaining
February 2007		\$ 1,262,166	\$ 1,306,203	\$ (44,037)	
Year-To-Date	\$ 2,445,083	\$ 14,837,435	\$ 14,458,895	\$ 378,540	\$ 2,823,623

CUSTOMER ACCOUNT MAINTENANCE

Customers in the Water System	Beginning Balance	New Accounts	Moved Out of Svs. Area	Ending Balance
February 2007		28	(25)	
Year- to-Date (Fiscal 2007)	38,589	856	(667)	38,778
Fiscal 2006	38,449	573	(433)	38,589

Breakdown of Customer Movement:

- Currently, 1,680 final bills were processed of which 1,347 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 11 - February 28, 2007

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
January 2007	200	5	2	0	2	0	209	19	1	9.5	2.4
February 2007	159	0	1	1	1	1	163	17	2	8.6	2.2
Year-To-Date	2,080	31	28	9	23	17	2,188	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 11 - February 28, 2007

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
January, 2007	30	57	51	802	5	10	45	35	1,035
February, 2007	25	68	20	1,002	10	6	66	4	1,201

ACCOUNTS PAYABLE

	Total	0-10	10-20	20-30	30-50	50+	Capital Project Retention
February 2007	\$280,058	\$35,186	\$50,880	\$116,247	\$9,608	\$68,137	\$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 11 - February 28, 2007

COMPTROLLER'S MESSAGE

Month 11 - February 28, 2007

Big Picture

Monthly Water Sales: At eleven months, billed water sales are slightly above budgeted estimates by \$123,000 (\$13,010,000 budget vs. \$13,134,000 actual).

Monthly Consumption: At eleven months, consumption is 10 million cubic feet below the prior year. A recovery of 3.5 million cubic feet occurred in February following a net increase of 2 million cubic feet for December and January. Prior to December, 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. Based upon a detailed analysis presented in the various budget workshops, weather and normal fixture change-outs in households to more efficient appliances could be the reasons for this overall drop in consumption. The prior year's 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 \$275,000 water revenue under our current rate structure of an average of \$27.86 per 1,000 cubic feet.

COMPTROLLER'S MESSAGE

Month 11 - February 28, 2007

Big Picture-continued

Cash Flow: At eleven months, there remains a positive cash position. Projected cash flow is estimated to end the fiscal year at a positive \$240,000. This balance is net funding reserves and all necessary debt service and PILOT payments.

Staff 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:

	<u>MONTHLY ACTIVITY</u>		<u>YEAR-TO-DATE ACTIVITY</u>	
	<u>TARGET</u>	<u>FEBRUARY 2007</u>	<u>TARGET</u>	<u>ACTUAL</u>
Cash Inflow	\$ 1,300,000	\$ 1,262,000	\$ 14,300,000	\$ 14,837,000
Outflows--				
Transfer to Funds Reserves	\$ 372,000	\$ 372,000	\$ 372,000	\$ 372,000
Personnel Costs	322,000	338,000	3,703,000	3,724,000
Reimb. Capital Labor	(300,000)	(303,000)	(300,000)	(303,000)
PILOTS	125,000	123,000	1,331,000	1,324,000
Debt Service	305,000	344,000	3,883,000	3,846,000
Payments to Suppliers	550,000	432,000	5,098,000	5,495,000
	<u>1,374,000</u>	<u>1,306,000</u>	<u>14,087,000</u>	<u>14,458,000</u>
Cash Remaining	\$ (74,000)	\$ (44,000)	\$ 213,000	\$ 379,000

LITIGATION EXPENSES—TO DATE

FISCAL YEAR	PURPOSE	AMOUNT
2005	WATER PERMIT REVIEW & DISCOVERY	\$ 44,180
	Legal Water Flow 1917 Agreement	\$ 5,416
	Review of Canal Law	\$ 18,409
	Declaratory Judgment - Canal Corp.	\$ 119,020
2006	DISCOVERY & DECLARATORY JUDGMENT	\$ 142,845
2007	DECLARATORY JUDGMENT--April 1, 2006 to February 28, 2007	\$ 215,168
	TOTALS	\$ 402,193

COMPTROLLER'S MESSAGE

Month 11 - February 28, 2007

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

CURRENT CUSTOMER SERVICE ACTIVITY

New Initiatives--

- We met with OCWA officials and had a tour of their facility and discussions of their operations and techniques.
- A draft proposal is under review to provide relief to residential customers with extraordinary water leakage.
- We continue to concentrate on properties that have registered "0" consumption for three or more quarters. This is to assist in our tampering efforts and to correct stopped meters. The Meter Readers focus on these properties to determine why a property has no consumption recorded.
- 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%.
- 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.

MOHAWK VALLEY WATER AUTHORITY

COMPTROLLER'S MESSAGE

Month 11 - February 28, 2007

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 an 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; 15% of the quarterly accounts were estimated. This was primarily due to the large snow fall that restricted our reading staff from accessing the reading units on sides of houses and buildings.

BILLING/COLLECTIONS:

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

Fiscal 2007	Beginning Balance	Sent to Collections	Amount Collected	Amount Returned	Ending Balance
April 2006		\$ 23,149	\$ 7,024	\$ 3,670	
May 2006		12,769	19,139	5,150	
June 2006		69,972	12,874	17,779	
July 2006		21,935	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	
January 07		79,665	29,693	8,333	
February 07		0	40,131	0	
Year to Date	\$ 9,460	\$463,867	\$288,780	\$107,701	\$ 76,846

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

MOHAWK VALLEY WATER AUTHORITY

COMPTROLLER'S MESSAGE

Month 11 - February 28, 2007

BILLING/COLLECTIONS: (continued)

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

	Prior Month Balance	Customers Added/ Returned From Collections	Customers Paid	Shut-Off	Ending Balance
"Posted" Accounts	467	1	42	1	425

- Since the beginning of the fiscal year, \$574,535 has been posted.
- For the current month, accounts totaling \$2,400 have been "posted". Of the outstanding posted balances, \$433,372 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.

Date	Last Name	Acct. #	Address	Fee Amt.	Fee Paid	Evidence	Letter Sent	Posted	Shut Off	Status
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	2/01/07	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 11 - February 28, 2007

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**.)

	Critical Ratio %	February	January	December	November	October	September
ASSETS							
Cash		\$ 2,886,428	\$ 2,857,276	\$ 2,982,921	\$ 3,172,007	\$ 3,265,305	\$ 2,727,153
Water Sales Receivable, Net		\$ 1,698,972	\$ 1,609,047	\$ 1,549,176	\$ 1,682,544	\$ 1,582,621	\$ 1,769,856
Trust Fund Assets		\$ 25,775,896	\$ 25,377,240	\$ 25,045,669	\$ 25,195,331	\$ 12,647,988	\$ 12,487,860
Utility Long Term Assets, Net		\$ 49,944,944	\$ 49,982,989	\$ 50,004,195	\$ 49,896,378	\$ 49,985,026	\$ 50,038,746
Total Assets		\$ 82,042,949	\$ 81,372,147	\$ 80,870,259	\$ 81,092,965	\$ 69,196,857	\$ 68,598,131
LIABILITIES							
Accounts Payable		\$ 464,104	\$ 476,862	\$ 223,742	\$ 325,249	\$ 280,055	\$ 348,514
Long Term Debt, Principal		\$ 60,801,998	\$ 60,789,336	\$ 61,281,242	\$ 61,355,000	\$ 47,927,286	\$ 47,914,568
Total Liabilities		\$ 64,635,496	\$ 64,416,455	\$ 64,789,631	\$ 64,536,694	\$ 51,755,597	\$ 51,527,676
EQUITY							
Unrestricted Earnings		\$ (907,199)	\$ (979,033)	\$ (1,179,435)	\$ (701,090)	\$ (585,905)	\$ (991,915)
Invested in Utility Plant, Net		\$ 16,124,408	\$ 16,124,408	\$ 16,124,408	\$ 16,124,408	\$ 16,131,408	\$ 16,131,408
Timber Sales Reserve		\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638
"3R" Reserve		\$ 588,788	\$ 332,706	\$ 332,706	\$ 331,355	\$ 328,624	\$ 328,624
Oper. and Maint. Reserve		\$ 424,586	\$ 303,504	\$ 303,504	\$ 302,153	\$ 299,422	\$ 292,133
Repair & Improvement (legislative)		\$ 541,869	\$ 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
OPERATIONS - (Monthly Accumulation)							
	% of Accum. Budget	11th Month FY 2007	10th Month FY 2007	9th Month FY 2007	8th Month FY 2007	7th Month FY 2007	6th Month FY 2007
Water Sales	101%	\$ 13,133,158	\$ 11,899,557	\$ 10,768,823	\$ 9,641,309	\$ 8,472,165	\$ 7,265,137
Other Revenue	118%	\$ 2,193,780	\$ 2,086,534	\$ 1,682,000	\$ 1,682,000	\$ 1,419,603	\$ 1,191,339
Operating Expenses	92%	\$ 9,228,704	\$ 8,434,953	\$ 7,575,990	\$ 6,436,969	\$ 5,657,075	\$ 5,561,430
Debt Service, Interest only	78%	\$ 1,445,773	\$ 1,434,973	\$ 1,434,973	\$ 772,873	\$ 772,873	\$ 772,873
PILOT Payments	100%	\$ 1,323,303	\$ 1,200,317	\$ 1,076,353	\$ 957,950	\$ 839,547	\$ 721,144

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES
WATER RECEIVABLES--COLLECTION HISTORY
 Month 11 - February 28, 2007

- **Collection of Delinquent Accounts:**

	FY 2006	FY 2005	FY 2004	FY 2003
→ Delinquent Receivables (Outstanding >60 Days)	628,000	\$727,000	\$750,000	\$770,000
→ Amounts sent to City of Utica Tax Levy	184,292	\$132,504	\$315,000	\$420,000

- **Collection Agency Activity/ Shut-off Activity:**

Collection Agency	FY 2006	%	FY 2005	%
→ Amount Sent	\$588,000		\$674,000	
→ Amount Collected	\$356,000	61%	\$368,000	55%
→ Of Remaining Balance, amount collected thru shut-off Procedures	\$ 145,000	63%	\$203,000	66%

- **Reduction of Collection Threshold of Delinquent Accounts Receivable—**
 - Original threshold: send accounts >\$500/over 90 days;
 - Current Threshold: send accounts >\$200/over 60 days—
- **Reduction of Estimated Readings/Billings—20% reduction**

MOHAWK VALLEY WATER AUTHORITY

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 11 - February 28, 2007

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.

Customer	Route & Account	Address	Total	0-30	31-60	61-90	91-120	Over 120	Acct. Status
City Owned Properties -Utica	Various		225,083	2,891	6,708	2,726	8,966	203,792	
NYMA Properties (see shut-offs)	11F 154	1505 Howard Ave. Utica	1,083	7	225	20	4	827	Investigation
Valerie Ziemba - Landlord	12D 161	1537 Brinkerhoff Ave. Utica	1,169	6	291	18	3	851	Posted/ City tax Levy
Darlene Clark	13D 148	1546 St. Vincent St. Utica	1,032	6	173	19	4	830	Posted/ City tax Levy
Carolyn Upshaw	13E 55	231 Eagle Street, Utica	1,164	10	67	23	8	1,056	Posted/ City tax Levy
Nira Maljisevic	14B 50	1173 McQuade Avenue, Utica	1,151	8	104	22	7	1,010	Posted/ City tax Levy
Kim Dipierro - Landlord	14C 110	1557-59 St. Vincent Street, Utica	1,061	5	183	18	3	852	Posted/ City tax Levy
Magnus Ognunsanwo	15F 137A	707 John Street, Utica	4,966	54	23	8	449	4,432	Posted/ City tax Levy
Gary Yourdon	16B 76	518 Mary Street, Utica	1,324	145	40	-	1,139	-	Paid \$2,418 in 3/07.
Mohammed Hashim	17B 37A	984-86 Bleeker Street, Utica	1,073	298	-	15	437	323	Investigation
Forrest Austin	18B 122	1506 Catherine Street	1,133	506	15	-	187	425	Posted
Heritage Acres	22G 66	1893 Herkimer Road	1,526	701	15	-	810	-	Posted
Deborah Whiting	29B 34	2138 McBride Avenue, Utica	2,100	1	16	1,913	15	155	Investigation
Marcy Development Center	33D 2	9225 Sate Rte. 49 - N.H.	1,191	15	-	732	15	429	Investigation
Frank E. Debiase, Jr.	33E 99A	9315 Fishlane, Marcy	1,887	15	-	1,010	15	847	Investigation
Heritage Acres	37A 95	X Birchdale Rd. Utica	1,887	15	-	1,010	15	847	Posted
239 Genesee Holding-Landlord	52B 19	239 Genesee Street-Mayro Building	2,492	449	15	531	1,322	175	Posted/ City tax Levy
Fay St Warehouse	55A 9A	825-27 Broad Street Utica	1,032	41	8	40	73	870	Posted
Timothy Klotz (see also shut-offs)	37 accounts	Multiple accounts listed seperately	21,789	1,194	3,134	459	1,359	15,643	Posted/collect.

DELINQUENT ACCOUNTS SHUT-OFF

Henry Topolski	3F 53	708 Plant Street, Utica	1,151	10	58	9	24	1,050	Shut-off/ City Tax Levy
Henry Topolski	8B 35	1000 Park Avenue, Utica	1,948	18	65	32	17	1,816	Shut-off/ City Tax Levy
Mike Quinn Plumbing	4F 157	731 Columbia Street, Utica	1,003	8	106	22	7	860	Shut-off in 2/07
Hari Lukac/Renata Vujeva	8C 46BK	17 Clinton Place, Utica	4,081	-	165	-	-	3,916	Shut-off/ City Tax Levy
Wanda Brito	10B 114	1668 Steuben Street, Utica	1,188	10	78	22	7	1,071	Shut-off/ City Tax Levy
Som Mang Porn	10D 6	1335 Oneida Street, Utica	1,911	11	369	22	7	1,502	Shut-off/ City Tax Levy
James Jones	10F 91	137 Wall Street, Utica	1,866	17	65	31	16	1,737	Shut-off/ City Tax Levy
Angel & Mario Santana	11D 26	1428 Miller Street, Utica	1,846	17	64	31	15	1,719	Shut-off/ City Tax Levy
M of M Inc. - Landlord	11G 69	1318 Brinkerhoff Ave. Utica	2,716	2	72	16	2,341	285	Shut-off in 2/07

MOHAWK VALLEY WATER AUTHORITY

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 11 - February 28, 2007

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.

Customer	Route & Account	Address	Total	0-30	31-60	61-90	91-120	Over 120	Acct. Status
NYMA Properties - (see invest.)	13B 133	1311 Steuben Street, Utica	1,634	15	62	29	14	1,514	Shut-off/ City Tax Levy
Christiana Joseph	14A 41	601 Eagle Street, Utica	1,802	13	59	25	10	1,695	Shut-off/ City Tax Levy
Magen Letrende	17B 107	906 Catherine Street, Utica	1,525	56	12	27	60	1,370	Shut-off/ City Tax Levy
Fiore Carbone	17C 56	1021-23 Bleeker Street, Utica	1,897	54	12	27	560	1,244	Shut-off/ City Tax Levy
Ingrid Grimm	24B 136	37 Pratt Street, Clark Mills	2,860	68	41	26	73	2,652	Shut-off/ City Tax Levy
132-42 Hotel Inc.	50A 21	132-42 Hotel Street, Utica	1,603	97	24	94	187	1,201	Shut-off/ City Tax Levy
Coolidge Mem. LLC	52B 60	106 Mem Pkwy. Utica	1,653	429	15	479	730	-	Shut-off in 2/07
Tartan Textile Serv.	55B 29	311-15 Whitesboro Street, Utica	9,942	940	51	921	1,791	6,239	Shut-off/ City Tax Levy
Raymond DeCarr	3 accounts	Multiple accounts listed seperately	1,549	12	122	40	58	1,317	Shut-off/ City Tax Levy
Sandra Albert	8 accounts	Multiple accounts listed seperately	11,331	257	2,363	105	312	8,294	Shut-off/ City Tax Levy
Timothy Klotz (also, see above)	3 accounts	Multiple accounts listed seperately	5,141	136	265	71	89	4,580	Shut-off/ City Tax Levy
City Delinquents-FY '06			18,769					18,769	
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			1,500,638	706,694	218,988	85,847	77,284	411,825	Change
February, 2007			<u>2,479,613</u>	<u>715,231</u>	<u>234,073</u>	<u>96,440</u>	<u>98,433</u>	<u>1,335,436</u>	3.32%
January, 2007			<u>2,399,983</u>	<u>686,386</u>	<u>162,340</u>	<u>121,975</u>	<u>140,385</u>	<u>1,288,897</u>	3.24%
December, 2006			<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%
November, 2006			<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%
October, 2006			<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%
September, 2006			<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%
August, 2006			<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%
July, 2006			<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%
June, 2006			<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%
May, 2006			<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%
April, 2006			<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%
March, 2006			<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%
February, 2006			<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%

MOHAWK VALLEY WATER AUTHORITY

WORK IN PROCESS—CAPITAL PROJECTS

Month 11 - February 28, 2007

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>0</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	18,546	49,488	15,768	3,406,413	3,471,669
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	6,117	45,572	108,465	10,000	164,037
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	3,174,500	16,605	35,230	44,700	11,175	91,105
Fiscal 2005 Budgeted Capital Projects		<u>7,354,005</u>	<u>41,268</u>	<u>170,340</u>	<u>400,206</u>	<u>3,728,320</u>	<u>4,298,866</u>

MOHAWK VALLEY WATER AUTHORITY

WORK IN PROCESS—CAPITAL PROJECTS

Month 11 - February 28, 2007

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
		<u>117,500</u>	<u>0</u>	<u>21,017</u>	<u>0</u>	<u>27,953</u>	<u>117,764</u>

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	16,877	33,015	354	6,496,146	6,529,515
Main Replacement	Commercial Drive	30,000	0	21,287	0	0	21,287
Main Replacement	Leah St.	51,600	0	69,168	0	0	69,168
Main Replacement	Sherman Drive & Tilden Ave	14,000	0	4,447	0	7,273	11,720
Corrosion Compliance Study	System Wide	180,000	1,512	62,976	0	115,000	177,976
Main Replacement	Church St.	22,000	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	0	937	0	0	937
GIS & Hydrolic Modeling	Sytem Wide	400,000	0	196,163	0	0	196,163
Clearwell	WTP	84,000	17,105	26,300	0	0	26,300
Fiscal 2007 Budgeted Capital Projects		<u>7,495,040</u>	<u>35,494</u>	<u>477,232</u>	<u>354</u>	<u>6,618,419</u>	<u>7,096,005</u>

MOHAWK VALLEY WATER AUTHORITY

MAJOR REVENUE AND EXPENSE ACCOUNT ANALYSIS

Month 11 - February 28, 2007

MONTHLY CONSUMPTION- (IN HUNDREDS OF CUBIC FEET)

	FISCAL 07	FISCAL 06	FISCAL 05	FISCAL 04	FISCAL 03
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	424,902	426,796	416,941	426,849
January	397,180	407,949	409,415	463,977	459,749
February	434,793	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>4,899,492</u>	<u>5,398,746</u>	<u>5,368,949</u>	<u>5,419,130</u>	<u>5,597,128</u>

MONTHLY WATER BILLINGS:

	FISCAL 2007			FISCAL 2006	
	Billings	Cash Receipts	Customer Routes Read	Billings	Cash Receipts
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	983,813	1,339,885
January	1,134,424	1,062,568	1-23; 75-77	1,000,181	1,007,019
February	1,200,168	1,118,333		980,290	1,097,821
March	<u>0</u>	<u>0</u>		<u>972,949</u>	<u>1,197,891</u>
Total	<u>\$13,258,402</u>	<u>\$12,897,834</u>		<u>\$ 12,604,429</u>	<u>\$ 13,093,045</u>

MAJOR REVENUE ACCOUNT ANALYSIS

Month 11 - February 28, 2007

REVENUE

- *Metered Water Sales:*

- Quarterly and Monthly Billings – For the month, water sales is above by \$220,000 compared to the prior year.

- Overall Sales vs. Prior Year – Water sales are up \$1,627,000 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 11 - February 28, 2007

	<u>Month-To-Date</u>		Percent of Current Budget	Favorable (Unfavorable) Variance	<u>Explanation of Variance</u>
	Budget (Cash-Basis)	Actual-Feb.28, 2007 (Accrual-Basis)			
Administration					
Salaries	257,133	266,045	103.47%	(8,912)	Unbudgeted position paid until May.
Unemployment	3,667	7,047	192.17%	(3,380)	Actual cost for reduction of marketing position.
Contracted Services	44,360	60,068	135.41%	(15,708)	Marketing firm expenses exceeded budget by \$21K.
Training & Education	4,000	1,128	28.20%	2,872	Minimal training / seminars to date.
Contracted Services.-Legal Fees	234,800	252,214	107.42%	(17,414)	Billed for litigation services thru February.
Finance & Accounting					
Salaries	363,782	360,431	99.08%	3,351	Meter reader position vacant for short period of time.
Contracted Services	158,900	200,120	125.94%	(41,220)	M&T banking charges unfavorable by \$19.5K. In process of RFP for banking services. Credit card charges overrun by \$11.5K as more customers are using our credit card payment system.
Training & Education	1,500	0	0.00%	1,500	No training to date.
Customer Service					
Salaries	187,074	184,985	98.88%	2,089	Position recently filled.
Travel	1,880	769	40.90%	1,111	Favorability will extend to year end.
Engineering					
Salaries	435,548	440,931	101.24%	(5,383)	As part of employ. contract, 2 staff sold a week's vacation; in addition 'ee paid for opting out of medical plan.
Wages	63,517	63,956	100.69%	(439)	On track w/ budget.
Travel	1,336	2,336	174.85%	(1,000)	Travel to AWWA conference not budgeted.
Operating Supplies	16,635	8,866	53.30%	7,769	Purchase of parts for pressure regulator has not occurred = \$6K.
Contractor Services	36,819	21,928	59.56%	14,891	The following has not been performed to date: annual inspect. of Hydro generators.-\$5k; flushing kits = \$3K; calibration of equipment = \$2K; interns for data entry = \$1.5K; appraisal services = \$1K.
Training and Education	4,700	1,340	28.51%	3,360	Hydraulic Modeling training budgeted for 2 employees (\$2,000) will take place later in the year.

MAJOR EXPENSE ACCOUNT ANALYSIS-CONTINUED

Month 11 - February 28, 2007

	Month-To-Date		Percent of Current Budget	Favorable (Unfavorable) Variance	
	Budget (Cash-Basis)	Actual-Feb.28, 2007 (Accrual-Basis)			
Information Technology					
Office Equipment	22,600	24,484	108.34%	(1,884)	Replacement of mapper server for \$4.5K was not budgeted. Old server broke and had to be replaced.
Travel & Vehicle Usage	2,200	18	0.82%	2,182	Minimal travel for training incurred to date
Operating Supplies	15,250	7,715	50.59%	7,535	Timing of purchases (i.e.. Toner and paper).
Contracted Services	108,539	83,514	76.94%	25,025	Items not spent as scheduled: Software consultant-\$22K (consultant hired in March for TAP applications, backflows, etc. estimated cost = \$12K); Timing of lease on server w/ UNYSIS-\$3K; Web Page development-\$6K (work anticipated to be performed in FY 2008). Offset by unbudgeted Backflow System tracking software = \$4K.
Training and Education	8,000	2,670	33.38%	5,330	The following budgeted training programs have not occurred: Arc IMS Administrator = \$1.4K; SCADA Training = \$1.8K; GIS training = \$1.2K.
Repairs	2,751	60	2.18%	2,691	No repairs on computer equipment incurred to date.
Water Quality					
Office Equipment	13,000	801	6.16%	12,199	Delay in purchase of watershed lab equipment = \$3K; purchase of convection oven = \$2K; On-Line Monitoring Chips \$1K; all other (i.e., automatic pipetors) = \$3K.
Operating Supplies	132,725	118,281	89.12%	14,444	Currently, manufacturing some in house reagents as opposed to purchasing them from suppliers. PCR kits = favorable \$5.6K.
Contracted Services	23,500	8,429	35.87%	15,071	Regulated Monitoring performed = \$9K favorable; Maintenance of microscopes not performed = \$1.5K favorable. Charges for summer intern unbudgeted = (\$1.5K).
Repairs	6,000	1,311	21.85%	4,689	Minimal repairs to date.
Shipping Charges	7,150	1,003	14.03%	6,147	Less shipping than anticipated for outside analysis of samples.
Travel	8,600	10,789	125.45%	(2,189)	Add'l cost for national conference not budgeted.
Treatment Plant					
Salaries	293,892	291,530	99.20%	2,362	Reasonable positive variance.
Wages	9,986	23,639	236.71%	(13,653)	Part-time WQ position working more than budgeted.
Operating Supplies	612,566	687,111	112.17%	(74,545)	Polymer purchases - \$28K unfavorable. Aluminum sulphate purchases = \$26K unfavorable.
Travel	1,825	3,760	206.03%	(1,935)	Add'l member attended national conference.
Training and Education	4,000	1,334	33.35%	2,666	Operator training not performed to date.

MAJOR EXPENSE ACCOUNT ANALYSIS-CONTINUED

Month 11 - February 28, 2007

	Month-To-Date		Percent of Current Budget	Favorable (Unfavorable) Variance	
	Budget (Cash-Basis)	Actual-Feb.28, 2007 (Accrual-Basis)			
Maintenance					
Salaries	502,505	467,671	93.07%	34,834	Unfilled meter shop supervisor position recently filled; variance will continue to y/e.
Wages	824,755	733,919	88.99%	90,836	Positions being filled by part-timers in anticipation for full-time; variance will continue to y/e.
Street Repair Materials	607,534	584,837	96.26%	22,697	YTD favorabilities: concrete purchases = \$30K. Offset by unfavorable purchases (i.e., cold patch).
Office Equipment	6,025	1,062	17.63%	4,963	Limited purchase of office furniture to date.
Small Equipment	35,450	2,440	6.88%	33,010	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	420,995	393,547	93.48%	27,448	Favorable expenses YTD: General supplies = \$30.6K; Hydrant purchases = \$21.9K. Unfavorable purchases of valves and parts = \$25K.
Contracted Services	24,125	16,375	67.88%	7,750	Unbudgeted railroad flagman = \$6K.
Training & Education	22,820	2,147	9.41%	20,673	Various safety training programs have not occurred or are running under budget (i.e.. Pesh, Haz Communication).
Clothing Allowance	16,900	13,723	81.20%	3,177	Timing of clothing allowance purchases.
Vehicle & Equip. Repairs	167,791	126,480	75.38%	41,311	Favorable year to date. This account is projected to be favorable at year end.
General Services					
Printing	40,340	23,991	59.47%	16,349	Timing of water bill and envelopes purchases.
Heat	66,270	45,834	69.16%	20,436	Year to date favorability is due to budget estimates based on anticipated higher fuel costs and mild winter to date.
Electricity and Gas	449,000	369,154	82.22%	79,846	Year to date favorability is due to budget estimates based on anticipated higher utility rates.
Postage	70,607	82,592	116.97%	(11,985)	Timing of billing replenishment.
Gas & Oil	100,100	109,113	109.00%	(9,013)	Gasoline purchases for vehicles are unfavorable by \$9K.
Overtime					
Finance & Accounting	750	3,551	0.00%	(2,801)	Project for upgrading data related to tap cards and other engineering data bases.
Engineering	20,150	21,940	108.88%	(1,790)	
Info. Technology	11,500	11,990	104.26%	(490)	Services for City of Utica not performed to date.
Treatment Plant	45,562	55,922	122.74%	(10,360)	
Maintenance	162,500	174,844	107.60%	(12,344)	
Total Overtime	241,442	268,758	111.31%	(24,653)	

FINANCIAL RATIOS

Month 11 - February 28, 2007

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>Feb. '07</u>	<u>Jan. '07</u>	<u>Dec. '06</u>	<u>Nov. '06</u>	<u>Oct. '06</u>	<u>Sept '06</u>	<u>Avg.-Past Six months</u>
1.79	1.81	1.81	2.05	1.83	1.80	1.92

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>Feb '07</u>	<u>Jan '07</u>	<u>Dec '06</u>	<u>Nov. '06</u>	<u>Oct. '06</u>	<u>Sept '06</u>	<u>Avg.-Past Six months</u>
\$2,739,490	\$2,635,678	\$2,562,885	\$2,970,444	\$2,886,411	\$2,609,297	\$2,513,013

FINANCIAL RATIOS

Month 11 - February 28, 2007

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>Feb '07</u>	<u>Jan '07</u>	<u>Dec'06</u>	<u>Nov '06</u>	<u>Oct '06</u>	<u>Sept '06</u>	<u>Avg.-Past Six months</u>
78%	79%	75%	74%	75%	75%	79%

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%.

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>Feb. '07</u>	<u>Jan. '07</u>	<u>Dec. '06</u>	<u>Nov. '06</u>	<u>Oct. '06</u>	<u>Sept '06</u>	<u>Avg.-Past Six months</u>
2.70	2.50	2.89	4.59	4.29	3.00	3.14

FINANCIAL RATIOS

Month 11 - February 28, 2007

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)

Feb. '07	Jan. '07	Dec '06	Nov '06	Oct '06	Sept '06	Aug '06	Avg.-Past Six months
32.40%	27.91%	27.68%	27.20%	25.99%	28.79%	27.54%	33.81%

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.

FINANCIAL RATIOS

Month 11 - February 28, 2007

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>Feb. '07</u>	<u>Jan. '07</u>	<u>Dec. 06</u>	<u>Nov. 06</u>	<u>Oct. 06</u>	<u>Sept. 06</u>	<u>Avg.-Past Six months</u>
\$35.93	\$37.84	\$38.11	\$32.53	\$32.71	\$32.71	\$32.53

GLOSSARY OF TERMS

Month 11 - February 28, 2007

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 11 - February 28, 2007

- 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.