

MOHAWK VALLEY WATER AUTHORITY

MONTHLY FINANCIAL REPORTING PACKAGE

Month 11: Month Ended February 28, 2009

<u>Finance Committee Members</u>	<u>Terms Ending</u> December 31,
Bruce Brodsky, Committee Chairman	2008
Vincent Coyne	2008
Elis DeLia	2010
George Gaston, Board Chairman	2008
A. Eugene Snyder	2009
Frank Trevisani	2009

Report produced by Jim Korfonta, Comptroller

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VITAL SIGNS—(KEY PERFORMANCE INDICATORS)

Month 11 - February 28, 2009

PRODUCTION & CONSUMPTION

All amounts in <u>Cubic Feet</u> (1 cubic foot=7.481 gallons.)	November, December, January, 2009	October, November, December, 2008	September, October, November, 2008	Average--Past 6 Months
Average Water Consumption	42,180,023	43,121,358	45,135,460	42,667,917
Average Water Production	74,068,034	71,791,005	70,690,367	72,766,875

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, 2009		\$ 1,324,440	\$1,412,740	(\$ 88,300)	
Year-To-Date	\$ 4,165,197	\$16,790,115	\$ 16,917,044	(\$126,929)	\$ 4,038,268

CUSTOMER ACCOUNT MAINTENANCE

Customers in the Water System	Beginning Balance	New Accounts/ Moved into Area	Moved Out of Service. Area	Ending Balance
February, 2009		4	(29)	
Year-To Date (Fiscal 2009)	38,914	287	(226)	38,975
Fiscal 2008	38,877	497	(460)	38,914
Fiscal 2007	38,589	981	(693)	38,877
Fiscal 2006	38,449	573	(433)	38,589

Below is an analysis, by percentage, of the area customers 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%		

VITAL SIGNS—(KEY PERFORMANCE INDICATORS)--CONTINUED

Month 11 - February 28, 2009

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.
February, 2009	258	6	3	0	0	0	267	22	8	14.1	3.5
January 2009	332	3	1	3	0	0	339	32	9	17.0	4.2
December 2008	242	4	5	1	0	1	254	19	6	12.1	3.0
Nov. 2008	206	2	4	0	0	0	212	22	7	13.3	3.3
October 2008	290	1	4	0	2	2	299	19	7	13.5	3.4
September 2008	232	2	3	1	0	0	238	23	5	11.3	2.8
August 2008	258	5	4	2	1	0	270	25	6	12.9	3.2
July 2008	324	5	7	0	1	1	338	22	8	14.7	3.7
June 2008	255	6	2	2	6	0	271	22	7	12.9	3.2
May 2008	187	2	7	0	2	0	198	16	5	9.4	2.4
April 2008	293	7	16	5	1	0	322	23	4	16.1	4.0
Year-To-Date	2,635	39	51	13	13	3	2,754	32	4	13.3	3.3

Note: Two meter reading staff (certain days more staff) continued to be deployed to execute shut-off of properties that have been "posted" for non-payment. This effort will allow troubleshooter staff additional time to fulfill other duties.

Prior 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 2008	3,414	52	61	9	9	18	3,563	27	1	14	3.7
Fiscal 2007	2,344	34	30	9	23	17	2,457	20	1	8.4	2.4
Fiscal 2006	2,486	50	51	18	6	20	2,631	24	1	10.9	2.7
Fiscal 2005	2,964	54	51	24	0	3	3,096	27	1	12.6	3.2

COMPTROLLER'S MESSAGE

Month 11 - February 28, 2009

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
April, 2008	23	69	92	897	7	2	176	9	1,275
May, 2008	15	210	44	879	10	3	26	4	1,191
June, 2008	17	82	36	761	7	4	31	16	954
July, 2008	32	110	53	1,024	4	1	2	12	1,238
August, 2008	24	68	22	869	3	6	87	9	1,088
September, 2008	16	114	33	877	7	5	63	9	1,124
October, 2008	17	167	50	941	9	2	4	10	1,200
November, 2008	12	62	124	698	4	1	3	6	910
December, 2008	46	80	28	707	6	1	2	9	879
January, 2009	36	74	25	888	7	2	24	10	1,066
February, 2008	32	97	20	947	5	2	1	12	1,116

ACCOUNTS PAYABLE

	<u>Total</u>	<u>0-10</u>	<u>10-20</u>	<u>20-30</u>	<u>30-45</u>	<u>45+</u>	<u>Capital Project Retention</u>
February, 2009	\$553,538	\$148,890	\$42,447	\$188,559	\$14,551	\$34,852	\$124,239

COMPTROLLER'S MESSAGE

Month 11 - February 28, 2009

Big Picture

Water Sales and Consumption:

Consumption

In February, overall consumption was down 8.6% compared to February of the previous year. This decrease occurred both in monthly and quarterly accounts. In addition, the accumulated year-to-date consumption deficit has climbed to 18.8 million cubic feet from 15.2 million cubic feet the previous month. This shortfall represents 3.6% of the budgeted consumption. (Our current budgeted consumption has an allowance of 11 million cubic feet or 2.0% built in to the budget. This allows for variances in consumption without also incurring large dollar variances.)

February consumption for **quarterly billed** accounts decreased by 33.4 million cubic feet (11.8%) compared to November, 2008 (the last time that this group was billed). This reduction in consumption was spread throughout the whole quarterly customer base.

Monthly billed accounts decreased by 8.5 million cubic feet (5.8%) compared to the previous month. The reduction in consumption was also distributed throughout the entire monthly customer base.

We continue to monitor some of our larger accounts to identify trends or anomalies. Decreases in monthly-billed accounts were experienced in large consumption accounts including Con Med, Utica Psychiatric, St. Lukes Hospital, Matt's Brewing, Midstate Correction and Tect Utica (shutdown 1 week).

Water Sales

Overall, accumulated water sales remains up .8% compared to the year to date budget.

Tracking quarter-by-quarter:

The first quarter (April thru June) experienced an increase in water sales of 1.3% over the budgeted increase of 3.2% (or 4.3%) compared to 2008 actual.

For the second quarter, (July thru August), water sales was below 1.1% of the budgeted 3.2%. For the third quarter, (October – December), water sales recovered and posted a .8% increase over the budgeted 3.2%.

After three quarters, the accumulated water sales are up .8% over the budgeted 3.2%. January sales increased the accumulated to 1.0% above budget (.2% increase from the previous month); however, February took that increase away so we are back down to 4.00% or 0.8% above the budgeted 3.2%.

COMPTROLLER'S MESSAGE

Month 11 - February 28, 2009

Big Picture-continued

Cash Flow: Several large upfront payments were made in January for the calendar year including insurance and chemicals. As a result, our cash position is breakeven for the fiscal year. Contingent on having two remaining healthy months of revenue and minimal expenses, we could have a positive addition in the range of \$100,000 to \$200,000 going into the next fiscal year.

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

	<u>MONTHLY ACTIVITY</u>		<u>YEAR-TO-DATE ACTIVITY</u>	
	TARGET	FEBRUARY 2009	TARGET	ACTUAL
Cash Inflow	\$ 1,457,000	\$ 1,382,000	\$ 16,452,000	\$ 16,790,000
Outflows--				
Transfer to Fund Reserves	\$ -	\$ -	\$ 78,500	\$ 78,500
Personnel Costs	328,000	330,000	3,936,000	3,991,000
PILOTS	129,000	129,000	1,428,000	1,425,000
Debt Service	439,000	439,000	4,840,000	4,838,714
Payments to Suppliers	561,000	514,000	6,050,000	6,585,000
	<u>1,457,000</u>	<u>1,412,000</u>	<u>16,332,500</u>	<u>16,918,214</u>
Cash Remaining	\$ -	\$ (30,000)	\$ 119,500	\$ (128,214)

LITIGATION EXPENSES—TO DATE

FISCAL YEAR	PURPOSE	AMOUNT
2005	WATER PERMIT REVIEW & DISCOVERY	\$ 44,180
2006	DISCOVERY & DECLARATORY JUDGMENT	142,845
2007	DECLARATORY JUDGMENT ACTIVITY	243,757
2008	DECLARATORY JUDGMENT ACTIVITY	394,663
2009	DECLARATORY JUDGMENT ACTIVITY (Estimated to YE)	250,000
TOTAL		\$ 1,075,445

COMPTROLLER'S MESSAGE

Month 11 - February 28, 2009

CONVERSION TO NEW BANKING SERVICES

- Starting February 9th, we began sending the new bills out that will be collected by the new bank (HSBC) and lock-box system.
- Customers can also pay their water/sewer bill at any HSBC bank. In addition, customers can also pay in person by credit card, over-the phone, access the internet to pay on-line, or pay at a local Parkway Drugs.

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

CURRENT CUSTOMER SERVICE ACTIVITY

Ongoing Initiatives--

- We continue to execute a program to address properties that have either registered "0" consumption or estimated consumption for three or more quarters. Results will be displayed in future reports presented to the Finance Committee. This is to assist in our tampering efforts and to correct stopped meters.
 - For the month, 7.1% of the monthly accounts were estimated. This is compared to 8.18% from the previous month.
 - 4.90% of the quarterly accounts were estimated. This is comparable to the 4.06% recorded in November (The prior time this area was billed).

MOHAWK VALLEY WATER AUTHORITY

COMPTROLLER'S MESSAGE

Month 11 - February 28, 2009

BILLING/COLLECTIONS:

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

Fiscal 2009	Beginning Balance	Sent to Collections	Amount Collected	Returned From Collections	Ending Balance
February 2009		\$ 0	\$ 8,880	\$ 0	
January 2009		\$ 0	\$ 6,470	\$ 0	
December 2008		\$ 0	\$ 7,823	\$ 0	
November 2008		\$ 0	\$ 13,286	\$ 0	
October 2008		\$ 0	\$ 14,861	\$ 0	
September 2008		\$ 113,552	\$ 5,893	\$ 0	
August 2008		\$ 0	\$ 1,176	\$ 0	
July 2008		\$ 0	\$ 5,003	\$ 0	
June 2008		\$ 0	\$ 2,835	\$ 0	
May 2008		\$ 0	\$ 0	\$ 0	
April 2008		\$ 65,952	\$ 0	\$ 0	
Year to Date	\$ 7,219	\$ 179,504	\$ 66,227	\$ 0	\$ 120,496

Prior Fiscal Years	Sent to Collections	Amount Collected	Returned From Collections
Fiscal 2008	\$ 484,236	\$ 333,129	\$ 217,218
Fiscal 2007	\$ 550,183	\$ 301,768	\$ 107,701
Fiscal 2006	\$ 588,361	\$ 356,190	\$ 222,711
Fiscal 2005	\$ 673,903	\$ 368,184	\$ 305,719

Shut-Offs

Approximately 800 accounts "posted" for non-payment were addressed from a listing of back-logged work orders. 150 remain that need additional attention (curb box, replaced, special digging,)

Update: Approximately 280 new accounts have been added in October-February. Including the 280 noted above, 363 accounts remain. Most customers have paid or and a small number have been shut-off.

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
6/10/08	Grimmer	29A-87	2216 Sinclair Ave Y	\$2,000	\$2,000	Valve be turned	6/10/08			11
10/27/08	Pideo	7D-26	1502 Whitesboro St	\$2,000		Meter	11/2/08		10/29/2008	11
1/16/09	Sanabria	16	Properties	\$64,000		Pictures/Meters				11

MOHAWK VALLEY WATER AUTHORITY

FLASH REPORT

Month 11 - February 28, 2009

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		\$ 3,942,873	\$ 4,204,040	\$ 4,704,854	\$ 5,058,231	\$ 5,227,440	\$ 4,862,244
Water Sales Receivable, Net		\$ 1,585,023	\$ 1,472,068	\$ 1,387,148	\$ 1,566,366	\$ 1,356,917	\$ 1,336,612
Trust Fund Assets		\$ 27,781,745	\$ 27,351,666	\$ 26,875,002	\$ 14,941,111	\$ 16,740,299	\$ 16,531,274
Utility Long Term Assets, Net		\$ 62,051,125	\$ 61,996,180	\$ 61,741,069	\$ 61,628,752	\$ 61,570,445	\$ 61,492,388
Total Assets		\$ 97,233,116	\$ 96,713,764	\$ 95,810,049	\$ 84,558,317	\$ 87,042,321	\$ 86,088,704
LIABILITIES							
Accounts Payable		\$ 553,538	\$ 767,533	\$ 464,109	\$ 968,557	\$ 669,329	\$ 742,473
Long Term Debt, Principal		\$ 67,962,804	\$ 67,948,661	\$ 67,934,518	\$ 56,040,392	\$ 57,291,249	\$ 57,277,106
Total Liabilities		\$ 72,619,681	\$ 72,607,629	\$ 71,872,891	\$ 60,639,586	\$ 62,340,888	\$ 62,201,419
EQUITY							
Unrestricted Earnings		\$ 4,898,653	\$ 4,391,354	\$ 4,222,398	\$ 4,204,437	\$ 4,988,313	\$ 4,174,166
Invested in Utility Plant, Net		\$ 16,944,829	\$ 16,944,829	\$ 16,944,829	\$ 16,944,829	\$ 16,944,829	\$ 16,944,829
Timber Sales Reserve		\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638
"3R" Reserve		\$ 526,533	\$ 872,264	\$ 872,256	\$ 872,101	\$ 871,710	\$ 871,710
Oper. and Maint. Reserve		\$ 573,062	\$ 573,054	\$ 573,054	\$ 572,899	\$ 572,508	\$ 572,508
Repair & Improvement		\$ 526,533	\$ 526,533	\$ 526,526	\$ 526,370	\$ 525,979	\$ 525,979
Bond Covenant Reserve		\$ 650,456	\$ 650,456	\$ 650,456	\$ 650,456	\$ 650,456	\$ 650,456
OPERATIONS - (Monthly Accumulation)							
	<i>Accum. Budget</i>	11th Month FY 2009	10th Month FY 2009	9th Month FY 2009	8th Month FY 2009	7th Month FY 2009	6th Month FY 2009
Water Sales	101%	\$ 15,081,700	\$ 13,774,673	\$ 12,442,114	\$ 11,159,063	\$ 9,705,786	\$ 8,273,131
Other Revenue	76%	\$ 2,111,659	\$ 1,976,634	\$ 1,824,412	\$ 1,600,660	\$ 1,446,111	\$ 1,233,150
Operating Expenses less PILOTS	95%	\$ 9,884,482	\$ 9,111,781	\$ 7,940,103	\$ 6,992,630	\$ 5,722,623	\$ 5,040,634
Debt Service, Interest only	100%	\$ 2,394,765	\$ 2,387,543	\$ 2,387,543	\$ 1,997,120	\$ 1,026,083	\$ 1,026,083
PILOT Payments	100%	\$ 1,424,418	\$ 1,295,673	\$ 1,166,928	\$ 1,037,178	\$ 908,431	\$ 779,684

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 11 – February 28, 2009

CURRENT WATER RECEIVABLES – AGING OF ACCOUNTS:

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

Customer	Route & Account	Address	Total	0-23	24-45	46-71	72-122	123-157	158 +
City of Utica	17 accounts	Parks / Recreations / etc.	10,078	-	2,999	54	15	7,010	-
City of Utica	19 accounts	All Other	7,596	45	1,608	184	448	600	4,711
Migdalia Cortes	2A 173	11 Shepherd Place, Utica	1,066	1	-	90	17	861	97
Migdalia Cortes	2A 174	9 Shepherd Place, Utica	1,417	-	-	575	668	159	15
Ashford Clinton Corp.	2F 52BK	244 Roosevelt Dr. Utica	1,610	-	-	123	-	54	1,433
CNY Properties, Inc.	3A 49	1857-59 Merriline Ave. Utica	1,527	6	-	419	15	437	650
GID Properties	4A 132B	808 Wager Street	5,530	10	-	1,073	15	3,387	1,045
Vogels Int Bakery	6B 72	1219-21 Lennox Avenue, Utica	1,114	10	-	54	33	62	955
William Almas	8C 26	1424 Oneida St. Utica	1,921	7	-	606	15	538	755
Lawrence Spada III	8E 68	125 Thomas Street, Utica	1,134	3	-	535	15	287	294
Christina Joseph	13D 21	602 Eagle Street, Utica	1,199	10	65	-	16	55	1,053
Chanty Srey	16B 16	516 Lansing Street (1 Fl), Utica	1,370	59	-	15	113	16	1,167
Samnang Phou	16E 56	705 Elizabeth Street, Utica	1,219	12	-	-	22	10	1,175
Milquiades Burdier	16E 122	664-66 Bleeker Street, Utica	1,019	125	-	15	146	19	714
Nadine Parkes	17A 72	308 Kossuth Ave. Utica	1,177	559	-	15	603	-	-
Rebecca Kocienda	17F 23BK	1004 Blandina St. Utica	1,069	56	-	15	69	22	907
ZEBB's Three, Inc.	27P 64B	8428 Zeneca Turnpike, NH	1,723	859	15	-	849	-	-
Valley Brook Motel	27P 69	8463 Zeneca Turnpike, NH	1,110	563	15	-	517	15	-
Kathi Wojtowycz	29F 67	33 WhitesboroStr. Yorkville	1,205	5	15	-	344	2	839
Marc Cittadino	32R 73	10 Norris Street, Whitesboro	1,054	23	-	-	174	6	851
Marcy Campus Plaza	33A 79A	9841 State Rte. 49, Marcy	1,451	15	-	-	1,382	-	54
Cybersports, Inc	34A 52A	8020 Ste. Route 12, NH	1,539	-	-	80	203	-	1,256
Lloyd Barth, Jr.	52B 81	1121 Summit Place, Utica	3,670	462	632	959	1,617	-	-
T. Klotz (also, see shut-offs)	16 accounts	See separate attachment	5,601	320	459	830	689	1,563	1,740

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 11 – February 28, 2009

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

Customer	Route & Account	Address	Total	0-23	24-45	46-71	72-122	123-157	158 +	Acct. Status
<u>DELINQUENT ACCOUNTS - SHUT-OFFS / COLLECTIONS / RETURNED FROM COLLECTIONS</u>										
NYMA Properties, LLC	1D 41	613 Henry Street, Utica	1,986	18	-	54	35	104	1,775	Ret from Coll
Andrew Karas	3E 132	1331 Sunset Avenue, Utica	1,295	6	-	562	25	59	643	Shut-off/Coll
Agueda Calle	3F 66	1247 Lincoln Ave. Utica	1,179	12	-	-	14	7	1,146	Shut-off/Coll
Magnus Ogunsanwo	3F 126	1147 Lincoln Ave. Utica	1,280	5	-	352	22	362	539	Shut-off/Invest
George Bassett	4C 133	720 Roberts Street, Utica	1,380	12	-	54	38	65	1,211	Shut-off/Coll
Thomas & Mary Decristina	4D 100	600 Columbia Street, Utica	1,030	8	-	60	30	124	808	Ret from Coll
James Spratt	5E 93	1207 Erie Street, Utica	1,469	11	-	228	33	122	1,075	Shut-off/Coll
James Spratt	5E 159	1043 Erie Stret, Utica	1,388	10	-	68	35	90	1,185	Ret from Coll
James Spratt	5F 84	617 Lennox Avenue, Utica	1,390	12	-	68	35	90	1,185	Shut-off/Coll
James Spratt	11E 150	1507 Miller Street, Utica	1,794	16	54	-	45	68	1,611	Shut-off/Coll
James Spratt	12B 56	355 James Street, Utica	1,204	7	317	-	28	106	746	Shut-off/Coll
Mohammed Hashim	6A 105	1109 Court Street, Utica	1,615	15	-	54	41	64	1,441	Shut-off/Coll
Lawrence Raynor	6A 133	919 Lenox Ave. Utica	1,734	6	-	1,090	23	58	557	Shut-off/Coll
Angel Rios	7D 20	424 French Road, Utica	2,526	24	-	54	60	75	2,313	Shut-off/Coll
Care Real Estate	7D 26	1502 Whitesboro Street, Utica	2,639	4	-	-	2,007	202	426	Shut-off/Invest
Hari Lukac	8C 46BK	17 Clinton Pl. Utica	809	-	-	189	-	189	431	Ret from Coll
Sapi Dussi	10D 8	1309-13 Oneida Streetk, Utica	2,254	18	135	-	46	295	1,760	Ret from Coll
Kim Willie	10E 110	128 Elmwood Pl (3rd Fl) Utica	1,426	7	54	-	15	646	704	Ret from Coll
Hidalgo Diaz	10F 86	1506 Steuben Street, Utica	1,431	13	54	-	39	65	1,260	Shut-off/Coll
Michael Cipriano	10F 108	105-107 Wall Street, Utica	3,225	31	54	-	70	75	2,995	Ret from Coll
Charlirty Chheng	11A 136	1415 Elm Street, Utica	1,522	12	104	-	29	224	1,153	Shut-off
William Hawkins	11B 118	1210 Steuben St. Utica	2,581	24	54	-	60	126	2,317	Ret from Coll
Rafaela Pantaleon	11B 179	107 Leah Street, Utica	2,384	22	54	-	15	104	2,189	Shut-off/Coll
Thach Buon Bopha Suno	11E 34	1502 Howard Avenue, Utica	1,565	14	54	-	41	66	1,390	Ret from Coll
Bank of America	11F 157	1427-29 Howard Avenue, Utica	1,888	14	200	-	29	254	1,391	Shut-off/Coll
M of M, Inc.	11G 69	1318 Brinkerhoff Ave. Utica	1,118	9	104	-	15	71	919	Shut-off/Invest
Donald Shaub	11G 97	1308 Dudley Avenue, Utica	2,273	21	54	-	48	68	2,082	Shut-off/Coll
Margaret Natale	12B 89	339 Pleasant Street, Utica	3,719	35	54	-	64	59	3,507	Shut-off/Coll
Dale Grant	12B 156	1509 Seymour Ave. Utica	1,089	9	54	-	30	60	936	Shut-off/Coll
Doris Jones	13C 22	1214 Brinkerhoff Ave (1 Fl) Utica	1,013	4	503	-	20	90	396	Shut-off
SueAnn Stevens	13C 102	1139 Seymour Avenue, Utica	1,946	12	229	-	35	519	1,151	Shut-off

MOHAWK VALLEY WATER AUTHORITY

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 11 – February 28, 2009

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

Customer	Route & Account	Address	Total	0-23	24-45	46-71	72-122	123-157	158 +	Acct. Status
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DELINQUENT ACCOUNTS - SHUT-OFFS / COLLECTIONS / RETURNED FROM COLLECIONS

SueAnn Stevens	13C 102	1139 Seymour Avenue, Utica	1,946	12	229	-	35	519	1,151	Shut-off
Darlene Clark	13D 148	1546 Vincent Street, Utica	3,443	30	320	-	72	77	2,944	Shut-off/Coll
Manuel Marte	13E 104	1131 West Street, Utica	1,006	5	175	-	18	340	468	Shut-off/Coll
Marco Gonzales	13F 61	1124 Dudley Ave. Utica	1,450	13	54	-	38	65	1,280	Shut-off/Coll
Bonnie Colby	13F 120	1144 Taylor Ave. Utica	1,012	10	-	-	20	9	973	Shut-off/Coll
Phillip Bruzzese	16E 84	535 Albany Street, Utica	1,072	56	-	15	70	22	909	Shut-off/Coll
Stanley Williams	16E 114	516 Mohawk Street, Utica	2,063	149	957	15	298	18	626	Shut-off/Coll
Rafael Padilla	17A 150A	689 Bleeker Street, Utica	2,183	11	-	1,086	21	10	1,055	Shut-off/Coll
Thein Aung	17B 114A	925 Catherine Street, Utica	2,949	61	1,444	15	75	25	1,329	Shut-off/Coll
Michael & Fiore Carbone	17C 55	1015 Bleeker Street, Utica	1,999	55	972	15	119	22	816	Shut-off/Coll
Agnes Titus	17E 38	1008 Mary Street, Utica	1,984	56	964	15	69	22	858	Shut-off/Coll
Rebecca Kocienda	17F 23ABK	1004 Blandina St. Utica	2,120	56	1,032	15	120	22	875	Shut-off/Coll
Derek Roberts	29A 178	1010 Ney Avenue, Utica	1,038	7	15	-	91	6	919	Shut-off/Coll
Matt Morreale	29B 33	2140 McBride Avenue, Utica	1,359	9	15	-	306	7	1,022	Shut-off/Invest
Erica & John Smaldon	30C 1	1 Dewey Avenue, Utica	1,352	10	15	-	188	9	1,130	Shut-off
Patrick O'Connor	31A 33	103-105 River Street, Oriskany	1,321	11	15	-	140	10	1,145	Shut-off/Invest
Michael Knapp	37B 14	2260 Route 5, Utica	3,051	24	-	54	42	13	2,918	Shut-off
Seco Leasing Corp.	50A 21	132-42 Hotel Street, Utica	1,495	24	70	95	204	100	1,002	Shut-off/Coll
Coolidge Mem. LLC	52B 60	106 Memorial Pkwy	7,561	61	421	499	1,063	524	4,993	Shut-off/Coll
807-11 Broad Street, LLC	55A 6	807 Broad St. Utica	2,209	16	336	402	826	629	-	Shut-off/Coll
Fay Street Warehouse	55A 9A	825-27 Broad Street, Utica	1,976	17	32	37	106	50	1,734	Shut-off/Coll
Charles Property Mgmt.	55B 29	311-15 Whitesboro Street, Utica	4,188	32	137	173	345	881	2,620	Shut-off
T. Klotz (also, see posted)	13 accounts	See separate attachment	9,824	715	399	75	807	731	7,097	Shut-off/Coll
City of Utica Delinquents-FY '08			84,731	-	-	-	-	-	84,731	
City of Utica Delinquents-FY '07			76,311	-	-	-	-	-	76,311	
City of Utica Delinquents-FY '06			47,442	-	-	-	-	-	47,442	
City of Utica Delinquents - Prior Years			1,116,461	-	-	-	-	-	1,116,461	
Oneida County Delinquents - FY '08			3,425	-	-	-	-	-	3,425	
Oneida County Delinquents - Prior Years			51,427	-	-	-	-	-	51,427	
Village Delinquents - FY '08			1,820	-	-	-	-	-	1,820	
Village Delinquents - Prior Years			88,293	-	-	-	-	-	88,293	
Remaining Accounts			1,682,403	839,430	144,751	160,945	142,664	128,671	265,942	Change
February, 2009			<u>3,347,059</u>	<u>859,444</u>	<u>160,079</u>	<u>171,931</u>	<u>170,214</u>	<u>151,873</u>	<u>1,833,518</u>	4.50%
January, 2009			<u>3,202,923</u>	<u>652,050</u>	<u>139,790</u>	<u>173,161</u>	<u>296,949</u>	<u>88,490</u>	<u>1,852,483</u>	3.15%

MOHAWK VALLEY WATER AUTHORITY

WORK IN PROCESS—CAPITAL PROJECTS

Month 11 - February 28, 2009

CAPITAL PROJECTS - FY2003

CAPITAL PROJECT	LOCATION	PROJECT No.	AMENDED BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEARS EXPENSE	TOTAL PROJECT EXPENSE	REMAINING BALANCE
Toby Road Tank	Marcy	02-26-A	7,978,750	52,528	88,232	33,914	122,146	7,856,604
Fiscal 2003 Budgeted Capital Projects			<u>7,978,750</u>	<u>52,528</u>	<u>88,232</u>	<u>33,914</u>	<u>122,146</u>	<u>7,856,604</u>

CAPITAL PROJECTS - FY2005

CAPITAL PROJECT	LOCATION	PROJECT #	AMENDED BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEAR EXPENSE	TOTAL PROJECT EXPENSE	REMAINING BALANCE
Verona/Airport Tank & Mains	Verona/OC Airport	05-02-A	3,450,000	0	8,184	177,137	185,321	3,264,679
Emergency Generator	City Hall	05-09-A	135,000	0	0	2,763	2,763	132,237
SCADA-All Phases	System Wide	05-21-A	132,255	0	26,256	63,655	89,911	42,344
Clearwell	WTP	05-22-A	4,697,000	0	445,753	4,032,229	4,477,982	219,018
Fiscal 2005 Budgeted Capital Projects			<u>8,414,255</u>	<u>0</u>	<u>480,193</u>	<u>4,275,784</u>	<u>4,755,977</u>	<u>3,658,278</u>

CAPITAL PROJECTS - FY2006

CAPITAL PROJECT	LOCATION	PROJECT #	AMENDED BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEAR EXPENSE	TOTAL PROJECT EXPENSE	REMAINING BALANCE
Water Main	Holland Patent	06-03-A	90,000	0	22,759	58,308	81,067	8,933
Tank-10m Gallon	Deerfield Tank	06-04-A	5,939,705	0	672,292	5,158,566	5,830,858	108,847
Fiscal 2006 Budgeted Capital Projects			<u>6,029,705</u>	<u>0</u>	<u>695,051</u>	<u>5,216,874</u>	<u>5,911,925</u>	<u>117,780</u>

MOHAWK VALLEY WATER AUTHORITY

WORK IN PROCESS—CAPITAL PROJECTS

Month 11 - February 28, 2009

CAPITAL PROJECTS - FY2007

CAPITAL PROJECT	LOCATION	PROJECT #	AMENDED BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEAR EXPENSE	TOTAL PROJECT EXPENSE	REMAINING BALANCE
Corrosion Compliance Study	System Wide	07-01-A	180,000	0	6,001	154,947	160,948	19,052
Main Replacement	York St., Utica	07-03-A	84,600	0	0	82,887	82,887	1,713
Pump Station	Cascade Drive, NH	07-04-A	2,500	0	0	1,325	1,325	1,175
System Improve.-WQ and Turnc	System Wide	07-05-A	300,000	0	0	22,300	22,300	277,700
GIS & Hydraulic Modeling	System Wide	07-06-A	550,000	0	43,709	488,246	531,955	18,045
Main Replacement/Crossings	Holland Patent	07-07-A	54,310	0	0	53,310	53,310	1,000
Ladder Safety/ Security	WTP-Backwash Tank	07-09-A	38,000	0	26,800	0	26,800	11,200
Water Tank	Smith Hill, Deerfield	07-10-A	600,000	0	1,356	975	2,331	597,669
Water Tank	Marcy Reservoir	07-12-A	4,454,500	500	102,339	12,029	114,368	4,340,132
Canal Crossing	Marcy	07-13-B	1,000,000	0	0	7,822	7,822	992,178
Activated Carbon PILOT	WTP	07-15-A	35,000	0	23,070	33,600	56,670	-21,670
Main Extension	Mason Road	07-16-A	14,000	0	4,914	6,151	11,065	2,935
Safety/Security/Equipment	System Wide	07-17-A	12,000	0	0	0	0	12,000
Security Surveillance Projects	System Wide	07-18-A	20,000	0	0	0	0	20,000
Leak Detection-Phase IV-VI	System Wide	07-19-A	80,000	0	7,000	19,032	26,032	53,968
Emergency Intake Valve	WTP	07-20-A	124,000	0	0	124,000	124,000	0
3rd Raw Water Intake Line-Desi	WTP	07-21-A	20,000	0	13,795	7,500	21,295	-1,295
In-Line Hydro Generation Study	WTP	07-22-B	11,000	0	0	3,013	3,013	7,987
Fiscal 2007 Budgeted Capital Projects			<u>7,579,910</u>	<u>500</u>	<u>228,984</u>	<u>1,017,137</u>	<u>1,246,121</u>	<u>6,333,789</u>

MOHAWK VALLEY WATER AUTHORITY

WORK IN PROCESS—CAPITAL PROJECTS

Month 11 - February 28, 2009

CAPITAL PROJECTS - FY2009

CAPITAL PROJECT	LOCATION	PROJECT #	AMENDED BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEAR EXPENSE	TOTAL PROJECT EXPENSE	REMAINING BALANCE
Main Replacement	Walnut St., Utica	09-01-A	65,000	0	28,547	0	28,547	36,453
Main Replacement	Colonial Dr. Utica	09-03-A	10,305	0	6,880	0	6,880	3,425
Main Replacement	Parkside Court	09-04-A	6,120	0	5,311	0	5,311	809
Main Replacement	Scott St, Utica	09-05-A	1,950	0	1,950	0	1,950	0
Butterfly Valve	Deerfield Reservoir	09-06-A	79,785	0	79,785	0	79,785	0
Sludge Removal	WTP	09-07-A	79,785	0	48,990	0	48,990	30,795
WQ Monitoring Station	Yorkville	09-08-A	0	0	13,180	0	13,180	-13,180
Water Main	Evergreen Dr-	09-09-A	0	0	453	0	453	-453
Powell Rd. Crossover - HP	Holland Patent	09-10-A	8,000	0	7,226	0	7,226	774
Fiscal 2009 Budgeted Capital Projects			<u>250,945</u>	<u>0</u>	<u>185,096</u>	<u>0</u>	<u>185,096</u>	<u>57,849</u>

MOHAWK VALLEY WATER AUTHORITY

MAJOR REVENUE AND EXPENSE ACCOUNT ANALYSIS

Month 11 - February 28, 2009

MONTHLY CONSUMPTION- (IN HUNDREDS OF CUBIC FEET)

	FISCAL 09	FISCAL 08	FISCAL 07	FISCAL 06	FISCAL 05
April	378,976	432,916	419,898	421,158	436,874
May	457,738	426,915	412,183	433,169	433,732
June	430,138	443,804	483,811	463,071	432,431
July	403,899	441,659	434,748	477,805	476,038
August	476,222	509,872	475,336	514,883	469,873
September	443,089	490,350	481,683	513,111	449,233
October	445,281	442,832	436,160	469,375	529,942
November	465,692	453,228	472,410	474,227	424,247
December	382,666	396,729	451,290	424,902	426,796
January	417,041	414,074	397,180	407,949	409,415
February	388,846	426,833	434,793	398,579	452,494
March	0	413,102	410,322	400,517	427,874
Total	<u>4,689,588</u>	<u>5,292,314</u>	<u>5,309,814</u>	<u>5,398,746</u>	<u>5,368,949</u>

MONTHLY WATER BILLINGS:

	FISCAL 2009			FISCAL 2008	
	Billings	Cash Receipts	Reading Areas	Billings	Cash Receipts
April	\$ 1,199,556	\$ 1,000,257	Area 1	\$ 1,309,707	\$ 1,019,228
May	1,483,419	1,606,528	Area 2	1,261,871	1,456,458
June	1,367,807	1,564,270	Area 3	1,310,916	1,180,125
July	1,369,271	1,505,133	Area 1	1,310,354	1,337,397
August	1,498,222	1,300,309	Area 2	1,459,484	1,375,328
September	1,388,459	1,532,306	Area 3	1,396,332	1,188,049
October	1,399,083	1,375,866	Area 1	1,363,214	1,896,068
November	1,453,277	1,273,817	Area 2	1,339,290	1,221,617
December	1,283,018	1,532,110	Area 3	1,208,607	1,414,089
January	1,332,559	1,262,924	Area 1	1,260,075	1,261,182
February	1,307,028	1,205,049	Area 2	1,281,830	1,249,834
March	0	0		1,247,605	1,417,892
Total	<u>\$15,081,699</u>	<u>\$15,158,569</u>		<u>\$15,749,285</u>	<u>\$16,017,267</u>

Area 1--West downtown to South Utica line thru West Utica to Yorkville line. East downtown to South Utica line East to Armory Drive.

Area 2--East Utica, North Utica, New Hartford, Kirkland, Clark Mills.

Area 3--Yorkville, Whitestown, Deerfield, Marcy, Schuyler, Stittville, Barneveld, Washington Mills.

MAJOR REVENUE ACCOUNT ANALYSIS

Month 11 - February 28, 2009

REVENUE

- *Metered Water Sales*: See page 4.
- *System Charge* – As expected, both quarterly billed and monthly billed system charges is now slightly above budgeted estimates.
- *Quarterly and Monthly Penalties and Unpaid Bill Fees* –Accumulated year to date, penalties are slightly higher than budget estimates. Unpaid bill fees are on track with budget estimates. Cash collection of these fees has historically been in the range of 85% to 90%.
- Interest Income from operating funds is below budget due primarily to the changes in the financial markets. This will carry to yearend.

We are currently investing trust funds in a wide array of CDs with banks at increments below \$100,000 to assure that the principal and the earning will both be covered by FDIC insurance.

MAJOR EXPENSE ACCOUNT ANALYSIS

Month 11 - February 28, 2009

	February-09 Month-To-Date			Annual Projection		Monthly Variance Explanation	
	Current Budget (Cash-Basis)	Actual (Accrual-Basis)	Percent of Current Budget	Favorable (Unfavorable) Variance	Annual Budget		Projected to Year-End
Administration							
Salaries	287,261	287,753	100.17%	(492)	311,200	311,200	Minimal Variance
Travel & Vehicle Usage	5,250	8,918	169.87%	(3,668)	5,750	9,000	Bond rating trip to NYC by Executive Director and Comptroller not budgeted.
Contracted Services	46,253	44,210	95.58%	2,043	48,275	46,300	Marketing Consultant over budget by \$8.3K due to timing. Newspaper advertising unfavorable by \$3.0K due to advertising for open position. Bottled Water Feasibility study was not performed \$10.0K favorable.
Legal Fees	201,050	222,698	110.77%	(21,648)	209,800	250,000	Unanticipated adjudication of law suit resulting in cost overrun.
Finance & Accounting							
Salaries	438,422	399,108	91.03%	39,314	474,957	433,100	Budgeted position is currently open
Contracted Services	172,150	196,150	113.94%	(24,000)	181,900	215,000	Unfavorable expenses y-t-d are: banking Services = \$30K; add'l credit card usage-\$7.8K. Partially offset by lower collection services-\$19K.
Engineering							
Salaries	492,995	433,583	87.95%	59,412	534,078	469,600	Position presently unfilled
Travel	14,824	9,401	63.42%	5,423	14,824	9,500	Conferences not attended (Water Modeling-\$2.1K; MWH Conference-\$1.4K; AWWA National Conference-\$1.2K)
Operating Supplies	17,029	9,472	55.62%	7,557	17,029	14,300	Replacement of portable radios not occurred to date=\$4.9K.
Contractor Services	44,730	29,517	65.99%	15,213	45,080	30,000	Some of the budgeted work has not been performed (high voltage inspection of hydro generators-\$8K; master meter calibration-\$2.0K; painting of fire hydrants-\$3.0K.
Training and Education	10,789	4,315	39.99%	6,474	10,789	4,500	Training conferences budgeted were not attended (i.e. ARC GIS = \$1.5K; GIS Auto Cad = \$1.5K).

MAJOR EXPENSE ACCOUNT ANALYSIS-CONTINUED

Month 11 - February 28, 2009

	February-09 Month-To-Date				Annual Projection		Monthly Variance Explanation
	Current Budget (Cash-Basis)	Actual (Accrual-Basis)	Percent of Current Budget	Favorable (Unfavorable) Variance	Annual Budget	Projected to Year-End	
Information Technology							
Salaries	232,627	231,428	99.48%	1,199	252,012	250,000	Minimal variance
Operating Supplies	17,320	10,633	61.39%	6,687	17,620	11,600	Purchase of computer paper = \$1.5K favorable, and back-up tapes = \$2.8K favorable.
Contracted Services	156,171	113,833	72.89%	42,338	158,682	133,900	Y-t-d favorability: Hydrant/valve software = \$12K; paperless reporting conversion -\$12K; Digs mart = \$10K; Hydrant & Valve Software = \$12K.
Training and Education.	600	3,639	606.50%	(3,039)	600	3,700	Unanticipated training performed for various departments
Water Quality							
Salaries	371,958	371,537	99.89%	421	402,955	402,955	Minimal variance
Office Equipment	14,000	0	0.00%	14,000	14,000	10,000	No equipment purchases have been made: watershed equipment-\$3K; on-line monitoring equipment-\$10K; and PH electrodes-\$1K.
Office Materials	7,900	4,370	55.32%	3,530	8,000	5,600	FY 2007 Water Quality Report favorable by \$2.4K
Operating Supplies	139,700	104,000	74.45%	35,700	152,200	124,000	Lower supply purchases to date (i.e. pathogen monitoring).
Training and Education	7,400	3,041	41.09%	4,359	8,050	3,400	Timing of expenses.
Repairs	10,000	166	1.66%	9,834	10,000	2,500	Minimal repairs to date
Treatment Plant							
Salaries	320,088	323,073	100.93%	(2,985)	346,762	350,500	Variance due to budget holiday premium pay
Wages	15,960	10,491	65.73%	5,469	17,290	12,000	1 Open position effective January, 2009
Small Equipment	28,200	10,575	37.50%	17,625	28,200	12,200	Some purchases not made (i.e. chlorine scale purchases = \$4K; feed pumps = \$6.8K; chlorine parts = \$2.0K).
Travel	3,800	647	17.03%	3,153	4,000	1,200	AWWA Water Quality Tech. Conference not attended (\$2.9K)
Operating Supplies	907,963	990,935	109.14%	(82,972)	942,000	1,105,000	As expected, granulated activated carbon (GAC) purchases have exceeded budget by \$95K.
Contractor Services	15,080	11,432	75.81%	3,648	15,550	12,600	Sludge removal favorable by \$2.9K.
Plant Repairs	27,000	29,959	110.96%	(2,959)	30,000	32,000	Numerous small repairs to maintain the WTP

MOHAWK VALLEY WATER AUTHORITY

MAJOR EXPENSE ACCOUNT ANALYSIS-CONTINUED

Month 11 - February 28, 2009

	February-09				Annual Projection		Monthly Variance Explanation
	Month-To-Date		Percent of Current Budget	Favorable (Unfavorable) Variance	Annual Budget	Projected to Year-End	
	Current Budget (Cash-Basis)	Actual (Accrual-Basis)					
Maintenance							
Salaries	555,733	503,171	90.54%	52,562	602,045	543,200	Open Position/ Temporary Employee
Wages	910,217	842,635	92.58%	67,582	986,069	916,600	3 budgeted positions were open for a portion of the year.
Street Repair Materials	127,801	115,456	90.34%	12,345	135,417	125,500	Timing of paving materials purchases (cold patch = \$7K; and item # 4 = \$4.3K).
Office Equipment	5,408	952	17.60%	4,456	5,536	1,500	Office furniture and air conditioner for the Luke Road Pump Station were not purchased
Small Equipment	57,195	21,397	37.41%	35,798	57,195	38,402	Some purchases were not made: (Gears for Horz Rennselaer = \$5.4K; hand held radios-\$8.4K; plumbing tools/equipment-\$10.6K; safety equipment-\$7.6K).
Operating Supplies	93,200	127,388	136.68%	(34,188)	100,900	140,400	General supplies (i.e. mains supplies, clamps, couplings, etc.) have exceeded budget by \$25K. Valve boxes expenditures of \$18K were not budgeted.
Contracted Services	34,575	19,650	56.83%	14,925	35,900	21,000	Some expenditures not incurred (i.e. staff augmentation = \$4.9K; tree cutting = \$5K
Training & Education	25,220	7,783	30.86%	17,437	25,220	15,300	Only asbestos, confined space, hearing conservation and Red Cross training performed to date.
Vehicle & Equip. Repairs	194,748	137,155	70.43%	57,593	207,910	150,300	Vehicle repairs have been less than budgeted.
Cash-Financed Construction							
Meters	246,849	184,864	74.89%	61,985	255,539	230,000	Timing in the purchase of meters. The purchase of 750 residential meters budgeted in October has been moved to later in the year.
Hydrants	67,820	64,849	95.62%	2,971	67,820	64,932	No more purchases of hydrants are anticipated for FY 2009.
Paving	476,265	426,321	89.51%	49,944	476,265	426,321	No more expenses are anticipated for the rest of the year.
Vehicles & Machinery	269,000	325,789	121.11%	(56,789)	269,000	328,800	Purchase of Wachs valve turning unit-\$45k
General Services							
Printing	44,620	16,749	37.54%	27,871	44,870	21,800	Very limited printing of business forms to date = \$12.4K. Quarterly newsletter not printed during the current fiscal year = \$13.2K
Telephone	83,351	96,808	116.14%	(13,457)	90,927	107,800	GPS usage for trucks = \$15K not budgeted
Electricity and Gas	386,300	411,892	106.62%	(25,592)	436,400	462,000	Variance caused by higher and volatile commodity prices.
Heating Oil	44,750	57,882	129.35%	(13,132)	55,150	60,000	Higher fuel prices during the first half of the year.
Gas & Oil	134,550	144,430	107.34%	(9,880)	146,950	154,500	While gasoline consumption has remained flat, the cost is unfavorable YTD by approximately \$10K. The YTD price per gallon is higher by 16%.
Overtime							
Treatment Plant	38,770	57,591	148.55%	(18,821) 19	42,000	62,600	
Maintenance	171,693	185,821	108.23%	(14,128)	186,000	200,900	

FINANCIAL RATIOS

Month 11 - February 28, 2009

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. '09</u>	<u>Jan. '09</u>	<u>Dec. '08</u>	<u>Nov. '08</u>	<u>Oct. '08</u>	<u>Sept. '08</u>	<u>Avg.-Past Six months</u>
1.89	1.88	1.99	1.87	1.85	1.75	1.86

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. '09</u>	<u>Jan. '09</u>	<u>Dec. '08</u>	<u>Nov. '08</u>	<u>Oct. '08</u>	<u>August '08</u>	<u>Avg.-Past Six months</u>
\$3,483,791	\$3,447,373	\$3,579,360	\$3,713,013	\$4,005,693	\$3,504,284	\$3,378,601

FINANCIAL RATIOS

Month 11 - February 28, 2009

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. '09</u>	<u>Jan. '09</u>	<u>Dec '08</u>	<u>Nov '08</u>	<u>Oct '08</u>	<u>Sept '08</u>	<u>Avg.-Past Six months</u>
75%	75%	75%	73%	73%	73%	74%

Note: Excluding the original debt financing of approx. \$25 million to buy the regional water system, the debt to assets leverage ratio is approximately 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. '09</u>	<u>Jan. '09</u>	<u>Dec '08</u>	<u>Nov '08</u>	<u>Oct '08</u>	<u>Sept '08</u>	<u>Avg.-Past Six months</u>
2.33	2.45	2.88	2.41	3.15	2.88	2.94

FINANCIAL RATIOS

Month 11 - February 28, 2009

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 leakage and evaporation.

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

Calculation: $(1 - ((3\text{-Month Average Billed Consumption}) / (3\text{-Month Average Water Production})) + \text{Other Unmetered Uses}$

Please Note: On June 18, 2007 the Principal Engineer presented to the Board of Director’s an updated annual water supply audit based upon calendar 2006 production and consumption data as well as updated “other unmetered uses” of water within the system. The water supply audit presented includes the following other unmetered uses:

• Firefighting	2.50%
• Construction	.01%
• Street Cleaning	.02%
• Flushing	.003%
• Main Breaks	5.23%
• Water Leaks Subsequently Repaired	13.8%
• New Leaks Discovered thru Leak Detection Efforts	(13.8%)
• Meter Under-Registration	10.00%
Total Other Unmetered Uses	17.76%

	<u>Nov. 2008 Dec.2008 and Jan.09</u>	<u>Oct. Nov. Dec.2008</u>	<u>Sept. Oct., Nov. 2008</u>	<u>Avg.-Past Six months</u>
Average Billed Water %	56.95%	60.07%	63.85%	58.64%
Other Unmetered Uses (See Detail Above)	17.76%	17.76%	17.76%	17.76%
Total Water Usage	74.71%	77.83%	81.61%	76.40%
Remaining “Unaccounted-For Leakage”	25.29%	22.17%	18.39%	23.60%

Caution: There is no standardized method of calculating this ratio. Estimates for the other unmetered uses may impact the percentage of unaccounted for water.

FINANCIAL RATIOS

Month 11 - February 28, 2009

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 \$89.00. 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. '09</u>	<u>Jan. '09</u>	<u>Dec '08</u>	<u>Nov '08</u>	<u>Oct '08</u>	<u>Sept '08</u>	<u>Avg.-Past Six months</u>
\$43.68	\$43.68	\$40.68	\$43.68	\$43.75	\$43.75	\$41.66

GLOSSARY OF TERMS

Month 11 - February 28, 2009

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, 2009

- 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.