

MOHAWK VALLEY WATER AUTHORITY

MONTHLY FINANCIAL REPORTING PACKAGE

Month 10: Month Ended January 31, 2006

Finance Committee Members

Terms Ending

December 31,

Bruce Brodsky, Committee Chairman	2005
Vincent Coyne	2005
Elis DeLia	2007
George Gaston, Board Chairman	2005
Joseph Hobika, Jr.	2007
Frank Trevisani	2006

Report produced by Jim Korfonta, Comptroller

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VITAL SIGNS—(KEY PERFORMANCE INDICATORS)

Month 10 - January 31, 2006

PRODUCTION & DISTRIBUTION

	<u>January</u>	<u>December</u>	<u>November</u>	<u>October</u>	<u>September</u>	<u>August</u>
Water Production (1,000 gallons)	576,700	552,300	543,700	549,900	534,900	613,400
Billed Consumption (1,000 gallons)	305,187	317,869	354,769	351,139	383,858	385,184

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
January 2006		\$ 1,128,888	\$ 999,822	\$ 129,066	
Year-To-Date	\$ 1,442,326	\$ 12,086,909	\$ 11,902,487	\$ 184,422	\$1,626,748

CUSTOMER ACCOUNT MAINTENANCE

Customers in the Water System	Beginning Balance	New Accounts	Moved Out of Svs. Area	Ending Balance
January 2005		4	(52)	
Year-To-Date	36,533	110	(361)	36,282

Breakdown of Customer Movement:

For the fiscal year, 1,607 final bills have been processed--customers that move from their current location. Of this balance, 1,457 have 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 10 - January 31, 2006

WATER SYSTEM MAINTENANCE--DISTRIBUTION LINES

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

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.
January 2006	200	6	6	2	2	0	216	15	6	10.8	2.7
December 2005	192	4	6	2	0	0	204	21	5	9.7	2.4
November 2005	178	1	3	0	1	6	189	19	4	10.5	2.6
October 2005	211	5	3	0	0	0	219	15	6	10.4	2.6
Sept. 2005	274	4	3	2	0	2	285	24	1	12.9	3.2
August 2005	241	3	5	1	2	11	263	20	8	12.5	3.1
July 2005	196	4	6	2	1	1	210	18	1	9.5	2.4
June 2005	193	3	4	1	0	0	201	14	2	9.1	2.3
May 2005	236	4	3	2	0	0	245	15	7	11.6	2.9
April 2005	230	7	5	5	0	0	247	18	7	11.8	2.9
Year-To-Date	1,951	35	38	15	4	20	2,279	24	1	10.9	2.7

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

COMPTROLLER’S MESSAGE

Month 10 - January 31, 2006

ACCOUNTS PAYABLE

	<u>Total</u>	<u>0-10</u>	<u>10-20</u>	<u>20-30</u>	<u>30-50</u>	<u>50+</u>	<u>Capital Project Retention</u>
January 2006	\$512,790	\$39,803	\$48,747	\$408,435	\$338	\$10,901	\$4,566

Useful Information To Know:

- There are approximately 37,000 service connections in our service area.
- An average family of four uses approximately 2,840 cubic feet or 21,000 gallons per quarter. The average quarterly bill for a customer with this usage is \$60.00.
- An average individual uses approximately (220-250 cubic ft.) 1,650—1,750 gallons per month. The average charge per month is approximately \$10.50

Big Picture

Monthly Water Sales: At 10 months, billed water sales have exceeded the budget. (\$10,498,865 budget vs. \$10,580,664 actual). August, September, October and November’s billings were higher than budgeted primarily in the residential sector and the result of a very dry summer.

Monthly Consumption: August through November consumption reflected the very dry summer month’s activity. Our December and January consumption was more consistent with the prior year. We remain 11 million cubic feet above last year due to the summer month’s activity. This equate to approximately \$240,000 additional revenue under our current rate structure.

Projection to Year-End: Below is a summary of projected income and expenses. If these projections are realized, the Organization will “essentially” break-even for the year.

COMPTROLLER'S MESSAGE

Month 10 - January 31, 2006

PROJECTED ACTUALS FOR FISCAL 2006 (BUDGET VS. PROJECTED ACTUAL)

FISCAL 2006 - ADOPTED BUDGET		
	FISCAL 2006 Adopted Budget (Cash-Basis)	Fiscal 2006 Projected Actual
REVENUES (Cash Basis)		
Water Sales	\$ 12,571,763	\$ 12,601,335
Collection of Delinquent Water Levied	0	127,171
Delinquency Charges	683,000	756,895
Fees and Ancillary Charges	211,500	265,735
Other Services	655,000	518,329
Interest Income and Miscellaneous Items	363,850	430,921
Total Revenues	14,485,113	14,700,386
OPERATING EXPENSES		
Administrative	567,168	613,788
Finance and Accounting	772,308	777,316
Customer Service	291,393	265,460
Engineering	846,469	811,305
Information Technology	486,184	429,653
Water Quality Lab--(In-house & Outside Svs.)	748,585	723,173
Treatment Plant	1,202,677	1,072,187
Maintenance	3,343,469	3,345,767
General Services	2,952,617	3,039,430
Long-Term Asset Purchases	359,282	444,899
Total Operating Expenses	11,570,151	11,522,979
OTHER EXPENSES		
Existing Debt Service & Promissory Note	3,614,150	3,612,131
New Debt Service	0	0
Bond Covenant (15% of Current Debt Reqd.)	0	0
O&M Reserve	59,156	59,156
Repair, Renewal & Replacement Reserve	59,156	59,156
Total Other Expenses	3,732,462	3,730,443
Total Expenses	15,302,613	15,253,422
Ending Cash-Before Use of Bonded Funds	(817,500)	(553,036)
Cash Used from Debt and Restricted Funds to Offset Operating Purchases	817,500	779,899
Remaining Cash	\$ 0	\$ 226,863

COMPTROLLER'S MESSAGE

Month 10 - January 31, 2006

Big Picture-continued

Cash Flow: We continue to assess the impact legal costs related to our law suit over water rights have on our operating budget. We continue to fall short of collection on water sales by approximately \$100,000. For the year, we have a small positive cash position that will hopefully continue to year-end. Overall, except collections of water billings being below target, cash flow is consistent with estimates. Our cash position will remain "GUARDED" for the entire year due to mounting legal fees.

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>JAN 2006</u>	<u>TARGET</u>	<u>ACTUAL</u>
Cash Inflow	\$ 1,150,000	\$ 1,129,000	\$ 12,200,000	\$ 12,087,000
Outflows--				
Personnel Costs	312,000	313,000	3,432,000	3,454,000
Reimb. Capital Labor	-	-	(146,000)	-
PILOTS	125,000	122,000	1,250,000	1,228,000
Debt Service	305,000	303,000	3,050,000	3,037,000
Payments to Suppliers	350,000	261,000	4,050,000	4,123,000
Funding of Reserves	-	-	59,000	59,000
	<u>1,092,000</u>	<u>999,000</u>	<u>11,695,000</u>	<u>11,901,000</u>
Cash Remaining	\$ 58,000	\$ 130,000	\$ 505,000	\$ 186,000

COMPTROLLER'S MESSAGE

Month 10 - January 31, 2006

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

CURRENT CUSTOMER SERVICE ACTIVITY

- The Customer Service manager continues to attend court hearings related to theft cases. He has also spent considerable time gathering information for the Defense Attorney to present cases. A plan should be created to address continued court hearings and the time spent by the CS manager gathering information and analysis necessary to defend our theft cases.
- 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.
- We are focusing on sending out letters to customers where their shuts off valves were noted as requiring replacement and reminding them to have repaired so we could update their meter. We currently have sent 305 letters out and 153 were repaired or meters replaced.
- We continue to focus on estimated reads. We are looking for properties 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. As a result, we posted 851 properties to date.
- The Customer Service manage has looked into a national accreditation for the customer service department. The cost for accreditation is significant. We will review for overall value.

CUSTOMER SERVICE CALLS RECEIVED

There were 20 total workdays in the month. Here are the results of the current and prior months:

	TOTAL CALLS	AVERAGE SPEED ANSWERED	AVERAGE TALK TIME	ABANDON CALLS
April	4,641	:14	1:43	15
May	5,446	:20	1:49	18
June	5,721	:20	1:49	26
July	5,696	:17	1:52	24
August	5,696	:17	1:52	24
September	6,573	:17	1:51	25
October	6,581	:15	1:44	26
November	5,819	:16	1:48	28
December	5,879	:19	1:56	24
January	5,808	:15	1:50	19

MOHAWK VALLEY WATER AUTHORITY

COMPTROLLER'S MESSAGE

Month 10 - January 31, 2006

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, 38% of the monthly accounts were estimated; 10% of the quarterly accounts were estimated. This is consistent with the prior month. We instituted corrective actions to reduce the monthly account estimates.

BILLING/COLLECTIONS:

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

Fiscal 2006	Beginning Balance	Sent to Collections	Amount Collected	Amount Returned	Ending Balance
January 2006		\$ 68,720	\$ 44,660	\$ 20,107	
December 2005		\$ 78,729	\$ 26,086	\$ 10,053	
November 2005		\$ 23,636	\$ 16,221	\$ 34,522	
October 2005		\$ 32,880	\$ 41,024	\$ 11,252	
September 2005		\$ 92,801	\$ 41,607	\$ 13,923	
August 2005		\$ 35,851	\$ 28,542	\$ 26,900	
July 2005		\$ 42,290	\$ 34,629	\$ 19,887	
June 2005		\$ 43,709	\$ 39,518	\$ 20,995	
May 2005		\$ 100,972	\$ 12,296	\$ 2,073	
April 2005		\$ 0	\$ 0	\$ 0	
Year to Date		\$ 519,588	\$ 284,583	\$ 159,712	\$ 75,293

Prior Fiscal Year	Beginning Balance	Sent to Collections	Amount Collected	Amount Returned	Ending Balance
Fiscal 2005		\$ 673,903	\$ 368,184	\$ 305,719	

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	Returned/ Sent to Tax Sale	Ending Balance
"Posted" Accounts	400	13	56	40	114	235

- As of the beginning of the fiscal year, accounts totaling \$901,725 have been "posted". Of this amount, \$597,455 has been collected for the fiscal year. For the current month, \$54,781 was collected.

MOHAWK VALLEY WATER AUTHORITY

COMPTROLLER'S MESSAGE

Month 10 - January 31, 2006

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
10/20/03	Advantage	10D-8A	1301 Oneida St, Utica	\$ 8,000		Pict/Nip	10/30/03	1/13/04	Yes	3
4/19/04	Berube	16A-67	401 Blandina St	\$ 2,000		Pict	5/17/04	11/23/04		4
7/9/04	Cannistra	36A-27Y	2261 E. Broad Street	\$ 2,000	\$ 2,000	Lab Test	7/13/04			2
11/23/04	Prymas	6A-123	940 Lenox Ave	\$ 2,000	\$ 2,000	Pict.	11/23/04			2
12/30/04	Madden	56DA-10BK	35 Campion Rd	\$ 2,000		Pict/Mtr	1/11/05		Yes	5
3/1/05	Karam	29B-128	1109 Champlin Ave	\$ 2,000	\$ 650	Pict	3/14/05	4/25/05		6
3/9/05	Duran	11E-44	1532 Howard Ave	\$ 2,000		Pict	4/4/05	4/13/05	Yes	5
3/29/05	Diaz	14D-6	1133 Kossuth Ave	\$ 2,000	\$ 475	Pict	4/4/05	4/12/05		7
3/29/05	Diaz	14D-6A	1133 Kossuth Ave	\$ 2,000		Pict	4/4/05	4/12/05		7
6/20/05	Riggles	35A-75HL	10853 Coby Mnr Rd	\$ 2,000		Admit	7/8/05			1
7/21/05	Labuzzetta	12A-149	1531-33 Neilson	\$ 2,000	\$ 1,250	Pict/Mtr	7/21/05	9/14/05		10
7/21/05	Labuzzetta	14A-131	1108 Taylor ave	\$ 2,000	\$ 2,000	Pict/Mtr	7/21/05	9/14/05		10
10/4/05	Debella	1E-55	721 Oswego St	\$ 2,000		Pict	10/20/05			10
10/13/05	Maher	9B-77	12-14 Emerson Ave	\$ 2,000	\$ 2,000	Pict	10/20/05	10/31/05		8
11/16/05	Duda	33K-143	7803 Maple Ave HP	\$ 2,000	\$ 200	Admit	11/23/05			9
1/13/06	Marris	30A-74	16 Wind Place	\$ 2,000		Pict./Admit	1/24/06			1

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.

METER REPLACEMENT

NEW PROJECT --LARGE METER REPLACEMENT 3" +

Project Synopsis: We have identified 18 large meters for replacement and have ordered or have in stock the meters and equipment to begin replacement. Once the contractor has been selected, replacement of these meters will commence. A combined effort with Customer Service, Engineering, Metering, and our meter supplier is taking place to evaluate all these large meters.

Project Status: Material on order and the contractor will be selected shortly.

MOHAWK VALLEY WATER AUTHORITY

FLASH REPORT

Month 10 - January 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**.)

	Critical Ratio %	January	December	November	October	September	August
ASSETS							
Cash		\$ 2,407,061	\$ 2,025,486	\$ 2,293,706	\$ 2,359,586	\$ 2,106,821	\$ 2,074,305
Water Sales Receivable, Net		\$ 1,657,609	\$ 1,647,584	\$ 1,923,758	\$ 16,690,476	\$ 1,729,203	\$ 1,684,807
Trust Fund Assets		\$ 11,634,426	\$ 11,611,472	\$ 11,604,248	\$ 12,945,258	\$ 12,994,511	\$ 12,903,625
Utility Long Term Assets, Net		\$ 47,290,089	\$ 47,330,086	\$ 47,404,723	\$ 47,452,442	\$ 47,504,896	\$ 47,564,448
Total Assets		\$ 64,388,334	\$ 63,861,542	\$ 64,489,596	\$ 65,934,529	\$ 65,840,971	\$ 65,840,971
LIABILITIES							
Accounts Payable		\$ 512,790	\$ 236,529	\$ 711,924	\$ 246,029	\$ 364,871	\$ 285,649
Long Term Debt, Principal		\$ 48,317,819	\$ 48,305,101	\$ 48,374,056	\$ 49,536,337	\$ 49,523,619	\$ 49,510,900
Total Liabilities		\$ 51,164,854	\$ 51,502,474	\$ 51,484,142	\$ 52,881,049	\$ 52,928,249	\$ 53,019,329
EQUITY							
Unrestricted Earnings		\$ (2,277,362)	\$ (2,141,778)	\$ (1,495,391)	\$ (1,447,365)	\$ (1,419,230)	\$ (1,615,593)
Invested in Utility Plant, Net		\$ 13,315,777	\$ 13,315,777	\$ 13,315,777	\$ 13,315,777	\$ 13,315,777	\$ 13,315,777
"3R" Reserve		\$ 487,362	\$ 487,362	\$ 405,574	\$ 405,574	\$ 405,574	\$ 405,574
Oper. and Maint. Reserve		\$ 262,555	\$ 262,555	\$ 232,977	\$ 232,977	\$ 232,977	\$ 232,977
Bond Covenant Reserve		\$ 487,362	\$ 487,362	\$ 487,362	\$ 487,362	\$ 487,362	\$ 487,362
OPERATIONS - (Monthly Accumulation)							
	% of Accum. Budget	9th Month FY 2006	9th Month FY 2006	8th Month FY 2006	7th Month FY 2006	6th Month FY 2006	5th Month FY 2006
Water Sales	98%	\$ 10,580,664	\$ 9,587,332	\$ 8,607,202	\$ 7,523,134	\$ 6,398,673	\$ 5,225,033
Other Revenue	18%	\$ 1,783,309	\$ 1,597,818	\$ 1,362,549	\$ 1,206,516	\$ 1,007,966	\$ 843,991
Operating Expenses	85%	\$ 10,516,538	\$ 9,223,427	\$ 7,759,666	\$ 6,869,749	\$ 5,123,002	\$ 4,148,115
Debt Service, Interest only	118%	\$ 1,900,739	\$ 1,900,739	\$ 1,495,724	\$ 1,105,172	\$ 817,948	\$ 778,376
PILOT Payments	100%	\$ 1,231,075	\$ 1,109,136	\$ 986,225	\$ 864,292	\$ 742,359	\$ 620,426

MOHAWK VALLEY WATER AUTHORITY

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 10 - January 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.

Customer	Route & Account	Total	0-30	31-60	61-90	91-120	Over 120	Acct. Status
City of Utica-Facilities	4 accounts	263	253	2	8	0	0	
City of Utica-Tax Levy	Various	206,974	4,227	2,677	2,277	4,593	193,200	
Judianne Debella	1E 55	2,132	132	0	0	2,000	0	Posted
Sherman Brown	4A 68	2,039	55	33	18	78	1,855	Collect.
Hashim Mohamed	10D 104	1,782	333	23	6	332	1,088	Collection
William Bannister	11G 73	1,050	190	17	2	426	415	Posted
Vincent Labuzettta	12A 149	1,261	117	0	0	0	1,144	Pd. current mo.
Jerome McKinsey	12B 45	1,056	45	24	9	49	929	Posted
Berube	16A 67	2,093	35	19	61	17	1,961	Posted
Philomena Bruzzese	16E 84	1,045	23	8	114	15	885	Posted
Paul Kelly	24B 54	1,306	25	10	127	24	1,120	Posted
Rome Turney Radiator	24C 179	1,111	0	0	262	0	849	Invest.
Emily Czapala	28C 120	2,043	7	48	6	21	1,961	Collect.
Bishara Karam	29B 128	1,525	19	19	20	0	1,467	Partial Pmt.
Marcy Center Dev. LLC	33D 2	2,763	10	576	20	4	2,153	Posted
Mary Vanvalkenburg	33F 142FA	1,806	1	1,042	15	0	748	Posted
Siesta Motel	33J 184	1,008	0	453	15	0	540	Collection
239 Genesee Holding, LLC	52B 19	4,834	860	687	492	40	2,755	Posted
Gen LLC	52B 53	1,178	1,013	38	27	15	85	Posted
Utica Mills, LLC	55B 71	3,413	34	33	27	21	3,298	Collect.
Soggs, Pine & Soggs	55C 26H	1,300	316	224	239	15	506	Posted
Champlin Commons	56DD 72	1,751	199	134	144	18	1,256	Posted
Mohawk, LLC	56FA 141	5,565	149	132	146	60	5,078	Returned
Winsong Mountain	56FC 170A	10,772	3,661	2,888	2,407	15	1,801	Posted
Sandra Albert	21 accounts	9,440	886	86	163	1,049	7,256	Invest.
Heritage Acres	3 accounts	8,005	16	2,643	45	0	5,301	Posted
Timothy Klotz	45 accounts	17,362	2,922	557	1,768	2,664	9,451	Post./Coll./

DELINQUENT ACCOUNTS SHUT-OFF

Abelino Sanabria	1D 86	1,077	51	8	23	74	921	Shut-off
George Nugent	1E 21	2,879	0	0	0	0	2,879	Shut-off
Messenger & Elliot	1F 79	3,311	32	67	43	69	3,100	Shut-off
Henry Topolski	3F 53	1,435	82	22	6	97	1,228	Shut-off
Henry Topolski	8B 35	1,401	76	20	5	341	959	Shut-off
Lisa Kewitta	4A 54	1,545	44	22	7	698	774	Shut-off
Ali Hassan	6A 29A	1,356	186	21	6	246	897	Shut-off
Thomas Rayhill	6A 167	1,033	114	22	7	108	782	Shut-off
Mary Turk	6C 1	3,345	68	46	31	72	3,128	Shut-off
Haru Lukac/Renata Vujeva	8C 46BK	3,402	124	0	0	286	2,992	Shut-off
Salvation Min.Baptist Church	10D 53	1,280	13	13	12	12	1,230	Shut-off
Stanley Wojcyk	11B 109	1,302	97	26	11	48	1,120	Shut-off
Robert Schraeder	4 accounts	10,560	243	156	96	260	9,805	Shut-off
Chase Bank Mort	11D 110BK	2,292	57	35	20	61	2,119	Shut-off
Erika Duran	11E 44	2,404	58	37	21	61	2,227	Shut-off

MOHAWK VALLEY WATER AUTHORITY

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 10 - January 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	Total	0-30	31-60	61-90	91-120	Over 120	Acct. Status
Dorothea King	11F 143	1,190	65	22	6	127	970	Shut-off
John Lazarek	12A 173	1,544	87	27	12	157	1,261	Shut-off
John & Alicia Crosby	12C 171	1,429	14	14	39	13	1,349	Shut-off
Pearlene Young	12D 105	1,113	280	17	2	272	542	Shut-off
Kenyel Flagg	2 accounts	2,667	26	26	26	21	2,568	Shut-off
Carolyn Upshaw	13E 55	1,612	586	23	8	91	904	Shut-off
Vergilio & Ledi Suncar	13F 10	1,179	108	23	8	184	856	Shut-off
Charles Felton	13F 62	1,133	45	24	9	95	960	Shut-off
Janet Jones	13F 66	1,105	45	24	9	49	978	Shut-off
Miguel Diaz	2 accounts	5,362	227	76	38	308	4,713	Shut-off
Erica Shambley	15A 181	6,293	75	59	160	57	5,942	Shut-off
Eduardo Mendoza	15B 83	1,201	23	8	152	7	1,011	Shut-off
Howard & Roger Fleming	15F 98	1,023	20	4	46	0	953	Shut-off
Magnus Ogunswano	15F 137A	1,106	17	1	586	0	502	Shut-off
Darrell Mochler	17C 149BK	1,279	26	10	76	8	1,159	Shut-off
Ingrid Grimm	24B 136	2,261	36	21	62	35	2,107	Shut-off
Jose Lozada	26A-61	1,793	19	4	44	17	1,709	Shut-off
Ken Roser	31A 41	1,269	9	151	24	8	1,077	Shut-off
Rich's Auto Connect	29B 50	1,051	9	51	8	23	960	Shut-off
9882 River Road Liberty	33A 117	1,021	0	310	0	686	25	Shut-off
132-42 Hotel	50A 21	1,197	83	82	82	20	930	Shut-off
Madden Concrete	56DA 10BK	2,200	22	22	21	21	2,114	Shut-off
Raymond DeCarr	6 accounts	2,074	210	158	67	148	1,491	Shut-off
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 Delinquent-FY '04		0					0	
County Delinquent-FY '05		0					0	%
Remaining Accounts		<u>1,268,560</u>	<u>599,952</u>	<u>129,594</u>	<u>92,160</u>	<u>120,675</u>	<u>326,179</u>	Change
January, 2006		<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%

Prior Months Receivables:

December, 2005	<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%
November, 2005	<u>2,490,455</u>	<u>816,979</u>	<u>267,146</u>	<u>108,841</u>	<u>65,046</u>	<u>1,232,443</u>	12.95%
October, 2005	<u>2,205,010</u>	<u>653,584</u>	<u>180,399</u>	<u>83,597</u>	<u>126,179</u>	<u>1,161,251</u>	-2.09%
September, 2005	<u>2,251,989</u>	<u>643,259</u>	<u>138,623</u>	<u>167,331</u>	<u>74,043</u>	<u>1,228,733</u>	3.31%
August, 2005	<u>2,179,819</u>	<u>519,952</u>	<u>253,713</u>	<u>94,399</u>	<u>67,733</u>	<u>1,244,022</u>	-2.37%
July, 2005	<u>2,232,834</u>	<u>648,158</u>	<u>151,305</u>	<u>92,403</u>	<u>129,530</u>	<u>1,211,438</u>	3.37%
June, 2005	<u>2,159,947</u>	<u>537,730</u>	<u>151,413</u>	<u>155,973</u>	<u>63,187</u>	<u>1,251,644</u>	-6.85%
May, 2005	<u>2,318,698</u>	<u>629,596</u>	<u>236,704</u>	<u>84,350</u>	<u>80,029</u>	<u>1,288,019</u>	8.07%
April, 2005	<u>2,145,650</u>	<u>578,750</u>	<u>117,599</u>	<u>105,578</u>	<u>113,429</u>	<u>1,230,294</u>	6.18%
March, 2005	<u>2,020,779</u>	<u>446,338</u>	<u>138,286</u>	<u>133,373</u>	<u>87,186</u>	<u>1,215,596</u>	-6.82%
February, 2005	<u>2,168,750</u>	<u>581,671</u>	<u>211,117</u>	<u>117,549</u>	<u>72,255</u>	<u>1,186,158</u>	3.69%
January, 2005	<u>2,091,627</u>	<u>512,588</u>	<u>157,841</u>	<u>99,239</u>	<u>146,457</u>	<u>1,175,502</u>	3.72%

WORK IN PROCESS—CAPITAL PROJECTS

Month 10 - January 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	REMAINING BALANCE	
Toby Road Tank-Land Purchase	Marcy	80,164	0	0	30,164	50,000	80,164	0	
Safety & Security	Water Treatment Plant	30,000	0	3,102	20,965	2,898	26,965	3,035	
New Tank--Pre-Design	Airport Industrial Park	30,000	0	11,172	56,458	0	67,630	-37,630	
New Tank	Smith Hill & Pleasant View	0	0	22,361	0	0	22,361	-22,361	
Pump Station & Treatment Facility	System Wide	43,000	0	0	10,610	35,000	45,610	-2,610	
Pump Station Upgrade	Luke Road	35,000	0	105	44,516	0	44,621	-9,621	
Pump Station Upgrade	Valley View	30,000	0	88	37,250	0	37,338	-7,338	
Pump Station Upgrade	Pleasant Street	20,000	0	2,088	14,852	0	16,940	3,060	
Other Projects--Reallocated to FY06	System Wide	239,165	0	0	0	0	0	239,165	
Fiscal 2003 Budgeted Capital Projects		<u>507,329</u>	<u>0</u>	<u>38,916</u>	<u>214,815</u>	<u>0</u>	<u>87,898</u>	<u>341,629</u>	<u>165,700</u>

CAPITAL PROJECTS - FY2004

CAPITAL PROJECT	LOCATION	BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEAR EXPENSE	ADD'L. COMMITTED	EXPENSED AND/OR COMMITTED	REMAINING BALANCE
Emergency Action Plan	Reservoir	40,000	0	4,700	35,700	2,000	42,400	-2,400
Cash Investment in Water Disrt.	Whitestown	190,478	0	0	140,478	50,000	190,478	0
Water Quality Monitoring	System Wide	44,000	0	12,226	27,600	5,000	44,826	-826
Chloramines PILOT Program	System Wide	163,500	0	13,412	148,832	5,600	167,844	-4,344
Repair/Replace Existing Mains**	Nichols St.	25,500	0	0	35,049	0	35,049	-9,549
Repair/Replace Existing Mains**	Armory Drive	126,000	0	0	28,176	4,000	32,176	93,824
Repair/Replace Existing Mains**	Howard Avenue	76,500	5,682	5,682	23,545	2,000	31,227	45,273
Fiscal 2004 Budgeted Capital Projects		<u>665,978</u>	<u>5,682</u>	<u>36,020</u>	<u>439,380</u>	<u>68,600</u>	<u>544,000</u>	<u>121,978</u>

WORK IN PROCESS—CAPITAL PROJECTS

Month 10 - January 31, 2006

Note: The following projects may have incurred labor, materials and equipment furnished by MVWA (in-house); however, these amounts, if any, have not been recorded to the appropriate projects. Therefore, the overall project cost may not be accurate.

CAPITAL PROJECTS - FY2005

CAPITAL PROJECT	LOCATION	BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEAR EXPENSE	ADD'L. COMMITTED	EXPENSED AND/OR COMMITTED	REMAINING BALANCE
Verona/Airport Tank & Mains	Verona/OC Airport	3,450,000	1,380	1,871	9,976	3,438,153	3,450,000	0
SCADA Computer Hardware	System Wide	39,255	0	8,812	42,374	0	51,186	-11,931
Safety & Security-Tanks & Silo	System Wide	92,600	0	8,643	53,231	6,769	68,643	23,957
Site Improvements	WTP	89,000	7,178	30,433	4,316	0	34,749	54,251
Hydrolic Analysis & GIS Dev.	System Wide	80,000	10,714	10,714	17,659	51,627	80,000	0
Main Replacement	New Hartford	90,000	0	0	7,671	82,000	89,671	329
Emergency Generator	City Hall	135,000	0	0	1,125	133,875	135,000	0
Main Replacement	Park Ave., Holland Pat.	93,750	0	37,458	0	56,292	93,750	0
Safety & Security Fencing	System Wide	100,000	0	94,095	0	0	94,095	5,905
Storage Tank #2-Higby Rd	New Hartford	20,000	13,300	17,976	0	2,024	20,000	0
Engineering Report	System Wide	25,000	1,489	13,369	0	15,384	28,753	-3,753
Distribution Analysis-Chloramines	System Wide	165,000	0	96,525	0	65,000	161,525	3,475
Tank Safety Ladder	Valley View Tank	19,500	0	19,500	0	0	19,500	0
Water Main	Bell Hill Road	73,230	0	9,730	148	0	9,878	63,352
Install Water Mains	Chapman Road	0	174	28,400	0	0	28,400	-28,400
SCADA	System Wide	43,000	778	29,756	0	14,123	43,879	-879
Clearwell	WTP	74,500	11,175	29,800	0	44,700	74,500	0
Install Water Mains	Henderson St	0	0	969	0	0	969	-969
Meters-System Wide (FY 05)	System Wide	250,000	0	85,465	0	0	85,465	164,535
Hydrants-System Wide (FY 05)	System Wide	45,000	0	0	0	0	0	45,000
Paving-System Wide (FY 05)	System Wide	188,600	0	0	0	0	0	188,600
Fiscal 2005 Budgeted Capital Projects		<u>5,073,435</u>	<u>46,188</u>	<u>523,516</u>	<u>136,500</u>	<u>3,909,947</u>	<u>4,569,963</u>	<u>503,472</u>

WORK IN PROCESS—CAPITAL PROJECTS

Month 10 - January 31, 2006

Note: The following projects may have incurred labor, materials and equipment furnished by MVWA (in-house); however, these amounts, if any, have not been recorded to the appropriate projects. Therefore, the overall project cost may not be accurate.

PROJECTS COMPLETED IN FISCAL YEAR 2006

CAPITAL PROJECT	LOCATION	ORIGINAL BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEARS EXPENSE	ADD'L. COMMITTED	TOTAL EXPENSED AND/OR COMMITTED	REMAINING BALANCE
Storage Tank-Higby Rd	New Hartford	20,000	0	0	17,263	2,000	19,263	737
Pavement of Mains	Dewey Street	7,665	0	0	7,665	0	7,665	0
Pleasant View Tank	Marcy	241,552	0	0	190,742	50,810	241,552	0
Other Security Projects	System Wide	12,700	0	0	3,494	9,206	12,700	0
Site Improvements	WTP	4,130	0	0	4,316	0	4,316	-186
Wall Repair	Southern Reserv.	33,000	0	0	20,652	0	20,652	12,348
Valve Exercising Program	System Wide	15,000	0	0	15,000	0	15,000	0
Cash Investment in Water Disrt.	Whitestown-Contract #5	83,400	0	36,375	0	0	36,375	47,025

MOHAWK VALLEY WATER AUTHORITY

MAJOR REVENUE AND EXPENSE ACCOUNT ANALYSIS

Month 10 - January 31, 2006

MONTHLY CONSUMPTION- (IN HUNDREDS OF CUBIC FEET)

	FISCAL 06	FISCAL 05	FISCAL 04	FISCAL 03	FISCAL 02
April	421,158	436,874	438,082	448,176	377,972
May	433,169	433,732	437,133	369,245	473,330
June	463,071	432,431	430,936	433,322	398,873
July	477,805	476,038	443,310	449,260	424,831
August	514,883	469,873	440,876	552,861	599,487
September	513,111	449,233	546,365	547,595	562,426
October	469,375	529,942	477,584	486,491	563,836
November	474,227	424,247	458,962	458,808	452,667
December	424,902	426,796	416,941	426,849	419,885
January	407,949	409,415	463,977	459,749	491,816
February	0	452,494	428,836	485,891	405,753
March	<u>0</u>	<u>427,874</u>	<u>436,128</u>	<u>478,881</u>	<u>415,563</u>
Total	<u>4,599,650</u>	<u>5,368,949</u>	<u>5,419,130</u>	<u>5,597,128</u>	<u>5,586,439</u>

MONTHLY WATER BILLINGS:

	<u>FISCAL 2006</u>			<u>FISCAL 2005</u>	
	Billings	Cash Receipts	Customer Routes Read	Billings	Cash Receipts
April	\$ 996,320	\$ 887,900	1-23; 75-77	\$ 961,748	\$ 788,652
May	1,041,242	918,904	24-42; 58; 75-77	955,459	1,053,674
June	1,038,762	1,211,380	43-57; 59; 75-77	941,863	1,007,135
July	1,078,160	1,058,316	1-23; 75-77	1,029,830	1,009,758
August	1,150,982	1,166,226	24-42; 58; 75-77	951,084	1,048,847
September	1,160,332	1,180,519	43-57; 59; 75-77	910,295	991,527
October	1,114,747	1,188,611	1-23; 75-77	1,101,789	1,031,463
November	1,086,651	838,573	24-42; 58; 75-77	917,767	1,165,029
December	983,813	1,339,885	43-57; 59; 75-77	922,311	993,121
January	1,000,181	1,007,019	1-23; 75-77	887,594	885,926
February	0	0		999,654	961,733
March	<u>0</u>	<u>0</u>		<u>909,680</u>	<u>1,135,677.</u>
Total	<u>\$10,651,190</u>	<u>\$10,797,333</u>		<u>\$ 11,489,074</u>	<u>\$ 12,072,542</u>

MAJOR REVENUE ACCOUNT ANALYSIS

Month 10 - January 31, 2006

REVENUE

- *Metered Water Sales:*

Quarterly and Monthly Billings – At ten months, water sales continues to exceed budget estimates, primarily due to the hot, dry summer months. While monthly commercial customers are down overall compared to the budget due to several large customers leaving the service area, quarterly consumption has closed the gap between budget and actual. See page 3.

Overall Sales vs. Prior Year – Water sales are up \$1,070,000 for the year compared to the prior year.

- “*System Charge*” – Both quarterly billed and monthly billed system charges are consistent with the budget.
- *Quarterly and Monthly Penalties and Unpaid Bill Fees* –Overall, penalties are consistent with budget estimates. Penalties have tapered off because of our consistent enforcement over time. The Unpaid bill fee for monthly accounts has fallen behind estimates. We will monitor in future months. Cash collection of these assessments is in the range of 85% to 90%.
- *Interest Income*— Interest Earnings are significantly above estimates due to a robust economy nationally.
- *Other Charges* – Hydroelectric charges and Lab Fees, 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 10 - January 31, 2006

	Annual Budget (Cash-Basis)	Year Ended Jan. 31, 2006 (Accrual-Basis)	Percent of Current Budget	Favorable (Unfavorable) Variance	Explanation of Variance
Administration					
Salaries	269,278	264,976	98.40%	4,302	Budgeted more conservative adjustments to date.
Contracted Svs.-Other	40,584	31,386	77.34%	9,198	Annual Report less than anticipated; Feasibility Study for bottled water not performed.
Contracted Svs.-Legal Fees	58,000	114,378	197.20%	(56,378)	Legal fees related to water permit and subsequent lawsuit; fees related to monthly meetings
Training	3,960	807	20.38%	3,153	Do not anticipate training/conferences as scheduled
Finance & Accounting					
Salaries	368,917	333,724	90.46%	35,193	One billing position currently unfilled
Contracted Services	150,935	201,854	133.74%	(50,919)	Bank charges and collection charges higher than anticipated; have taken measures to reduce bank charges--will be going out for bank RFP. Will receive credits for bank charges.
Engineering					
Salaries	401,578	400,145	99.64%	1,433	More in-line w/ budget
Memberships & Dues	5,034	903	17.94%	4,131	Timing of membership/dues payments
Operating Supplies	15,314	5,531	36.12%	9,783	Budgeted expenses not purchased to date--pressure regulators and surveying equipment.
Contracted Services	43,815	38,123	87.01%	5,692	Transfer switch for emerg. generator and flush kits for pump stations not purchased to date. Paid for data conversion budgeted in the prior year (\$16,000.)
Training	10,200	4,469	43.81%	5,731	Minimal training to date
Repairs	14,100	17,580	124.68%	(3,480)	Three castings made for large obsolete gear components for replacement of various valves in the system--not budgeted.

MAJOR EXPENSE ACCOUNT ANALYSIS-CONTINUED

Month 10 - January 31, 2006

	Annual Budget (Cash-Basis)	Year Ended Jan. 31, 2006 (Accrual-Basis)	Percent of Current Budget	Favorable (Unfavorable) Variance	Explanation of Variance
Information Technology					
Overtime	9,500	10,639	111.99%	(1,139)	Have exceeded budget cuts based on reductions for paying legal costs--some of this is being offset by revenue from vs to City of utica (revenue not budgeted)
Office Equipment	17,500	12,459	71.19%	5,041	Number of PCs purchased less than scheduled to date;
Supplies	10,450	6,220	59.52%	4,230	Timing of supplies-minimal purchase to date.
Contracted Services	100,390	55,367	55.15%	45,023	Have not purchased software-Cool Ice and reduced budget expenses for outside consulting as part of budget cuts
Training	7,400	0	0.00%	7,400	No training as scheduled
Repairs	7,000	316	4.51%	6,684	Minimal repair of computer equipment
Water Quality					
Office Equipment	13,950	1,704	12.22%	12,246	No purchase to date of conductivity meter and watershed lab equipment as scheduled.
Office Materials	7,400	4,037	54.55%	3,363	Other office supplies, furniture not purchased to date
Membership and Dues	11,085	5,792	52.25%	5,293	Timing of billing/payment of quarterly AWWA research foundation membership
Travel & Vehicle Usage	11,400	11,172	98.00%	228	In-line with budget
Operating Supplies	119,500	106,095	88.78%	13,405	Timing of testing supplies for water sampling
Contracted Services	17,700	11,845	66.92%	5,855	Timing of invoicing for regulated monitoring-may be less than budgeted.
Training	4,000	158	3.95%	3,842	No training to date; primarily conferences--see travel
Treatment Plant					
Wages	0	18,280	N/A	(18,280)	Part-time WQ position working and being charged to Filtration Plant
Office Equipment	15,700	3,447	21.96%	12,253	Purchases of turbidity meters, chlorine analyzers, hand tools, etc. not made to date.
Office Materials	1,300	782	60.15%	518	Minimal supplies purchased/ increased activity in Oct.
Travel	3,000	2,280	76.00%	720	Minimal travel to date/Increased activity in Nov.
Operating Supplies	512,077	467,187	91.23%	44,890	Variance due to purchase/invoicing of chlorine, soda ash, and aluminum sulphate. Continued saving as a result of efficiencies gained.
Contracted Services	31,138	10,255	32.93%	20,883	No need for emergency engineering consultant (\$7,500)-reduced as part of budget cuts.
Repairs	9,000	17,507	194.52%	(8,507)	Repairs on filtration system needed./Cut 15,000 as part of budget reductions

MOHAWK VALLEY WATER AUTHORITY

MAJOR EXPENSE ACCOUNT ANALYSIS-CONTINUED

Month 10 - January 31, 2006

	Annual Budget (Cash-Basis)	Year Ended Jan. 31, 2006 (Accrual-Basis)	Percent of Current Budget	Favorable (Unfavorable) Variance	Explanation of Variance
Maintenance					
Salaries	519,102	422,114	81.32%	96,988	Meter Shop/Leak Detection Supervisor position unfilled; Maintenance Operations Manager unfilled.
Wages	764,403	682,186	89.24%	82,217	Three staff vacancies at the maintenance yard filled in February.
Street Repair Materials	451,500	587,279	130.07%	(135,779)	Paving anticipated to exceed budget due to several large repairs. \$135,000 to paid from R&I fund
Other Equipment	36,900	32,830	88.97%	4,070	Some small equipment may be capitalized (> than \$5,000)
Operating Supplies	349,535	335,226	95.91%	14,309	Timing of meter purchases and hydrant purchases. Overall, relatively in-line.
Contracted Services	40,882	34,782	85.08%	6,100	Hydrant welding and other repairs less than anticipated
Training	16,700	1,560	9.34%	15,140	Minimal training to date
Vehicle & Equip. Repairs	45,000	100,764	223.92%	(55,764)	Currently reviewing w/ Fin. Comm. to determine operating plan for future
General Services					
Printing	51,044	42,317	82.90%	8,727	Timing of printing and invoicing of the quarterly newsletter--expected to level out in last months of fiscal year.
Telephone	111,079	99,328	89.42%	11,751	Reviewing cell phone useage.
Gas & Electric	296,000	303,888	102.66%	(7,888)	Timing of NIMO bills; anticipated increase in rates
Heating Oil	26,595	42,449	159.61%	(15,854)	Timing of fuel oil invoices for the treatment plant
Gasoline & Motor Oil	60,968	82,927	136.02%	(21,959)	Significant increase in gas due partly to usage and price. Looking at measures to reduce usage. Presently usage is rising per month. Anticipate a \$30k to \$35k overrun
Overtime					
Administration	750	444	59.20%	306	
Finance & Accounting	2,300	593	25.78%	1,707	
Customer Service	1,253	712	56.82%	541	
Engineering	21,500	16,585	77.14%	4,915	
Info. Technology	9,500	10,639	111.99%	(1,139)	
Water Quality	1,600	163	10.19%	1,437	
Treatment Plant	43,180	38,590	89.37%	4,590	
Maintenance	131,000	139,584	106.55%	(8,584)	
Total Overtime	211,083	207,310	98.21%	1,219	

FINANCIAL RATIOS

Month 10 - January 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>Jan ‘06</u>	<u>Dec. ‘05</u>	<u>Nov. ‘05</u>	<u>Oct. ‘05</u>	<u>Sept. ‘05</u>	<u>August ‘05</u>	<u>Avg.-Past Six months</u>
1.50	1.64	1.86	1.73	1.67	1.59	1.67

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>Jan ‘06</u>	<u>Dec. ‘05</u>	<u>Nov. ‘05</u>	<u>Oct. ‘05</u>	<u>Sept. ‘05</u>	<u>August ‘05</u>	<u>Avg.-Past Six months</u>
\$1,742,037	\$1,847,864	\$2,395,793	\$2,217,372	\$2,071,927	\$1,889,723	\$1,879,789

FINANCIAL RATIOS

Month 10 - January 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.

Jan '06	Dec '05	Nov '05	Oct '05	Sept '05	August '05	Avg.-Past Six months
81%	81%	80%	80%	80%	81%	81%

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.

Jan '06	Dec. '05	Nov '05	Oct '05	Sept '05	August '05	Avg.-Past Six months
2.65	3.41	2.36	3.35	3.07	3.03	2.80

FINANCIAL RATIOS

Month 10 - January 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>Jan ‘06</u>	<u>Dec ‘05</u>	<u>Nov ‘05</u>	<u>Oct ‘05</u>	<u>Sept ‘05</u>	<u>August ‘05</u>	<u>Avg.-Past Six months</u>
30.22%	26.79%	22.93%	23.79%	26.00%	31.39%	34.39%

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 10 - January 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 \$61.00. 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>Jan. 06</u>	<u>Dec. 05</u>	<u>Nov 05</u>	<u>Oct 05</u>	<u>Sept 05</u>	<u>August 05</u>	<u>Avg.-Past Six months</u>
\$34.70	\$35.23	\$34.92	\$35.10	\$35.08	\$35.06	\$34.90

GLOSSARY OF TERMS

Month 10 - January 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 10 - January 31, 2006

- 10) **Matching Principal** – 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.