

MOHAWK VALLEY WATER AUTHORITY

MONTHLY FINANCIAL REPORTING PACKAGE

Month 10: Month Ended January 31, 2008

Finance Committee Members

Terms Ending

December 31,

Bruce Brodsky, Committee Chairman	2008
Vincent Coyne	2008
Elis DeLia	2007
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 10 - January 31, 2008

PRODUCTION & CONSUMPTION

All amounts in <u>Cubic Feet</u> (1 cubic foot=7.481 gallons.)	October, November, December	September, October, November	August, September, October	Average Past 6 Months
Average Water Consumption	43,093,024	46,213,728	48,101,864	42,226,667
Average Water Production	76,166,821	76,723,824	78,118,560	76,853,049

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 2008		\$ 1,423,371	\$ 1,645,733	\$ (222,362)	
Year-To-Date	\$ 3,147,760	\$ 15,555,136	\$ 14,708,648	\$ 846,488	\$ 3,994,248

CUSTOMER ACCOUNT MAINTENANCE

Customers in the Water System	Beginning Balance	New Accounts/ Moved into Area	Moved Out of Svs. Area	Ending Balance
January 2008		20	(31)	
Year-To Date (Fiscal 2008)	38,877	388	(394)	38,871
Fiscal 2007	38,589	981	(693)	38,877
Fiscal 2006	38,449	573	(433)	38,589

Breakdown of Customer Movement:

- Month to date, 1,378 final bills were processed of which 1,140 moved within the service area.
- For fiscal 2007, 1,815 final bills were processed of which 1,466 moved within the service area.
- For fiscal 2006, 1,976 final bills were processed of which 1,754 moved within our service area.

MOHAWK VALLEY WATER AUTHORITY

VITAL SIGNS—(KEY PERFORMANCE INDICATORS)--continued
 Month 10 - January 31, 2008

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%		

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 2008	295	9	5	1	0	0	310	20	7	14.8	3.7
December 2007	258	5	2	0	0	1	266	21	5	13.3	3.3
November 2007	231	2	3	0	1	4	241	20	3	13.4	3.8
October 2007	349	6	6	0	2	1	364	23	1	16.5	4.1
September 2007	310	2	7	1	1	2	323	27	7	17.0	4.3
August 2007	290	5	6	0	2	0	303	20	9	13.1	3.3
July 2007	289	6	2	1	1	1	300	21	9	14.5	3.6
June 2007	330	2	6	0	1	1	340	22	8	16.2	4.1
May 2007	288	6	6	0	1	5	306	20	11	13.9	3.5
April 2007	217	2	4	1	0	1	225	15	6	11.3	2.8
Year-To-Date	2,857	45	47	4	9	16	2,978	27	1	14.0	3.7

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 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 10 - January 31, 2008

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, 2007	13	96	31	947	8	2	28	10	1,135
May, 2007	16	177	41	1,078	9	10	35	15	1,381
June, 2007	30	78	22	1,329	1	5	35	5	1,505
July, 2007	18	179	30	1,202	7	2	35	7	1,480
August, 2007	35	63	35	1,246	4	0	37	13	1,433
September, 2007	26	40	20	1,250	5	3	30	13	1,387
October, 2007	39	74	40	1,602	4	3	35	12	1,809
November, 2007	42	67	24	1,197	5	4	52	8	1,399
December, 2007	40	44	34	1,020	4	2	41	6	1,191
January, 2008	30	108	45	1,093	8	4	56	14	1,358

ACCOUNTS PAYABLE

	Total	0-10	10-20	20-30	30-50	50+	Capital Project Retention
January 2008	\$1,315,471	\$336,541	\$496,122	\$86,537	\$8,443	\$23,940	\$363,888

Useful Information To Know: (UPDATED for 2007-2008 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 \$331.00 annually.
- An average individual uses approximately (220-260 cubic ft.) 1,650—1,950 gallons per month. The average quarterly bill is approximately \$44.00 or annually is \$176.00.

Big Picture

Water Sales and Consumption:

For the year, consumption is very close to the prior year with a difference of only 103,000 cubic feet. For the month, consumption dropped only 142,000 cubic feet compared to the prior month. (Keep in mind, different areas are read each month). The largest declines were monthly accounts which decreased 3.4 million cubic feet. Quarterly consumption decreased 2 million cubic feet or 7% compared to October, the last time this section was billed. Based on a detailed analysis, several accounts were determined to have spiked during the last quarter. We are investigating these accounts and anticipating finding leaks.

COMPTROLLER'S MESSAGE

Month 10 - January 31, 2008

Big Picture-continued

Cash Flow: Year-to-date, our cash position remains positive and all major payments that were outstanding have been made (paving & retirement). Our cash balance is remains relatively strong as we head into the last quarter of the fiscal year. Keep in mind that we have now designated \$308,000 of the remaining cash as part of next year's budget (Fiscal 2009).

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

	MONTHLY ACTIVITY		YEAR-TO-DATE ACTIVITY	
	TARGET	JANUARY 2008	TARGET	ACTUAL
Cash Inflow	\$ 1,500,000	\$ 1,423,000	\$ 14,600,000	\$ 15,646,000
Outflows--				
Transfer to Funds Reserves	\$ -	\$ -	\$ 372,000	\$ 372,000
Personnel Costs	326,000	324,000	3,423,000	3,486,000
PILOTS	136,000	133,000	1,330,000	1,332,000
Debt Service	398,000	399,000	3,859,000	3,866,000
Payments to Suppliers	450,000	789,000	5,415,000	6,158,000
	1,310,000	1,645,000	14,399,000	15,214,000
Cash Remaining	\$ 190,000	\$ (222,000)	\$ 201,000	\$ 432,000

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	CURRENT YEAR ACTIVITY (April thru December)	\$ 279,051
TOTAL		\$ 709,833

MOHAWK VALLEY WATER AUTHORITY

COMPTROLLER'S MESSAGE

Month 10 - January 31, 2008

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

CURRENT CUSTOMER SERVICE ACTIVITY

New Initiatives—

- The training of meter staff to change–out the “guts” or registers of larger size meters as part of a large meter maintenance program.

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, 7.3% of the monthly accounts were estimated. This is up 5.0% or 45 more estimates from the previous month (currently reviewing why the increase); 7.7% of the quarterly accounts were estimated. This is down from 8.0% compared to October when this section was last read.

We are currently finalizing a recommendation the Board for comprehensive banking services for a three-year period. Once a bank is hired (anticipated to start April 1), we will finalize the process of accepting on-line payments and requesting service work orders on-line.

BILLING/COLLECTIONS:

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

Fiscal 2008	Beginning Balance	Sent to Collections	Amount Collected	Returned From Collections	Ending Balance
January 2008		\$ 51,536	\$ 33,294	\$ 10,808	
December 2007		\$ 25,383	\$ 15,125	\$ 20,919	
November 2007		\$ 36,185	\$ 26,503	\$ 22,710	
October 2007		\$ 59,717	\$ 44,788	\$ 29,539	
September 2007		\$ 71,470	\$ 27,243	\$ 2,621	
August 2007		\$ 38,541	\$ 38,767	\$ 44,882	
July 2007		\$ 71,354	\$ 35,561	\$ 15,325	
June 2007		\$ 45,342	\$ 26,541	\$ 12,215	
May 2007		\$ 46,585	\$ 24,327	\$ 25,837	
April 2007		\$ 25,957	\$ 30,648	\$ 0	
Year to Date	\$ 73,330	\$ 472,070	\$ 302,797	\$ 184,856	\$ 57,747

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

MOHAWK VALLEY WATER AUTHORITY

COMPTROLLER'S MESSAGE

Month 10 - January 31, 2008

BILLING/COLLECTIONS: (continued)

Our efforts of posting properties with unpaid notices are ongoing. 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	1,001	333	147	23	845

- Year to date, \$939,259 was posted; \$375,939 was collected from posted accounts.
- For fiscal 2007, \$682,817 was posted. Of the outstanding posted balances, \$444,012 was collected.
- For fiscal 2006, 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
5/8/07	Gaumer	24C-17	7914 Seneca Ter	\$2,000	\$2,000	Visual	5/10/07			11
7/3/07	Rios	7D-20	25-27 Kernan	\$2,000	\$800	Pictures	7/11/07	8/10/07		11
10/4/07	Tallman	27C-55	40 Jordon rd	\$2,000		Pictures	10/04/07			11
10/11/07	Bender	6C-68	1213 York St	\$2,000	\$2,000	Meter	10/24/07	11/7/07	1/17/08	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.
-

13—Fine and/or misdemeanor assessed by Court. Case will be removed the following month.

MOHAWK VALLEY WATER AUTHORITY

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 10 - January 31, 2008

CURRENT WATER RECEIVABLES – AGING OF ACCOUNTS:

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

Customer	Route & Account	Address	Total	0-23	24-45	46-71	72-122	123-157	158 +	Acct. Status
City of Utica	25 accounts	Parks / Recreations / etc.	9,485	710	1,248	457	2,216	225	4,629	
Sam Phou	1C 17	6 Cornelia Place, Utica	1,788	-	70	18	54	1,498	148	Collection
Mancuso Properties	1D 6	1402 Genesee Street, Utica	1,107	-	183	21	156	18	729	Posted
William Schram	3F 8	512 Henry Street, Utica	1,064	-	202	19	244	17	582	Posted
Mohamed Kewitta	5D 7	1006 Whitesboro Street, Utica	1,011	155	2	15	248	15	576	Posted
Howard Quick	5D 99	P.O. Box 65, Herkimer, NY	1,691	191	3	17	1,082	16	382	Posted
Unice Elliot	6C 81	1209 Gray Avenue, Utica	1,329	166	7	22	198	20	916	Posted
Angel Rios	7D 20	424 French Road, Utica	1,934	164	14	15	225	15	1,501	Posted
Sapi Dussi	10D 8	1309-13 Oneida Street, Utica	1,246	158	21	5	349	15	698	Posted
Kim Tuy	10E 112	134-36 Elmwood Pl. Utica	3,850	-	38	38	37	3	3,734	Collection
Stanley Truax	11F 82	1640 Neilson Stret, Utica	1,160	348	18	3	369	16	406	Posted
M of M Inc.	11G 69	1318 Brinckerhoff Ave (1 Flr)	1,384	272	23	7	178	19	885	Posted
Donald Shaub	11G 97	1308 Dudley Avenue, Utica	1,249	200	17	2	801	16	213	Posted
Theresa Ricci	12F 139	1613-15 Jane Avenue, Utica	1,140	102	22	7	122	21	866	Posted
SueAnn Stevens	13C 102	1139 Seymour Avenue, Utica	1,132	106	22	7	126	18	853	Posted
Rafael & Nereda Perez	13D 117	1409 Taylor Avenue, Utica	1,219	94	24	8	59	19	1,015	Posted
Darlene Clark	13D 148	1546 Vincent Street, Utica	2,034	1,082	20	5	204	17	706	Posted
Virgilio & Ledi Suncar	13E 63	1131-33 Miller Street, Utica	1,088	133	21	6	138	18	772	Posted
Kimnberly Wands	14E 124	1116 Webster Avenue, Utica	1,260	211	21	5	245	17	761	Posted
Colleen Carlo	14J 59	2223 Pinnacle Drive, Utica	1,061	-	24	9	74	4	950	Posted
Coolidge Rutger, LLC	15A 101A	7 Rutger Park, Utica	2,159	-	26	11	539	5	1,578	Posted
Mohamed Hashim	16E 94	1109 Court Stret, Utica	1,072	-	19	4	403	1	645	Posted
Stanley Williams	16E 114	513 Mohawk Street, Utica	1,384	-	22	7	509	5	841	Posted
Oscar Humberto Pineda	17A 127	822 Edward Street, Utica	1,067	-	24	9	75	8	951	Posted
Lloyd Barth	17D 23	612 Kossuth Avenue, Utica	1,206	-	17	1	767	-	421	Collection
Lawrence Spada, III	17F 64	1003-5 Rutger Street, Utica	1,404	-	19	3	646	2	734	Posted
Heritage Acres	22G 66	217 Colonial Circle, Utica	1,569	-	15	-	1,554	-	-	Posted
Heritage Acres	37A 84	Mapleton Drive, Schuyler	2,805	-	1,519	-	15	1,271	-	Posted
Heritage Acres	37A 95	Birchdale Rd. Schuyler	2,442	-	1,188	-	15	1,239	-	Posted
Heritage Acres	37A 95A	1593 Herkimer Road, Utica	3,872	-	1,922	-	15	1,935	-	Posted
Cavallo's Restaurant	25C 23	40 Genesee Street, N.H	1,787	15	-	-	1,772	-	-	Posted
Timothy Tallman	27C 55	40 Jordan Rd. New Hartford	1,962	15	-	135	1,812	-	-	Collection

MOHAWK VALLEY WATER AUTHORITY

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 10 - January 31, 2008

CURRENT WATER RECEIVABLES – AGING OF ACCOUNTS:

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

Customer	Route & Account	Address	Total	0-23	24-45	46-71	72-122	123-157	158 +	Acct. Status
Lisa Beaton	27J 109	7 Sycamore Dr. West, N.H.	1,007	15	7	137	21	140	687	Posted
Tom Clynne	31B 28BK	1205 Utica Street, Oriskany	1,236	-	8	243	21	154	810	Collection
Tony's Sports Bar	28H 77	3921 Oneida Street, Utica	1,131	-	455	-	15	646	15	Posted
Carcuzzi Car Wash	28H 151A	9310 Chapman Rd. Utica	3,492	-	1,612	-	15	1,850	15	Collection
Brian Palmer	32S 120	6 Elm Street, Whitesboro	2,135	-	9	550	20	618	938	Posted
Anthony Nassar	33A 77	9835 River Road, Utica	1,123	-	2	413	15	438	255	Collection
Sheila Bernier	33D 146D	7579 State Rte. 5, Clinton	1,182	-	-	599	15	568	-	Collection
Robert McMurray	33G 18	5934 Cavanaugh Rd. Marcy	1,209	-	-	341	17	437	414	Collection
Victor Rodriguez	33G 82	6373 Cavanaugh Rd. Marcy	1,162	-	5	261	15	356	525	Collection
Stephen Gardner	22G 267A	9096 Koronowski Road, Marcy	1,556	312	-	-	1,085	128	31	Posted
Reward, Inc DBA / McGillis	37B 1B	2102 Rte. 5, Utica	1,762	-	638	-	15	1,109	-	Collection
Lloyd Barth, Jr.	52B 81	1121 Summit Pl. Utica	1,229	15	231	253	592	138	-	Posted
Fountainhead Group	56DC 58	23 Garden St. New York Mills	1,613	15	562	554	482	-	-	Posted
T. Klotz (also, see dhut-offs)	28 accounts	See separate attachment	16,343	358	327	1,136	3,213	1,066	10,243	Posted/collect.

DELINQUENT ACCOUNTS SHUT-OFF

Wojciek Teplicki	1D 108	637 Tracy Street, Utica	1,120	-	59	23	217	20	801	Shut-Off
Jesee Buckley	1E 85	261 Western Hills Drive	3,191	-	81	37	72	17	2,984	Shut-Off
Beverly Blum	5D 54	920 Haack Drive, Utica	2,022	44	10	24	121	22	1,801	Posted
Christina Dole	5E 102	P.O.Box 37 Remsen, 13438	1,573	44	13	28	114	19	1,355	Shut-Off
James Spratt	5F 87	607 Lenox Ave, Utica	1,465	176	9	15	215	15	1,035	Shut-Off
James Spratt	11E 150	1507 Miller Street, Utica	1,308	209	17	2	820	16	244	Shut-Off
Lawrence Raynor	6A 133	919 Lenox Avenue, Utica	1,478	240	6	21	321	19	871	Shut-Off
McDonald Bovee	6E 113	1327 Butternut Street, Utica	1,060	44	9	24	59	16	908	Shut-Off
Carlos Humberto Chavez	7C 115	129-31 Matthews Ave. Utica	3,205	44	30	44	129	15	2,943	Shut-Off
Utica Urban Renewal	8B 28BK	I Kennedy Plaza, Utica	1,332	263	9	24	60	23	953	Shut-Off
Lewis Reuther	8F 137	1919 Butterfield Avenue, Utica	1,229	44	10	24	60	18	1,073	Shut-Off
Kim Tuy	10E 112	134-36 Elmwood St. Utica	3,850	-	38	38	37	3	3,734	Shut-Off
Timothy Lee	11F 164	1411 Howard Avenue, Utica	1,389	44	27	12	62	25	1,219	Shut-Off

MOHAWK VALLEY WATER AUTHORITY

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 10 - January 31, 2008

CURRENT WATER RECEIVABLES – AGING OF ACCOUNTS:

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

Customer	Route & Account	Address	Total	0-23	24-45	46-71	72-122	123-157	158 +	Acct. Status
Benito Sylvia	12A 45	1566-68 Seymour Street, Utica	1,933	294	25	10	319	22	1,263	Pd in full on 2/1/08
Juan Jimenez	12C 162	1501 Dudley Street, Utica	1,435	44	26	10	61	23	1,271	Shut-Off
Francis Zongrone	13A 13	1610 Gibson Road, Utica	3,926	44	51	35	211	19	3,566	Shut-Off
Ingrid Grimm	24B 136	37 Pratt Street, Clark Mills	3,374	15	32	32	96	30	3,169	Shut-Off
Seco Leasing Corp	50A 21	132-42 Hotel Street, Utica	1,323	15	83	97	186	94	848	Shut-Off
Coolidge Mem, LLC	52B 60	106 Memorial Parkway, Utica	3,755	15	464	474	939	469	1,394	Shut-Off
T. Klotz (also, see above)	7 accounts	See separate attachment	2,779	30	47	117	487	62	2,036	Shut-Off
Sandra Albert	3 accounts	See separate attachment	1,177	-	52	7	202	5	911	Shut-Off
City of Utica Delinquents-FY '07			120,974	-	-	-	-	-	120,974	
City of Utica Delinquents-FY '06			66,674	-	-	-	-	-	66,674	
City of Utica Delinquents-FY '05			15,571	-	-	-	-	-	15,571	
City of Utica Delinquents-FY '04			90,702	-	-	-	-	-	90,702	
City of Utica Delinquents-FY '03			137,869	-	-	-	-	-	137,869	
City of Utica Delinquents-FY '02			195,909	-	-	-	-	-	195,909	
Oneida County Delinquents - FY '07			4,618	-	-	-	-	-	4,618	
Oneida County Delinquents - PY			54,461	-	-	-	-	-	54,461	
Remaining Accounts			1,320,782	471,106	178,106	148,724	209,744	68,239	244,863	Change
January, 2008			<u>2,147,625</u>	<u>477,552</u>	<u>189,831</u>	<u>155,165</u>	<u>235,320</u>	<u>83,312</u>	<u>1,006,445</u>	1.55%
December, 2007			<u>2,114,800</u>	<u>419,335</u>	<u>194,533</u>	<u>136,309</u>	<u>281,348</u>	<u>65,176</u>	<u>1,018,099</u>	-6.94%
November, 2007			<u>2,272,481</u>	<u>577,225</u>	<u>225,313</u>	<u>222,736</u>	<u>172,859</u>	<u>118,509</u>	<u>955,839</u>	3.79%
October, 2007			<u>2,189,574</u>	<u>649,217</u>	<u>172,373</u>	<u>87,196</u>	<u>220,631</u>	<u>48,758</u>	<u>1,011,399</u>	-13.57%
September, 2007			<u>2,533,231</u>	<u>870,462</u>	<u>146,119</u>	<u>170,314</u>	<u>239,366</u>	<u>61,339</u>	<u>1,045,631</u>	-0.06%
August, 2007			<u>2,534,834</u>	<u>614,197</u>	<u>211,343</u>	<u>206,476</u>	<u>163,951</u>	<u>144,233</u>	<u>1,194,634</u>	5.86%
July, 2007			<u>2,394,470</u>	<u>645,235</u>	<u>138,192</u>	<u>115,485</u>	<u>241,880</u>	<u>74,670</u>	<u>1,179,008</u>	-3.26%
June, 2007			<u>2,475,096</u>	<u>630,032</u>	<u>131,711</u>	<u>179,584</u>	<u>218,065</u>	<u>62,100</u>	<u>1,253,604</u>	2.26%
May, 2007			<u>2,420,454</u>	<u>489,168</u>	<u>290,215</u>	<u>192,006</u>	<u>150,551</u>	<u>92,308</u>	<u>1,206,206</u>	-2.17%
April, 2007			<u>2,474,130</u>	<u>839,859</u>	<u>86,043</u>	<u>114,146</u>	<u>176,871</u>	<u>76,527</u>	<u>1,180,684</u>	8.35%
March, 2007			<u>2,283,521</u>	<u>572,540</u>	<u>145,324</u>	<u>147,927</u>	<u>77,822</u>	<u>1,339,908</u>		-7.91%
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%

MOHAWK VALLEY WATER AUTHORITY

WORK IN PROCESS—CAPITAL PROJECTS

Month 10 - January 31, 2008

CAPITAL PROJECTS - FY2003

CAPITAL PROJECT	LOCATION	AMENDED 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	25,000	0	0	2,500	0	2,500	22,500	
Toby Road Tank	Marcy	80,164	0	1,250	30,164	48,750	80,164	0	
Safety & Security	Water Treatment Plant	30,000	0	0	24,067	2,898	26,965	3,035	
New Tank--Pre-Design	Airport Industrial Park	30,000	0	0	67,630	0	67,630	-37,630	
Pump Station & Treatment Facility	System Wide	43,000	0	0	10,610	32,390	43,000	0	
Fiscal 2003 Budgeted Capital Projects		<u>183,164</u>	<u>0</u>	<u>1,250</u>	<u>132,471</u>	<u>0</u>	<u>84,038</u>	<u>217,759</u>	<u>-34,595</u>

CAPITAL PROJECTS - FY2005

CAPITAL PROJECT	LOCATION	AMENDED 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	0	44,556	66,926	3,338,518	3,450,000	0
SCADA-Computer Hardware	System Wide	39,255	0	0	51,186	0	51,186	-11,931
Hydraulic Analysis & GIS Dev.	System Wide	80,000	0	0	60,516	19,484	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	1,638	1,125	132,237	135,000	0
Storage Tank #2-Higby Rd	New Hartford	20,000	0	0	24,197	0	24,197	-4,197
Distribution Analysis-Chloramine	System Wide	165,000	0	0	154,037	10,000	164,037	963
SCADA	System Wide	43,000	0	7,954	33,919	1,127	43,000	0
Clearwell	WTP	4,174,500	9,863	3,202,482	145,515	826,503	4,174,500	0
Fiscal 2005 Budgeted Capital Projects		<u>8,196,755</u>	<u>9,863</u>	<u>3,256,630</u>	<u>545,092</u>	<u>4,409,869</u>	<u>8,211,591</u>	<u>-14,836</u>

MOHAWK VALLEY WATER AUTHORITY

WORK IN PROCESS—CAPITAL PROJECTS

Month 10 - January 31, 2008

CAPITAL PROJECTS - FY2006

CAPITAL PROJECT	LOCATION	AMENDED BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEAR EXPENSE	ADD'L. COMMITTED	EXPENSED AND/OR COMMITTED	REMAINING BALANCE		
Chemical Feed	WTP	7,500	0	0	7,500	0	7,500	0		
Security Protection	WTP	20,000	0	0	20,264	0	20,264	-264		
Water Main	Holland Patent	90,000	0	6,350	21,206	62,444	90,000	0		
Tank-10m Gallon	Deerfield Tank	5,500,000	232,106	4,304,457	324,342	871,201	5,500,000	0		
		<u>5,617,500</u>	<u>232,106</u>	<u>4,310,807</u>	<u>0</u>	<u>373,312</u>	<u>0</u>	<u>933,645</u>	<u>5,617,764</u>	<u>-264</u>

CAPITAL PROJECTS - FY2007

CAPITAL PROJECT	LOCATION	AMENDED BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEAR EXPENSE	ADD'L. COMMITTED	EXPENSED AND/OR COMMITTED	REMAINING BALANCE
Corrosion Compliance Study	System Wide	180,000	1,034	59,898	64,110	55,992	180,000	0
Main Replacement	York St., Utica	33,440	19,733	37,803	17,271	0	55,074	-21,634
Pump Station	Cascade Drive, NH	180,000	0	0	937	0	937	179,063
System Improve.-WQ and Turnc	System Wide	300,000	0	0	1,959	298,041	300,000	0
GIS & Hydraulic Modeling	System Wide	400,000	0	106,627	269,874	23,499	400,000	0
Main Replacement/Crossings	Holland Patent	54,310	0	53,310	0	0	53,310	1,000
Ladder Safety/ Security	WTP-Backwash Tank	38,000	0	0	0	0	0	38,000
Water Tank	Smith Hill, Deerfield	600,000	0	975	0	0	975	599,025
Water Tank	Marcy Reservoir	3,100,000	0	0	0	0	0	3,100,000
Canal Crossing	Marcy	1,000,000	0	6,161	0	0	6,161	993,839
Activated Carbon PILOT	WTP	35,000	1,400	30,100	0	4,900	35,000	0
Main Extension	Mason Road	14,000	0	6,151	0	0	6,151	7,849
Safety/Security/Equipment	System Wide	12,000	0	0	0	0	0	12,000
Security Surveillance Projects	System Wide	20,000	0	0	0	0	0	20,000
Leak Detection-Phase IV-VI	System Wide	25,000	11,769	11,769	0	0	11,769	13,231
Emergency Intake Valve	WTP	124,000	124,000	124,000	0	0	124,000	0
Fiscal 2007 Budgeted Capital Projects		<u>6,199,750</u>	<u>157,936</u>	<u>9,052,058</u>	<u>1,051,805</u>	<u>2,187,278</u>	<u>12,291,141</u>	<u>5,026,109</u>

MOHAWK VALLEY WATER AUTHORITY

MAJOR REVENUE AND EXPENSE ACCOUNT ANALYSIS

Month 10 - January 31, 2008

MONTHLY CONSUMPTION- (IN HUNDREDS OF CUBIC FEET)

	FISCAL 08	FISCAL 07	FISCAL 06	FISCAL 05	FISCAL 04
April	432,019	419,898	421,158	436,874	438,082
May	428,265	412,183	433,169	433,732	437,133
June	449,886	483,811	463,071	432,431	430,936
July	441,659	434,748	477,805	476,038	443,310
August	510,472	475,336	514,883	469,873	440,876
September	493,270	481,683	513,111	449,233	546,365
October	446,832	436,160	469,375	529,942	477,584
November	453,228	472,410	474,227	424,247	458,962
December	403,309	451,290	424,902	426,796	416,941
January	404,724	<u>397,180</u>	<u>407,949</u>	<u>409,415</u>	<u>463,977</u>
		4,464,699	4,599,650	4,488,581	4,554,166
February	0	434,793	398,579	452,494	428,836
March	<u>0</u>	<u>410,322</u>	<u>400,517</u>	<u>427,874</u>	<u>436,128</u>
Total	<u>4,463,664</u>	<u>5,309,814</u>	<u>5,398,746</u>	<u>5,368,949</u>	<u>5,419,130</u>

MONTHLY WATER BILLINGS:

	FISCAL 2008			FISCAL 2007	
	Billings	Cash Receipts	Reading Areas	Billings	Cash Receipts
April	\$ 1,309,707	\$ 1,019,228	Area 1	\$ 1,167,491	\$ 774,267
May	1,261,871	1,456,458	Area 2	1,168,917	1,303,161
June	1,310,916	1,180,125	Area 3	1,205,518	1,077,589
July	1,310,354	1,337,397	Area 1	1,214,680	1,260,740
August	1,459,484	1,375,328	Area 2	1,296,257	1,365,171
September	1,396,332	1,188,049	Area 3	1,265,491	1,124,613
October	1,363,214	1,896,068	Area 1	1,247,789	1,394,845
November	1,339,290	1,221,617	Area 2	1,224,796	1,133,510
December	1,208,607	1,414,089	Area 3	1,132,871	1,283,037
January	1,260,075	1,261,182	Area 1	<u>1,134,424</u>	<u>1,062,568</u>
				12,058,234	11,779,501
February	0	0		1,200,168	1,118,333
March	<u>0</u>	<u>0</u>		<u>1,156,992</u>	<u>1,364,942</u>
Total	<u>\$13,219,850</u>	<u>\$13,349,541</u>		<u>\$14,415,394</u>	<u>\$14,262,776</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 10 - January 31, 2008

REVENUE

• *Metered Water Sales:*

Quarterly and Monthly Billings – For the month, water sales is above by \$126,000 compared to the prior year.

Overall Sales vs. Prior Year – Water sales is up \$1,161,000 for the year compared to the prior year. Water Sales is also up \$600,000 compared to the budget.

- “*System Charge*” – Both quarterly billed and monthly billed system charges are relatively consistent with budget (below budget by (\$30,000).
- *Quarterly and Monthly Penalties and Unpaid Bill Fees* –Overall, penalties are above budget estimates. Penalties are above budget by \$125,000 and unpaid bill fee are above by \$50,000. Cash collection of these fees ranges from 85% to 90%, based upon past years.
- Interest Income from operating funds is above by \$60,000 or 44% of the budget. Interest from trust funds is above by \$200,000 or 50% of the budget. We must calculate arbitrage in the next months on bonded funds to determine if rebates are due on some serial bonds.

REVENUE ITEMS FALLING BELOW BUDGET

- *Other Delinquent Charges*— Revenue from shut-off fees, metered line charges, installation fees, line tap charges and termination of services continue to be below estimates.
- *Lab Fees*-Revenue is below budget due to the timing of EPA’s LT2 standard. This has recently gone into affect which will result in additional lab testing revenue from outside samples.

MAJOR EXPENSE ACCOUNT ANALYSIS

Month 10 - January 31, 2008

	<u>Budget</u> (Cash-Basis)	<u>Actual-Jan-31, 2008</u> (Accrual-Basis)	<u>of Current</u> <u>Budget</u>	<u>(Unfavorable)</u> <u>Variance</u>	<u>Explanation of Variance</u>
Administration					
Salaries	242,833	245,016	100.90%	(2,183)	Minimal variance
Contracted Services	58,800	44,513	75.70%	14,287	Feasibility study for marketing bottled water has not occurred. This represents \$20K favorability year to date.
Contracted Services.-Legal Fees	208,500	298,148	143.00%	(89,648)	The annual budget has been exceeded. However, depositions are in their final stage and the ruling on the lawsuit may occur in the next several months.
Finance & Accounting					
Salaries	344,022	339,861	98.79%	4,161	Minimal variance
Office Materials	1,425	3,559	249.75%	(2,134)	Overrun attributed to the printing of financial reports.
Contracted Services	193,287	212,891	110.14%	(19,604)	Budget overruns in banking services as well as collection agency charges- these will carry to y/e.
Training & Education	1,500	2,909	0.00%	(1,409)	Meter Readers' training of hand held devices exceeded budgeted amount.
Engineering					
Salaries	413,565	410,220	99.19%	3,345	Two employees cashed-in one week's vacation, per contract.
Travel	8,529	2,341	27.45%	6,188	Did not attend the scheduled training events--NASTT Conference = \$1.8K; AWWA Symposium = \$1.8K; and EMA seminar = \$.8K.
Contractor Services	53,430	86,074	161.10%	(32,644)	Tap card field management system = \$52 K not budgeted, This amt. is partially offset by state grant funds.
Training and Education	10,335	1,647	15.94%	8,688	Several seminars and conferences were not attended i.e., (a) NASTT, (b) ARC GIS, (c) EMA AC Drive. It is unclear if and when these seminars will be attended to during the current fiscal year.
Clothing Allowance	4,260	425	9.98%	3,835	Minimal purchases to date.

MOHAWK VALLEY WATER AUTHORITY

MAJOR EXPENSE ACCOUNT ANALYSIS-CONTINUED

Month 10 - January 31, 2008

	<u>Month-To-Date</u>		Percent of Current Budget	Favorable (Unfavorable) Variance	Explanation of Variance
	Budget (Cash-Basis)	Actual-Jan-31, 2008 (Accrual-Basis)			
Information Technology					
Salaries	198,303	201,044	101.38%	(2,741)	Two employees cashed-in one week's vacation, per contract.
Office Equipment	12,000	15,012	125.10%	(3,012)	Purchase of equipment for new phone system=\$3.1K not budgeted.
Operating Supplies	18,300	12,287	67.14%	6,013	Year to date favorability due to timing of purchases (i.e., a) paper = \$1.8K; b) toner/cartridges = \$2.3K; supplies and backup tapes = \$2.0K).
Contracted Services	113,944	71,725	62.95%	42,219	Timing of pending charges : software licenses=\$15k; maintenance agreements=\$9K; IT contract support=\$23k Unbudgeted charges for software to help analyze the historical geological conditions at Hinckley reservoir-(\$4K)
Training and Education	7,535	1,600	21.23%	5,935	GIS training not attended as scheduled. SCADA training attended but not billed; Other training seminars have not been attended--\$2.3K not used.
Water Quality					
Salaries	311,821	314,592	100.89%	(2,771)	Minimal favorable variance
Operating Supplies	115,550	91,841	79.48%	23,709	Timing of purchases (i.e. glassware and plastic supplies = \$15K and PCR and flow supplies = \$8.3K)
Contracted Services	16,240	6,752	41.58%	9,488	Charges for required water system monitoring running below budget-\$6K; summer interns not used--\$1.5K.
Training and Education	4,700	9,351	198.96%	(4,651)	Training on new lab equipment not covered by federal grant--\$4.8k.
Treatment Plant					
Salaries	276,318	262,898	95.14%	13,420	Favorable variance due to timing of new hire after employee retirement.
Wages	9,691	18,654	192.49%	(8,963)	Unfavorable variance caused by a part-time employee working full-time hours.
Small Equipment	15,050	3,369	22.39%	11,681	Timing of purchases: a) Chlorine Analyzer = \$2.8K; b) Radiator for generator = \$3.5K; PH analyzer and sensors = \$4.0K.
Operating Supplies	612,815	639,663	104.38%	(26,848)	Purchase of polymer unfavorable year to date by \$24K
Contractor Services	19,150	12,575	65.67%	6,575	Sludge removal-budget 13K-actual 6.5K-will carry to y/e.

MOHAWK VALLEY WATER AUTHORITY

MAJOR EXPENSE ACCOUNT ANALYSIS-CONTINUED

Month 10 - January 31, 2008

	<u>Month-To-Date</u>		Percent of Current Budget	Favorable (Unfavorable) Variance	<u>Explanation of Variance</u>
	Budget (Cash-Basis)	Actual-Jan-31, 2008 (Accrual-Basis)			
Maintenance					
Salaries	435,162	434,909	99.94%	253	Minimal variance
Wages	751,581	676,328	89.99%	75,253	Vacant positions presently filled-savings will carry to y/e.
Street Repair Materials	114,375	86,593	75.71%	27,782	Item # 4 purchases to date are \$12.2K favorable. Concrete purchases are favorable by \$15.4-will extend to y/e.
Small Equipment	28,000	10,635	37.98%	17,365	Many of the items budgeted have not been procured--gears for valves-\$5.7K; pipe thawers-\$4.1K; leak survey equipment-\$7k.
Operating Supplies	99,521	151,612	152.34%	(52,091)	Valve repairs =(\$18.5K) unfavorable, and general supplies (i.e., clamps, couplings, main supplies.etc.) are (\$28.7K) unfavorable.
Contracted Services	24,700	46,523	188.35%	(21,823)	Underwater diving @ Hinckley Reservoir = \$17K
Training & Education	10,275	4,440	43.21%	5,835	Minimal safety training to date.
Vehicle & Equip. Repairs	122,600	128,389	104.72%	(5,789)	Unanticipated repairs have resulted in negative variance (i.e. emergency generator repairs = \$5.0K).
Cash-Financed Construction					
Meters	219,200	163,338	74.52%	55,862	Timing of purchases-several purchase orders outstanding.
Hydrants	21,000	28,647	136.41%	(7,647)	Ordered hydrants at beginning of FY. Have 7 remaining. Have order in for next FY.
Vehicles & Machinery	226,500	264,367	116.72%	(37,867)	Several purchase orders still outstanding. We are projecting actuals to approximate budget by year end.
General Services					
Printing	31,855	21,625	67.89%	10,230	Favorability caused by the timing of envelope purchases = \$5.2K and printing of the newsletter = \$3.3K.
Electricity and Gas	352,258	361,931	102.75%	(9,673)	Timing of utility billing--Trend has shown increased consumption in following areas: a) 4 electric space heaters added to Pleasant St. location; b) increased number of customers being serviced by the Higby Rd. Pump Station (i.e.. Sitrin Nursing Home)
Heating Oil	37,946	43,553	114.78%	(5,607)	Timing of fuel oil purchases for the Treatment Plant.
Gas & Oil	119,520	129,729	108.54%	(10,209)	To assure uninterrupted operation, paid \$10K reserve. Otherwise, expenses are in line with the budget year to date.
Overtime					
Treatment Plant	42,810	49,716	116.13%	(6,906)	
Maintenance	171,000	165,360	96.70%	5,640	

MOHAWK VALLEY WATER AUTHORITY

FINANCIAL RATIOS

Month 10 - January 31, 2008

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. '08</u>	<u>Dec. '07</u>	<u>Nov. '07</u>	<u>Oct. '07</u>	<u>Sept. '07</u>	<u>August '07</u>	<u>Avg.-Past Six months</u>
1.56	1.62	1.43	1.63	1.78	1.80	1.75

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. '08</u>	<u>Dec. '07</u>	<u>Nov. '07</u>	<u>Oct. '07</u>	<u>Sept. '07</u>	<u>August '07</u>	<u>Avg.-Past Six months</u>
\$2,354,405	\$2,451,120	\$1,854,991	\$2,235,426	\$2,992,098	\$2,784,272	\$2,617,776

FINANCIAL RATIOS

Month 10 - January 31, 2008

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>Jan. '08</u>	<u>Dec. '07</u>	<u>Nov. '07</u>	<u>Oct. '07</u>	<u>Sept. '07</u>	<u>August '07</u>	<u>Avg.-Past Six months</u>
75%	75%	76%	76%	76%	77%	78%

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>Jan. '08</u>	<u>Dec. '07</u>	<u>Nov. '07</u>	<u>Oct. '07</u>	<u>Sept. '07</u>	<u>August '07</u>	<u>Avg.-Past Six months</u>
2.68	2.95	3.55	4.03	2.57	2.99	2.95

FINANCIAL RATIOS

Month 10 - January 31, 2008

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>Oct., Nov., Dec. '07</u>	<u>Sept., Oct., Nov. '07</u>	<u>Aug., Sept., Oct. '07</u>	<u>July, Aug., Sept. '07</u>	<u>Av Six</u>
Average Billed Water %	56.58%	60.23%	55.14%	59.87%	5
Other Unmetered Uses (See Detail Above)	17.76%	17.76%	17.76%	17.76%	1
Total Water Usage	74.34%	77.99%	72.90%	77.63%	7
Remaining “Unaccounted-For Leakage”	25.66%	22.01%	27.10%	22.37%	2

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 10 - January 31, 2008

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>Jan. '08</u>	<u>Dec. '07</u>	<u>Nov. '07</u>	<u>Oct. '07</u>	<u>Sept. '07</u>	<u>August '07</u>	<u>Avg.-Past Six months</u>
\$40.84	\$40.92	\$40.20	\$40.18	\$40.17	\$39.76	\$37.73

GLOSSARY OF TERMS

Month 10 - January 31, 2008

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, 2008

- 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.