

MOHAWK VALLEY WATER AUTHORITY

MONTHLY FINANCIAL REPORTING PACKAGE

Month 10: Month Ended January 31, 2009

Finance Committee Members

Terms Ending

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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MOHAWK VALLEY WATER AUTHORITY

VITAL SIGNS—(KEY PERFORMANCE INDICATORS)

Month 10 - January 31, 2009

PRODUCTION & CONSUMPTION

All amounts in <u>Cubic Feet</u> (1 cubic foot=7.481 gallons.)	October, November, December, 2008	September, October, November, 2008	August, September, October 2008	Average--Past 6 Months
Average Water Consumption	43,121,358	45,135,460	45,486,461	48,746,000
Average Water Production	71,791,005	70,690,367	71,554,836	85,802,973

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, 2009		\$ 1,392,996	\$2,272,936	(\$ 879,940)	
Year-To-Date	\$ 4,165,197	\$15,465,675	\$ 15,504,304	(\$38,629)	\$ 4,126,568

Please Note: The accumulation of funds set aside for payment of debt service for the 2008A bonds in the amount \$416,670 was transferred to the sinking trust fund in January. This amount is included in the reduction above.

CUSTOMER ACCOUNT MAINTENANCE

Customers in the Water System	Beginning Balance	New Accounts/ Moved into Area	Moved Out of Service. Area	Ending Balance
January, 2008		1	(2)	
Year-To Date (Fiscal 2009)	38,914	283	(197)	39,000
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 10 - January 31, 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.
Janaurv 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	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	2,377	33	48	13	13	3	2,487	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 10 - January 31, 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

ACCOUNTS PAYABLE

	Total	0-10	10-20	20-30	30-45	45+	Capital Project Retention
January, 2009	\$767,437	\$340,830	\$132,010	\$102,617	\$23,956	\$28,445	\$139,579

Big Picture

Water Sales and Consumption:

Consumption

For January, overall consumption was consistent with January of the previous year. However, accumulated year-to-date, consumption remains below by 15.2 million cubic ft (15.4 million in December). This is 3.4% of the consumption budget.

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.

Consumption for **quarterly billed** accounts decreased in January by 19.2 million cubic feet or 6.9% when compared to October, 2008 which was the last time that this group of accounts was billed. This reduction in consumption for quarterly accounts from October to January is consistent with previous years.

Monthly billed accounts increased by 3.7 million cubic feet in January, 2009 compared to the previous month.

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 Masonic Home, OC Sewer, FX Matt's Brewery, Con Med, Utica Psychiatric, St. Luke's Hospital, Marcy Correctional facility, Tect Utica, Tri-State industrial and Orion Bus.

Water Sales

Accumulated sales are up 1% to 4.0% compared to the budgeted 3.2% of the previous year's sales. The third quarter sales (October, November and December) were up 5.7%. This is compared to the 1st Quarter: 4.3%; 2nd quarter: 2.2%. (Overall: 4.0%)

COMPTROLLER'S MESSAGE

Month 10 - January 31, 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:

	MONTHLY ACTIVITY		YEAR-TO-DATE ACTIVITY	
	TARGET	JANUARY 2009	TARGET	ACTUAL
Cash Inflow	\$ 1,425,000	\$ 1,393,000	\$ 15,005,000	\$ 15,466,000
Outflows--				
Transfer to Fund Reserves	\$ 375,000	\$ 375,000	\$ 453,500	\$ 453,500
Personnel Costs	492,000	503,000	3,608,000	3,660,000
PILOTS	129,000	130,000	1,299,000	1,296,000
Debt Service	439,000	439,000	3,980,000	4,025,000
Payments to Suppliers	712,000	827,000	5,500,000	6,071,000
	2,147,000	2,274,000	14,840,500	15,505,500
Cash Remaining	\$ (722,000)	\$ (881,000)	\$ 164,500	\$ (39,500)

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)	\$ 258,488
TOTAL		\$ 1,083,933

COMPTROLLER'S MESSAGE

Month 10 - January 31, 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, 8.18% of the monthly accounts were estimated. This is compared to 6.29% from the previous month; This primarily due to the difficulty of accessing pits and confined spaces due to the snow accumulation.

5.28% of the quarterly accounts were estimated. This is comparable to the 5.25% recorded in October (The prior time this area was billed).

MOHAWK VALLEY WATER AUTHORITY

COMPTROLLER'S MESSAGE

Month 10 - January 31, 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
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	\$ 57,347	\$ 0	\$ 129,376

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, etc.)

Update: Approximately 170 new accounts have been added in October -December. Including the 150 noted above, 31 accounts remain. Customers have either paid or 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 10 - January 31, 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 %	January	December	November	October	September	August
ASSETS							
Cash		\$ 4,204,040	\$ 4,704,854	\$ 5,058,231	\$ 5,227,440	\$ 4,862,244	\$ 4,683,601
Water Sales Receivable, Net		\$ 1,472,068	\$ 1,387,148	\$ 1,566,366	\$ 1,356,917	\$ 1,336,612	\$ 1,432,079
Trust Fund Assets		\$ 27,351,666	\$ 26,875,002	\$ 14,941,111	\$ 16,740,299	\$ 16,531,274	\$ 16,436,011
Utility Long Term Assets, Net		\$ 61,996,180	\$ 61,741,069	\$ 61,628,752	\$ 61,570,445	\$ 61,492,388	\$ 60,950,221
Total Assets		\$ 96,713,764	\$ 95,810,049	\$ 84,558,317	\$ 87,042,321	\$ 86,088,704	\$ 85,194,108
LIABILITIES							
Accounts Payable		\$ 767,533	\$ 464,109	\$ 968,557	\$ 669,329	\$ 742,473	\$ 622,788
Long Term Debt, Principal		\$ 67,948,661	\$ 67,934,518	\$ 56,040,392	\$ 57,291,249	\$ 57,277,106	\$ 57,262,964
Total Liabilities		\$ 72,607,629	\$ 71,872,891	\$ 60,639,586	\$ 62,340,888	\$ 62,201,419	\$ 61,890,310
EQUITY							
Unrestricted Earnings		\$ 4,391,354	\$ 4,222,398	\$ 4,204,437	\$ 4,988,313	\$ 4,174,166	\$ 3,672,045
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		\$ 872,264	\$ 872,256	\$ 872,101	\$ 871,710	\$ 871,710	\$ 870,754
Oper. and Maint. Reserve		\$ 573,054	\$ 573,054	\$ 572,899	\$ 572,508	\$ 572,508	\$ 571,552
Repair & Improvement		\$ 523,533	\$ 526,526	\$ 526,370	\$ 525,979	\$ 525,979	\$ 446,524
Bond Covenant Reserve		\$ 650,456	\$ 650,456	\$ 650,456	\$ 650,456	\$ 650,456	\$ 650,456
OPERATIONS - (Monthly Accumulation)							
	<i>Accum. Budget</i>	10th Month FY 2009	9th Month FY 2009	8th Month FY 2009	7th Month FY 2009	6th Month FY 2009	5th Month FY 2009
Water Sales	101%	\$ 13,774,673	\$ 12,442,114	\$ 11,159,063	\$ 9,705,786	\$ 8,273,131	\$ 6,884,672
Other Revenue	85%	\$ 1,976,634	\$ 1,824,412	\$ 1,600,660	\$ 1,446,111	\$ 1,233,150	\$ 1,012,716
Operating Expenses less PILOTS	96%	\$ 9,111,781	\$ 7,940,103	\$ 6,992,630	\$ 5,722,623	\$ 5,040,634	\$ 4,173,669
Debt Service, Interest only	100%	\$ 2,387,543	\$ 2,387,543	\$ 1,997,120	\$ 1,026,083	\$ 1,026,083	\$ 1,017,118
PILOT Payments	100%	\$ 1,295,673	\$ 1,166,928	\$ 1,037,178	\$ 908,431	\$ 779,684	\$ 650,937

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 10 - January 31, 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 +	Acct. Status
City of Utica	16 accounts	Parks / Recreations / etc.	13,340	391	182	285	7,721	164	4,597	
Way Way Under Construction	1D 128	511 Plant Street, Utica	1,824	-	626	32	994	15	157	Posted
Migdalia Cortes	2A 173	11 Shepherd Place, Utica	1,052	-	78	15	862	15	82	Posted
Ashford Clinton Corp.	2F 52BK	244 Roosevelt Dr. Utica	1,594	-	107	-	54	-	1,433	Posted
CNY Properties, Inc.	3A 49	1857-59 Merriline Ave. Utica	1,472	371	-	15	437	15	634	Posted
Utica Metal Products	3E 50A	1530 Lincoln Avenue, Utica	6,121	2,515	-	15	3,591	-	-	Posted
Bagiche Singh	4A 113	900 Noyes Ave. Utica	1,994	335	-	15	407	1,237	-	Posted
GID Properties	4A 132B	808 Wager Street	5,380	933	-	15	3,387	15	1,030	Posted
Vogels Int Bakery	6B 72	1219-21 Lennox Avenue, Utica	1,097	47	-	24	71	23	932	Posted
William Almas	8C 26	1424 Oneida St. Utica	1,835	527	-	15	538	15	740	Posted
Milquiade Burdier	10D 123	109 Hobart Str. Utica	1,278	143	-	22	178	17	918	Posted
Joann Buchanon	12E 42	1641 St. Agnes Street, Utica	1,050	47	15	-	209	15	764	Investigation
Christina Joseph	13D 21	602 Eagle Street, Utica	1,182	57	15	-	56	16	1,038	Investigation
Franco Emiliano	15B 65	1034 Morris Street, Utica	1,062	-	15	2	111	15	919	Posted
Chanty Srey	16B 16	516 Lansing Street (1 fl) Utica	1,312	-	15	4	110	16	1,167	Posted
Samnang Phou	16E 56	705 Elizabeth Street, Utica	1,207	-	-	12	20	9	1,166	Posted
NYMA Properties	18A 59	409 Milgate Street, Utica	1,030	15	-	-	454	-	561	Posted
Kathi Wojtowycz	29F 67	33 WhitesboroStr. Yorkville	1,186	-	-	327	20	376	463	Posted
Marc Cittadino	32R 73	10 Norris Street, Whitesboro	1,031	-	-	154	26	114	737	Investigation
Cybersports, Inc	34A 52A	8020 Ste. Route 12, NH	1,539	-	283	-	-	329	927	Investigation
Simpson Manors	37A 1C	705 Rte. 5 Herkimer Road	2,437	-	1,143	-	15	1,279	-	Posted
Heritage Acres	37A 84	217 Colonial Circle, Utica	1,789	-	1,355	-	-	15	419	Posted
Heritage Acres	37A 95	Birchdale Road, Utica	3,114	-	1,396	-	15	1,703	-	Posted
Heritage Acres	37A 95A	1593 Herkimer Road, Utica	4,137	-	2,027	-	15	2,095	-	Posted
Lilac Group	50A 80	315-17 Court Street, Utica	1,287	15	202	217	232	419	202	Investigation
Hemstrought's Bakery	50D 62	900 Oswego Street, Utica	1,270	15	227	212	312	504	-	Investigation
Lloyd Barth, Jr.	52B 81	1121 Summit Place, Utica	2,576	15	944	713	904	-	-	Investigation
Charles Property Mgmt.	55B 29	311-15 Whitesboro Street, Utica	4,020	15	158	173	1,054	881	1,739	Posted
Fountainhead Group	56DC 58	23 Garden Street, NY Mills	2,863	15	293	258	2,297	-	-	Investigation
T. Klotz (also, see shut-offs)	29 accounts	See separate attachment	11,261	389	2,966	668	811	1,427	5,000	Posted

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 10 – January 31, 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 +	Acct. Status
DELINQUENT ACCOUNTS SHUT-OFF										
NYMA Properties, LLC	1D 41	613 Henry Street, Utica	1,961	-	47	25	114	15	1,760	Shut-off/Coll
Andrew Karas	3E 132	1331 Sunset Avenue, Utica	1,214	488	-	20	63	19	624	Shut-off/Coll
Agueda Calle	3F 66	1247 Lincoln Ave. Utica	1,167	-	-	7	14	7	1,139	Shut-off/Coll
Magnus Ogunsanwo	3F 126	1147 Lincoln Ave. Utica	1,228	306	-	19	365	16	522	Shut-off/Coll
George Bassett	4C 133	720 Roberts Street, Utica	1,361	47	-	27	76	25	1,186	Shut-off/Coll
Thomas & Mary Decristina	4D 100	600 Columbia Street, Utica	1,015	52	-	23	132	21	787	Shut-off/Coll
James Spratt	5E 93	1207 Erie Street, Utica	1,436	205	-	24	131	23	1,053	Shut-off/Coll
James Spratt	5F 84	617 Lennox Avenue, Utica	1,368	59	-	25	99	23	1,162	Shut-off
James Spratt	11E 150	1507 Miller Street, Utica	1,771	47	15	15	83	29	1,582	Shut-off/Coll
James Spratt	12B 56	355 James Street, Utica	1,155	276	15	6	112	20	726	Shut-off/Coll
Martin Davis	5E 159	1043 Erie Street, Utica	1,162	47	-	25	68	19	1,003	Shut-off
Mohammed Hashim	6A 105	1109 Court Street, Utica	1,593	47	-	28	77	25	1,416	Shut-off/Coll
Lawrence Raynor	6A 133	919 Lenox Ave. Utica	1,585	947	-	19	62	18	539	Shut-off/Coll
Angel Rios	7D 20	424 French Road, Utica	2,497	47	-	38	98	36	2,278	Shut-off/Coll
Care Real Estate	7D 26	1502 Whitesboro Street, Utica	2,628	-	-	3	2,199	18	408	Shut-off/Coll
Hari Lukac	8C 46BK	17 Clinton Pl. Utica	1,084	164	-	-	189	-	731	Shut-off/Coll
Sapi Dussi	10D 8	1309-13 Oneida Street, Utica	2,219	117	-	31	310	29	1,732	Shut-off/Coll
Kim Willie	10E 110	128 Elmwood Pl (3rd Fl) Utica	1,412	47	-	15	646	19	685	Shut-off/Coll
Hidalgo Diaz	10F 86	1506 Steuben Street, Utica	1,410	47	-	27	76	25	1,235	Shut-off/Coll
Michael Cipriano	10F 108	105-107 Wall Street, Utica	3,186	47	-	43	102	35	2,959	Shut-off/Coll
Charlritry Chheng	11A 136	1415 Elm Street, Utica	1,503	97	-	22	231	17	1,136	Shut-off
William Hawkins	11B 118	1210 Steuben St. Utica	2,550	47	-	38	149	36	2,280	Shut-off/Coll
Rafaela Pantaleon	11B 179	107 Leah Street, Utica	2,355	47	-	15	104	15	2,174	Shut-off/Coll
Damian Planco	11C 130BK	1575-77 Steuben Street, Utica	1,098	47	15	8	69	21	938	Shut-off/Coll
Thach Buon Bopha Suno	11E 34	1502 Howard Avenue, Utica	1,545	47	15	13	79	27	1,364	Shut-off/Coll
Bank of America	11F 157	1427-29 Howard Avenue, Utica	1,849	174	15	7	262	19	1,372	Shut-off/Coll
M of M, Inc.	11G 69	1318 Brinckerhoff Ave. Utica	1,102	97	15	-	71	15	904	Shut-off
Donald Shaub	11G 97	1308 Dudley Avenue, Utica	2,245	47	15	17	84	28	2,054	Shut-off/Coll
Margaret Natale	12B 89	339 Pleasant Street, Utica	3,677	47	15	25	83	20	3,487	Shut-off/Coll
Dale Grant	12B 156	1509 Seymour Ave. Utica	1,073	47	15	8	67	20	916	Shut-off
SueAnn Stevens	13C 102	1139 Seymour Avenue, Utica	1,920	215	15	10	529	27	1,124	Shut-off

MOHAWK VALLEY WATER AUTHORITY

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 10 - January 31, 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 +	Acct. Status
DELINQUENT ACCOUNTS SHUT-OFF										
Darlene Clark	13D 148	1546 Vincent Street, Utica	3,373	278	15	29	106	38	2,907	Shut-off/Coll
Marco Gonzales	13F 61	1124 Dudley Ave. Utica	1,429	47	15	11	76	25	1,255	Shut-off/Coll
Bonnie Colby	13F 120	1144 Taylor Ave. Utica	1,002	-	-	10	19	9	964	Shut-off/Coll
Phillip Bruzzese	16E 84	535 Albany Street, Utica	1,016	-	15	8	70	22	901	Shut-off/Coll
Rafael Padilla	17A 150A	689 Bleeker Street, Utica	1,087	-	-	11	20	10	1,046	Shut-off/Coll
Thein Aung	17B 114A	925 Catherine Street, Utica	1,444	-	15	12	73	24	1,320	Shut-off/Coll
Rebecca Hocienda	17F 23BK	1004 Blandina St. Utica	1,014	15	-	9	83	6	901	Shut-off
Rebecca Hocienda	17F 23ABK	1004 Blandina St. Utica	1,032	15	-	8	134	7	868	Shut-off
Derek Roberts	29A 178	1010 Ney Avenue, Utica	1,031	15	-	70	27	218	701	Shut-off/Coll
Matt Morreale	29B 33	2140 McBride Avenue, Utica	1,335	-	-	284	29	130	892	Shut-off/Coll
Erica & John Smaldon	30C 1	1 Dewey Avenue, Utica	1,326	-	-	164	33	145	984	Shut-off
Gerald Dos Santos	30D 61	23 Brainard Street, Whitesboro	1,294	-	-	13	17	8	1,256	Shut-off/Coll
Molly O'Malley	31A 33	103-105 River Street, Oriskany	1,294	-	-	115	34	64	1,081	Shut-off
Michael Knapp	37B 14	2260 Route 5, Utica	3,027	-	54	14	41	580	2,338	Shut-off
Seco Leasing Corp.	50A 21	132-42 Hotel Street, Utica	1,401	15	80	103	121	180	902	Shut-off/Coll
Coolidge Mem. LLC	52B 60	106 Memorial Pkwy	7,077	15	484	534	568	1,002	4,474	Shut-off/Coll
SIBFS 1900, LLC	52E 61	1900 Bleeker Str. Utica	4,641	15	388	416	806	453	2,563	Shut-off/Coll
807-11 Broad Street, LLC	55A 6	807 Broad St. Utica	2,857	15	387	408	2,047	-	-	Shut-off/Coll
Fay Street Warehouse	55A 9A	825-27 Broad Street, Utica	1,927	-	37	53	103	50	1,684	Shut-off/Coll
T. Klotz (also, see above)	7 accounts	See separate attachment	1,203	25	360	138	171	451	58	Shut-off
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			7,325	-	-	-	-	-	7,325	
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			1,553,594	641,848	125,696	166,975	260,726	73,672	284,677	Change
January, 2009			3,202,923	652,050	139,790	173,161	296,949	88,490	1,852,483	3.15%
December, 2008			3,105,158	502,389	237,131	173,033	282,008	70,371	1,840,226	-5.46%

MOHAWK VALLEY WATER AUTHORITY

WORK IN PROCESS—CAPITAL PROJECTS

Month 10 - January 31, 2009

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	9,520	35,704	33,914	69,618	7,909,132
Fiscal 2003 Budgeted Capital Projects			<u>7,978,750</u>	<u>9,520</u>	<u>35,704</u>	<u>33,914</u>	<u>69,618</u>	<u>7,909,132</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	6,582	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	<u>4,697,000</u>	<u>496</u>	<u>445,753</u>	<u>4,032,229</u>	<u>4,477,982</u>	<u>219,018</u>
Fiscal 2005 Budgeted Capital Projects			<u>8,414,255</u>	<u>7,078</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	<u>5,939,705</u>	<u>121,000</u>	<u>672,292</u>	<u>5,158,566</u>	<u>5,830,858</u>	<u>108,847</u>
Fiscal 2006 Budgeted Capital Projects			<u>6,029,705</u>	<u>121,000</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 10 - January 31, 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	24,647	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	74,500	101,839	12,029	113,868	4,340,632
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	7,000	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>106,147</u>	<u>228,484</u>	<u>1,017,137</u>	<u>1,245,621</u>	<u>6,334,289</u>

WORK IN PROCESS—CAPITAL PROJECTS

Month 10 - January 31, 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	477	5,788	0	5,788	332
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	35,336	84,326	0	84,326	-4,541
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	7,226	14,452	0	14,452	-6,452
Fiscal 2009 Budgeted Capital Projects			<u>250,945</u>	<u>43,039</u>	<u>220,909</u>	<u>0</u>	<u>220,909</u>	<u>22,036</u>

MOHAWK VALLEY WATER AUTHORITY

MAJOR REVENUE AND EXPENSE ACCOUNT ANALYSIS

Month 10 - January 31, 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	0	426,833	434,793	398,579	452,494
March	0	413,102	410,322	400,517	427,874
Total	<u>4,300,742</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	0	0		1,281,830	1,249,834
March	0	0		1,247,605	1,417,892
Total	<u>\$13,774,671</u>	<u>\$13,953,520</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 10 - January 31, 2009

REVENUE

- *Metered Water Sales:*

Monthly Billing--Quarterly and Monthly Accounts – Overall, water sales is up 1.0% compared to budget. On a quarterly basis, the following transpired:

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 .83% over the budgeted 3.2%. January came in above budget increasing the accumulated to 1.0% above budget.

- *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 10 - January 31, 2009

	January-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	262,918	261,811	99.58%	1,107	311,200	311,200	Minimal Variance
Travel & Vehicle Usage	5,250	8,918	169.87%	(3,668)	5,750	10,426	Bond rating trip to NYC by Executive Director and Comptroller not budgeted.
Contracted Services	42,505	43,740	102.91%	(1,235)	48,275	50,300	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	190,250	206,815	108.71%	(16,565)	209,800	258,488	Unanticipated adjudication of law suit resulting in cost overrun.
Finance & Accounting							
Salaries	400,000	363,229	90.81%	36,771	474,957	431,300	Budgeted position is currently open
Contracted Services	162,400	179,824	110.73%	(17,424)	181,900	210,000	Unfavorable expenses y-t-d are: banking Services = \$29.5K; credit card charges = \$5.9K. Offset by lower Collection Services = \$20.0K.
Training & Education	1,500	2,909	0.00%	(1,409)	1,000	3,000	Meter Readers' training of hand held devices exceeded budgeted amount.
Engineering							
Salaries	451,067	396,753	87.96%	54,314	534,078	468,800	Position presently unfilled
Travel	14,824	9,479	63.94%	5,345	14,824	11,800	Some conferences not attended (i.e. Water Modeling = \$2.1K ; MWH Conference = \$1.4K; AWWA National Conference = \$1.2K)
Operating Supplies	16,729	8,556	51.14%	8,173	17,029	14,300	Replacement of portable radios not occurred to date=\$4.9K.
Contractor Services	44,380	29,051	65.46%	15,329	45,080	30,000	Some of the budgeted work has not been performed (i.e. high voltage inspection of hydro generators = \$8K; master meter calibration = \$2.0K; painting of fire hydrants = \$3.0K.
Training and Education	10,589	4,573	43.19%	6,016	10,789	4,800	Training conferences budgeted were not attended (i.e. ARC GIS = \$1.5K; GIS Auto Cad = \$1.5K).

MAJOR EXPENSE ACCOUNT ANALYSIS-CONTINUED

Month 10 - January 31, 2009

	January-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)					
Information Technology							
Salaries	212,991	212,036	99.55%	955	252,012	252,000	Minimal variance
Operating Supplies	16,720	10,633	63.59%	6,087	17,620	14,200	Purchase of computer paper = \$1.5K favorable, and back-up tapes = \$2.8K favorable.
Contracted Services	153,660	94,761	61.67%	58,899	158,682	138,700	Timing of several purchases (i.e. hydrant/valve software = \$12K; software development support -\$12K; paperless reporting conversion -\$12K; Digsmart = \$10K
Training and Education.	600	3,639	606.50%	(3,039)	600	3,700	Unanticipated training performed for various departments
Water Quality							
Salaries	340,445	340,132	99.91%	313	402,955	402,600	Minimal variance
Office Equipment	11,500	0	0.00%	11,500	14,000	10,000	The following equipment items were budgeted but have not been purchased: watershed equipment = \$3K; on-line monitoring equipment = \$5.7K , and PH electrodes = \$1.0K.
Office Materials	7,800	4,370	56.03%	3,430	8,000	5,600	FY 2007 Water Quality Report favorable by \$2.4K
Operating Supplies	131,200	99,357	75.73%	31,843	152,200	130,000	Lower supply purchases to date (i.e. pathogen monitoring).
Training and Education	7,400	3,041	41.09%	4,359	8,050	8,050	Timing of expenses.
Repairs	10,000	166	1.66%	9,834	10,000	2,500	Minimal repairs to date
Treatment Plant							
Salaries	293,235	295,558	100.79%	(2,323)	346,762	350,400	Minimal variance
Wages	14,426	10,491	72.72%	3,935	17,290	12,000	1 Open position effective January, 2009
Small Equipment	26,950	10,575	39.24%	16,375	28,200	12,200	Timing of purchases (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	839,230	949,936	113.19%	(110,706)	942,000	1,105,000	As expected, granulated activated carbon (GAC) purchases have exceeded budget by \$95K.
Contractor Services	14,610	10,356	70.88%	4,254	15,550	12,600	Sludge removal favorable by \$2.9K.
Plant Repairs	24,000	29,735	123.90%	(5,735)	30,000	35,000	Numerous small repairs to maintain the WTP

MOHAWK VALLEY WATER AUTHORITY

MAJOR EXPENSE ACCOUNT ANALYSIS-CONTINUED

Month 10 - January 31, 2009

	January-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	506,987	465,015	91.72%	41,972	602,045	542,700	Open Position/ Temporary Employee
Wages	832,231	769,662	92.48%	62,569	986,069	916,100	3 budgeted positions were open for a portion of the year.
Street Repair Materials	120,310	111,209	92.44%	9,101	135,417	126,400	Timing of paving materials purchases (cold patch = \$7.3K; and item # 4 = \$2.8K).
Office Equipment	5,280	952	18.03%	4,328	5,536	1,500	Office furniture and air conditioner for the Luke Road Pump Station were not purchased
Small Equipment	55,195	19,695	35.68%	35,500	57,195	36,700	Timing of purchases as follows: (Gears for Horz Rennselaer = \$5.4K; hand held radios-\$8.4K; plumbing tools/equipment-\$10.6K; safety equipment-\$7.0K).
Operating Supplies	84,265	126,316	149.90%	(42,051)	100,900	168,000	General supplies (i.e. mains supplies, clamps, couplings, etc.) have exceeded budget by \$32K.
Contracted Services	32,700	19,429	59.42%	13,271	35,900	28,900	Some expenditures not incurred (i.e. staff augmentation = \$4.9K; tree cutting = \$5.2K
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	179,360	131,850	73.51%	47,510	207,910	161,900	Vehicle repairs have been less than budgeted.
Cash-Financed Construction							
Meters	244,350	168,406	68.92%	75,944	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	64,302	94.81%	3,518	67,820	64,385	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	324,122	120.49%	(55,122)	269,000	324,200	Purchase of Wachs valve turning unit-\$45k
General Services							
Printing	33,950	14,171	41.74%	19,779	44,870	26,100	Very limited printing of business forms to date = \$7.4K. Timing of the printing of the quarterly newsletter = \$6.6K
Telephone	75,773	90,745	119.76%	(14,972)	90,927	109,300	GPS usage for trucks = \$15K not budgeted
Electricity and Gas	346,300	363,966	105.10%	(17,666)	436,400	464,000	Variance caused by higher commodity prices.
Heating Oil	32,375	47,879	147.89%	(15,504)	55,150	55,150	Timing of heating oil purchases vs. budget.
Gas & Oil	123,350	136,319	110.51%	(12,969)	146,950	160,000	While gasoline consumption has remained flat, the cost is unfavorable YTD by approximately \$12K. The YTD price per gallon is higher by 27%.
Overtime							
Treatment Plant	33,924	53,987	159.14%	(20,063)	42,000	60,000	
Maintenance	150,231	169,518	112.84%	(19,287)	186,000	186,000	

FINANCIAL RATIOS

Month 10 - January 31, 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>Jan. '09</u>	<u>Dec. '08</u>	<u>Nov. '08</u>	<u>Oct. '08</u>	<u>Sept. '08</u>	<u>August '08</u>	<u>Avg.-Past Six months</u>
1.88	1.99	1.87	1.85	1.75	1.81	1.83

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. '09</u>	<u>Dec. '08</u>	<u>Nov. '08</u>	<u>Oct. '08</u>	<u>Sept. '08</u>	<u>August '08</u>	<u>Avg.-Past Six months</u>
\$3,447,373	\$3,579,360	\$3,713,013	\$4,005,693	\$3,467,484	\$3,504,284	\$3,203,951

FINANCIAL RATIOS

Month 10 - January 31, 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.

Jan. '09	Dec '08	Nov '08	Oct '08	Sept '08	August '08	Avg.-Past Six months
75%	75%	73%	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.

Jan. '09	Dec '08	Nov '08	Oct '08	Sept '08	August '08	Avg.-Past Six months
2.45	2.88	2.41	3.15	2.88	2.55	2.95

FINANCIAL RATIOS

Month 10 - January 31, 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>Oct. Nov.</u> <u>Dec.2008</u>	<u>Sept. Oct.,</u> <u>Nov. 2008</u>	<u>August, Sept.</u> <u>Oct. 2008</u>	<u>Avg.-Past</u> <u>Six months</u>
Average Billed Water %	60.07%	63.85%	63.57%	56.81%
Other Unmetered Uses (See Detail Above)	17.76%	17.76%	17.76%	17.76%
Total Water Usage	77.83%	81.61%	81.33%	74.57%
Remaining “Unaccounted-For Leakage”	22.17%	18.39%	18.67%	25.43%

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, 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 \$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. '09</u>	<u>Dec '08</u>	<u>Nov '08</u>	<u>Oct '08</u>	<u>Sept '08</u>	<u>August '08</u>	<u>Avg.-Past Six months</u>
\$43.68	\$40.68	\$43.68	\$43.75	\$43.75	\$43.75	\$41.18

GLOSSARY OF TERMS

Month 10 - January 31, 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 10 - January 31, 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.