

# MOHAWK VALLEY WATER AUTHORITY

## *MONTHLY FINANCIAL REPORTING PACKAGE*

### **Month 4: Month Ended July 31, 2009**

#### **Finance Committee Members**

#### **Terms Ending** December 31,

Rocco Arcuri, Finance Committee Chair	2011
Vincent Coyne	2011
Elis DeLia, Board Chairman	2010
George Gaston	2011
A. Eugene Snyder	2009
Frank Trevisani	2009

Report produced by Jim Korfonta, Comptroller

- Telephone: 792-0335
- FAX: 792-0342
- E-mail: [jkorfonta@mvwa.us](mailto:jkorfonta@mvwa.us)

# Table of Contents

---

## MOHAWK VALLEY WATER AUTHORITY

VITAL SIGNS—(KEY PERFORMANCE INDICATORS)	1
COMPTROLLER’S MESSAGE	3
CURRENT CUSTOMER SERVICE ACTIVITY	6
FLASH REPORT	7
SIGNIFICANT DELINQUENT RECEIVABLE BALANCES	8
WORK IN PROCESS—CAPITAL PROJECTS	11
MAJOR REVENUE AND EXPENSE ACCOUNT ANALYSIS	13
FINANCIAL RATIOS	17
GLOSSARY OF TERMS	21

**VITAL SIGNS—(KEY PERFORMANCE INDICATORS)**

Month 4 - July 31, 2009

**PRODUCTION & CONSUMPTION**

All amounts in <u>Cubic Feet</u> (1 cubic foot=7.481 gallons.)	<b>April, May, June 2009</b>	<b>March, April, May 2009</b>	<b>February, March, April 2009</b>	<b>Average-- Past 6 Months</b>
<b>Average Water Consumption</b>	40,253,902	39,654,386	39,077,219	42,376,835
<b>Average Water Production</b>	70,962,090	72,356,920	73,056,516	73,506,575

**CASH FLOW**

Cash Flow-(See cash flow detail on page 4.)	<b>Beginning Cash</b>	<b>Operating Cash In</b>	<b>Operating Cash Out</b>	<b>Net Change In Cash</b>	<b>Balance Remaining</b>
July, 2009		\$ 1,533,873	\$ 1,551,166	(\$ 17,293)	
Year-To-Date	\$ 3,904,959	\$ 6,173,086	\$ 5,710,998	\$ 462,088	\$ 4,367,047

**Did you Know.....**

The average household that uses 22,000 gallons per quarter (88,000 gallons per year) or 11,760 cubic feet per year has an average annual charge of \$384.00.

Since fiscal 2006, the total water charge has increase \$96.00. This consists of the maintenance charge which has increased \$5.90 from \$16.92 to \$22.82. The consumption charge has increased \$.82 from \$2.50 to \$3.32 per 1,000 gallons for the average household.

**VITAL SIGNS—(KEY PERFORMANCE INDICATORS)--CONTINUED**

Month 4 - July 31, 2009

**CUSTOMER ACCOUNT MAINTENANCE**

<b>Customers in the Water System</b>	<b>Beginning Balance</b>	<b>New Accounts/ Moved into Area</b>	<b>Moved Out of Service. Area</b>	<b>Ending Balance</b>
July, 2009		80	(15)	
Current YTD (2010)	38,955	174	(52)	39,077
Fiscal 2009	38,914	293	(252)	38,955
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%		

**COMPTROLLER'S MESSAGE**

Month 4 - July 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.
July 2009	372	10	6	3	3	0	394	26	12	18.8	4.69
June 2009	306	4	5	3	1	1	320	21	7	14.5	3.63
May 2009	259	2	8	3	0	4	276	20	7	13.1	3.28
April 2009	218	8	2	1	0	1	230	21	3	11.0	2.74
Fiscal 2010	1,155	24	21	10	4	6	1,220	26	3	14.3	3.58

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 2009	3,113	46	61	16	15	4	3,255	32	4	13.2	3.3
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 4 - July 31, 2009

**ACCOUNTS PAYABLE**

	<u>Total</u>	<u>0-10</u>	<u>10-20</u>	<u>20-30</u>	<u>30-45</u>	<u>45+</u>	<u>Capital Project Retention</u>
July 2009	\$ 206,908	\$ 19,027	\$ 47,529	\$ 17,635	\$ 2,996	\$ 15,765	\$ 103,956

**SOLE SOURCE PROCUREMENT CONTRACTS:**

In accordance with MVWA's procurement policy, the following sole source contracts were awarded following review and approval by the Executive Director and the Purchasing Officer: (Explanations are on file in the administrative offices)

<u>Invoice Date</u>	<u>Department/Function</u>	<u>Supplier</u>	<u>Amount</u>
4/13/2009	Engineering/ Maintenance	Ross Valve Company	\$10,224
06/08/2009	Electrical Engineering Services	Towne Engineering	4,800
07/16/2009	Maintenance/ GPS Software Maintenance	Trackstar International	858

**Big Picture**

***Consumption and Water Sales:***

**Consumption:**

As noted in previous monthly reports, consumption has taken a somewhat dramatic drop compared to budget and actual from the previous year. However, there were signs of stabilization in June activity. Consumption was down 5.9 million cubic feet at the end of June. In July, overall consumption increased 1.8 million compared to budget to an overall YTD consumption decrease of 4.1 million cubic feet. This improvement provides further evidence that consumption levels seem to be stabilizing. The increase in July's consumption was scattered among the quarterly accounts evidenced by the increase in some seasonal accounts.

Quarterly customers' consumption YTD was higher by 2.3 million cubic feet or 2.3% when measured against the consumption billed during the previous quarters. This increase in consumption happened in July. As noted above, some seasonal accounts (i.e., parks, fountains) were reactivated in the spring and were billed in July whereas they showed no consumption when previously billed in April.

Monthly customers' consumption YTD was higher by 1.9 million cubic feet or 3.4% when measured against the consumption billed during the previous months. As was the case with quarterly accounts, this increase in consumption happened in July and was scattered among most monthly accounts. Some of the more seasonal customers showed higher billings in July. For instance, Masonic Temple which operates an irrigation system showed significantly higher consumption in July vs. June.

**Water Sales:**

When comparing budget to actual, water sales is on track even though consumption has decreased compared to the prior year. See page 13.

**COMPTROLLER'S MESSAGE**

Month 4 - July 31, 2009

**Big Picture**-continued

**Cash Flow:** After the 4<sup>th</sup> month of the new fiscal year, revenue is on-track with the target (budget) whereas payments to suppliers are less than the target resulting in a positive cash flow YTD.

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

	MONTHLY ACTIVITY		YEAR-TO-DATE ACTIVITY	
	TARGET	JULY 2009	TARGET	ACTUAL
<b>Cash Inflow</b>	\$ 1,534,800	\$ 1,534,000	\$ 6,139,333	\$ 6,173,000
<b>Outflows--</b>				
<b>Personnel Costs</b>	\$ 492,000	\$ 515,000	\$ 1,478,000	\$ 1,498,000
<b>PILOTS</b>	129,000	125,000	516,000	508,000
<b>Debt Service</b>	439,000	439,000	1,756,000	1,757,000
<b>Payments to Suppliers</b>	561,000	472,000	2,244,000	1,948,000
	1,621,000	1,551,000	5,994,000	5,711,000
<b>Cash Remaining</b>	\$ (86,200)	\$ (17,000)	\$ 145,333	\$ 462,000

**LITIGATION EXPENSES RELATED TO LAWSUIT**

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	223,481
2010	DECLARATORY JUDGMENT ACTIVITY	13,622
<b>TOTAL</b>		<b>\$ 1,062,548</b>

**COMPTROLLER'S MESSAGE**

Month 4 - July 31, 2009

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, 2.8% of the monthly accounts were estimated. This is compared to 3.7% from the previous month.

--1.98% of the quarterly accounts were estimated. This is comparable to the 2.26% recorded in March, 2009 (The prior time this area was billed).

**Shut-Offs**

Approximately 76 accounts "posted" for non-payment were addressed in June from a listing of back-logged work orders. An additional 50 accounts were addressed in May. The majority paid and approximately 15 accounts were shut-off. 63 accounts remain from the overall account balance requiring additional attention (curb box, meter replaced, special digging, etc.).

**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
10/27/08	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 4 - July 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 %	July	June	May	April	March	February
<b>ASSETS</b>							
Cash		\$ 5,029,664	\$ 5,076,007	\$ 4,710,988	\$ 4,326,293	\$ 4,350,337	\$ 3,942,873
Water Sales Receivable, Net		\$ 1,618,930	\$ 1,550,542	\$ 1,555,788	\$ 1,678,118	\$ 1,372,574	\$ 1,585,023
Trust Fund Assets		\$ 27,101,382	\$ 26,573,158	\$ 26,380,008	\$ 26,328,339	\$ 27,655,380	\$ 27,781,745
Utility Long Term Assets, Net		\$ 63,514,857	\$ 63,679,001	\$ 63,660,687	\$ 63,128,568	\$ 62,674,609	\$ 62,051,125
<b>Total Assets</b>		\$ 98,728,359	\$ 98,109,127	\$ 97,321,731	\$ 96,607,591	\$ 98,108,677	\$ 97,233,116
<b>LIABILITIES</b>							
Accounts Payable		\$ 445,652	\$ 473,437	\$ 427,775	\$ 429,254	\$ 461,729	\$ 553,538
Long Term Debt, Principal		\$ 66,786,378	\$ 66,772,235	\$ 66,758,092	\$ 66,858,950	\$ 67,811,947	\$ 67,962,804
<b>Total Liabilities</b>		\$ 71,796,037	\$ 71,594,143	\$ 71,323,045	\$ 71,542,210	\$ 72,486,691	\$ 72,619,681
<b>EQUITY</b>							
Unrestricted Earnings		\$ 5,308,655	\$ 4,896,346	\$ 4,384,010	\$ 3,454,139	\$ 4,301,529	\$ 4,898,653
Invested in Utility Plant, Net		\$ 18,178,331	\$ 18,178,331	\$ 18,178,331	\$ 18,178,331	\$ 16,944,829	\$ 16,944,829
Timber Sales Reserve		\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638
"3R" Reserve		\$ 876,741	\$ 875,484	\$ 874,493	\$ 873,635	\$ 872,264	\$ 872,264
Oper. and Maint. Reserve		\$ 577,539	\$ 576,282	\$ 575,291	\$ 574,433	\$ 872,264	\$ 573,062
Repair & Improvement		\$ 602,510	\$ 601,253	\$ 600,263	\$ 599,404	\$ 526,533	\$ 526,533
Bond Covenant Reserve		\$ 710,807	\$ 710,807	\$ 710,807	\$ 710,807	\$ 650,456	\$ 650,456
Capital Maintenanac Reserve		\$ 530,101	\$ 528,844	\$ 527,854	\$ 526,995	\$ 597,124	\$ -
<b>OPERATIONS - (Monthly Accumulation)</b>							
	<i>Accum. Budget</i>	<b>4th Month FY 2010</b>	<b>3rd Month FY 2010</b>	<b>2nd Month FY 2010</b>	<b>1st Month FY 2010</b>	<b>12th Month FY 2009</b>	<b>11th Month FY 2009</b>
Water Sales	102%	\$ 5,732,250	\$ 4,258,021	\$ 2,821,459	\$ 1,391,302	\$ 16,353,628	\$ 15,081,700
Other Revenue	112%	\$ 847,641	\$ 573,699	\$ 419,104	\$ 174,823	\$ 2,288,196	\$ 2,111,659
Operating Expenses less PILOTS	79%	\$ 3,313,335	\$ 2,371,765	\$ 1,443,531	\$ 716,567	\$ 10,626,866	\$ 9,884,482
Debt Service, Interest only	100%	\$ 1,164,576	\$ 1,164,576	\$ 1,164,020	\$ 831,436	\$ 2,403,986	\$ 2,394,765
PILOT Payments	100%	\$ 508,043	\$ 382,827	\$ 257,492	\$ 128,746	\$ 1,553,163	\$ 1,424,418

**SIGNIFICANT DELINQUENT RECEIVABLE BALANCES**

Month 4 - July 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.

<b>Customer</b>	<b>Route &amp; Account</b>	<b>Address</b>	<b>Total</b>	<b>0-23</b>	<b>24-45</b>	<b>46-71</b>	<b>72-122</b>	<b>123-157</b>	<b>158 +</b>	<b>Acct. Status</b>
City of Utica	4 accounts	Parks / Recr. / Public Safety etc.	16,256	51	6,801	124	2,186	15	7,079	
City of Utica	12 accounts	All Other	6,729	379	198	84	475	128	5,465	
Lilowite Puran	1E 134	700 Oswego Street, Utica	1,022	-	393	15	450	15	149	Posted
Cortland Enterprises	2A 137	1915-17 Sunset Avenue, Utica	1,145	-	752	15	378	-	-	Posted
Ashford Clinton Corp.	2F 52BK	244 Roosevelt Dr. Utica	1,803	111	-	-	82	-	1,610	Posted
Utica Metal Products, Inc.	3E 50A	1530 Lincon Avenue, Utica	4,956	-	2,153	15	2,788	-	-	Investigation
CNY Business Systems	4D 132	601 Lafayette Street, Utica	1,083	173	6	21	301	15	567	Posted
Lawrence Raynor	6A 133	919 Lenox Avenue, Utica	1,245	61	-	18	1,166	-	-	Posted
Joseph Smoot	12C 126	1603 Dudley Avenue, 1st Floor	1,059	737	15	-	112	15	180	Posted
Dwight & Lisa Buchanan	13C 60	1219 Seymour Avnue, Utica	1,355	172	15	-	1,168	-	-	Posted
Nicolas Peralta	16E 60	715 Elizabeth Street, Utica	1,902	15	-	1,887	-	-	-	Posted
Milquiades Burdier	16E 122	664-66 Bleeker Street, Utica	1,270	-	29	14	183	7	1,037	Posted
Luis & Irma Escobar	17D 124	780 Elizabeth Street, Utica	2,007	-	-	57	1,950	-	-	Posted
Marcy Center Development	33D 2	9225 State Rte. 49, N.H.	2,274	-	-	1,196	15	1,063	-	Investigation
Cybersports, Inc	34A 52A	8020 Ste. Route 12, NH	1,946	-	345	19	-	239	1,343	Investigation
Phyllis Dam	35G 114	619 Pauline Avenue, Utica	2,265	-	58	15	-	2,192	-	Posted
T. Klotz ( also, see shut-offs)	22 accounts	See separate attachment	8,338	1,200	1,003	233	4,768	82	1,052	Posted

**MOHAWK VALLEY WATER AUTHORITY**

**SIGNIFICANT DELINQUENT RECEIVABLE BALANCES**

Month 4 - July 31, 2009

**DELINQUENT ACCOUNTS - SHUT-OFFS**

<b>Customer</b>	<b>Route &amp; Account</b>	<b>Address</b>	<b>Total</b>	<b>0-23</b>	<b>24-45</b>	<b>46-71</b>	<b>72-122</b>	<b>123-157</b>	<b>158 +</b>	<b>Acct. Status</b>
Kimberly Lynn	1D 37	623 Henry Stret, Utica	1,341	-	215	15	515	15	581	Shut-off
Ocwen Loan Service	3A 49	1857-59 Merriline Ave. Utica	1,977	-	155	32	241	22	1,527	Shut-off
Andrew Karas	3E 132	1331 Sunset Avenue, Utica	4,450	-	51	15	3,788	22	574	Shut-off
GID Properties	4A 132B	808 Wager Street	2,951	-	137	36	360	26	2,392	Shut-off
LaSonja Pulluaim	4C 32	904 Warren Street, Utica	1,604	249	4	19	443	16	873	Shut-off
Antonio Figueroa	4C 89	926 Stark Street, Utica	1,021	51	12	27	82	21	828	Shut-off
Andrew Randt	5F 133BK	1203-1205 Whitesboro Str. Utica	1,366	101	-	15	427	15	808	Shut-off
Classie Boyd	6A 112	916 Lennox Avenue, Utica	1,350	51	-	15	1,171	17	96	Shut-off
William Almas	8C 26	1424 Oneida St. Utica	2,656	137	36	20	516	26	1,921	Shut-off
Hari Lukac	8C 46BK	17 Clinton Pl. Utica	1,489	177	-	-	203	-	1,109	Shut-off
Hidalgo Diaz	10F 86	1506 Steuben Street, Utica	1,666	51	37	21	99	28	1,430	Shut-off
Magnus Ogunsanwo	11B 87A	1109-11 Linwood Place	1,390	190	22	6	437	15	720	Shut-off
Mark Brito	11C 55	214 James Street, Utica	1,168	51	29	14	85	23	966	Shut-off
Joseph Smoot	12B 68	1622 Dudley Ave (2nd Fl)	1,552	51	19	4	321	17	1,140	Shut-off
Margaret Natale	12B 89	339 Pleasant Street, Utica	4,121	51	73	57	169	51	3,720	Shut-off
Eddy Phouthakoun	12C 115	1633-35 Dudley Avenue, Utica	1,613	526	15	-	512	15	545	Shut-off
Josephine Morrock	12F 41	1611 Sulzer Place, Utica	7,045	101	19	4	6,302	17	602	Shut-off
Manuel Marte	13E 104	1131 West Street, Utica	1,195	51	28	13	78	20	1,005	Shut-off
James Monahan	14C 88A	638 Arthur Street (2nd Fl) Utica	5,581	744	15	-	4,735	16	71	Shut-off
Barbara Thomsen	14D 5	1129 Kosuth Avenue, Utica	1,587	563	25	9	68	15	907	Shut-off
Chantry Srey	16B 16	516 Lansing Street ( 1 Fl ), Utica	1,555	-	36	20	110	12	1,377	Shut-off
Samnang Phou	16E 56	705 Elizabeth Street, Utica	1,305	-	19	19	37	12	1,218	Shut-off
Stanley Williams	16E 114	516 Mohawk Street, Utica	1,272	-	30	15	94	6	1,127	Shut-off
James Mazzatti	17B 25	923 Elizabeth Street, Utica	2,200	-	15	-	691	1	1,493	Shut-off
Alan Pflanz	30C 62	389 Oriskny Blvd. Utica	3,039	-	1	1	3	2,962	72	Shut-off
Waterbury Felt, Inc.	31A 32	107 River Street, Oriskany	2,752	-	-	1,332	15	1,405	-	Shut-off
Seco Leasing Corp.	50A 21	132-42 Hotel Street	2,095	15	108	122	238	106	1,506	Shut-off
Coolidge Mem. LLC	52B 60	106 Memorial Pkwy	10,707	15	632	638	1,249	550	7,623	Shut-off
807-811 Broad Street, LLC	55A 6	807-11 Broad St. Utica	1,657	15	414	455	773	-	-	Shut-off
Charleston Mall	55A 17	311 Turner Street, Utica	8,890	15	1,311	1,360	2,720	1,221	2,263	Shut-off
Charles Property Mgmt.	55B 29	311-15 Whitesboro Street	5,372	15	231	243	475	199	4,209	Shut-off
Sandra Albert	3 accounts	See separate attachment	1,571	-	168	60	201	51	1,091	Shut-off
T. Klotz ( also, see posted )	3 accounts	See separate attachment	4,245	204	174	34	671	155	3,007	Shut-off

**SIGNIFICANT DELINQUENT RECEIVABLE BALANCES**

Month 4 - July 31, 2009

Customer	Route & Account	Address	Total	0-23	24-45	46-71	72-122	123-157	158 +	Acct. Status
City of Utica Delinquents-FY '09			189,684	-	-	-	-	-	189,684	
City of Utica Delinquents-FY '08			74,372	-	-	-	-	-	74,372	
City of Utica Delinquents-FY '07			68,212	-	-	-	-	-	68,212	
City of Utica Delinquents-FY '06			44,752	-	-	-	-	-	44,752	
City of Utica Delinquents - Prior Years			1,116,023	-	-	-	-	-	1,116,023	
Oneida County Delinquents			53,421	-	-	-	-	-	53,421	
Village Delinquents - FY '09			14,183	-	-	-	-	-	14,183	
Village Delinquents - Prior Years			90,113	-	-	-	-	-	90,113	
Remaining Accounts			1,468,145	660,635	205,804	145,771	231,476	63,297	161,162	Change
<b>July, 2009</b>			<u>3,269,343</u>	<u>666,958</u>	<u>221,603</u>	<u>154,105</u>	<u>275,327</u>	<u>74,145</u>	<u>1,877,205</u>	2.92%
<b>June, 2009</b>			<u>3,180,368</u>	<u>677,911</u>	<u>155,326</u>	<u>231,778</u>	<u>204,284</u>	<u>55,875</u>	<u>1,855,194</u>	0.12%
<b>May, 2009</b>			<u>3,176,598</u>	<u>655,019</u>	<u>305,947</u>	<u>167,961</u>	<u>128,001</u>	<u>94,459</u>	<u>1,825,211</u>	-3.12%
<b>April, 2009</b>			<u>3,278,809</u>	<u>996,041</u>	<u>120,303</u>	<u>123,126</u>	<u>162,387</u>	<u>51,037</u>	<u>1,825,915</u>	4.32%

**MOHAWK VALLEY WATER AUTHORITY**

**WORK IN PROCESS—CAPITAL PROJECTS**

Month 4 - July 31, 2009

**CAPITAL PROJECTS - FY2003**

CAPITAL PROJECT	LOCATION	PROJECT No.	AMENDED BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEARS EXPENSE	TOTAL PROJECT EXPENSE	REMAINING BALANCE
Toby Road Tank	Marcy	02-26-A	8,237,750	24,480	79,611	137,090	216,701	8,021,049
Fiscal 2003 Budgeted Capital Projects			<u>8,237,750</u>	<u>24,480</u>	<u>79,611</u>	<u>137,090</u>	<u>216,701</u>	<u>8,021,049</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	99	99	185,321	185,420	3,264,580
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	19,553	22,934	98,636	121,570	10,685
Clearwell	WTP	05-22-A	4,697,000	0	4,571	4,477,982	4,482,553	214,447
Fiscal 2005 Budgeted Capital Projects			<u>8,414,255</u>	<u>19,652</u>	<u>27,604</u>	<u>4,764,702</u>	<u>4,792,306</u>	<u>3,621,949</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
Tank- 10m Gallon	Deerfield Tank	06-04-A	5,789,505	0	1,988	5,832,646	5,834,634	-45,129
Fiscal 2006 Budgeted Capital Projects			<u>5,789,505</u>	<u>0</u>	<u>1,988</u>	<u>5,832,646</u>	<u>5,834,634</u>	<u>-45,129</u>

**MOHAWK VALLEY WATER AUTHORITY**

**WORK IN PROCESS—CAPITAL PROJECTS**

Month 4 - July 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	0	163,783	163,783	16,217
Pump Station	Cascade Drive, NH	07-04-A	2,500	0	0	1,325	1,325	1,175
System Improve.-WQ and Turnover	System Wide	07-05-A	300,000	95	95	22,300	22,395	277,605
GIS & Hydraulic Modeling	System Wide	07-06-A	550,000	0	4,077	538,301	542,378	7,622
Water Tank	Smith Hill, Deerfield	07-10-A	598,955	7,055	8,077	2,331	10,408	588,547
Water Tank	Marcy Reservoir	07-12-A	3,815,456	23,539	25,838	143,134	168,972	3,646,484
Canal Crossing	Marcy	07-13-B	1,000,000	0	0	7,822	7,822	992,178
Activated Carbon PILOT	WTP	07-15-A	75,000	0	5,540	56,670	62,210	12,790
Leak Detection-Phase IV-VI	System Wide	07-19-A	80,000	0	0	46,702	46,702	33,298
3rd Raw Water Intake Line-Design	WTP	07-21-A	20,000	0	0	21,295	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>6,632,911</u>	<u>30,689</u>	<u>43,627</u>	<u>1,006,676</u>	<u>1,050,303</u>	<u>5,582,608</u>

**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	Colonial Dr. Utica	09-03-A	10,305	0	0	6,880	6,880	3,425
Main Replacement	Scott St, Utica	09-05-A	1,950	0	0	1,950	1,950	0
WQ Monitoring Station	Yorkville	09-08-A	0	0	0	13,180	13,180	-13,180
Powell Rd. Crossover - HP	Holland Patent	09-10-A	8,000	0	370	7,226	7,596	404
Asbestos Remediation	Kemble Street	09-11-B	40,100	0	23,207	5,895	29,102	10,998
Fiscal 2009 Budgeted Capital Projects			<u>60,355</u>	<u>0</u>	<u>23,577</u>	<u>35,131</u>	<u>58,708</u>	<u>1,647</u>

**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	Highland Ave., Utica	10-01-A	2,580	2,580	2,580	0	2,580	0
Main Replacement	Highland Ave., Utica	10-02-A	1,230	1,230	1,230	0	1,230	0
			<u>3,810</u>	<u>3,810</u>	<u>3,810</u>	<u>0</u>	<u>3,810</u>	<u>0</u>

**MOHAWK VALLEY WATER AUTHORITY**

**MAJOR REVENUE AND EXPENSE ACCOUNT ANALYSIS**

Month 4 - July 31, 2009

**CONSUMPTION- (On a Monthly Basis) [In 100's of cubic feet]**

	<b>FISCAL 10</b>	<b>FISCAL 09</b>	<b>FISCAL 08</b>	<b>FISCAL 07</b>	<b>FISCAL 06</b>
April	395,288	378,976	432,916	419,926	421,158
May	406,161	457,738	426,915	412,210	433,169
June	406,167	430,138	443,804	439,976	463,071
July	421,843	<u>403,899</u>	441,659	434,777	477,805
		1,670,751			
August	0	476,222	509,872	475,315	514,883
September	0	443,089	490,350	481,714	507,461
October	0	445,281	442,832	433,788	469,375
November	0	465,692	453,228	472,441	473,127
December	0	382,666	396,729	405,714	408,938
January	0	417,041	414,074	383,500	407,949
February	0	388,846	426,833	434,822	398,579
March	0	<u>388,181</u>	<u>413,102</u>	<u>410,349</u>	<u>400,517</u>
Total	<u>1,629,459</u>	<u>5,077,769</u>	<u>5,292,314</u>	<u>5,204,532</u>	<u>5,376,032</u>

**WATER BILLINGS (On a Monthly Basis):**

	<b>FISCAL 2010</b>				<b>FISCAL 2009</b>	
	<b>Budgeted Billings</b>	<b>Actual Billings</b>	<b>Cash Receipts</b>	<b>Reading Areas</b>	<b>Billings</b>	<b>Cash Receipts</b>
April	\$1,254,331	\$ 1,443,116	\$ 1,254,434	Area 1	\$ 1,199,556	\$ 1,000,257
May	1,550,068	1,431,322	1,631,169	Area 2	1,483,419	1,606,528
June	1,429,756	1,383,583	1,475,311	Area 3	1,367,807	1,564,270
July	<u>1,409,370</u>	1,474,229	1,430,285	Area 1	1,369,271	1,505,133
	5,643,525					
August	1,565,955	0	0		1,498,222	1,300,309
September	1,454,766	0	0		1,388,459	1,532,306
October	1,520,679	0	0		1,399,083	1,375,866
November	1,524,644	0	0		1,453,277	1,273,817
December	1,333,749	0	0		1,283,018	1,532,110
January	1,397,839	0	0		1,332,559	1,262,924
February	1,377,722	0	0		1,307,028	1,205,149
March	<u>1,339,020</u>	<u>0</u>	<u>0</u>		<u>1,271,928</u>	<u>1,573,678</u>
Total	<u>17,157,899</u>	<u>\$5,732,250</u>	<u>\$4,360,914</u>		<u>\$16,353,627</u>	<u>\$16,732,347</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 EXPENSE ACCOUNT ANALYSIS**

Month 4 - July 31, 2009

	<b>July, 2009</b>				
	<b>Current Budget (Cash-Basis)</b>	<b>Actual (Accrual-Basis)</b>	<b>Percent of Current Budget</b>	<b>Favorable (Unfavorable) Variance</b>	<b>Monthly Variance Explanation</b>
<b>Administration</b>					
Contracted Services	13,493	20,728	153.62%	(7,235)	Page consulting unfavorable by \$11K due to additional work related to lawsuit/ decision.
Legal Expenses	126,317	27,725	21.95%	98,592	Timing of pending charges for review of judge's decision regarding ongoing litigation.
<b>Finance &amp; Accounting</b>					
Salaries	166,716	158,149	94.86%	8,567	Open position filled in August, 2009
Contracted Services	49,458	60,602	122.53%	(11,144)	Unanticipated charges for: (a) lock-box charges = \$6.4K, and (b) support for financial system = \$4.9K. Higher usage of credit cards than anticipated = \$5.1K.
<b>Engineering</b>					
Equipment	3,200	0	0.00%	3,200	Trimble GPS antenna has not been purchased
Supplies	5,025	1,796	35.74%	3,229	Portable radios have not been purchased = \$2.5K
Contracted Services	6,550	2,654	40.52%	3,896	Maintenance of the emergency generator not performed =
<b>Water Distribution</b>					
Salaries	61,316	40,455	65.98%	20,861	Open position
<b>Information Technology</b>					
Equipment	25,400	11,476	45.18%	13,924	Several purchases for computers, monitors, printers, etc. have not been made (i.e. computers = 10.8K )
Supplies	10,150	3,588	35.35%	6,562	No computer paper purchased to date ( \$3.5K )
Contracted Services	79,844	57,173	71.61%	22,671	Outside support favorable y-t-d by \$20K due to timing of invoices. PAR Terrain evaluation was not budgeted = \$6.6K.

**MAJOR EXPENSE ACCOUNT ANALYSIS**

Month 4 - July 31, 2009

	<b>July, 2009</b>				
	<b>Current Budget</b>	<b>Actual</b>	<b>Percent</b>	<b>Favorable</b>	
	<b>(Cash-Basis)</b>	<b>(Accrual-Basis)</b>	<b>of Current</b>	<b>(Unfavorable)</b>	<b>Monthly Variance Explanation</b>
			<b>Budget</b>	<b>Variance</b>	
<b>Water Quality</b>					
Operating Equipment	0	6,000	-	(6,000)	No purchases to date ( i.e. on-line meters = \$2.8K )
Operating Supplies	48,700	37,118	76.22%	11,582	Pathogen monitoring favorable by \$8.6K
<b>Treatment Plant</b>					
Wages	7,236	0	0.00%	7,236	1 open position since January, 2009
Small Equipment	11,100	0	0.00%	11,100	No purchases made to date (i.e. chlorine analyzer = \$5K). Chlorine scales = \$2K.
Operating Supplies	704,487	296,643	42.11%	407,844	Purchase of activated charcoal not made yet = \$350K
<b>Maintenance</b>					
Salaries	214,614	177,757	82.83%	36,857	Two unfilled positions
Wages	347,494	337,451	97.11%	10,043	One unfilled position
Street Repair Materials	51,288	32,848	64.05%	18,440	Timing of purchases of paving material (ie. rebar = \$2K; item # 4 = \$4K; concrete = \$7.8K;).
Small Equipment	11,750	838	7.13%	10,912	Items not purchased yet: (a) panels for the whaler system = \$6.6K; leak detectors = \$7.5K).

**MAJOR EXPENSE ACCOUNT ANALYSIS**

Month 4 - July 31, 2009

	<b>July, 2009</b>				
	<b>Current Budget (Cash-Basis)</b>	<b>Actual (Accrual-Basis)</b>	<b>Percent of Current Budget</b>	<b>Favorable (Unfavorable) Variance</b>	<b>Monthly Variance Explanation</b>
<b>General Services</b>					
Telephone	36,580	38,032	103.97%	(1,452)	Cell phone unfavorable by \$1.6K.
Electricity and Gas	150,077	115,990	77.29%	34,087	Favorability is due to lower commodity prices.
Heating Oil	34,700	10,616	30.59%	24,084	Lower cost of # 2 Fuel Oil due to lower commodity prices. Budgeted using \$2.75/gal. The April purchase = \$1.57/gal. Thus, \$6K favorable. The July purchase ( \$16.5K has not occurred).
Gas & Oil	46,840	29,490	62.96%	17,350	Favorable price/gallon variance = \$2.6K thru June. July's invoice has not been received = \$10K. Diesel fuel variance = \$3.1K
<b>Overtime</b>					
Treatment Plant	20,000	17,357	86.79%	2,643	
Maintenance	56,000	44,982	80.33%	11,018	

**FINANCIAL RATIOS**

Month 4 - July 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>July’09</u>	<u>June’09</u>	<u>May ‘09</u>	<u>April ‘09</u>	<u>Mar. ‘09</u>	<u>Feb. ‘09</u>	<u>Avg.-Past Six months</u>
2.00	2.03	2.01	1.91	1.81	1.89	1.87

---

**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>July’09</u>	<u>June’09</u>	<u>May ‘09</u>	<u>April ‘09</u>	<u>Mar. ‘09</u>	<u>Feb. ‘09</u>	<u>Avg.-Past Six months</u>
\$4,050,385	\$3,982,983	\$3,664,006	\$3,415,347	\$3,469,365	\$3,483,791	\$3,687,060

**FINANCIAL RATIOS**

Month 4 - July 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.

<u>July '09</u>	<u>June '09</u>	<u>May '09</u>	<u>April '09</u>	<u>Mar. '09</u>	<u>Feb. '09</u>	<u>Avg.-Past Six months</u>
73%	73%	73%	74%	74%	75%	73%

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>July '09</u>	<u>June '09</u>	<u>May '09</u>	<u>April '09</u>	<u>Mar. '09</u>	<u>Feb. '09</u>	<u>Avg.-Past Six months</u>
2.72	2.88	3.01	2.38	3.18	2.33	2.80

---

**FINANCIAL RATIOS**

Month 4 - July 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	<u>10.00%</u>
Total Other Unmetered Uses	17.76%

	<u>April, May, June 09</u>	<u>March, April, May 09</u>	<u>Feb., March, April 09</u>	<u>Avg.-Past Six months</u>
Average Billed Water %	56.73%	54.80%	53.49%	57.65%
Other Unmetered Uses (See Detail Above)	17.76%	17.76%	17.76%	17.76%
Total Water Usage	74.49%	72.56%	71.25%	75.419%
Remaining “Unaccounted-For Leakage”	25.51%	27.44%	28.75%	24.59%

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 4 - July 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 \$89.00. A burden of \$25.00 indicates that this portion of an average customer’s bill goes toward paying monthly debt service and PILOT payments.

<u>July '09</u>	<u>June '09</u>	<u>May '09</u>	<u>April '09</u>	<u>Mar. '09</u>	<u>Feb. '09</u>	<u>Avg.-Past Six months</u>
\$43.43	\$43.44	\$43.98	\$43.94	\$43.66	\$43.68	\$43.75

**GLOSSARY OF TERMS**

Month 4 - July 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 4 - July 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.