

MOHAWK VALLEY WATER AUTHORITY

MONTHLY FINANCIAL REPORTING PACKAGE

Month 3: Month Ended June 30, 2007

Finance Committee Members

Terms Ending

December 31,

Bruce Brodsky, Committee Chairman	2008
Vincent Coyne	2008
Elis DeLia	2007
George Gaston, Board Chairman	2008
Joseph Hobika, Jr.	2007
Frank Trevisani	2009

Report produced by Jim Korfonta, Comptroller

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VITAL SIGNS—(KEY PERFORMANCE INDICATORS)

Month 3 - June 30, 2007

PRODUCTION & CONSUMPTION

All amounts in <u>Cubic Feet</u>	<u>March, April, May</u>	<u>Feb., March, April</u>	<u>Jan., Feb., March</u>	<u>Average Past 6 Months</u>
Average Water Consumption	43,702,233	42,826,500	43,291,600	45,235,973
Average Water Production	75,988,580	76,055,420	76,162,365	73,199,109

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
June 2007		\$ 1,329,202	\$ 1,216,426	\$ 299,148	
Year-To-Date	\$ 3,147,760	\$ 4,188,067	\$ 3,870,661	\$ 317,406	\$ 3,465,166

CUSTOMER ACCOUNT MAINTENANCE

Customers in the Water System	Beginning Balance	New Accounts	Moved Out of Svs. Area	Ending Balance
June 2007		12	(27)	
Year-To Date (Fiscal 2008)	38,757	36	(84)	38,709
Fiscal 2007	38,589	861	(693)	38,757
Fiscal 2006	38,449	573	(433)	38,589

Breakdown of Customer Movement:

- Month to date, 347 final bills were processed of which 290 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 3 - June 30, 2007

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.
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	835	10	16	1	2	7	871	22	6	13.8	3.5

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 3 - June 30, 2007

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

ACCOUNTS PAYABLE

	Total	0-10	10-20	20-30	30-50	50+	Capital Project Retention
June 2007	\$1,044,163	\$345,589	\$452,414	\$150,309	\$7,185	\$58,152	\$30,514

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.

COMPTROLLER'S MESSAGE

Month 3 - June 30, 2007

Big Picture

Monthly Water Sales: For the month, both quarterly and monthly billed water sales are above the monthly budget. In addition, consumption has been greater than the previous two quarters/months. May and June have been somewhat dry compared to the previous months. This higher consumption and revenue level are anticipated for the remaining portions of the system when billed in the coming months.

Monthly Consumption: For June, consumption is below June of the previous year; however, is above the two previous billings for this area. This is anticipated to continue for the next areas billed in the coming months as well as this same area (Whitestown, Deerfield, Marcy) when billed in September. As always, we will continue to monitor consumption for any significant variances.

COMPTROLLER'S MESSAGE

Month 3 - June 30, 2007

Big Picture-continued

Cash Flow: Our cash position continues to be positive. In prior years, the first several months have been temporary cash reductions they reverse in the later months. We will also continue to monitor the impact of legal costs on overall cash into the new fiscal year. Below is a summary of "target" cash flow and actual amounts for the month and year:

	<u>MONTHLY ACTIVITY</u>		<u>YEAR-TO-DATE ACTIVITY</u>	
	<u>TARGET</u>	<u>JUNE 2007</u>	<u>TARGET</u>	<u>ACTUAL</u>
Cash Inflow	\$ 1,300,000	\$ 1,329,000	\$ 3,900,000	\$ 4,188,000
Outflows--				
Transfer to Funds Reserves	\$ -	\$ -	\$ -	\$ -
Personnel Costs	326,000	321,000	978,000	973,000
Reimb. Capital Labor	-	-	-	-
PILOTS	136,000	132,000	408,000	403,000
Debt Service	376,000	377,000	1,128,000	1,129,000
Payments to Suppliers	450,000	386,000	1,350,000	1,366,000
	<u>1,288,000</u>	<u>1,216,000</u>	<u>3,864,000</u>	<u>3,871,000</u>
Cash Remaining	\$ 12,000	\$ 113,000	\$ 36,000	\$ 317,000

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 May)	\$ 14,559
TOTAL		\$ 445,341

COMPTROLLER'S MESSAGE

Month 3 - June 30, 2007

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

CURRENT CUSTOMER SERVICE ACTIVITY

New Initiatives--

- A draft proposal is under review to provide relief to residential customers with extraordinary water leakage.
- We proposed a program to the Finance Committee to address properties that have either registered "0" consumption or estimated reads 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, 4% of the monthly accounts were estimated; 4% of the quarterly accounts were estimated.

Ongoing Initiatives--

- We are in the final stages on a layout for the web site for on-line viewing of customer's accounts. We are also finalizing the process of accepting on-line payments and requesting service work orders on-line.

BILLING/COLLECTIONS:

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

Fiscal 2008	Beginning Balance	Sent to Collections	Amount Collected	Amount Returned	Ending Balance
June 2007		\$ 57,123	\$ 29,866	\$ 15,540	
May 2007		\$ 50,591	\$ 28,801	\$ 30,311	
April 2007		\$ 32,120	\$ 36,683	\$ 0	
Year to Date	\$ 150,174	\$ 139,834	\$ 95,350	\$ 45,851	\$ 168,807

Prior Fiscal Years	Beginning Balance	Sent to Collections	Amount Collected	Amount Returned	Ending Balance
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 3 - June 30, 2007

BILLING/COLLECTIONS: (continued)

Our efforts of posting properties with unpaid notices continue. The following is a summary of the efforts for the current month:

	Prior Month Balance	Customers Added/ Returned From Collections	Customers Paid	Shut-Off	Ending Balance
"Posted" Accounts	600	111	52	1	658

- Month to date, \$378,181 was posted; \$145,604 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
1/13/06	Marris	30A-74	16 Wind Pl	\$ 2,000	\$ 2,000	Pict/Admit	1/24/06			11
5/4/06	Muon	17A-28	677 Bleecker St	\$ 2,000	\$ 2,000	Pict/	5/24/06			11
5/24/06	Moun	12A-15	1428-30 Seymour	\$ 2,000	\$ 2,000	Pict	5/24/06			11
7/25/06	Helmes	14E-51	1134 Hilton Ave	\$ 2,000	\$ 1,000	Pict	7/25/06	8/8/06	2/01/07	11
8/9/06	Rivera	17E-171	715 Albany St	\$ 2,000	\$ 2,000	Pict	8/11/06			11
5/8/07	Gaumer	24C-17	7914 Seneca Tpke	\$ 2,000	\$ 0	Visual	05/10/07			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—Payment negotiated; case closed

MOHAWK VALLEY WATER AUTHORITY

FLASH REPORT

Month 3 - June 30, 2007

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 %	June	May	April	March	February	January
ASSETS							
Cash		\$ 3,376,098	\$ 2,976,205	\$ 2,790,403	\$ 2,913,196	\$ 2,886,428	\$ 2,857,276
Water Sales Receivable, Net		\$ 1,839,898	\$ 1,711,616	\$ 1,506,697	\$ 1,491,460	\$ 1,698,972	\$ 1,609,047
Trust Fund Assets		\$ 24,438,522	\$ 24,960,479	\$ 25,363,438	\$ 25,594,333	\$ 25,775,896	\$ 25,377,240
Utility Long Term Assets, Net		\$ 51,893,924	\$ 51,292,283	\$ 50,245,840	\$ 50,192,859	\$ 49,944,944	\$ 49,982,989
Total Assets		\$ 82,863,536	\$ 82,000,698	\$ 81,704,437	\$ 81,904,948	\$ 82,042,949	\$ 81,372,147
LIABILITIES							
Accounts Payable		\$ 1,044,444	\$ 324,297	\$ 483,438	\$ 409,720	\$ 464,104	\$ 476,862
Long Term Debt, Principal		\$ 59,766,532	\$ 61,835,906	\$ 60,012,322	\$ 60,649,660	\$ 60,801,998	\$ 60,789,336
Total Liabilities		\$ 64,082,884	\$ 63,610,016	\$ 63,966,165	\$ 63,904,386	\$ 64,635,496	\$ 64,416,455
EQUITY							
Unrestricted Earnings		\$ 285,578	\$ (164,392)	\$ (580,932)	\$ (314,089)	\$ (907,199)	\$ (979,033)
Invested in Utility Plant, Net		\$ 16,131,408	\$ 16,131,408	\$ 16,124,408	\$ 16,124,408	\$ 16,124,408	\$ 16,124,408
Timber Sales Reserve		\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638
"3R" Reserve		\$ 592,231	\$ 592,231	\$ 590,306	\$ 588,788	\$ 588,788	\$ 332,706
Oper. and Maint. Reserve		\$ 428,029	\$ 428,029	\$ 426,104	\$ 424,586	\$ 424,586	\$ 303,504
Repair & Improvement (legislative)		\$ 545,312	\$ 545,312	\$ 543,387	\$ 541,869	\$ 541,869	\$ 539,099
Bond Covenant Reserve		\$ 650,456	\$ 650,456	\$ 487,362	\$ 487,362	\$ 487,362	\$ 487,362
Increase in Net Assets		\$ 449,970	\$ 592,409	\$ (262,289)	\$ 593,110	\$ 451,768	\$ 200,402
OPERATIONS - (Monthly Accumulation)							
	% of Accum. Budget	3rd Month FY 2008	2nd Month FY 2008	1st Month FY 2008	12th Month FY 2007	11th Month FY 2007	10th Month FY 2007
Water Sales	102%	\$ 3,869,906	\$ 2,564,162	\$ 1,307,382	\$ 14,284,962	\$ 13,133,158	\$ 11,899,557
Other Revenue	100%	\$ 554,020	\$ 386,404	\$ 135,799	\$ 2,570,662	\$ 2,193,780	\$ 2,086,534
Operating Expenses	75%	\$ 2,178,748	\$ 1,410,985	\$ 797,053	\$ 9,669,829	\$ 9,228,704	\$ 8,434,953
Debt Service, Interest only	184%	\$ 897,897	\$ 597,494	\$ 330,403	\$ 1,458,313	\$ 1,445,773	\$ 1,434,973
PILOT Payments	103%	\$ 415,559	\$ 298,349	\$ 135,486	\$ 1,458,788	\$ 1,323,303	\$ 1,200,317
Excess Revenue after Expenses		\$ 529,833	\$ 61,407	\$ (14,368)			

MOHAWK VALLEY WATER AUTHORITY

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 3 - June 30, 2007

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
Parks and Facilities-City of Utica	6 accounts		-	-	-	-	-	-	-	
City Owned Properties -Utica	Various	City Owned Properties -Utica	223,577	555	2,290	3,374	6,628	2,600	208,130	
Lillian Cooper Apts.	IC 80	276 Genesee St. Utica	1,403	25	15	-	1,363	-	-	Collection
Arthur Randazzo	1E 152	11 Noyes Street, Utica	1,207	-	19	2	425	-	761	Posted
Beverly Blum	5C 54	920 Haak Avenue, Utica	1,280	15	6	6	551	3	699	Posted
Thornberry's	8B 55	1011 King Street, Utica	1,074	15	6	6	259	5	783	Posted
Jessencia Gonzalez	14F 72	1153 Hoover Avenue, Utica	1,382	15	-	571	40	693	63	Posted
Coolidge Rutger, LLC	15A 101A	7 Rutger Park, Utica	1,044	-	-	538	15	476	15	Collection
Heritage Acres	22G 66	Birchdale Rd. Utica	1,759	-	-	919	15	810	15	Posted
Theresa Garguilo	29E 97	700 Oriskany Blvd.	4,694	-	-	-	4,631	15	48	Investigating
Brenda Conway	33D 74	9163 Jones Road, Marcy	1,255	200	6	21	237	19	772	Posted
Stephen Gardner	33G 267A	9096 Koronowski Rd. Marcy	1,065	117	7	22	132	20	767	Posted
Heritage Acres	37A 84	Mapleton Drive, Utica	2,883	1,189	15	-	1,679	-	-	Posted
Heritage Acres	37A 95	Birchdale Rd. Utica	4,261	1,325	24	8	1,017	15	1,872	Posted
Heritage Acres	37A 95A	Birchdale Rd. Utica	3,641	1,705	15	-	1,832	15	74	Posted
Mr. McGillis DBA Reward, Co.	37B 1B	2102 State Rte 5, Utica	1,548	561	17	2	415	15	538	Posted
Claudia Loy	37C 15AA	356 Windfall Road, Utica	1,241	166	23	7	214	22	809	Posted
Greater Utica Food	52A 49	114-118 Bleeker St. Utica	1,001	15	214	203	394	175	-	Collection
Blackburn Properties, LLC	52D 76	2007 Beechgrove Pl. NH	3,555	15	2,387	447	706	-	-	Posted
Soggs, Pime, Soggs	55C 26H	122 Business Pk. Dr. NH	2,615	15	601	850	1,149	-	-	Posted
Timothy Klotz (see also shut-offs)	26 accounts	Multiple accounts listed seperately	9,949	372	57	2,498	1,624	949	4,449	Posted/collect.

DELINQUENT ACCOUNTS SHUT-OFF

Jessee R. Buckley	1E 85	708 Chestnut St., Utica	2,198	-	16	1	2,006	-	175	Shut-Off
Christina Dole	5E 102	P.O.Box 37 Remsden, 13438	1,299	15	3	2	910	2	367	Shut-Off
Gloria Velez	5F 121	1226 Court St. Utica	3,974	15	-	-	3,911	-	48	Shut-Off
Carlos Humberto Chavez	7C 115	129-31 Matthews Ave. Utica	2,892	15	-	3	2,874	-	-	Shut-Off
Hari Lukac/Renata Vujeva	8C 46BK	17 Clinton Place, Utica	4,258	-	-	-	176	-	4,082	Shut-Off

MOHAWK VALLEY WATER AUTHORITY

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 3 - June 30, 2007

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
Kim Tuy	10E 112	134-36 Elmwood St. Utica	3,730	15	2	3,377	40	-	296	Shut-Off
Timothy Lee	11F 164	1411 Howard Avenue, Utica	1,152	15	6	158	21	3	949	Shut-Off
Juan Jimenez	12C 162	1501 Dudley Street, Utica	1,034	15	-	222	-	18	779	Shut-Off
Francis Zongrone	13A 13	1610 Gibson Road, Utica	3,510	15	3	3,093	19	2	378	Shut-Off
Ingrid Grimm	24B 136	37 Pratt Street, Clark Mills	3,045	-	79	43	55	90	2,778	Shut-Off
9882 River Road Realty	33A 117	9882 River road, NH	1,543	340	4	19	366	15	799	Shut-Off
Dorothey Mae Weir	37A 102	2017 State, Route 5, Utica	1,430	44	15	-	1,323	-	48	Shut-Off
Tartan Textile Serv.	55B 29	311-15 Whitesboro Street, Utica	6,681	15	971	977	1,926	940	1,852	Shut-Off
Timothy Klotz (also, see above)	6 accounts	Multiple accounts listed seperately	1,669	60	2	344	248	103	912	Shut-Off
City of Utica Delinquents-FY '07			180,585	-	-	-	-	-	180,585	
City of Utica Delinquents-FY '06			92,362	-	-	-	-	-	92,362	
City of Utica Delinquents-FY '05			21,578	-	-	-	-	-	21,578	
City of Utica Delinquents-FY '04			101,787	-	-	-	-	-	101,787	
City of Utica Delinquents-FY '03			137,869	-	-	-	-	-	137,869	
City of Utica Delinquents-FY '02			196,000	-	-	-	-	-	196,000	
Oneida County Delinquents - FY '07			4,618	-	-	-	-	-	4,618	
Oneida County Delinquents - PY			27,984	-	-	-	-	-	27,984	
Remaining Accounts			1,403,464	623,163	124,908	161,871	180,864	55,095	257,563	Change
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%
December, 2006			<u>2,324,650</u>	<u>543,985</u>	<u>224,756</u>	<u>192,756</u>	<u>92,200</u>	<u>1,270,953</u>		-4.37%
November, 2006			<u>2,431,002</u>	<u>711,597</u>	<u>258,271</u>	<u>135,084</u>	<u>68,585</u>	<u>1,257,465</u>		4.85%
October, 2006			<u>2,318,544</u>	<u>719,644</u>	<u>194,147</u>	<u>87,351</u>	<u>128,356</u>	<u>1,189,046</u>		1.14%
September, 2006			<u>2,292,431</u>	<u>628,857</u>	<u>232,531</u>	<u>117,426</u>	<u>56,697</u>	<u>1,256,920</u>		0.22%
August, 2006			<u>2,287,325</u>	<u>612,805</u>	<u>249,745</u>	<u>114,533</u>	<u>60,521</u>	<u>1,249,721</u>		-3.44%
July, 2006			<u>2,368,888</u>	<u>682,512</u>	<u>191,817</u>	<u>89,614</u>	<u>158,625</u>	<u>1,246,320</u>		-1.61%
June, 2006			<u>2,407,580</u>	<u>661,601</u>	<u>201,844</u>	<u>200,139</u>	<u>47,516</u>	<u>1,296,480</u>		5.95%

MOHAWK VALLEY WATER AUTHORITY

WORK IN PROCESS—CAPITAL PROJECTS

Month 3 - June 30, 2007

CAPITAL PROJECTS - FY2003

CAPITAL PROJECT	LOCATION	ORIGINAL BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEARS EXPENSE	ADD'L. COMMITTED	EXPENSED AND/OR COMMITTED
Toby Road Tank-Land Purchase	Marcy	25,000	0	0	2,500	0	2,500
Toby Road Tank	Marcy	80,164	0	0	30,164	50,000	80,164
Safety & Security	Water Treatment Plant	30,000	0	0	24,067	2,898	26,965
New Tank--Pre-Design	Airport Industrial Park	30,000	0	0	67,630	0	67,630
Pump Station & Treatment Facility	System Wide	43,000	0	0	10,610	32,390	43,000
Fiscal 2003 Budgeted Capital Projects		<u>183,164</u>	<u>0</u>	<u>0</u>	<u>132,471</u>	<u>85,288</u>	<u>217,759</u>

CAPITAL PROJECTS - FY2005

CAPITAL PROJECT	LOCATION	BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEAR EXPENSE	ADD'L. COMMITTED	EXPENSED AND/OR COMMITTED
Verona/Airport Tank & Mains	Verona/OC Airport	3,450,000	10,854	10,854	66,926	3,372,220	3,450,000
SCADA-Computer Hardware	System Wide	39,255	0	0	51,186	0	51,186
Hydrolic Analysis & GIS Dev.	System Wide	80,000	0	0	60,516	19,484	80,000
Main Replacement	New Hartford	90,000	0	0	7,671	82,000	89,671
Emergency Generator	City Hall	135,000	0	1,638	1,125	132,237	135,000
Main Replacement	Park Ave., Holland Pat.	93,750	0	0	37,458	54,654	92,112
Storage Tank #2-Higby Rd	New Hartford	20,000	0	0	24,197	0	24,197
Distribution Analysis-Chloramines	System Wide	165,000	0	0	154,037	10,000	164,037
Tank Safety Ladder	Valley View Tank	19,500	0	0	19,500	0	19,500
Install Water Mains	Chapman Road	44,000	0	0	35,751	0	35,751
SCADA	System Wide	43,000	0	1,142	33,919	7,939	43,000
Clearwell	WTP	3,174,500	258,611	601,053	145,515	11,175	757,743
Fiscal 2005 Budgeted Capital Projects		<u>7,354,005</u>	<u>269,465</u>	<u>614,687</u>	<u>637,801</u>	<u>3,689,709</u>	<u>4,942,197</u>

MOHAWK VALLEY WATER AUTHORITY

WORK IN PROCESS—CAPITAL PROJECTS

Month 3 - June 30, 2007

CAPITAL PROJECTS - FY2006

CAPITAL PROJECT	LOCATION	BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEAR EXPENSE	ADD'L. COMMITTED	EXPENSED AND/OR COMMITTED
Chemical Feed	WTP	7,500	0	0	7,500	0	7,500
Security Protection	WTP	20,000	0	0	20,264	0	20,264
Water Main	Holland Patent	90,000	0	0	21,206	68,794	90,000
Disinfection BY-Product	Deerfield Tank	6,500,000	389,738	398,505	324,342	5,777,153	6,500,000
Main Replacement	Commercial Drive	30,000	0	0	21,287	0	21,287
Main Replacement	Leah St.	51,600	0	0	23,056	0	23,056
Main Replacement	Sherman Drive & Tilden Ave	14,000	0	0	4,447	7,273	11,720
		<u>6,713,100</u>	<u>389,738</u>	<u>398,505</u>	<u>422,102 0</u>	<u>5,853,220</u>	<u>6,673,827</u>

CAPITAL PROJECTS - FY2007

CAPITAL PROJECT	LOCATION	ORIGINAL BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEAR EXPENSE	ADD'L. COMMITTED	EXPENSED AND/OR COMMITTED
Corrosion Compliance Study	System Wide	180,000	1,840	21,722	64,110	96,008	181,840
Main Replacement	Church St.	22,000	0	0	45,668	0	45,668
Main Replacement	York St.	33,440	0	3,100	17,271	0	20,371
Pump Station	Cascade Drive, NH	180,000	0	0	937	0	937
System Improve.-WQ and Turnover	Sytem Wide	300,000	0	0	1,959	0	1,959
GIS & Hydrolic Modeling	Sytem Wide	400,000	0	35,119	269,874	0	304,993
WTP GAC PILOT Testing	WTP	35,000	10,500	19,250	0	0	19,250
Fiscal 2007 Budgeted Capital Projects		<u>1,234,440</u>	<u>791,816</u>	<u>876,201</u>	<u>1,195,053</u>	<u>11,733,654</u>	<u>13,804,908</u>

MOHAWK VALLEY WATER AUTHORITY

MAJOR REVENUE AND EXPENSE ACCOUNT ANALYSIS

Month 3 - June 30, 2007

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	<u>483,811</u>	<u>463,071</u>	<u>432,431</u>	<u>430,936</u>
		1,315,892	1,317,398	1,303,037	1,306,151
July	0	434,748	477,805	476,038	443,310
August	0	475,336	514,883	469,873	440,876
September	0	481,683	513,111	449,233	546,365
October	0	436,160	469,375	529,942	477,584
November	0	472,410	474,227	424,247	458,962
December	0	451,290	424,902	426,796	416,941
January	0	397,180	407,949	409,415	463,977
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>1,310,170</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	Customer Routes Read	Billings	Cash Receipts
April	\$ 1,309,707	\$ 1,019,228	1-23; 75-77	\$ 1,167,491	\$ 774,267
May	1,261,871	1,487,995	24-42; 58; 75-77	1,168,917	1,303,161
June	1,310,916	1,219,228	43-57; 59; 75-77	1,205,518	1,077,589
July	0	0		1,214,680	1,260,740
August	0	0		1,296,257	1,365,171
September	0	0		1,265,491	1,124,613
October	0	0		1,247,789	1,394,845
November	0	0		1,224,796	1,133,510
December	0	0		1,132,871	1,283,037
January	0	0		1,134,424	1,062,568
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>\$3,882,494</u>	<u>\$3,726,451</u>		<u>\$14,415,394</u>	<u>\$14,262,776</u>

MAJOR REVENUE ACCOUNT ANALYSIS

Month 3 - June 30, 2007

REVENUE

- *Metered Water Sales:*
 - Quarterly and Monthly Billings – For the month, water sales is above by \$341,000 compared to the prior year.
 - Overall Sales vs. Prior Year – Water sales are up \$159,000 for the year compared to the prior year.
- “*System Charge*” – Both quarterly billed and monthly billed system charges are above estimates.
- *Quarterly and Monthly Penalties and Unpaid Bill Fees* –Overall, penalties are above budget estimates. Cash collection of these assessments is in the range of 85% to 90%, on target with budgeted amounts.
- *Other Delinquent Charges*— Revenue from shut-off fees and metered line charges continue to be below estimates.
- *Other Charges* –Termination of services, miscellaneous income and inspection of new mains are below estimates.

MAJOR EXPENSE ACCOUNT ANALYSIS

Month 3 - June 30, 2007

	Year-To-Date		Percent of Current Budget	Favorable (Unfavorable) Variance	Explanation of Variance
	Budget (Cash-Basis)	Actual-June 30, 2007 (Accrual-Basis)			
Administration					
Salaries	69,380	66,944	96.49%	2,436	Comptroller Contract outstanding
Contracted Services.-Legal Fees	74,800	1,055	1.41%	73,745	Have not been billed for services: April-June.
Finance & Accounting					
Salaries	98,293	98,208	99.91%	85	New Mtr. Reader hired/ transferring other staff to open yard pos.
Contracted Services	68,200	69,856	102.43%	(1,656)	Budgeted but not executed-- a) Post Retirement Benefits valuation = \$ 15K favorable; b) Revaluation of fixed assets = \$7.5K favorable; Other unfavorable year-to-date charges are: a) Lock-Box = \$7.4K; b) Credit cards = \$5.6K; c) Collection Agency = \$6.1K.
Training & Education	0	2,264	0.00%	(2,264)	Timing of training meter readers on hand held units.
Engineering					
Salaries	118,162	119,100	100.79%	(938)	Employee cashed-in one week's vacation, per contract.
Travel	3,120	1,368	43.85%	1,752	NASTT (Trenching Conference) attendance has been postponed till summer.
Contractor Services	7,364	33,882	460.10%	(26,518)	Tap card field management system = \$27.4K offset by State Grant received in FY 2007. Will capitalize once complete.
Clothing Allowance	2,300	131	5.70%	2,169	Minimal purchases to date.

MAJOR EXPENSE ACCOUNT ANALYSIS-CONTINUED

Month 3 - June 30, 2007

	Month-To-Date		Percent of Current Budget	Favorable (Unfavorable) Variance	Explanation of Variance
	Budget (Cash-Basis)	Actual-June 30, 2007 (Accrual-Basis)			
Information Technology					
Office Equipment	8,000	2,974	37.18%	5,026	Timing of PC replacements.
Operating Supplies	5,900	3,738	63.36%	2,162	Timing of purchases (ie, paper and toner).
Contracted Services	59,102	28,063	47.48%	31,039	Timing of pending charges : a) software licensing = \$9.1K (i.e. Autocad survey = \$4K); b) maintenance agreement = \$15.3K (ie., Cool Ice = \$7K); c) outside support = \$12.4K (ie. Cool Ice software development = \$8K and Web page = \$3K). Partially offset by overruns in the procurement of the Unisys servers lease agreements = \$3.7K unfavorable.
Water Quality					
Salaries	89,884	88,548	98.51%	1,336	Minimal variance
Wages	6,997	0	0.00%	6,997	Employee hired as provincial plant operator. Salary being posted under treatment plant.
Office Equipment	1,580	3,315	209.81%	(1,735)	Convection oven purchased in May, 2007 but budgeted in prior year = \$2.8K.
Office Materials	5,750	3,574	62.16%	2,176	Annual Water Quality report was budgeted for \$5.5K but actual charges = \$3.5K.
Operating Supplies	34,710	25,305	72.90%	9,405	Timing of purchases : Pathogen Monitoring (C&G Kit) = \$6K; glassware and plastics = \$4.7K.
Contracted Services	6,500	2,602	40.03%	3,898	The following work has not been performed to date as budgeted: a) maintenance service of lab equipment = \$.9K; b) regulated monitoring = \$2K; c) waste disposal = \$1K.
Repairs	2,000	0	0.00%	2,000	No repair work performed to date.
Treatment Plant					
Salaries	78,949	80,998	102.60%	(2,049)	Employee sold week's vacation
Wages	2,769	8,119	293.19%	(5,350)	Unfavorable variance caused by a part-time employee was needed to work full-time. This trend should not continue in the future as a retiring employee's position will not be replaced.
Small Equipment	9,550	2,370	24.82%	7,180	Timing of purchases: a) Chlorine Analyzer = \$2.8K; b) Radiator for generator = \$3.5K
Operating Supplies	188,522	160,922	85.36%	27,600	Timing of chemicals purchases: soda ash = \$20K;

MAJOR EXPENSE ACCOUNT ANALYSIS-CONTINUED

Month 3 - June 30, 2007

	<u>Month-To-Date</u>		Percent of Current Budget	Favorable (Unfavorable) Variance	Explanation of Variance
	Budget (Cash-Basis)	Actual-June 30, 2007 (Accrual-Basis)			
Maintenance					
Salaries	124,332	120,978	97.30%	3,354	Meter serviceman out on workman's compensation during April.
Wages	214,738	199,118	92.73%	15,620	Unfilled positions currently being filled.
Street Repair Materials	26,625	23,682	88.95%	2,943	Purchase of item # 4 = \$4K favorable.
Small Equipment	7,900	2,683	33.96%	5,217	Gears for Horx Rensselear valves have not been purchased = \$5.7K.
Operating Supplies	31,976	25,260	79.00%	6,716	Timing of purchases: a) clamps, couplings, adaptors, etc.; b) batteries c) herbicides; hand tools
Contracted Services	4,425	8,143	184.02%	(3,718)	Unfavorability due to the fabrication and installation of manway at the Pleasantview Storage Tank = \$4.5K which was not budgeted.
Vehicle & Equip. Repairs	38,500	28,181	73.20%	10,319	Repairs to hydrogenerators not required to date = \$4K. Other repairs on vehicles/equipment less than anticipated = \$7K (ie, trailers, backhoes, tractors, weldings, etc.)
Cash-Financed Construction					
Meters	58,800	31,671	53.86%	27,129	Favorability due to the timing of the purchases of 5/8" meters.
Hydrants	7,000	33,154	473.63%	(26,154)	Unfavorability due to the timing of the purchase. Purchased was scheduled for August if purchase of hydrants occurred in FY07.
General Services					
Printing	13,770	503	3.65%	13,267	Favorability due to the procurement timing of certain items such as envelopes, notices, etc.
Electricity and Gas	111,623	119,944	107.45%	(8,321)	Budget overrun attributed to increased electricity consumption: a) 4 electric space heaters added to Pleasant St. location; b) increased number of customers being serviced by the Higby Rd. Pump Station (ie. Sitrin Nursing Home).
Heating Oil	12,480	23,057	184.75%	(10,577)	Timing of fuel oil purchases for the Treatment Plant.
Gas & Oil	35,630	40,725	114.30%	(5,095)	Unfavorability caused by a \$10K prepaid reserve established in April, 2007.
Overtime					
Water Quality	75	406	0.00%	(331)	
Treatment Plant	12,843	13,363	104.05%	(520)	
Maintenance	48,000	38,183	79.55%	9,817	

MOHAWK VALLEY WATER AUTHORITY

FINANCIAL RATIOS

Month 3 - June 30, 2007

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>June '07</u>	<u>May '07</u>	<u>April '07</u>	<u>March '07</u>	<u>Feb. '07</u>	<u>Jan. '07</u>	<u>Avg.-Past Six months</u>
1.64	1.60	1.68	1.85	1.79	1.81	1.90

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>June '07</u>	<u>May '07</u>	<u>April '07</u>	<u>March '07</u>	<u>Feb '07</u>	<u>Jan '07</u>	<u>Avg.-Past Six months</u>
\$2,112,516	\$2,112,516	\$2,426,486	\$2,769,913	\$2,739,490	\$2,635,678	\$2,655,479

FINANCIAL RATIOS

Month 3 - June 30, 2007

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>June '07</u>	<u>May '07</u>	<u>April '07</u>	<u>March '07</u>	<u>Feb '07</u>	<u>Jan '07</u>	<u>Avg.-Past Six months</u>
77%	78%	78%	78%	78%	79%	81%

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>June '07</u>	<u>May '07</u>	<u>April '07</u>	<u>March '07</u>	<u>Feb. '07</u>	<u>Jan. '07</u>	<u>Avg.-Past Six months</u>
2.61	3.30	2.28	3.86	2.70	2.50	3.18

FINANCIAL RATIOS

Month 3 - June 30, 2007

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>June '07</u>	<u>May '07</u>	<u>April '07</u>	<u>Avg.-Past Six months</u>
Average Billed Water %	59.77%	55.78%	56.77%	59.87%
Other Unmetered Uses (See Detail Above)	17.76%	17.76%	17.76%	17.76%
Total Water Usage	77.53%	73.54%	74.53%	77.63%
Remaining “Unaccounted-For Leakage”	22.47%	26.46%	25.47%	22.37%

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 3 - June 30, 2007

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>June '07</u>	<u>May '07</u>	<u>April '07</u>	<u>March '07</u>	<u>Feb. '07</u>	<u>Jan. '07</u>	<u>Avg.-Past Six months</u>
\$39.13	\$39.67	\$34.31	\$37.11	\$35.93	\$37.84	\$34.32

GLOSSARY OF TERMS

Month 3 - June 30, 2007

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 3 - June 30, 2007

- 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.