

MOHAWK VALLEY WATER AUTHORITY

MONTHLY FINANCIAL REPORTING PACKAGE

Month 3: Month Ended June 30, 2009

Finance Committee Members

Terms Ending

December 31,

Bruce Brodsky	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

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VITAL SIGNS—(KEY PERFORMANCE INDICATORS)

Month 3 - June 30, 2009

PRODUCTION & CONSUMPTION

All amounts in <u>Cubic Feet</u> (1 cubic foot=7.481 gallons.)	March, April, May 2009	February, March, April 2009	January, February, March 2009	Average-- Past 6 Months
Average Water Consumption	39,695,220	39,077,219	39,802,320	44,405,267
Average Water Production	72,356,920	73,056,516	76,122,261	71,494,680

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, 2009		\$ 1,626,843	\$ 1,363,687	\$ 263,156	
Year-To-Date	\$ 3,904,959	\$ 4,638,194	\$ 4,159,832	\$ 478,362	\$ 4,383,321

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 3 - June 30, 2009

CUSTOMER ACCOUNT MAINTENANCE

Customers in the Water System	Beginning Balance	New Accounts/ Moved into Area	Moved Out of Service. Area	Ending Balance
June, 2009		36	(10)	
Current YTD (2010)	38,955	94	(37)	39,012
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 3 - June 30, 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.
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	477	10	10	4	0	5	506	21	3	12.3	3.08

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

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 2009	27	116	57	637	2	1	450	11	1,301
May 2009	32	108	85	652	87	0	35	24	1,023
June 2009	21	128	21	1,021	8	4	62	8	1,273
Total Fiscal 2010	80	352	163	2,310	97	5	547	43	3,597
Total Fiscal 2009	303	1,234	578	10,622	74	33	422	114	13,380
Total Fiscal 2008	314	1,068	353	12,865	60	38	422	110	15,230

COMPTROLLER'S MESSAGE

Month 3 - June 30, 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>
June 2009	\$ 338,436	\$ 30,597	\$ 79,707	\$ 63,643	\$ 48,017	\$ 16,660	\$ 99,812

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

Big Picture

Consumption and Water Sales:

Consumption:

For the first quarter of fiscal year 2010, total consumption was lower by 5.9 million cubic feet or 4.7% when compared to the first quarter of the previous fiscal year. The reduction in consumption was generally spread among all quarterly and monthly customers, and appears to have been caused by a combination of more efficient appliances, lower economic activity, conservation measures, and a mild spring-summer weather pattern.

For example, Daimler Bus is currently using recycled water in many of its applications, and appears to have been affected by the current downturn in the economy. Likewise, lower consumption by the Masonic Temple is attributed to the curtailment in the use of their irrigation system. Lower consumption levels at the Hangar Road Pump Station is also attributed to lower economic activity (see Daimler), and the closing of a Federal Reserve Bank branch at the Oriskany Business Park.

Consumption levels, however, seem to be stabilizing as evidenced by the fact that consumption for both quarterly and monthly customers are comparable to the consumption levels registered the last time that these accounts were billed. In fact, monthly customers' consumption was higher by 592,000 cubic feet or 1.3% compared to the previous month.

Water Sales:

When comparing budget to actual, water sales is on track even though consumption has decreased compared to the prior year. See page 14.

COMPTROLLER'S MESSAGE

Month 3 - June 30, 2009

Big Picture-continued

Cash Flow: For the first month of the new fiscal year, less revenue and larger payouts to suppliers has resulted in a \$100,000 deficit. Based on past experience, the next several months should erase this deficit.

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

	MONTHLY ACTIVITY		YEAR-TO-DATE ACTIVITY	
	TARGET	JUNE 2009	TARGET	ACTUAL
Cash Inflow	\$ 1,534,800	\$ 1,626,000	\$ 4,604,500	\$ 4,638,000
Outflows--				
Personnel Costs	\$ 328,000	\$ 332,000	\$ 984,000	\$ 984,000
PILOTS	129,000	125,000	387,000	383,000
Debt Service	439,000	439,000	1,317,000	1,318,000
Payments to Suppliers	561,000	467,000	1,683,000	1,475,000
	1,457,000	1,363,000	4,371,000	4,160,000
Cash Remaining	\$ 77,800	\$ 263,000	\$ 233,500	\$ 478,000

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
TOTAL		\$ 1,062,548

COMPTROLLER'S MESSAGE

Month 3 - June 30, 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 3 - June 30, 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 %	June	May	April	March	February	January
ASSETS							
Cash		\$ 5,076,007	\$ 4,710,988	\$ 4,326,293	\$ 4,350,337	\$ 3,942,873	\$ 4,204,040
Water Sales Receivable, Net		\$ 1,550,542	\$ 1,555,788	\$ 1,678,118	\$ 1,372,574	\$ 1,585,023	\$ 1,472,068
Trust Fund Assets		\$ 26,573,158	\$ 26,380,008	\$ 26,328,339	\$ 27,655,380	\$ 27,781,745	\$ 27,351,666
Utility Long Term Assets, Net		\$ 63,679,001	\$ 63,660,687	\$ 63,128,568	\$ 62,674,609	\$ 62,051,125	\$ 61,996,180
Total Assets		\$ 98,109,127	\$ 97,321,731	\$ 96,607,591	\$ 98,108,677	\$ 97,233,116	\$ 96,713,764
LIABILITIES							
Accounts Payable		\$ 473,437	\$ 427,775	\$ 429,254	\$ 461,729	\$ 553,538	\$ 767,533
Long Term Debt, Principal		\$ 66,772,235	\$ 66,758,092	\$ 66,858,950	\$ 67,811,947	\$ 67,962,804	\$ 67,948,661
Total Liabilities		\$ 71,594,143	\$ 71,323,045	\$ 71,542,210	\$ 72,486,691	\$ 72,619,681	\$ 72,607,629
EQUITY							
Unrestricted Earnings		\$ 4,896,346	\$ 4,384,010	\$ 3,454,139	\$ 4,301,529	\$ 4,898,653	\$ 4,391,354
Invested in Utility Plant, Net		\$ 18,178,331	\$ 18,178,331	\$ 18,178,331	\$ 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		\$ 875,484	\$ 874,493	\$ 873,635	\$ 872,264	\$ 872,264	\$ 872,264
Oper. and Maint. Reserve		\$ 576,282	\$ 575,291	\$ 574,433	\$ 872,264	\$ 573,062	\$ 573,054
Repair & Improvement		\$ 601,253	\$ 600,263	\$ 599,404	\$ 526,533	\$ 526,533	\$ 526,533
Bond Covenant Reserve		\$ 710,807	\$ 710,807	\$ 710,807	\$ 650,456	\$ 650,456	\$ 650,456
Capital Maintenanac Reserve		\$ 528,844	\$ 527,854	\$ 526,995	\$ 597,124	\$ -	\$ -
OPERATIONS - (Monthly Accumulation)							
	<i>Accum. Budget</i>	3rd Month FY 2010	2nd Month FY 2010	1st Month FY 2010	12th Month FY 2009	11th Month FY 2009	10th Month FY 2009
Water Sales	101%	\$ 4,258,021	\$ 2,821,459	\$ 1,391,302	\$ 16,353,628	\$ 15,081,700	\$ 13,774,673
Other Revenue	100%	\$ 573,699	\$ 419,104	\$ 174,823	\$ 2,288,196	\$ 2,111,659	\$ 1,976,634
Operating Expenses less PILOTS	78%	\$ 2,371,765	\$ 1,443,531	\$ 716,567	\$ 10,626,866	\$ 9,884,482	\$ 9,111,781
Debt Service, Interest only	100%	\$ 1,164,576	\$ 1,164,020	\$ 831,436	\$ 2,403,986	\$ 2,394,765	\$ 2,387,543
PILOT Payments	100%	\$ 382,827	\$ 257,492	\$ 128,746	\$ 1,553,163	\$ 1,424,418	\$ 1,295,673

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 3 - June 30, 2009

June, 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	2 accounts	Parks / Recr. / Public Safety etc.	10,268	124	863	107	2,095	-	7,079	
City of Utica	15 accounts	All Other	6,477	177	-	310	366	167	5,457	
Ashford Clinton Corp.	2F 52BK	244 Roosevelt Dr. Utica	1,692	-	-	-	82	-	1,610	Posted
Utica Metal Products, Inc.	3E 50A	1530 Lincon Avenue, Utica	2,803	15	-	-	2,788	-	-	Investigation
Bagiche Singh	4A 113	900 Noyes Street	2,429	15	-	-	2,414	-	-	Posted
Lawrence Raynor	6A 133	919 Lenox Avenue, Utica	1,635	18	-	10	1,607	-	-	
Eddy Phouthakoun	12C 115	1633-35 Dudley Avenue, Utica	1,087	15	-	512	15	543	2	Investigation
Stateside Properties	15B 152A	611 South Street, Utica	2,645	-	-	1,550	15	1,080	-	Posted
Milquiades Burdier	16E 122	664-66 Bleeker Street, Utica	1,241	14	-	156	34	142	895	Posted
Fabbio Jimenez	18A 104	528 St. Anthony Street, Utica	1,794	4	-	152	18	1,368	252	Posted
Cheryl Staley	30K 21	7 Higjland Dr. Whitesboro	1,019	164	-	-	137	-	718	Posted
Waterbury Felt, Inc.	31A 32	107 River Street, Oriskany	2,581	1,161	15	-	1,405	-	-	Posted
Marcy Center Development	33D 2	9225 State Rte. 49, N.H.	2,128	1,050	15	-	1,063	-	-	Investigation
Cybersports, Inc	34A 52A	8020 Ste. Route 12, NH	2,089	299	-	-	239	-	1,551	Investigation
Phyllis Dam	35G 114	619 Pauline Avenue, Utica	2,258	51	15	-	2,192	-	-	Posted
Heritage Acres	37A 95	Birchdale Road, Utica	3,617	1,556	15	-	2,046	-	-	Posted
Heritage Acres	37A 95A	1593 Herkimer, Rd. Utica	4,036	1,939	15	-	2,082	-	-	Posted
Carl Dziekan	37B 14	1121-23 Summit Pl. Utica	2,519	-	760	869	890	-	-	
Blackburn Property	52D 76	P.O. Box 684, N.H.	1,906	15	412	427	826	226	-	Posted
T. Klotz (also, see shut-offs)	22 accounts	See separate attachment	6,690	339	2,140	1,344	1,645	60	1,162	Posted

MOHAWK VALLEY WATER AUTHORITY

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 3 - June 30, 2009

DELINQUENT ACCOUNTS - SHUT-OFFS

Customer	Route & Account	Address	Total	0-23	24-45	46-71	72-122	123-157	158 +	Acct. Status
Kimberly Lynn	1D 37	623 Henry Stret, Utica	1,126	15	-	-	530	-	581	Posted
Ocwen Loan Service	3A 49	1857-59 Merriline Ave. Utica	1,822	32	-	17	246	6	1,521	Shut-off
Andrew Karas	3E 132	1331 Sunset Avenue, Utica	4,398	15	-	-	3,810	6	567	Shut-off
GID Properties	4A 132B	808 Wager Street	2,811	35	-	20	365	10	2,381	Shut-off
LaSonja Pulluaim	4C 32	904 Warren Street, Utica	1,351	19	-	3	456	1	872	Shut-off
Andrew Randt	5F 133BK	1203-1205 Whitesboro Str. Utica	1,265	15	-	-	442	-	808	Shut-off
Classie Boyd	6A 112	916 Lennox Avenue, Utica	1,299	15	-	-	1,188	2	94	Shut-off
William Almas	8C 26	1424 Oneida St. Utica	2,494	35	-	20	519	7	1,913	Shut-off
Hari Lukac	8C 46BK	17 Clinton Pl. Utica	1,312	-	-	-	203	-	1,109	Shut-off
Hidalgo Diaz	10F 86	1506 Steuben Street, Utica	1,593	36	-	79	48	13	1,417	Shut-off
Magnus Ogunsanwo	11B 87A	1109-11 Linwood Place	1,192	21	-	436	16	-	719	Shut-off
Mark Brito	11C 55	214 James Street, Utica	1,103	29	-	72	36	8	958	Shut-off
Joseph Smoot	12B 68	1622 Dudley Ave (2nd Fl)	1,497	19	-	318	20	863	277	Shut-off
Margaret Natale	12B 89	339 Pleasant Street, Utica	4,012	72	-	115	105	90	3,630	Shut-off
Josephine Morrock	12F 41	1611 Sulzer Place, Utica	1,239	19	-	599	20	324	277	Shut-off
Manuel Marte	13E 104	1131 West Street, Utica	1,131	28	-	71	27	180	825	Shut-off
James Monahan	14C 88A	638 Arthur Street (2nd Fl) Utica	4,837	15	-	4,735	16	55	16	Shut-off
Barbara Thomsen	14D 5	1129 Kosuth Avenue, Utica	1,014	24	-	68	15	273	634	Shut-off
Stateside Properties	15B 152A	611 South Street, Utica	2,645	-	-	1,550	15	1,080	-	Shut-off
Chantry Srey	16B 16	516 Lansing Street (1 Fl), Utica	1,519	20	-	77	45	66	1,311	Shut-off
Samnang Phou	16E 56	705 Elizabeth Street, Utica	1,287	19	-	19	31	12	1,206	Shut-off
Stanley Williams	16E 114	516 Mohawk Street, Utica	1,243	15	-	69	31	171	957	Shut-off
James Mazzatti	17B 25	923 Elizabeth Street, Utica	2,185	-	-	676	16	1,477	16	Shut-off
Anthony Jackson	17B 112	917 Catherine Street (1 fl) Utica	1,063	5	-	380	19	346	313	Shut-off
Alan Pflanz	30C 62	389 Oriskny Blvd. Utica	2,915	1	-	-	2,843	16	55	Shut-off

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 3 - June 30, 2009

DELINQUENT ACCOUNTS - SHUT-OFFS

Customer	Route & Account	Address	Total	0-23	24-45	46-71	72-122	123-157	158 +	Acct. Status
Michael Knapp	37B 14	2260 Route 5	4,112	97	15	46	903	24	3,027	Shut-off
Seco Leasing Corp.	50A 21	132-42 Hotel Street	1,971	35	86	120	224	105	1,401	Shut-off
Coolidge Mem. LLC	52B 60	106 Memorial Pkwy	10,061	118	520	629	1,170	545	7,079	Shut-off
807-811 Broad Street, LLC	55A 6	807-11 Broad St. Utica	1,929	15	440	430	832	212	-	Shut-off
Charleston Mall	55A 17	311 Turner Street, Utica	7,564	15	1,345	1,310	2,631	1,221	1,042	Shut-off
Charles Property Mgmt.	55B 29	311-15 Whitesboro Street	5,126	75	168	239	435	190	4,019	Shut-off
Sandra Albert	3 accounts	See separate attachment	1,347	-	15	189	60	162	921	Shut-off
T. Klotz (also, see posted)	3 accounts	See separate attachment	3,958	124	-	599	230	546	2,459	Shut-off
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			1,384,214	669,912	148,502	213,629	164,598	44,434	143,139	Change
June, 2009			<u>3,180,309</u>	<u>677,851</u>	<u>155,341</u>	<u>231,952</u>	<u>204,104</u>	<u>56,031</u>	<u>1,855,030</u>	0.12%
May, 2009			<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%

MOHAWK VALLEY WATER AUTHORITY

WORK IN PROCESS—CAPITAL PROJECTS

Month 3 - June 30, 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	1,131	55,131	137,090	192,221	8,045,529
Fiscal 2003 Budgeted Capital Projects			<u>8,237,750</u>	<u>1,131</u>	<u>55,131</u>	<u>137,090</u>	<u>192,221</u>	<u>8,045,529</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	0	0	185,321	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	2,579	3,381	98,636	102,017	30,238
Clearwell	WTP	05-22-A	4,697,000	2,461	4,571	4,477,982	4,482,553	214,447
Fiscal 2005 Budgeted Capital Projects			<u>8,414,255</u>	<u>5,040</u>	<u>7,952</u>	<u>4,764,702</u>	<u>4,772,654</u>	<u>3,641,601</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	0	81,067	81,067	8,933
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>5,879,505</u>	<u>0</u>	<u>1,988</u>	<u>5,913,713</u>	<u>5,915,701</u>	<u>-36,196</u>

MOHAWK VALLEY WATER AUTHORITY

WORK IN PROCESS—CAPITAL PROJECTS

Month 3 - June 30, 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
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 Turnover	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	0	4,077	538,301	542,378	7,622
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	0	26,800	26,800	11,200
Water Tank	Smith Hill, Deerfield	07-10-A	598,955	1,022	1,022	2,331	3,353	595,602
Water Tank	Marcy Reservoir	07-12-A	3,815,456	1,501	2,299	143,134	145,433	3,670,023
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	5,540	5,540	56,670	62,210	12,790
Main Extension	Mason Road	07-16-A	14,000	0	0	11,065	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	0	0	46,702	46,702	33,298
Emergency Intake Valve	WTP	07-20-A	124,000	0	0	124,000	124,000	0
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>6,979,821</u>	<u>8,063</u>	<u>12,938</u>	<u>1,304,738</u>	<u>1,317,676</u>	<u>5,662,145</u>

MOHAWK VALLEY WATER AUTHORITY

WORK IN PROCESS—CAPITAL PROJECTS

Month 3 - June 30, 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	0	28,547	28,547	36,453
Main Replacement	Colonial Dr. Utica	09-03-A	10,305	0	0	6,880	6,880	3,425
Main Replacement	Parkside Court	09-04-A	6,120	0	0	5,311	5,311	809
Main Replacement	Scott St, Utica	09-05-A	1,950	0	0	1,950	1,950	0
Butterfly Valve	Deerfield Reservoir	09-06-A	79,785	0	0	79,785	79,785	0
Sludge Removal	WTP	09-07-A	79,785	0	0	48,990	48,990	30,795
WQ Monitoring Station	Yorkville	09-08-A	0	0	0	13,180	13,180	-13,180
Water Main	Evergreen Dr-	09-09-A	0	0	0	453	453	-453
Powell Rd. Crossover - HP	Holland Patent	09-10-A	8,000	370	370	7,226	7,596	404
Asbestos Remediation	Kemble Street	09-11-B	40,100	17,418	23,207	5,895	29,102	10,998
Fiscal 2009 Budgeted Capital Projects			291,045	17,788	23,577	198,217	221,794	69,251

MOHAWK VALLEY WATER AUTHORITY

MAJOR REVENUE AND EXPENSE ACCOUNT ANALYSIS

Month 3 - June 30, 2009

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

	FISCAL 10	FISCAL 09	FISCAL 08	FISCAL 07	FISCAL 06
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	0	403,899	441,659	434,777	477,805
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	388,181	413,102	410,349	400,517
Total	<u>1,207,616</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):

	FISCAL 2010				FISCAL 2009	
	Budgeted Billings	Actual Billings	Cash Receipts	Reading Areas	Billings	Cash Receipts
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	1,409,370	0	0		1,369,271	1,505,133
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>\$4,258,021</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 3 - June 30, 2009

	June, 2009				
	Current Budget (Cash-Basis)	Actual (Accrual-Basis)	Percent of Current Budget	Favorable (Unfavorable) Variance	Monthly Variance Explanation
Administration					
Contracted Services	11,120	19,395	174.42%	(8,275)	Page consulting unfavorable by \$11K due to additional work related to lawsuit/ decision.
Legal Expenses	96,070	27,725	28.86%	68,345	Timing of pending charges for review of judge's decision regarding ongoing litigation.
Finance & Accounting					
Salaries	111,144	105,300	94.74%	5,844	In the process of filling open position
Contracted Services	33,843	51,866	153.25%	(18,023)	Unanticipated charges for: (a) lock-box charges = \$4.8K, and (b) support for the MAS 200 financial system = \$5.1K. Higher usage of credit cards than anticipated = \$3.8K.
Engineering					
Equipment	3,200	0	0.00%	3,200	Trimble GPS antenna has not been purchased
Supplies	4,525	1,290	28.51%	3,235	Portable radios have not been purchased = \$2.5K
Contracted Services	6,550	2,654	40.52%	3,896	Maintenance of the emergency generatot not performed =

MAJOR EXPENSE ACCOUNT ANALYSIS

Month 3 - June 30, 2009

Water Distribution

Salaries	40,877	26,970	65.98%	13,907	Open position
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Information Technology

Equipment	25,400	11,476	45.18%	13,924	Several purchases for computers, monitors, printers, etc. have not been made
Supplies	8,250	2,846	34.50%	5,404	No computer paper purchased to date (\$3.5K)
Contracted Services	48,233	55,215	114.48%	(6,982)	PAR Terrain evaluation was not budgeted = \$6.6K.

Treatment Plant

Wages	4,824	0	0.00%	4,824	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).
Travel	4,000	799	19.98%	3,201	AWWA Water Quality Tech. Conference not attended (\$2.9K).
Operating Supplies	623,040	248,403	39.87%	374,637	Purchase of activated charcoal not made yet = \$350K

Maintenance

Small Equipment	11,750	838	7.13%	10,912	Panels for the whaler system not purchased yet = \$6.6K.
Vehicles / Equipment Repairs	28,730	39,858	138.73%	(11,128)	Valves and regulator parts = 10K. Budgeted in FY 2009.

General Services

Telephone	27,435	30,236	110.21%	(2,801)	Cell phone unfavorable by \$1.2K.
Electricity and Gas	116,806	90,392	77.39%	26,414	Favorability is due to significantly lower commodity

FINANCIAL RATIOS

Month 3 - June 30, 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>June '09</u>	<u>May '09</u>	<u>April '09</u>	<u>Mar. '09</u>	<u>Feb. '09</u>	<u>Jan. '09</u>	<u>Avg.-Past Six months</u>
2.03	2.01	1.91	1.81	1.89	1.88	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>June '09</u>	<u>May '09</u>	<u>April '09</u>	<u>Mar. '09</u>	<u>Feb. '09</u>	<u>Jan. '09</u>	<u>Avg.-Past Six months</u>
\$3,982,983	\$3,664,006	\$3,415,347	\$3,469,365	\$3,483,791	\$3,447,373	\$3,687,060

FINANCIAL RATIOS

Month 3 - June 30, 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>June '09</u>	<u>May '09</u>	<u>April '09</u>	<u>Mar. '09</u>	<u>Feb. '09</u>	<u>Jan. '09</u>	<u>Avg.-Past Six months</u>
73%	73%	74%	74%	75%	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>June '09</u>	<u>May '09</u>	<u>April '09</u>	<u>Mar. '09</u>	<u>Feb. '09</u>	<u>Jan. '09</u>	<u>Avg.-Past Six months</u>
2.88	3.01	2.38	3.18	2.33	2.45	2.80

FINANCIAL RATIOS

Month 3 - June 30, 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>March, April, May 09</u>	<u>Feb., March., April 09</u>	<u>Jan., Feb., March 09</u>	<u>Avg.-Past Six months</u>
Average Billed Water %	54.80%	53.49%	52.29%	60.20%
Other Unmetered Uses (See Detail Above)	17.76%	17.76%	17.76%	17.76%
Total Water Usage	72.56%	71.25%	70.05%	77.96%
Remaining “Unaccounted-For Leakage”	27.44%	28.75%	29.95%	22.04%

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

GLOSSARY OF TERMS

Month 3 - June 30, 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 3 - June 30, 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.