

MOHAWK VALLEY WATER AUTHORITY

MONTHLY FINANCIAL REPORTING PACKAGE

**Month 12: Year Ended March 31, 2006
(UNAUDITED)**

Finance Committee Members

Terms Ending

December 31,

Bruce Brodsky, Committee Chairman	2005
Vincent Coyne	2005
Elis DeLia	2007
George Gaston, Board Chairman	2005
Joseph Hobika, Jr.	2007
Frank Trevisani	2006

Report produced by Jim Korfonta, Comptroller

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VITAL SIGNS—(KEY PERFORMANCE INDICATORS)

Month 12 - Fiscal Year End March 31, 2006

PRODUCTION & DISTRIBUTION

	<u>March</u>	<u>Feb.</u>	<u>Jan.</u>	<u>Dec.</u>	<u>Nov.</u>	<u>Oct.</u>
Water Production (1,000 gallons)	570,600	523,600	576,700	552,300	543,700	549,900
Billed Consumption (1,000 gallons)	299,626	298,177	305,187	317,869	354,769	351,139

Note—Water production is for the current month while billed consumption is for the prior three months.

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
March		\$ 1,433,495	\$ 1,183,112	\$ 175,101	
Year-To-Date	\$ 1,442,326	\$ 13,502,256	\$ 13,142,024	\$ 360,232	\$1,802,558

CUSTOMER ACCOUNT MAINTENANCE

Customers in the Water System	Beginning Balance	New Accounts	Moved Out of Svs. Area	Ending Balance
March 2005		20	(38)	
Year-To-Date	36,533	142	(433)	36,242

Breakdown of Customer Movement:

For the year, 1,976 final bills have been processed--customers that move from their current location. Of this balance, 1,754 have moved within our service area. 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%		

MOHAWK VALLEY WATER AUTHORITY

VITAL SIGNS—(KEY PERFORMANCE INDICATORS)--continued

Month 12 - Fiscal Year End March 31, 2006

WATER SYSTEM MAINTENANCE--DISTRIBUTION LINES

Month	Water Main Breaks / Install, etc.	Curb Box	Leak Investigations	Meters-- Inspect./Special Reads/ Replaced	Hydrants	Valves	Pavement Cuts	Other	TOTALS
Dec. 2005	29	77	38	968	23	9	87	16	1,247
Jan. 2006	22	93	31	1,043	1	10	35	11	1,246
Feb. 2006	16	63	30	742	0	55	20	32	958
Mar. 2006	21	114	28	1,052	8	5	49	22	1,299

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.
March 2006	210	3	5	1	0	0	219	15	4	9.5	2.4
February 2006	125	6	2	0	0	0	187	14	4	9.8	2.5
January 2006	200	6	6	2	2	0	216	15	6	10.8	2.7
December 2005	192	4	6	2	0	0	204	21	5	9.7	2.4
November 2005	178	1	3	0	1	6	189	19	4	10.5	2.6
October 2005	211	5	3	0	0	0	219	15	6	10.4	2.6
Sept. 2005	274	4	3	2	0	2	285	24	1	12.9	3.2
August 2005	241	3	5	1	2	11	263	20	8	12.5	3.1
July 2005	196	4	6	2	1	1	210	18	1	9.5	2.4
June 2005	193	3	4	1	0	0	201	14	2	9.1	2.3
May 2005	236	4	3	2	0	0	245	15	7	11.6	2.9
April 2005	230	7	5	5	0	0	247	18	7	11.8	2.9
Year-To-Date	2,486	50	51	18	6	20	2,631	24	1	10.9	2.7

Last 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 2005	2,964	54	51	24	0	3	3,096	27	1	12.6	3.2

COMPTROLLER'S MESSAGE

Month 12 - Fiscal Year End March 31, 2006

ACCOUNTS PAYABLE

	<u>Total</u>	<u>0-10</u>	<u>10-20</u>	<u>20-30</u>	<u>30-50</u>	<u>50+</u>	<u>Capital Project Retention</u>
March 2006	\$94,670	\$60,478	\$23,880	\$2,178	\$0	\$3,568	\$4,566

Useful Information To Know:

- There are approximately 37,000 service connections in our service area.
- An average family of four uses approximately 2,840 cubic feet or 21,000 gallons per quarter. The average quarterly bill for a customer with this usage is \$60.00.
- An average individual uses approximately (220-250 cubic ft.) 1,650—1,750 gallons per month. The average charge per month is approximately \$10.50.

Big Picture

Monthly Water Sales: At year end, billed water sales fell short of budgeted water sales by \$54,000 (\$12,571,763 budget vs. \$12,518,093 actual). While August, September, October and November's billings were higher than budgeted, primarily the result of a very dry summer, February and March consumption was much lower than the previous year. In addition, a water-intensive manufacturer billing approximately \$60,000 annually moved from the service area during the first quarter of the fiscal year.

Monthly Consumption: August through November consumption reflected the very dry summer month's activity. December through March consumption was more consistent with the prior year. We ended the year 2.9 million cubic feet above last year primarily due to the summer month's activity. This equate to approximately \$60,000 additional revenue under our current rate structure.

COMPTROLLER'S MESSAGE

Month 12 - Fiscal Year End March 31, 2006

Big Picture-continued

Cash Flow: For the year, we increased our cash position approximately \$400,000. The impact of legal costs of approximately \$200,000 has affected our overall cash position. . Cash flow is consistent with estimates including the impact of legal costs and unanticipated expenses.

Below is a summary of “target” cash flow and actual amounts for the month and year-to-date:

	<u>MONTHLY ACTIVITY</u>		<u>YEAR-TO-DATE ACTIVITY</u>	
	<u>TARGET</u>	<u>MARCH 2006</u>	<u>TARGET</u>	<u>ACTUAL</u>
Cash Inflow	\$ 1,150,000	\$ 1,434,000	\$ 14,700,000	\$ 14,880,000
Outflows--				
Personnel Costs	468,000	479,000	4,056,000	4,249,000
Reimb. Capital Labor	-	-	(292,000)	(292,000)
PILOTS	125,000	122,000	1,500,000	1,471,000
Debt Service	305,000	303,000	3,660,000	3,643,000
Payments to Suppliers	350,000	408,000	5,050,000	5,266,000
Funding of Reserves	59,000	59,000	118,000	118,000
	<u>1,307,000</u>	<u>1,371,000</u>	<u>14,092,000</u>	<u>14,455,000</u>
Cash Remaining	\$ (157,000)	\$ 63,000	\$ 608,000	\$ 425,000

COMPTROLLER'S MESSAGE

Month 12 - Fiscal Year End March 31, 2006

The following information was provided by **Steve Gassner, Customer Service Manager**:**CURRENT CUSTOMER SERVICE ACTIVITY**

- The Customer Service manager continues to attend court hearings related to theft cases. He has also spent considerable time gathering information for the Defense Attorney to present cases. Arbitration has been the result for many of these cases.

A plan should be created to address continued court hearings and the time spent by the CS manager gathering information and analysis necessary to defend our theft cases.

- We continue to concentrate on properties that have registered "0" consumption for three or more quarters. This is to assist in our tampering efforts and to correct stopped meters.
- We are focusing on sending out letters to customers where their shuts off valves were noted as requiring replacement and reminding them to have repaired so we could update their meter. We currently have sent 305 letters out and 153 were repaired or meters replaced.
- We continue to focus on estimated reads. We are looking for properties with four or more estimated reads and attempting to correct what is required to obtain actual reads. We have also incorporated it with our Large Meter Project and are replacing meters with excessive estimated reads. With this list, Meter Readers are investigating the reasons for the estimates and attempting to correct for future reads. As a result, we posted 851 properties to date.

CUSTOMER SERVICE CALLS RECEIVED

There were 23 total workdays in the month. Here are the results of the current and prior months:

	TOTAL CALLS	AVERAGE SPEED ANSWERED	AVERAGE TALK TIME	ABANDON CALLS
April	4,641	:14	1:43	15
May	5,446	:20	1:49	18
June	5,721	:20	1:49	26
July	5,696	:17	1:52	24
August	5,696	:17	1:52	24
September	6,573	:17	1:51	25
October	6,581	:15	1:44	26
November	5,819	:16	1:48	28
December	5,879	:19	1:56	24
January	5,808	:15	1:50	19
February	5,695	:18	1:55	24
March	6,299	:16	1:50	27

MOHAWK VALLEY WATER AUTHORITY

COMPTROLLER'S MESSAGE

Month 12 - Fiscal Year End March 31, 2006

PROJECT 5--ESTIMATED CUSTOMER READINGS AND BILLING/ METER REPLACEMENT PROGRAM

Project Synopsis: Meter Reading, Meter Repair and Customer Service crews are working together to obtain meter reading and repair/replace meters through different strategies including working off-hours and week-ends. The off-hours and week-ends have not been initiated in the current fiscal year. Past efforts resulted in a reduction of approximately 40% of the identified estimated accounts.

Currently, for the month, 37% of the monthly accounts were estimated; 7% of the quarterly accounts were estimated. This is a small percentage reduction from the prior month. We continue to institute corrective actions to reduce the monthly account estimates.

BILLING/COLLECTIONS:

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

Fiscal 2006	Beginning Balance	Sent to Collections	Amount Collected	Amount Returned	Ending Balance
March		\$ 28,767	\$ 21,140	\$ 42,266	
February		\$ 40,006	\$ 50,467	\$ 20,733	
January 2006		\$ 68,720	\$ 44,660	\$ 20,107	
December 2005		\$ 78,729	\$ 26,086	\$ 10,053	
November 2005		\$ 23,636	\$ 16,221	\$ 34,522	
October 2005		\$ 32,880	\$ 41,024	\$ 11,252	
September 2005		\$ 92,801	\$ 41,607	\$ 13,923	
August 2005		\$ 35,851	\$ 28,542	\$ 26,900	
July 2005		\$ 42,290	\$ 34,629	\$ 19,887	
June 2005		\$ 43,709	\$ 39,518	\$ 20,995	
May 2005		\$ 100,972	\$ 12,296	\$ 2,073	
April 2005		\$ 0	\$ 0	\$ 0	
Year to Date		\$ 588,361	\$ 356,190	\$ 222,711	\$ 9,460

Prior Fiscal Year	Beginning Balance	Sent to Collections	Amount Collected	Amount Returned	Ending Balance
Fiscal 2005		\$ 673,903	\$ 368,184	\$ 305,719	

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	272	150	71	157	194

- As of the beginning of the fiscal year, accounts totaling \$1,067,125 have been "posted". Of this amount, \$781,518 has been collected for the fiscal year. For the current month, \$96,657 was collected.

MOHAWK VALLEY WATER AUTHORITY

COMPTROLLER'S MESSAGE

Month 12 - Fiscal Year End March 31, 2006

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
10/20/03	Advantage	10D-8A	1301 Oneida St, Utica	\$ 8,000		Pict/Nip	10/30/03	1/13/04	Yes	1
4/19/04	Berube	16A-67	401 Blandina St	\$ 2,000		Pict	5/17/04	11/23/04		1
7/9/04	Cannistra	36A-27Y	2261 E. Broad Street	\$ 2,000	\$ 2,000	Lab Test	7/13/04			2
11/23/04	Prymas	6A-123	940 Lenox Ave	\$ 2,000	\$ 2,000	Pict.	11/23/04			2
12/30/04	Madden	56DA-10BK	35 Campion Rd	\$ 2,000		Pict/Mtr	1/11/05		Yes	1
3/1/05	Karam	29B-128	1109 Champlin Ave	\$ 2,000	\$ 984	Pict	3/14/05	4/25/05		6
3/9/05	Duran	11E-44	1532 Howard Ave	\$ 2,000		Pict	4/4/05	4/13/05	Yes	1
3/29/05	Diaz	14D-6	1133 Kossuth Ave	\$ 2,000	\$ 2,000	Pict	4/4/05	4/12/05		2
3/29/05	Diaz	14D-6A	1133 Kossuth Ave	\$ 2,000	\$ 1,600	Pict	4/4/05	4/12/05		2
6/20/05	Riggles	35A-75HL	10853 Coby Mnr Rd	\$ 2,000		Admit	7/8/05			10
7/21/05	Labuzzetta	12A-149	1531-33 Neilson	\$ 2,000	\$ 2,000	Pict/Mtr	7/21/05	9/14/05		10
7/21/05	Labuzzetta	14A-131	1108 Taylor ave	\$ 2,000	\$ 2,000	Pict/Mtr	7/21/05	9/14/05		10
10/4/05	Debella	1E-55	721 Oswego St	\$ 2,000		Pict	10/20/05			10
10/13/05	Maher	9B-77	12-14 Emerson Ave	\$ 2,000	\$ 2,000	Pict	10/20/05	10/31/05		8
11/16/05	Duda	33K-143	7803 Maple Ave HP	\$ 2,000	\$ 300	Admit	11/23/05	12/09/05		9
1/13/06	Marris	30A-74	16 Wind Place	\$ 2,000	\$ 1,000	Pict./Admit	1/24/06			1
3/17/06	Harvey	27E-56Q	15 Estates Dr	\$ 2,000	\$ 2,000	Pict/Admit				2

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.

METER REPLACEMENT

NEW PROJECT --LARGE METER REPLACEMENT 3" +

Project Synopsis: We have identified 18 large meters for replacement and have ordered or have in stock the meters and equipment to begin replacement. Once the contractor has been selected, replacement of these meters will commence. A combined effort with Customer Service, Engineering, Metering, and our meter supplier is taking place to evaluate all these large meters.

Project Status: Material (meters) has arrived, the bid awarded and should begin in the next two weeks.

MOHAWK VALLEY WATER AUTHORITY

FLASH REPORT

Month 12 - Fiscal Year End March 31, 2006

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 %	March	February	January	December	November	October
ASSETS							
Cash		\$ 2,426,809	\$ 2,386,114	\$ 2,407,061	\$ 2,025,486	\$ 2,293,706	\$ 2,359,586
Water Sales Receivable, Net		\$ 1,477,103	\$ 1,541,611	\$ 1,657,609	\$ 1,647,584	\$ 1,923,758	\$ 16,690,476
Trust Fund Assets		\$ 11,622,516	\$ 11,566,455	\$ 11,634,426	\$ 11,611,472	\$ 11,604,248	\$ 12,945,258
Utility Long Term Assets, Net		\$ 47,212,982	\$ 47,256,446	\$ 47,290,089	\$ 47,330,086	\$ 47,404,723	\$ 47,452,442
Total Assets		\$ 63,940,786	\$ 63,903,541	\$ 64,388,334	\$ 63,861,542	\$ 64,489,596	\$ 65,934,529
LIABILITIES							
Accounts Payable		\$ 94,670	\$ 111,661	\$ 512,790	\$ 236,529	\$ 711,924	\$ 246,029
Long Term Debt, Principal		\$ 48,183,256	\$ 48,330,537	\$ 48,317,819	\$ 48,305,101	\$ 48,374,056	\$ 49,536,337
Total Liabilities		\$ 51,241,212	\$ 51,440,580	\$ 51,164,854	\$ 51,502,474	\$ 51,484,142	\$ 52,881,049
EQUITY							
Unrestricted Earnings		\$ (2,065,265)	\$ (2,240,723)	\$ (2,277,362)	\$ (2,141,778)	\$ (1,495,391)	\$ (1,447,365)
Invested in Utility Plant, Net		\$ 13,372,977	\$ 13,372,977	\$ 13,315,777	\$ 13,315,777	\$ 13,315,777	\$ 13,315,777
Timber Sales Reserve		\$ 147,638	\$ 145,638	\$ -	\$ -	\$ -	\$ -
"3R" Reserve		\$ 464,730	\$ 487,362	\$ 487,362	\$ 487,362	\$ 405,574	\$ 405,574
Oper. and Maint. Reserve		\$ 292,133	\$ 262,555	\$ 262,555	\$ 262,555	\$ 232,977	\$ 232,977
Bond Covenant Reserve		\$ 487,362	\$ 487,362	\$ 487,362	\$ 487,362	\$ 487,362	\$ 487,362
OPERATIONS - (Monthly Accumulation)							
	% of Accum. Budget	12th Month FY 2006	11th Month FY 2006	10th Month FY 2006	9th Month FY 2006	8th Month FY 2006	7th Month FY 2006
Water Sales	100%	\$ 12,518,093	\$ 11,555,504	\$ 10,580,664	\$ 9,587,332	\$ 8,607,202	\$ 7,523,134
Other Revenue	128%	\$ 2,148,334	\$ 2,043,503	\$ 1,783,309	\$ 1,597,818	\$ 1,362,549	\$ 1,206,516
Operating Expenses	98%	\$ 11,009,260	\$ 10,174,222	\$ 9,315,670	\$ 9,223,427	\$ 7,759,666	\$ 6,869,749
Debt Service, Interest only	103%	\$ 2,016,393	\$ 1,997,291	\$ 1,900,739	\$ 1,900,739	\$ 1,495,724	\$ 1,105,172
PILOT Payments	100%	\$ 1,474,399	\$ 1,353,006	\$ 1,231,075	\$ 1,109,136	\$ 986,225	\$ 864,292

MOHAWK VALLEY WATER AUTHORITY

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 12 - Fiscal Year End March 31, 2006

CURRENT WATER RECEIVABLES – AGING OF ACCOUNTS:

Note: Accounts have been specifically identified if they are greater than \$1,000 with significant balances over 60 days old.

Customer	Route & Account	Total	0-30	31-60	61-90	91-120	Over 120	Acct. Status
City of Utica-Facilities	4 accounts	0						
City of Utica-Tax Levy	Various	194,840	2,829	2,177	4,109	2,433	183,292	
Henry Topolski	8B 35	1,447	25	10	87	20	1,305	Posted
Paul Kelly	24B 54	1,463	12	145	25	10	1,271	Posted
Emily Czapala	28C 120	2,126	61	7	22	48	1,988	Pre-Posted
Marcy Center Dev. LLC	33D 2	3,339	551	25	10	576	2,177	Posted
Mary Vanvalkenburg	33F 142FA	2,469	647	16	1	1,042	763	Posted
Siesta Motel	33J 184	1,315	292	15	0	453	555	Posted
Jeffrey Duda	33K 143	1,772	176	15	0	45	1,536	Posted
239 Genesee Holding, LLC	52B 19	3,247	38	848	804	860	697	Pd. In full 4/4/06
Mohawk LLC	56FA 141	5,866	67	150	233	132	5,284	Pre-Posted
Winsong Mountain	56FC 170A	15,240	15	3,858	7,255	2,888	1,224	Posted
Timothy Klotz (see also shut-offs)	30 accounts	10,318	417	626	2,398	402	6,475	Post./Coll./Inv.

DELINQUENT ACCOUNTS SHUT-OFF

Haru Lukac/Renata Vujeva	8C 46BK	3,420	0	0	142	0	3,278	Shut-off
Robert Schraeder	10D 8D	4,482	2,041	25	66	39	2,311	Shut-off
Erica Shambley	15A 181	1,260	62	162	75	59	902	Shut-off
Magnus Ogunswano	15F 132	1,146	0	596	40	0	510	Shut-off
Raymond DeCarr	5 accounts	1,651	218	70	166	158	1,039	Shut-off
Sandra Albert	17D 69	1,919	11	802	0	0	1,106	Shut-off
Ingrid Grimm	24B 136	2,345	22	63	36	21	2,203	Shut-off
Jose Lozada	26A-61	1,906	17	95	19	4	1,771	Shut-off
Rich's Auto Connect	29B 50	1,128	51	10	24	51	992	Shut-off
Ken Roser	31A 41	1,438	144	25	9	151	1,109	Shut-off
9882 River Road Liberty	33A 117	1,305	269	15	0	310	711	Shut-off
Madden Concrete	56DA 10BK	2,245	22	22	22	22	2,157	Shut-off
Raymond DeCarr	6 accounts	1,651	218	70	166	158	1,039	Shut-off
Sandra Albert	10 accounts	8,925	49	3,716	234	0	4,926	Shut-off
Timothy Klotz (also, see above)	3 accounts	3,464	42	75	232	39	3,076	Shut-off
City Delinquents-FY '06		184,293					184,293	
City Delinquents-FY '05		94,381					94,381	
City Delinquents-FY '04		108,591					108,591	
City Delinquents-FY '03		195,050					195,050	
City Delinquents-FY '02		194,476					194,476	
County Delinquents-FY '06		28,603					28,603	
Remaining Accounts		<u>903,664</u>	<u>400,495</u>	<u>135,355</u>	<u>117,765</u>	<u>52,209</u>	<u>197,840</u>	Change
March, 2006		<u>1,990,785</u>	<u>408,791</u>	<u>148,993</u>	<u>133,940</u>	<u>62,130</u>	<u>1,236,931</u>	-6.60%

Prior Months Receivables:

February, 2006	<u>2,131,470</u>	<u>526,807</u>	<u>208,068</u>	<u>90,673</u>	<u>69,482</u>	<u>1,236,440</u>	-4.70%
January, 2006	<u>2,236,659</u>	<u>618,757</u>	<u>143,619</u>	<u>102,351</u>	<u>136,911</u>	<u>1,235,021</u>	1.29%
December, 2005	<u>2,208,260</u>	<u>515,278</u>	<u>190,476</u>	<u>167,458</u>	<u>104,461</u>	<u>1,230,587</u>	-11.33%
November, 2005	<u>2,490,455</u>	<u>816,979</u>	<u>267,146</u>	<u>108,841</u>	<u>65,046</u>	<u>1,232,443</u>	12.95%
October, 2005	<u>2,205,010</u>	<u>653,584</u>	<u>180,399</u>	<u>83,597</u>	<u>126,179</u>	<u>1,161,251</u>	-2.09%
September, 2005	<u>2,251,989</u>	<u>643,259</u>	<u>138,623</u>	<u>167,331</u>	<u>74,043</u>	<u>1,228,733</u>	3.31%
August, 2005	<u>2,179,819</u>	<u>519,952</u>	<u>253,713</u>	<u>94,399</u>	<u>67,733</u>	<u>1,244,022</u>	-2.37%
July, 2005	<u>2,232,834</u>	<u>648,158</u>	<u>151,305</u>	<u>92,403</u>	<u>129,530</u>	<u>1,211,438</u>	3.37%
June, 2005	<u>2,159,947</u>	<u>537,730</u>	<u>151,413</u>	<u>155,973</u>	<u>63,187</u>	<u>1,251,644</u>	-6.85%
May, 2005	<u>2,318,698</u>	<u>629,596</u>	<u>236,704</u>	<u>84,350</u>	<u>80,029</u>	<u>1,288,019</u>	8.07%
April, 2005	<u>2,145,650</u>	<u>578,750</u>	<u>117,599</u>	<u>105,578</u>	<u>113,429</u>	<u>1,230,294</u>	6.18%
March, 2005	<u>2,020,779</u>	<u>446,338</u>	<u>138,286</u>	<u>133,373</u>	<u>87,186</u>	<u>1,215,596</u>	-6.82%

WORK IN PROCESS—CAPITAL PROJECTS

Month 12 - Fiscal Year End March 31, 2006

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	REMAINING BALANCE	
Toby Road Tank-Land Purchase	Marcy	80,164	0	0	30,164	50,000	80,164	0	
Safety & Security	Water Treatment Plant	30,000	0	3,102	20,965	2,898	26,965	3,035	
New Tank--Pre-Design	Airport Industrial Park	30,000	0	11,172	56,458	0	67,630	-37,630	
New Tank	Smith Hill & Pleasant View	0	0	22,361	0	0	22,361	-22,361	
Pump Station & Treatment Facility	System Wide	43,000	0	0	10,610	35,000	45,610	-2,610	
Pump Station Upgrade	Luke Road	35,000	0	105	44,516	0	44,621	-9,621	
Pump Station Upgrade	Valley View	30,000	0	88	37,250	0	37,338	-7,338	
Pump Station Upgrade	Pleasant Street	20,000	0	2,088	14,852	0	16,940	3,060	
Other Projects--Reallocated to FY06	System Wide	239,165	0	0	0	0	0	239,165	
Fiscal 2003 Budgeted Capital Projects		<u>507,329</u>	<u>0</u>	<u>38,916</u>	<u>214,815</u>	<u>0</u>	<u>87,898</u>	<u>341,629</u>	<u>165,700</u>

CAPITAL PROJECTS - FY2004

CAPITAL PROJECT	LOCATION	BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEAR EXPENSE	ADD'L. COMMITTED	EXPENSED AND/OR COMMITTED	REMAINING BALANCE
Emergency Action Plan	Reservoir	40,000	0	4,700	35,700	2,000	42,400	-2,400
Cash Investment in Water Disrt.	Whitestown	190,478	0	0	140,478	50,000	190,478	0
Water Quality Monitoring	System Wide	44,000	0	12,226	27,600	5,000	44,826	-826
Chloramines PILOT Program	System Wide	163,500	0	13,412	148,832	5,600	167,844	-4,344
Repair/Replace Existing Mains**	Nichols St.	25,500	0	0	35,049	0	35,049	-9,549
Repair/Replace Existing Mains**	Armory Drive	126,000	0	0	28,176	4,000	32,176	93,824
Repair/Replace Existing Mains**	Howard Avenue	76,500	0	5,682	23,545	2,000	31,227	45,273
Fiscal 2004 Budgeted Capital Projects		<u>665,978</u>	<u>0</u>	<u>36,020</u>	<u>439,380</u>	<u>68,600</u>	<u>544,000</u>	<u>121,978</u>

**--Project performed in-house--does not fully include MVWA labor or equipment.

WORK IN PROCESS—CAPITAL PROJECTS

Month 12 - Fiscal Year End March 31, 2006

Note: The following projects may have incurred labor, materials and equipment furnished by MVWA (in-house); however, these amounts, if any, have not been recorded to the appropriate projects. Therefore, the overall project cost may not be accurate.

CAPITAL PROJECTS - FY2005

CAPITAL PROJECT	LOCATION	PROJECT #	BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEAR EXPENSE	ADD'L. COMMITTED	EXPENSED AND/OR COMMITTED	REMAINING BALANCE
Verona/Airport Tank & Mains	Verona/OC Airport	05-02-A	3,450,000	3,921	5,792	9,976	3,438,153	3,453,921	-3,921
SCADA-Computer Hardware	System Wide	05-03-A	39,255	0	8,812	42,374	0	51,186	-11,931
Safety & Security-Tanks & Silo	System Wide	05-05-A	92,600	0	8,643	53,231	6,769	68,643	23,957
Site Improvements	WTP	05-07-B	89,000	0	30,433	4,316	0	34,749	54,251
Hydrolic Analysis & GIS Dev.	System Wide	05-08-A	80,000	7,653	18,367	17,659	51,627	87,653	-7,653
Main Replacement	New Hartford	05-08-B	90,000	0	0	7,671	82,000	89,671	329
Emergency Generator	City Hall	05-09-A	135,000	0	0	1,125	133,875	135,000	0
Main Replacement	Park Ave., Holland Pat.	05-13-A	93,750	0	37,458	0	56,292	93,750	0
Safety & Security Fencing	System Wide	05-14-A	100,000	0	94,095	0	0	94,095	5,905
Storage Tank #2-Higby Rd	New Hartford	05-15-A	20,000	0	17,976	0	2,024	20,000	0
Engineering Report	System Wide	05-16-A	25,000	2,689	16,058	0	15,384	31,442	-6,442
Distribution Analysis-Chloramines	System Wide	05-17-A	165,000	7,440	108,465	0	65,000	173,465	-8,465
Tank Safety Ladder	Valley View Tank	05-18-A	19,500	0	19,500	0	0	19,500	0
Water Main	Bell Hill Road	05-19-A	73,230	0	9,730	148	0	9,878	63,352
Install Water Mains	Chapman Road	05-20-A	0	590	28,990	0	0	28,990	-28,990
SCADA	System Wide	05-21-A	43,000	970	31,341	0	14,123	45,464	-2,464
Clearwell	WTP	05-22-A	74,500	14,900	44,700	0	44,700	89,400	-14,900
Install Water Mains	Henderson St	05-23-B	0	0	969	0	0	969	-969
Meters-System Wide (FY 05)	System Wide	05-50-B	250,000	0	85,465	0	0	85,465	164,535
Hydrants-System Wide (FY 05)	System Wide	05-51-B	45,000	0	0	0	0	0	45,000
Paving-System Wide (FY 05)	System Wide	05-52-B	188,600	0	0	0	0	0	188,600
Fiscal 2005 Budgeted Capital Projects			<u>5,073,435</u>	<u>38,163</u>	<u>566,794</u>	<u>136,500</u>	<u>3,909,947</u>	<u>4,613,241</u>	<u>460,194</u>

CAPITAL PROJECTS - FY2006

CAPITAL PROJECT	LOCATION	PROJECT #	BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEAR EXPENSE	ADD'L. COMMITTED	EXPENSED AND/OR COMMITTED	REMAINING BALANCE
Chemical Feed	WTP	06-01-B	7,500	0	0	7,500	0	7,500	0
Security Protection	WTP	06-02-A	20,000	18,034	20,264	0	0	20,264	-264
Water Main	Holland Patent	06-03-A	0	189	189	0	0	189	-189
Disinfection BY-Product	Deerfield Tank	06-04-A	0	354	354	0	0	354	-354
Fiscal 2006 Budgeted Capital Projects			<u>27,500</u>	<u>18,577</u>	<u>20,807</u>	<u>7,500</u>	<u>0</u>	<u>28,307</u>	<u>-807</u>

WORK IN PROCESS—CAPITAL PROJECTS

Month 12 - Fiscal Year End March 31, 2006

Note: The following projects may have incurred labor, materials and equipment furnished by MVWA (in-house); however, these amounts, if any, have not been recorded to the appropriate projects. Therefore, the overall project cost may not be accurate.

PROJECTS COMPLETED IN FISCAL YEAR 2006

CAPITAL PROJECT	LOCATION	ORIGINAL BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEARS EXPENSE	ADD'L. COMMITTED	TOTAL EXPENSED AND/OR COMMITTED	REMAINING BALANCE
Storage Tank-Higby Rd	New Hartford	20,000	0	0	17,263	2,000	19,263	737
Pavement of Mains	Dewey Street	7,665	0	0	7,665	0	7,665	0
Pleasant View Tank	Marcy	241,552	0	0	190,742	50,810	241,552	0
Other Security Projects	System Wide	12,700	0	0	3,494	9,206	12,700	0
Site Improvements	WTP	4,130	0	0	4,316	0	4,316	-186
Wall Repair	Southern Reserv.	33,000	0	0	20,652	0	20,652	12,348
Valve Exercising Program	System Wide	15,000	0	0	15,000	0	15,000	0
Cash Investment in Water Disrt.	Whitestown-Contract #5	83,400	0	36,375	0	0	36,375	47,025

MOHAWK VALLEY WATER AUTHORITY

MAJOR REVENUE AND EXPENSE ACCOUNT ANALYSIS

Month 12 - Fiscal Year End March 31, 2006

MONTHLY CONSUMPTION- (IN HUNDREDS OF CUBIC FEET)

	FISCAL 06	FISCAL 05	FISCAL 04	FISCAL 03	FISCAL 02
April	421,158	436,874	438,082	448,176	377,972
May	433,169	433,732	437,133	369,245	473,330
June	463,071	432,431	430,936	433,322	398,873
July	477,805	476,038	443,310	449,260	424,831
August	514,883	469,873	440,876	552,861	599,487
September	513,111	449,233	546,365	547,595	562,426
October	469,375	529,942	477,584	486,491	563,836
November	474,227	424,247	458,962	458,808	452,667
December	424,902	426,796	416,941	426,849	419,885
January	407,949	409,415	463,977	459,749	491,816
February	398,579	452,494	428,836	485,891	405,753
March	<u>400,517</u>	<u>427,874</u>	<u>436,128</u>	<u>478,881</u>	<u>415,563</u>
Total	<u>5,398,746</u>	<u>5,368,949</u>	<u>5,419,130</u>	<u>5,597,128</u>	<u>5,586,439</u>

MONTHLY WATER BILLINGS:

	<u>FISCAL 2006</u>			<u>FISCAL 2005</u>	
	Billings	Cash Receipts	Customer Routes Read	Billings	Cash Receipts
April	\$ 996,320	\$ 887,900	1-23; 75-77	\$ 961,748	\$ 788,652
May	1,041,242	918,904	24-42; 58; 75-77	955,459	1,053,674
June	1,038,762	1,211,380	43-57; 59; 75-77	941,863	1,007,135
July	1,078,160	1,058,316	1-23; 75-77	1,029,830	1,009,758
August	1,150,982	1,166,226	24-42; 58; 75-77	951,084	1,048,847
September	1,160,332	1,180,519	43-57; 59; 75-77	910,295	991,527
October	1,114,747	1,188,611	1-23; 75-77	1,101,789	1,031,463
November	1,086,651	838,573	24-42; 58; 75-77	917,767	1,165,029
December	983,813	1,339,885	43-57; 59; 75-77	922,311	993,121
January	1,000,181	1,007,019	1-23; 75-77	887,594	885,926
February	980,290	1,097,821	24-42; 58; 75-77	999,654	961,733
March	<u>972,949</u>	<u>1,197,891</u>	43-57; 59; 75-77	<u>909,680</u>	<u>1,135,677</u>
Total	<u>\$12,604,429</u>	<u>\$13,093,045</u>		<u>\$ 11,489,074</u>	<u>\$ 12,072,542</u>

MAJOR REVENUE ACCOUNT ANALYSIS

Month 12 - Fiscal Year End March 31, 2006

REVENUE

- *Metered Water Sales:*

- Quarterly and Monthly Billings – At year end, water sales fell short of budget estimates by approximately \$60,000. While monthly commercial customers are down overall compared to the budget due in part to several large customers leaving the service area, quarterly consumption has remained consistent overall.

- Overall Sales vs. Prior Year – Water sales are up \$1,115,000 for the year compared to the prior year.

- “*System Charge*” – Both quarterly billed and monthly billed system charges are consistent with the budget.
- *Quarterly and Monthly Penalties and Unpaid Bill Fees* –Overall, penalties are consistent with budget estimates. Penalties have tapered off because of our consistent enforcement over time. The Unpaid bill fee for monthly accounts has fallen behind estimates. We will monitor in future months. Cash collection of these assessments is in the range of 85% to 90%.
- *Interest Income*— Interest Earnings are significantly above estimates due to a robust economy nationally.
- *Hydroelectric Charges*--The downstream hydro facility has been shut down for the past month as a result of a malfunction. Following the removal of parts of the machine, it was revealed that some wood (2x4's) were lodged in the propellers of the facility creating the shutdown. This was repaired at minimal cost and the facility put back in use.
- *Other Charges* –Lab Fees, miscellaneous income and inspection of new mains remain below estimates. We will continue monitoring these accounts in the next months.

MAJOR EXPENSE ACCOUNT ANALYSIS

Month 12 - Fiscal Year End March 31, 2006

	Annual Budget (Cash-Basis)	Year Ended March 31, 2006 (Accrual-Basis)	Percent of Current Budget	Favorable (Unfavorable) Variance	Explanation of Variance
Administration					
Salaries	318,236	318,785	100.17%	(549)	In-line w/ budget
Contracted Svs.-Other	58,700	37,105	63.21%	21,595	Annual Report less than anticipated; Feasibility Study for bottled water not performed.
Contracted Svs.-Legal Fees	58,000	117,274	202.20%	(59,274)	Legal fees related to water permit and subsequent lawsuit; fees related to monthly meetings
Travel & Vehicle Usage	8,800	6,682	75.93%	2,118	Travel to training/conferences less than scheduled
Training	4,210	1,391	33.04%	2,819	Training/conferences less than scheduled
Finance & Accounting					
Salaries	435,991	395,537	90.72%	40,454	One billing position unfilled
Contracted Services	178,212	238,819	134.01%	(60,607)	Bank charges and collection charges higher than anticipated; have taken measures to reduce bank charges--will be going out for bank RFP. To receive credits for bank charges.
Engineering					
Salaries	474,593	474,629	100.01%	(36)	In-line w/ budget
Memberships & Dues	5,444	1,193	21.91%	4,251	Purchase of professional publications less than budgeted.
Operating Supplies	16,664	7,320	43.93%	9,344	Did not purchase pressure regulators and surveying equipment. Pressure regulator included in 2007 budget.
Contracted Services	47,020	67,227	142.98%	(20,207)	Timber Harvest expenses of \$27k not originally budgeted
Training	10,450	5,022	48.06%	5,428	Conferences seminars not attended (ie., National AWWA).

MAJOR EXPENSE ACCOUNT ANALYSIS-CONTINUED

Month 12 - Fiscal Year End March 31, 2006

	Annual Budget (Cash-Basis)	Year Ended March 31, 2006 (Accrual-Basis)	Percent of Current Budget	Favorable (Unfavorable) Variance	Explanation of Variance
Information Technology					
Overtime	10,600	13,339	125.84%	(2,739)	Exceeded budget following mid-term reduction to pay legal costs; however, majority of expense is being offset by revenue from svcs. to City of Utica. (revenue not budgeted)
Office Equipment	19,000	13,717	72.19%	5,283	Number of PCs purchased less than scheduled.
Supplies	11,500	7,445	64.74%	4,055	Minimal purchases during the year.
Contracted Services	113,692	59,850	52.64%	53,842	Did not purchase Cool Ice and reduced budget expenses for outside consulting as part of budget cuts
Training	8,000	0	0.00%	8,000	No training as scheduled
Repairs	8,000	316	3.95%	7,684	Minimal repair of computer equipment
Water Quality					
Wages	39,458	29,011	73.52%	10,447	Part-time WQ position working and being charged to Filtration Plant (see Treatment Plant wages)
Office Equipment	14,450	1,704	11.79%	12,746	No purchases of conductivity meter and watershed lab equipment as scheduled.
Office Materials	9,000	4,037	44.86%	4,963	Other office supplies, furniture not purchased.
Operating Supplies	143,400	120,540	84.06%	22,860	Timing of testing supplies for water sampling; LT2 standards were anticipated to go into effect--compliance was pushed to FY2007.
Contracted Services	20,200	14,886	73.69%	5,314	Charges for regulated monitoring less than budgeted.
Training	4,500	943	20.96%	3,557	Minimal training fees for scheduled conferences
Treatment Plant					
Wages	0	22,264	N/A	(22,264)	Part-time WQ position working and being charged to Filtration Plant (see WQ wages)
Office Equipment	15,700	3,447	21.96%	12,253	Purchases of turbidity meters, chlorine analyzers, hand tools, etc. not made.
Office Materials	1,300	782	60.15%	518	Minimal supplies purchased.
Operating Supplies	621,614	588,440	94.66%	33,174	Variance due to purchase/invoicing of chlorine, soda ash, and aluminum sulphate. Continued saving as a result of efficiencies gained.
Contracted Services	33,550	11,288	33.65%	22,262	No need for emergency engineering consultant (\$15,000)-reduced as part of budget cuts.
Repairs	15,000	17,843	118.95%	(2,843)	Repairs on filtration system needed./Cut 15,000 as part of budget reductions

MAJOR EXPENSE ACCOUNT ANALYSIS-CONTINUED

Month 12 - Fiscal Year End March 31, 2006

	Annual Budget (Cash-Basis)	Year Ended March 31, 2006 (Accrual-Basis)	Percent of Current Budget	Favorable (Unfavorable) Variance	Explanation of Variance
Maintenance					
Salaries	613,486	505,574	82.41%	107,912	Meter Shop/Leak Detection Supervisor position unfilled; Maintenance Operations Manager unfilled.
Wages	903,387	797,671	88.30%	105,716	Three staff vacancies at the maintenance yard filled in February, 2006.
Street Repair Materials	451,500	598,773	132.62%	(147,273)	Three large repairs caused the unfavorability. \$135,000 used from R&I fund to cover variance.
Other Equipment	37,900	32,830	86.62%	5,070	Some small equipment may be capitalized (> than \$5,000)
Operating Supplies	401,035	382,502	95.38%	18,533	Timing of meter purchases and hydrant purchases. Overall, relatively in-line.
Training	16,700	3,301	19.77%	13,399	Minimal training.
Vehicle & Equip. Repairs	55,600	115,040	206.91%	(59,440)	Currently reviewing w/ Fin. Comm. to determine operating plan for future
General Services					
Telephone	133,598	119,209	89.23%	14,389	Telephone Usage down compared to budget; increase in cell phone usage--presently reviewing.
Gas & Electric	365,000	392,709	107.59%	(27,709)	Unfavorability caused by increase in commodity rates.
Heating Oil	37,520	53,370	142.24%	(15,850)	Increase in fuel costs throughtout the organization
Gasoline & Motor Oil	72,625	100,761	138.74%	(28,136)	Significant increase in gas due partly to usage and price. Looking at measures to reduce useage.
Overtime					
Administration	900	701	77.89%	199	
Finance & Accounting	2,650	927	34.98%	1,723	
Customer Service	1,253	1,055	84.20%	198	
Engineering	24,000	20,258	84.41%	3,742	
Info. Technology	10,600	13,339	125.84%	(2,739)	
Water Quality	2,000	163	8.15%	1,837	
Treatment Plant	46,308	53,148	114.77%	(6,840)	
Maintenance	160,000	174,659	109.16%	(14,659)	
Total Overtime	247,711	264,250	106.68%	(18,659)	

FINANCIAL RATIOS

Month 12 - Fiscal Year End March 31, 2006

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>March '06</u>	<u>Feb '06</u>	<u>Jan '06</u>	<u>Dec. '05</u>	<u>Nov. '05</u>	<u>Oct. '05</u>	<u>Avg.-Past Six months</u>
1.80	1.75	1.50	1.64	1.86	1.73	1.65

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>March '06</u>	<u>Feb '06</u>	<u>Jan '06</u>	<u>Dec. '05</u>	<u>Nov. '05</u>	<u>Oct. '05</u>	<u>Avg.-Past Six months</u>
\$2,174,165	\$2,095,850	\$1,742,037	\$1,847,864	\$2,395,793	\$2,217,372	\$1,978,341

FINANCIAL RATIOS

Month 12 - Fiscal Year End March 31, 2006

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>March '06</u>	<u>Feb '06</u>	<u>Jan '06</u>	<u>Dec '05</u>	<u>Nov '05</u>	<u>Oct '05</u>	<u>Avg.-Past Six months</u>
80%	81%	81%	81%	80%	80%	81%

Note: Excluding the original debt financing of approx. \$25 million to buy the regional water system, the debt to assets leverage ratio would be 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>March '06</u>	<u>Feb '06</u>	<u>Jan '06</u>	<u>Dec. '05</u>	<u>Nov '05</u>	<u>Oct '05</u>	<u>Avg.-Past Six months</u>
3.38	3.19	2.65	3.41	2.36	3.35	2.99

FINANCIAL RATIOS

Month 12 - Fiscal Year End March 31, 2006

CAPACITY RATIOS – Comparison of financial and economic indicators to measure changes in financial capacity over time. Capacity ratios can compare financial to other financial or financial to non-financial.

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 fire fighting, evaporation, and leakage.

Best Practice (Industry Standard): Water systems with 20% - 30% loss are in the medium range for standard losses.

Please Note: In a memo dated March 28, 2003 from the Principal Engineer, as part of the NYSDEC water supply permit, a water supply audit was performed for the calendar year ending December 31, 2002 submitted to NYSDEC. The water supply audit calculated the following percentages related to unmetered usage:

• Firefighting	2.50%
• Construction	.01%
• Street Cleaning	.02%
• Flushing	.001%
• Main Breaks	1.50%
• Meter Under-Registration	5.64%
TOTAL	9.67%

Comment: In the annual water supply audit, an additional item was noted-- “water leaks that have since been repaired” which accounted for 14% of the unaccounted for water usage. Per review of Jan. ’03 to December ’03, no significant reduction of water produced has occurred.

(1 –(((3-Month Average Billed Consumption) / (3-Month Average Water Production))) + un-metered usage noted above)

<u>March '06</u>	<u>Feb. '06</u>	<u>Jan '06</u>	<u>Dec '05</u>	<u>Nov '05</u>	<u>Oct '05</u>	<u>Avg.-Past Six months</u>
35.84%	34.91%	30.22%	26.79%	22.93%	23.79%	29.45%

Caution: There is no standardized method of calculating this ratio. Factors such as fire fighting, leakage, evaporation and amounts used for system backwash may impact the percentage of water loss.

FINANCIAL RATIOS

Month 12 - Fiscal Year End March 31, 2006

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 \$61.00. 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>Feb. 06</u>	<u>Feb. 06</u>	<u>Jan. 06</u>	<u>Dec. 05</u>	<u>Nov 05</u>	<u>Oct 05</u>	<u>Avg.-Past Six months</u>
\$35.13	\$35.20	\$34.70	\$35.23	\$34.92	\$35.10	\$35.03

GLOSSARY OF TERMS

Month 12 - Fiscal Year End March 31, 2006

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 12 - Fiscal Year End March 31, 2006

- 10) Matching Principal** – 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.