

MOHAWK VALLEY WATER AUTHORITY

MONTHLY FINANCIAL REPORTING PACKAGE

Month 12: Fiscal Year Ended, March 31, 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	2006

Report produced by Jim Korfonta, Comptroller

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VITAL SIGNS—(KEY PERFORMANCE INDICATORS)

Month 12 - March 31, 2007

PRODUCTION & CONSUMPTION

	<u>March</u>	<u>February</u>	<u>January</u>	<u>December</u>	<u>November</u>	<u>October</u>
Water Production (1,000 gallons)	619,000	533,300	556,900	548,200	531,900	549,900
Billed Consumption (1,000 gallons)	306,962	325,269	297,130	337,610	353,410	326,291

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 2007		\$ 1,853,596	\$ 1,529,459	\$ 324,137	
Year-To-Date	\$ 2,445,083	\$ 16,691,031	\$ 15,988,354	\$ 702,677	\$ 3,147,760

CUSTOMER ACCOUNT MAINTENANCE

Customers in the Water System	Beginning Balance	New Accounts	Moved Out of Svs. Area	Ending Balance
March 2007		5	(26)	
Year- to-Date (Fiscal 2007)	38,589	861	(693)	38,757
Fiscal 2006	38,449	573	(433)	38,589

Breakdown of Customer Movement:

- For the year (Fiscal 2007), 1,815 final bills were processed of which 1,466 moved within the service area.
- For last year (Fiscal 2006), 1,976 final bills were processed--customers that move from their current location. Of this balance, 1,754 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 - March 31, 2007

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.
April 2006	185	1	1	1	0	0	188	16	4	9.4	2.3
May 2006	201	6	4	3	1	5	220	17	5	10.0	2.5
June 2006	169	0	1	1	14	5	190	19	5	8.6	2.1
July 2006	142	2	3	0	0	2	149	14	1	7.0	1.8
August 2006	209	3	1	1	1	2	217	16	5	10.3	2.6
Sept. 2006	222	3	2	0	2	0	229	19	6	11.5	2.9
October 2006	227	5	3	1	1	1	238	18	5	11.3	2.8
November 2006	195	3	6	1	1	0	206	17	3	11.4	2.9
December 2006	171	3	4	0	0	1	179	17	5	9.0	2.3
January 2007	200	5	2	0	2	0	209	19	1	9.5	2.4
February 2007	159	0	1	1	1	1	163	17	2	8.6	2.2
March 2007	264	3	2	0	0	0	269	20	8	12.2	3.0
Year-To-Date	2,344	34	30	9	23	17	2,457	20	1	8.4	2.4

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
Fiscal 2006	2,486	50	51	18	6	20	2,631	24	1	10.9	2.7

COMPTROLLER'S MESSAGE

Month 12 - March 31, 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, 2006	22	74	44	832	23	7	52	16	1,070
May, 2006	34	100	27	913	14	3	25	3	1,119
June, 2006	27	69	26	793	7	3	38	24	987
July, 2006	28	72	42	779	8	4	28	10	971
August, 2006	20	69	51	1,073	4	3	34	9	1,263
September, 2006	18	81	46	862	5	6	36	6	1,060
October, 2006	25	99	14	1,071	5	9	41	8	1,272
November, 2006	41	73	14	826	15	4	30	6	1,009
December, 2006	29	40	24	828	3	12	59	8	1,003
January, 2007	30	57	51	802	5	10	45	35	1,035
February, 2007	25	68	20	1,002	10	6	66	4	1,201
March, 2007	26	66	41	1,004	14	1	62	11	1,225
Total Fiscal 2007	325	868	400	10,785	113	68	516	140	13,215

ACCOUNTS PAYABLE

	Total	0-10	10-20	20-30	30-50	50+	Capital Project Retention
March 2007	\$415,395	\$197,406	\$74,869	\$82,842	\$787	\$52,309	\$7,182

Useful Information To Know: (UPDATED for 2006-2007 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 \$332.00 annually.
- An average individual uses approximately (220-260 cubic ft.) 1,650—1,950 gallons per month. The average quarterly bill is approximately \$42.00 or annually is \$168.00.

COMPTROLLER'S MESSAGE

Month 12 - March 31, 2007

Big Picture

Monthly Water Sales: For the year, billed water sales fell slightly below the budget by \$98,000 (\$14,383,000 budget vs. \$14,285,000 actual).

Monthly Consumption: For the year, consumption is 8.9 million cubic feet below the prior year. A net recovery of 6.5 million cubic feet occurred From December to March. Prior to December, consumption dropped five consecutive months at an average of 3.7 million cubic feet per month or 18 million cubic feet over the five month period.

Prior month's reductions in consumption were scattered throughout the areas billed. Based upon a detailed analysis presented in the various budget workshops, weather and normal fixture change-outs in households to more efficient appliances could be the reasons for this overall drop in consumption. The prior year's summer was very hot and dry. This past summer period was cool and wet. We will continue to analyze accounts and trends as part of our year-end summary analysis as well as parameters for the next fiscal year.

This current consumption deficit compared to the previous year, equates to approximately \$245,000 water revenue under our current rate structure of an average of \$27.86 per 1,000 cubic feet.

MOHAWK VALLEY WATER AUTHORITY

COMPTROLLER'S MESSAGE

Month 12 - March 31, 2007

Big Picture-continued

Cash Flow: At year end, we realized a positive cash flow of \$700,000 primarily to the annual drawdown of interest earned on trust funds in the amount of \$350,000. In addition, traditionally, April through June are high payment periods—anticipating operating payments to average \$100k to 200k more than other months. All reserves, debt service and PILOT payment were made as scheduled for the year.

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>MARCH 2007</u>	<u>TARGET</u>	<u>ACTUAL</u>
Cash Inflow	\$ 1,300,000	\$ 1,853,000	\$ 15,600,000	\$ 16,691,000
Outflows--				
Transfer to Funds Reserves	\$ -	\$ -	\$ 372,000	\$ 372,000
Personnel Costs	483,000	499,000	4,186,000	4,224,000
Reimb. Capital Labor	-	-	(300,000)	(303,000)
PILOTS	125,000	136,000	1,452,000	1,460,000
Debt Service	305,000	344,000	3,833,000	4,190,000
Payments to Suppliers	550,000	550,000	5,648,000	6,046,000
	<u>1,463,000</u>	<u>1,529,000</u>	<u>15,191,000</u>	<u>15,989,000</u>
Cash Remaining	\$ (163,000)	\$ 324,000	\$ 409,000	\$ 702,000

LITIGATION EXPENSES—TO DATE

FISCAL YEAR	PURPOSE	AMOUNT
2005	WATER PERMIT REVIEW & DISCOVERY	\$ 44,180
	Legal Water Flow 1917 Agreement	\$ 5,416
	Review of Canal Law	\$ 18,409
2006	Declaratory Judgment - Canal Corp. DISCOVERY & DECLARATORY JUDGMENT	\$ 119,020
		\$ 142,845
2007	DECLARATORY JUDGMENT--April 1, 2006 to February 28, 2007	\$ 215,168
	TOTALS	\$ 402,193

COMPTROLLER'S MESSAGE

Month 12 - March 31, 2007

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

CURRENT CUSTOMER SERVICE ACTIVITY

New Initiatives--

- We met with OCWA officials and had a tour of their facility and discussions of their operations and techniques.
- A draft proposal is under review to provide relief to residential customers with extraordinary water leakage.
- 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. The Meter Readers focus on these properties to determine why a property has no consumption recorded.
- Customer Service has teamed up with the Meter Repair shop to develop a more concentrated route schedule to allow for more repairs in a day resulting in higher production.
- We are in the process of setting up a phone line so meter readers and other staff can report properties not on their route or in our data bases so follow-up review can be performed and properly accounted for. This will prevent field personnel from tying up Customer Service lines as well as field personnel not having to wait for a representative to report a property.
- We are also considering creating a Theft of Service/Tampering Hotline for customers to report potential theft or miss-use.

Ongoing Initiatives--

- *Estimated Reads:* We are reviewing accounts 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. Since we started this program, we have reduced estimated reads for a year or more by 27%.
- We are working on a layout for the web site for on-line viewing of customer's accounts. We are also in the process of accepting on-line payments and requesting service work orders on-line.
- We continue to concentrate on properties that have registered "0" consumption for three or more quarters. Meter readers have a list of these accounts on each route and make a concerted effort to access the property. This is to assist in our tampering efforts and to correct stopped meters.
- We have been working on a new category in the work order system for non-appointment meter work that allows Customer Service to assign work to technicians on a more efficient basis. We have found this to be a productive tool when a customer cancels a scheduled appointment or the daily work is completed quicker than expected.

MOHAWK VALLEY WATER AUTHORITY

COMPTROLLER'S MESSAGE

Month 12 - March 31, 2007

METER REPLACEMENT

LARGE METER REPLACEMENT 3" +

Project Synopsis: 18 large meters were identified for replacement based on age and accuracy. All were replaced during the summer and fall of 2006.

All currently are showing and increase in revenue and consumption except for one. The highest performer has an increase of 45% in revenue. Current ROI (return on investment) without results of the recently replaced meters is approximately 20 months.

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.

For the month, 33% of the monthly accounts were estimated; 12% of the quarterly accounts were estimated. The percentage of monthly accounts estimated is up due to less access to meter pits, etc, partly due to spring flooding.

BILLING/COLLECTIONS:

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

Fiscal 2007	Beginning Balance	Sent to Collections	Amount Collected	Amount Returned	Ending Balance
April 2006		\$ 23,149	\$ 7,024	\$ 3,670	
May 2006		12,769	19,139	5,150	
June 2006		69,972	12,874	17,779	
July 2006		21,935	30,802	589	
August 2006		31,255	31,881	29,515	
September		55,397	23,304	10,431	
October		52,047	29,007	10,338	
November		50,570	30,723	21,896	
December		67,108	34,202	0	
January 07		79,665	29,693	8,333	
February 07		0	40,131	0	
March 07		86,316	12,988	0	
Year to Date	\$ 9,460	\$550,183	\$301,768	\$107,701	\$ 150,174

Prior Fiscal Years	Beginning Balance	Sent to Collections	Amount Collected	Amount Returned	Ending Balance
Fiscal 2005		\$ 673,903	\$ 368,184	\$ 305,719	
Fiscal 2006		\$ 588,361	\$ 356,190	\$ 222,711	

MOHAWK VALLEY WATER AUTHORITY

COMPTROLLER’S MESSAGE

Month 12 - March 31, 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	425	156	13	0	568

- For the year, \$682,817 was posted. Of the outstanding posted balances, \$444,012 was collected.
- For the previous fiscal year, 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
6/20/05	Riggles	35A-75HL	10853 Coby Mnr	\$ 2,000		Admit	1/9/07			1
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

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.

MOHAWK VALLEY WATER AUTHORITY

FLASH REPORT

Month 12 - March 31, 2007

The following is a “**snapshot**” of operating results for major account balances in our financial statements.

	Critical Ratio %	March	February	January	December	November	October
ASSETS							
Cash		\$ 2,913,196	\$ 2,886,428	\$ 2,857,276	\$ 2,982,921	\$ 3,172,007	\$ 3,265,305
Water Sales Receivable, Net		\$ 1,491,460	\$ 1,698,972	\$ 1,609,047	\$ 1,549,176	\$ 1,682,544	\$ 1,582,621
Trust Fund Assets		\$ 25,594,333	\$ 25,775,896	\$ 25,377,240	\$ 25,045,669	\$ 25,195,331	\$ 12,647,988
Utility Long Term Assets, Net		\$ 50,192,859	\$ 49,944,944	\$ 49,982,989	\$ 50,004,195	\$ 49,896,378	\$ 49,985,026
Total Assets		\$ 81,904,948	\$ 82,042,949	\$ 81,372,147	\$ 80,870,259	\$ 81,092,965	\$ 69,196,857
LIABILITIES							
Accounts Payable		\$ 409,720	\$ 464,104	\$ 476,862	\$ 223,742	\$ 325,249	\$ 280,055
Long Term Debt, Principal		\$ 60,649,660	\$ 60,801,998	\$ 60,789,336	\$ 61,281,242	\$ 61,355,000	\$ 47,927,286
Total Liabilities		\$ 63,904,386	\$ 64,635,496	\$ 64,416,455	\$ 64,789,631	\$ 64,536,694	\$ 51,755,597
EQUITY							
Unrestricted Earnings		\$ (314,089)	\$ (907,199)	\$ (979,033)	\$ (1,179,435)	\$ (701,090)	\$ (585,905)
Invested in Utility Plant, Net		\$ 16,124,408	\$ 16,124,408	\$ 16,124,408	\$ 16,124,408	\$ 16,124,408	\$ 16,131,408
Timber Sales Reserve		\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638
"3R" Reserve		\$ 588,788	\$ 588,788	\$ 332,706	\$ 332,706	\$ 331,355	\$ 328,624
Oper. and Maint. Reserve		\$ 424,586	\$ 424,586	\$ 303,504	\$ 303,504	\$ 302,153	\$ 299,422
Repair & Improvement (legislative)		\$ 541,869	\$ 541,869	\$ 539,099	\$ 539,099	\$ 539,099	\$ 539,099
Bond Covenant Reserve		\$ 487,362	\$ 487,362	\$ 487,362	\$ 487,362	\$ 487,362	\$ 487,362
OPERATIONS - (Monthly Accumulation)							
	% of Accum. Budget	12th Month FY 2007	11th Month FY 2007	10th Month FY 2007	9th Month FY 2007	8th Month FY 2007	7th Month FY 2007
Water Sales	99%	\$ 14,284,962	\$ 13,133,158	\$ 11,899,557	\$ 10,768,823	\$ 9,641,309	\$ 8,472,165
Other Revenue	115%	\$ 2,570,662	\$ 2,193,780	\$ 2,086,534	\$ 1,682,000	\$ 1,682,000	\$ 1,419,603
Operating Expenses	108%	\$ 9,669,829	\$ 9,228,704	\$ 8,434,953	\$ 7,575,990	\$ 6,436,969	\$ 5,657,075
Debt Service, Interest only	72%	\$ 1,458,313	\$ 1,445,773	\$ 1,434,973	\$ 1,434,973	\$ 772,873	\$ 772,873
PILOT Payments	100%	\$ 1,458,788	\$ 1,323,303	\$ 1,200,317	\$ 1,076,353	\$ 957,950	\$ 839,547

The “**Critical Ratio Percentages**” are a comparison of our month-to-date **Budget** to the month-to-date **Actual**.)

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES
WATER RECEIVABLES--COLLECTION HISTORY
 Month 12 - March 31, 2007

- **Collection of Delinquent Accounts:**

	FY 2006	FY 2005	FY 2004	FY 2003
→ Delinquent Receivables (Outstanding >60 Days)	628,000	\$727,000	\$750,000	\$770,000
→ Amounts sent to City of Utica Tax Levy	184,292	\$132,504	\$315,000	\$420,000

- **Collection Agency Activity/ Shut-off Activity:**

Collection Agency	FY 2006	%	FY 2005	%
→ Amount Sent	\$588,000		\$674,000	
→ Amount Collected	\$356,000	61%	\$368,000	55%
→ Of Remaining Balance, amount collected thru shut-off Procedures	\$ 145,000	63%	\$203,000	66%

- **Reduction of Collection Threshold of Delinquent Accounts Receivable—**

- Original threshold: send accounts >\$500/over 90 days;
- Current Threshold: send accounts >\$200/over 60 days—

- **Reduction of Estimated Readings/Billings—20% reduction**

MOHAWK VALLEY WATER AUTHORITY

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 12 - March 31, 2007

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	Address	Total	0-30	31-60	61-90	91-120	Over 120	Acct. Status
Parks and Facilities-City of Utica	6 accounts		-						
City Owned Properties -Utica	Various		222,315	2,921	2,749	6,461	2,618	207,566	
Jose Rodriguez	11A 68	1402 Steuben Street, Utica	1,331	40	-	1,180	15	96	Collection
West Canada Properties	16D 95	735 Blandina Stret, Utica	1,159	25	115	-	954	65	Collection
Valley Brook Motel	27P 69	8463 Seneca Turnpike, NH	1,054	25	469	15	25	520	Collection
J & J Properties	33A 108	9797 River Road, NH	2,015	1,201	15	-	799	-	Collection
Marcy Development Center	33D 2	9225 Sate Rte. 49 - N.H.	1,782	591	15	-	732	444	Posted/collect.
Frank E. Debiase, Jr.	33E 99A	9315 Fishlane, Marcy	1,836	345	15	-	1,476	-	Posted/collect.
Heritage Acres	37A 95	X Birchdale Rd. Utica	2,771	884	15	-	1,010	862	Posted/collect.
Claudia Loy	37C 15AA	356 Windfall Road, Utica	1,012	181	22	7	79	723	Posted/collect.
239 Genesee Holding-Landlord	52B 19	239 Genesee Street-Mayro Bldg.	1,840	355	411	492	15	567	Posted/collect.
Timothy Klotz (see also shut-offs)	37 accounts	Multiple accounts listed seperately	8,456	628	1,012	3,132	520	3,164	Posted/collect.

DELINQUENT ACCOUNTS SHUT-OFF

Hari Lukac/Renata Vujeva	8C 46BK	17 Clinton Place, Utica	4,081	-	-	165	-	3,916	Shut-off/ City T
Ingrid Grimm	24B 136	37 Pratt Street, Clark Mills	2,894	27	75	41	26	2,725	Shut-off/ City T
9882 River Road Realty	33A 117	9882 River road, NH	1,128	315	15	-	361	437	Shut-off/ City T
Coolidge Mem. LLC	52B 60	106 Mem Pkwy. Utica	2,051	429	429	479	15	699	Shut-off in 2/07/
Tartan Textile Serv.	55B 29	311-15 Whitesboro Street, Utica	3,740	949	940	930	42	879	Shut-off / City T
Timothy Klotz (also, see above)	3 accounts	Multiple accounts listed seperately	539	60	143	265	71	-	Shut-off/ City T
City Delinquents-FY '07			180,585					180,585	
City Delinquents-FY '06			18,769					18,769	
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			27,984					27,984	%
County Delinquents-FY '07			4,618					4,618	
Remaining Accounts			1,199,063	563,564	138,884	134,760	69,064	292,791	Change
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%

MOHAWK VALLEY WATER AUTHORITY

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 12 - March 31, 2007

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	Address	Total	0-30	31-60	61-90	91-120	Over 120	Acct. Status
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%
Prior Months Receivables:									
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%
May, 2006			<u>2,272,423</u>	<u>588,663</u>	<u>275,909</u>	<u>85,650</u>	<u>61,878</u>	<u>1,260,323</u>	-3.85%
April, 2006			<u>2,363,426</u>	<u>835,711</u>	<u>133,146</u>	<u>82,487</u>	<u>100,208</u>	<u>1,211,874</u>	18.62%
March, 2006			<u>1,992,436</u>	<u>409,009</u>	<u>149,063</u>	<u>134,106</u>	<u>62,288</u>	<u>1,237,970</u>	-10.62%

MOHAWK VALLEY WATER AUTHORITY

WORK IN PROCESS—CAPITAL PROJECTS

Month 12 - March 31, 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	2,500	0	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	1,670	51,158	15,768	3,383,074	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	24,490	36,026	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	0	1,125	133,875	135,000
Main Replacement	Park Ave., Holland Pat.	93,750	0	0	37,458	56,292	93,750
Storage Tank #2-Higby Rd	New Hartford	20,000	0	6,221	17,976	0	24,197
Distribution Analysis-Chloramines	System Wide	165,000	0	45,572	108,465	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	6,761	28,990	0	35,751
SCADA	System Wide	43,000	0	2,578	31,341	9,081	43,000
Clearwell	WTP	3,174,500	55,890	100,815	44,700	11,175	156,690
Fiscal 2005 Budgeted Capital Projects		<u>7,354,005</u>	<u>57,560</u>	<u>237,595</u>	<u>400,206</u>	<u>3,704,981</u>	<u>4,342,782</u>

MOHAWK VALLEY WATER AUTHORITY

WORK IN PROCESS—CAPITAL PROJECTS

Month 12 - March 31, 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	21,017	189	68,794	90,000		
Disinfection BY-Product	Deerfield Tank	6,500,000	244,861	323,988	354	6,175,658	6,500,000		
Main Replacement	Commercial Drive	30,000	0	21,287	0	0	21,287		
Main Replacement	Leah St.	51,600	0	23,056	0	0	23,056		
Main Replacement	Sherman Drive & Tilden Ave	14,000	0	4,447	0	7,273	11,720		
		<u>6,713,100</u>	<u>244,861</u>	<u>393,795</u>	<u>0</u>	<u>28,307</u>	<u>0</u>	<u>6,251,725</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	1,134	64,110	0	115,000	179,110
Main Replacement	Church St.	22,000	0	45,668	0	0	45,668
Main Replacement	York St.	33,440	0	17,271	0	0	17,271
Pump Station	Cascade Drive, NH	180,000	0	937	0	0	937
System Improve.-WQ and Turnover	Sytem Wide	300,000	1,959	1,959	0	0	1,959
GIS & Hydrolic Modeling	Sytem Wide	400,000	73,711	269,874	0	0	269,874
Fiscal 2007 Budgeted Capital Projects		<u>1,199,440</u>	<u>566,526</u>	<u>1,166,392</u>	<u>28,661</u>	<u>12,549,656</u>	<u>13,744,709</u>

MOHAWK VALLEY WATER AUTHORITY

MAJOR REVENUE AND EXPENSE ACCOUNT ANALYSIS

Month 12 - March 31, 2007

MONTHLY CONSUMPTION- (IN HUNDREDS OF CUBIC FEET)

	FISCAL 07	FISCAL 06	FISCAL 05	FISCAL 04	FISCAL 03
April	419,898	421,158	436,874	438,082	448,176
May	412,183	433,169	433,732	437,133	369,245
June	483,811	463,071	432,431	430,936	433,322
July	434,748	477,805	476,038	443,310	449,260
August	475,336	514,883	469,873	440,876	552,861
September	481,683	513,111	449,233	546,365	547,595
October	436,160	469,375	529,942	477,584	486,491
November	472,410	474,227	424,247	458,962	458,808
December	451,290	424,902	426,796	416,941	426,849
January	397,180	407,949	409,415	463,977	459,749
February	434,793	398,579	452,494	428,836	485,891
March	<u>410,322</u>	<u>400,517</u>	<u>427,874</u>	<u>436,128</u>	<u>478,881</u>
Total	<u>5,309,814</u>	<u>5,398,746</u>	<u>5,368,949</u>	<u>5,419,130</u>	<u>5,597,128</u>

MONTHLY WATER BILLINGS:

	FISCAL 2007			FISCAL 2006	
	Billings	Cash Receipts	Customer Routes Read	Billings	Cash Receipts
April	\$ 1,167,491	\$ 774,267	1-23; 75-77	\$ 996,320	\$ 887,900
May	1,168,917	1,303,161	24-42; 58; 75-77	1,041,242	918,904
June	1,205,518	1,077,589	43-57; 59; 75-77	1,038,762	1,211,380
July	1,214,680	1,260,740	1-23; 75-77	1,078,160	1,058,316
August	1,296,257	1,365,171	24-42; 58; 75-77	1,150,982	1,166,226
September	1,265,491	1,124,613	43-57; 59; 75-77	1,160,332	1,180,519
October	1,247,789	1,394,845	1-23; 75-77	1,114,747	1,188,611
November	1,224,796	1,133,510	24-42; 58; 75-77	1,086,651	838,573
December	1,132,871	1,283,037	43-57; 59; 75-77	983,813	1,339,885
January	1,134,424	1,062,568	1-23; 75-77	1,000,181	1,007,019
February	1,200,168	1,118,333	24-42; 58; 75-77	980,290	1,097,821
March	<u>1,156,992</u>	<u>1,364,942</u>	43-57; 59; 75-77	<u>972,949</u>	<u>1,197,891</u>
Total	<u>\$14,415,394</u>	<u>\$14,262,776</u>		<u>\$ 12,604,429</u>	<u>\$ 13,093,045</u>

MAJOR REVENUE ACCOUNT ANALYSIS

Month 12 - March 31, 2007

REVENUE

- *Metered Water Sales:*
 - Quarterly and Monthly Billings – For the month, water sales is above by \$183,000 compared to the prior year.
 - Overall Sales vs. Prior Year – Water sales are up \$1,811,000 for the year compared to the prior year.
- “*System Charge*” – Both quarterly billed and monthly billed system charges have fallen slightly behind estimates.
- *Quarterly and Monthly Penalties and Unpaid Bill Fees* –Overall, penalties are above budget estimates by approximately 26%. 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 are significantly above budget estimates.
- *Interest Income*— Interest earnings are exceeding estimates due to the recovery of the markets over the fiscal year.
- *Other Charges* –Lab Fees, termination of services, miscellaneous income and inspection of new mains remain below estimates.

MOHAWK VALLEY WATER AUTHORITY

MAJOR EXPENSE ACCOUNT ANALYSIS

Month 12 - March 31, 2007

	Year-To-Date		Percent of Current Budget	Favorable (Unfavorable) Variance	Explanation of Variance
	Budget (Cash-Basis)	Actual-March 31, 2007 (Accrual-Basis)			
Administration					
Salaries	290,672	301,600	103.76%	(10,928)	Unbudgetd position paid until May.
Unemployment	4,000	7,047	176.18%	(3,047)	Actual cost for reduction of marketing position.
Contracted Services	49,570	62,176	125.43%	(12,606)	Marketing firm expenses exceeded budget by \$22K.
Training & Education	4,250	1,128	26.54%	3,122	Reduction to training and seminar attendance.
Contracted Services.-Legal Fees	241,600	252,214	104.39%	(10,614)	Cost overrun caused by on going litigation.
Finance & Accounting					
Salaries	411,234	411,500	100.06%	(266)	Reasonable variance for the year.
Contracted Services	172,300	211,967	123.02%	(39,667)	M&T banking charges unfavorable by \$21K. In process of RFP for banking services. Credit card charges unfavorable by \$13K as more customers are using our credit card payment system.
Training & Education	1,500	0	0.00%	1,500	No training attended during the year.
Customer Service					
Salaries	211,477	210,400	99.49%	1,077	Position recently filled.
Travel	1,880	1,486	79.04%	394	AWWA Customer Service seminar cost attended by Customer Service Manager was under budget.
Engineering					
Salaries	492,356	501,300	101.82%	(8,944)	As part of employ. contract, 2 staff sold a week's vacation; in addition 'ee paid for opting out of medical plan.
Wages	71,804	64,560	89.91%	7,244	On track with budget.
Travel	1,336	3,608	270.06%	(2,272)	Travel to AWWA conference not budgeted.
Operating Supplies	17,335	10,335	59.62%	7,000	Purchase of parts for pressure regulator has not occurred = \$6K.
Contractor Services	37,148	23,790	64.04%	13,358	The following has not been performed to date: annual inspect. of Hydro generators.\$5k; flushing kits = \$3K; calibration of equipment = \$2K; interns for data entry = \$2K; appraisal services = \$1K.
Training and Education	4,700	1,358	28.89%	3,342	Hydraulic Modeling training budgeted for 2 employees (\$2,000) did not occur as planned.

MAJOR EXPENSE ACCOUNT ANALYSIS-CONTINUED

Month 12 - March 31, 2007

	Year-To-Date		Percent of Current Budget	Favorable (Unfavorable) Variance	
	Budget (Cash-Basis)	Actual-March 31, 2007 (Accrual-Basis)			
Information Technology					
Salaries	237,287	241,000	101.56%	(3,713)	As part of employ. contract, 2 staff sold a week's vacation.
Office Equipment	23,200	27,159	117.06%	(3,959)	Replacement of mapper server for \$4.5K was not budgeted. Old server broke and had to be replaced.
Travel & Vehicle Usage	2,200	18	0.82%	2,182	No training attended during the year.
Operating Supplies	15,300	8,268	54.04%	7,032	Purchases of toner and paper was less than budgeted.
Contracted Services	110,929	99,824	89.99%	11,105	Items not spent as scheduled: Softwae consultant00\$10k;Lease on server w/ UNYSIS-\$3K; Web Page development-\$6K (work anticipated to be performed in FY 2008).
Training and Education	8,000	2,670	33.38%	5,330	The following budgeted training programs did not take place: Arc IMS Administrator = \$1.4K; SCADA Training = \$1.8K; GIS training = \$1.2K.
Repairs	2,751	139	5.05%	2,612	Minimal computer repairs incurred during the year
Water Quality					
Salaries	376,907	375,700	99.68%	1,207	Reasonable variance for the year.
Wages	29,445	27,231	92.48%	2,214	Variance based upon hours worked.
Office Equipment	13,500	801	5.93%	12,699	The following lab equipment were not purchased: = Watershed Lab equipment = \$3K; convection oven = \$3K; On-Line Monitoring Chips = \$2K; all other (i.e., automatic pipetors) = \$5K.
Operating Supplies	144,791	118,399	81.77%	26,392	Currently, manufacturing some in house reagents as opposed to purchasing them from suppliers. PCR kits = favorable \$5.6K.
Contracted Services	25,500	9,321	36.55%	16,179	Regulated Monitoring performed = \$9K favorable; Maintenance of microscopes not performed = \$1.5K favorable. Charges for summer intern unbudgeted = (\$1.5K).
Repairs	6,000	1,490	24.83%	4,510	Minimal computer repairs incurred during the year
Shipping Charges	7,800	1,003	12.86%	6,797	Less shipping than anticipated for outside analysis of samples.
Travel	8,600	12,252	142.47%	(3,652)	Add'l cost for national conference not budgeted.
Treatment Plant					
Salaries	332,224	334,104	100.57%	(1,880)	Reasonable variance for the year.
Wages	11,289	28,100	100.00%	(16,811)	Part-time WQ position working more than budgeted.
Operating Supplies	670,940	741,432	110.51%	(70,492)	Polymer purchases - \$28K unfavorable. Aluminum sulphate purchases = \$27K unfavorable.
Travel	1,900	3,954	208.11%	(2,054)	Add'l member attended national conference.
Training and Education	4,000	1,472	36.80%	2,528	Operator training not performed.

MAJOR EXPENSE ACCOUNT ANALYSIS-CONTINUED

Month 12 - March 31, 2007

	Year-To-Date		Percent of Current Budget	Favorable (Unfavorable) Variance	
	Budget (Cash-Basis)	Actual-March 31, 2007 (Accrual-Basis)			
Maintenance					
Salaries	568,049	527,700	92.90%	40,349	Unfilled meter shop supervisor position recently filled
Wages	932,331	775,808	83.21%	156,523	Positions being filled by part-timers in anticipation for full-time.
Street Repair Materials	613,700	594,473	96.87%	19,227	YTD favorabilities: concrete purchases = \$30K. Offset by unfavorable purchases (i.e., cold patch).
Office Equipment	6,150	1,062	17.27%	5,088	Limited purchase of office furniture to date.
Small Equipment	38,250	2,515	6.58%	35,735	Several budgeted items have not been purchased. Pipe thawers = \$4K; leak surveying equipment = \$8K; gears for Horz Rensselear = \$6K; diaphragm pump = \$5K; weed eaters = \$3K; air drill = \$3K; all other = \$4K.
Operating Supplies	441,660	416,155	94.23%	25,505	Favorable expenses YTD: General supplies = \$30.6K; Hydrant purchases = \$21.9K. Unfavorable purchases of valves and parts = \$25K.
Contracted Services	25,800	16,797	65.10%	9,003	Unbudgeted railroad flagman = \$6K.
Training & Education	22,820	2,147	9.41%	20,673	Various safety training programs were not performed or are running under budget (i.e.. Pesh, Haz Communication).
Clothing Allowance	16,900	13,797	81.64%	3,103	Savings due to less clothing purchases
Vehicle & Equip. Repairs	179,500	137,500	76.60%	42,000	Favorable year to date. This account is projected to be favorable at year end.
General Services					
Printing	40,340	24,856	61.62%	15,484	Quarterly newsletter not performed = \$6K. Printing of water bills and other business ocuments = \$9K.
Heat	79,480	45,834	57.67%	33,646	Annual favorable variance due to budget estimates based on anticipated higher fuel costs and milder winter.
Electricity and Gas	492,000	425,934	86.57%	66,066	Annual favorable variance due to budget estimates based on anticipated higher utility rates.
Gas & Oil	109,025	119,403	109.52%	(10,378)	Gasoline purchases for vehicles were unfavorabl by \$16K.
Overtime					
Finance & Accounting	1,000	3,812	0.00%	(2,812)	Project for upgrading data related to tap cards and other engineering data bases.
Engineering	21,350	25,537	119.61%	(4,187)	Variance occurred in March due to project work and issues during off-hour
Info. Technology	12,000	14,276	118.97%	(2,276)	Services for City of Utica not performed to date.
Treatment Plant	49,704	61,062	122.85%	(11,358)	
Maintenance	180,000	209,151	116.20%	(29,151)	Variance of \$17k in Ot occurred in March
Total Overtime	265,034	314,349	118.61%	(46,641)	

MOHAWK VALLEY WATER AUTHORITY

FINANCIAL RATIOS

Month 12 - March 31, 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>March '07</u>	<u>Feb. '07</u>	<u>Jan. '07</u>	<u>Dec. '06</u>	<u>Nov. '06</u>	<u>Oct. '06</u>	<u>Avg.-Past Six months</u>
1.85	1.79	1.81	1.81	2.05	1.83	1.92

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 '07</u>	<u>Feb '07</u>	<u>Jan '07</u>	<u>Dec '06</u>	<u>Nov. '06</u>	<u>Oct. '06</u>	<u>Avg.-Past Six months</u>
\$2,769,913	\$2,739,490	\$2,635,678	\$2,562,885	\$2,970,444	\$2,886,411	\$2,585,534

FINANCIAL RATIOS

Month 12 - March 31, 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>March '07</u>	<u>Feb '07</u>	<u>Jan '07</u>	<u>Dec '06</u>	<u>Nov '06</u>	<u>Oct '06</u>	<u>Avg.-Past Six months</u>
78%	78%	79%	75%	74%	75%	78%

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 '07</u>	<u>Feb. '07</u>	<u>Jan. '07</u>	<u>Dec. '06</u>	<u>Nov. '06</u>	<u>Oct. '06</u>	<u>Avg.-Past Six months</u>
3.86	2.70	2.50	2.89	4.59	4.29	3.07

FINANCIAL RATIOS

Month 12 - March 31, 2007

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 '07</u>	<u>Feb. '07</u>	<u>Jan. '07</u>	<u>Dec '06</u>	<u>Nov '06</u>	<u>Oct '06</u>	<u>Sept '06</u>	<u>Avg.-Past Six months</u>
32.40%	32.40%	27.91%	27.68%	27.20%	25.99%	28.79%	31.41%

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 - March 31, 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>March '07</u>	<u>Feb. '07</u>	<u>Jan. '07</u>	<u>Dec. 06</u>	<u>Nov. 06</u>	<u>Oct. 06</u>	<u>Avg.-Past Six months</u>
\$37.11	\$35.93	\$37.84	\$38.11	\$32.53	\$32.71	\$34.68

GLOSSARY OF TERMS

Month 12 - March 31, 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 12 - March 31, 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.