

MOHAWK VALLEY WATER AUTHORITY

MONTHLY FINANCIAL REPORTING PACKAGE

Month 12: Year Ended March 31, 2008

Finance Committee Members

Terms Ending

December 31,

Bruce Brodsky, Committee Chairman	2008
Vincent Coyne	2008
Elis DeLia	2007
George Gaston, Board Chairman	2008
A. Eugene Snyder	2009
Frank Trevisani	2009

Report produced by Jim Korfonta, Comptroller

- Telephone: 792-0335
- FAX: 792-0342
- E-mail: jkorfonta@mvwa.us

Table of Contents

MOHAWK VALLEY WATER AUTHORITY

VITAL SIGNS—(KEY PERFORMANCE INDICATORS)	1
COMPTROLLER'S MESSAGE	4
CUSTOMER SERVICE ACTIVITY	6
SIGNIFICANT DELINQUENT RECEIVABLE BALANCES	7
WORK IN PROCESS—CAPITAL PROJECTS	10
MAJOR REVENUE AND EXPENSE ACCOUNT ANALYSIS	12
FINANCIAL RATIOS	17
GLOSSARY OF TERMS	21

VITAL SIGNS—(KEY PERFORMANCE INDICATORS)

Month 12 - March 31, 2008

PRODUCTION & CONSUMPTION

All amounts in <u>Cubic Feet</u> (1 cubic foot=7.481 gallons.)	December, January, February 2008	November, December, January 2008	October, November, December	Average Past 6 Months
Average Water Consumption	41,259,588	44,447,300	43,093,024	44,447,300
Average Water Production	74,954,782	79,658,116	76,166,821	79,658,116

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 2008		\$ 1,935,188	\$ 1,222,091	\$ 713,097	
Year-To-Date	\$ 3,147,760	\$ 18,865,848	\$ 17,848,411	\$ 1,017,437	\$ 4,165,197

CUSTOMER ACCOUNT MAINTENANCE

Customers in the Water System	Beginning Balance	New Accounts/ Moved into Area	Moved Out of Svs. Area	Ending Balance
March 2008		15	(12)	
Year-To Date (Fiscal 2008)	38,877	497	(460)	38,914
Fiscal 2007	38,589	981	(693)	38,877
Fiscal 2006	38,449	573	(433)	38,589

Breakdown of Customer Movement:

- Year to date, 2,332 final bills were processed of which 2,070 moved within the service area.
- For fiscal 2007, 1,815 final bills were processed of which 1,466 moved within the service area.
- For fiscal 2006, 1,976 final bills were processed of which 1,754 moved within our service area.

MOHAWK VALLEY WATER AUTHORITY

VITAL SIGNS—(KEY PERFORMANCE INDICATORS)--continued

Month 12 - March 31, 2008

Below is an analysis, by percentage, of the area they are moving from and where they are relocating to:

From Utica To:

Utica	43%	Movement within service area outside Utica	29%
New Hartford	4%	Out of area	16%
Other	8%		

WATER SYSTEM MAINTENANCE--METER ACTIVITY

Current Fiscal Year	Meters Replaced							Daily Activity			
	5/8"	3/4"	1"- 1 1/2"	2"	3"-4"	6"-8"	Total	High	Low	Daily Avg.	Staff Avg.
March 2008	275	4	4	5	0	1	289	28	8	14.5	3.6
February 2008	282	3	10	0	0	1	296	26	8	14.8	3.7
January 2008	295	9	5	1	0	0	310	20	7	14.8	3.7
December 2007	258	5	2	0	0	1	266	21	5	13.3	3.3
November 2007	231	2	3	0	1	4	241	20	3	13.4	3.8
October 2007	349	6	6	0	2	1	364	23	1	16.5	4.1
September 2007	310	2	7	1	1	2	323	27	7	17.0	4.3
August 2007	290	5	6	0	2	0	303	20	9	13.1	3.3
July 2007	289	6	2	1	1	1	300	21	9	14.5	3.6
June 2007	330	2	6	0	1	1	340	22	8	16.2	4.1
May 2007	288	6	6	0	1	5	306	20	11	13.9	3.5
April 2007	217	2	4	1	0	1	225	15	6	11.3	2.8
Year-To-Date	3,414	52	61	9	9	18	3,563	27	1	14.0	3.7

Prior Year Activity	Meters Replaced							Daily Activity			
	5/8"	3/4"	1"- 1 1/2"	2"	3"-4"	6"-8"	Total	High	Low	Daily Avg.	Staff Avg.
Fiscal 2007	2,344	34	30	9	23	17	2,457	20	1	8.4	2.4
Fiscal 2006	2,486	50	51	18	6	20	2,631	24	1	10.9	2.7

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

COMPTROLLER'S MESSAGE

Month 12 - March 31, 2008

WATER SYSTEM MAINTENANCE—PRODUCTION ACTIVITY

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 2008	\$830,521	\$127,523	\$57,748	\$325,830	\$5,761	\$62,188	\$251,471

Useful Information To Know: (UPDATED for 2007-2008 RATES)

- There are approximately 38,000 service connections in our service area.
- An average family of four uses approximately 2,940 cubic feet or 22,000 gallons per quarter. (This amount has been used in several newspaper articles in Syracuse, etc.) The average quarterly bill for a customer with this usage is \$83.00 or \$331.00 annually.
- An average individual uses approximately (220-260 cubic ft.) 1,650—1,950 gallons per month. The average quarterly bill is approximately \$44.00 or annually is \$176.00.

Big Picture

Water Sales and Consumption:

For the year, consumption is very close to the prior year with a difference of only 633,000 cubic feet.

For the month, monthly consumption increased 2 million cubic feet due in large part to a number of businesses increasing use—these include St Elizabeth's hospital, Oneida County Sewer and Cornelia St Apartment Complex. Quarterly consumption is relatively consistent with the last time this area was read (December).

MOHAWK VALLEY WATER AUTHORITY

COMPTROLLER'S MESSAGE

Month 12 - March 31, 2008

Big Picture-continued

Cash Flow: For the year, our cash ended very positive; however, there are several payments outstanding for which commitments have been made. These commitments are in the range of \$300,000 to 450,000. As part of the fiscal '09 budget, keep in mind that we have designated \$308,000 of the remaining cash.

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

	MONTHLY ACTIVITY		YEAR-TO-DATE ACTIVITY	
	TARGET	MARCH 2008	TARGET	ACTUAL
Cash Inflow	\$ 1,800,000	\$ 1,935,000	\$ 17,900,000	\$ 18,866,000
Outflows--				
Transfer to Funds Reserves	\$ -	\$ -	\$ 372,000	\$ 372,000
Personnel Costs	326,000	320,000	4,238,000	4,303,000
PILOTS	133,000	132,000	1,596,000	1,597,000
Debt Service	398,000	398,000	4,655,000	4,663,000
Payments to Suppliers	477,000	371,000	6,300,000	6,914,000
	<u>1,334,000</u>	<u>1,221,000</u>	<u>17,161,000</u>	<u>17,849,000</u>
Cash Remaining	\$ 466,000	\$ 714,000	\$ 739,000	\$ 1,017,000

LITIGATION EXPENSES—TO DATE

FISCAL YEAR	PURPOSE	AMOUNT
2005	WATER PERMIT REVIEW & DISCOVERY	\$ 44,180
2006	DISCOVERY & DECLARATORY JUDGMENT	\$ 142,845
2007	DECLARATORY JUDGMENT ACTIVITY	\$ 243,757
2008	CURRENT YEAR ACTIVITY (Through February)	\$ 375,947
TOTAL		\$ 806,728

MOHAWK VALLEY WATER AUTHORITY

COMPTROLLER'S MESSAGE

Month 12 - March 31, 2008

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, 5.6% of the monthly accounts were estimated. This is down 1.0% from the previous month (down 2% from the previous two months); 4.9% of the quarterly accounts were estimated. This is down from 5.1% in December (The prior time this area was billed).

- The training of meter staff to change–out the “guts” or registers of larger size meters as part of a large meter maintenance program.

BILLING/COLLECTIONS:

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

Fiscal 2008	Beginning Balance	Sent to Collections	Amount Collected	Returned From Collections	Ending Balance
March 2008		\$ 0	\$ 8,835	\$ 1,519	
February 2008		\$ 12,166	\$ 21,497	\$ 30,843	
January 2008		\$ 51,536	\$ 33,294	\$ 10,808	
December 2007		\$ 25,383	\$ 15,125	\$ 20,919	
November 2007		\$ 36,185	\$ 26,503	\$ 22,710	
October 2007		\$ 59,717	\$ 44,788	\$ 29,539	
September 2007		\$ 71,470	\$ 27,243	\$ 2,621	
August 2007		\$ 38,541	\$ 38,767	\$ 44,882	
July 2007		\$ 71,354	\$ 35,561	\$ 15,325	
June 2007		\$ 45,342	\$ 26,541	\$ 12,215	
May 2007		\$ 46,585	\$ 24,327	\$ 25,837	
April 2007		\$ 25,957	\$ 30,648	\$ 0	
Year to Date	\$ 73,330	\$ 484,236	\$ 333,129	\$ 217,218	\$ 7,219

Prior Fiscal Years		Sent to Collections	Amount Collected	Returned From Collections	
Fiscal 2007		\$ 550,183	\$ 301,768	\$ 107,701	
Fiscal 2006		\$ 588,361	\$ 356,190	\$ 222,711	
Fiscal 2005		\$ 673,903	\$ 368,184	\$ 305,719	

MOHAWK VALLEY WATER AUTHORITY

COMPTROLLER'S MESSAGE

Month 12 - March 31, 2008

BILLING/COLLECTIONS: (continued)

Our efforts of posting properties with unpaid notices are ongoing. 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	1,001	333	147	23	845

- Year to date, \$939,259 was posted; \$375,939 was collected from posted accounts.
- For fiscal 2007, \$682,817 was posted. Of the outstanding posted balances, \$444,012 was collected.
- For fiscal 2006, accounts totaling \$1,067,125 were "posted". Of this amount, \$781,518 was collected for the 2006 year.

TAMPERING ISSUES:

The following chart reflects the ongoing status of accounts found to be tampering with Authority property/ or unauthorized use of water service;

Date	Last Name	Acct. #	Address	Fee Amt.	Fee Paid	Evidence	Letter Sent	Posted	Shut Off	Status
5/8/07	Gaumer	24C-17	7914 Seneca Ter	\$2,000	\$2,000	Visual	5/10/07			11
7/3/07	Rios	7D-20	25-27 Kernan	\$2,000	\$800	Pictures	7/11/07	8/10/07		11
10/4/07	Tallman	27C-55	40 Jordon rd	\$2,000		Pictures	10/04/07			11
10/11/07	Bender	6C-68	1213 York St	\$2,000	\$2,000	Meter	10/24/07	11/7/07	1/17/08	11

STATUS LEGEND:

- 1—Fee assessed; no further activity.
- 2—Fee paid or currently paying, not forwarded to the DA; no further activity.
- 3—In negotiations for payment with offender's lawyer; Have forwarded to DA with no response.
- 4—No activity, property scheduled to be shut-off.
- 5—Police notified; no further activity.
- 6—Customer sued MVWA in small claims-presently in arbitration.
- 7—Property shut-off. Agreed on payment plan w/ attorney; Customer is not making payments.
- 8—Police notified; DA negotiated misdemeanor for offender.
- 9—Police notified; forwarded to DA, DA does not think there is enough evidence.
- 10—With DA, currently prosecuting in criminal court.
- 11—Fee assessed, waiting for results from criminal court.
- 12—Fees assessed and remains unpaid; levied on appropriate City, County or Town taxes.

13—Fine and/or misdemeanor assessed by Court. Case will be removed the following month.

MOHAWK VALLEY WATER AUTHORITY

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 12 - March 31, 2008

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	26 accounts	Parks / Recreations / etc.	12,083	180	2,511	1,654	1,315	1,144	5,279	
William Schram	3F 8	512 Henry Street, Utica	1,091	-	21	6	221	4	839	Posted
Howard Quick	5D 99	P.O. Box 65, Herkimer, NY	1,742	-	19	4	239	2	1,478	Posted
Mohamed Kewitta	5F 122	1230 Court Street, Utica	1,021	-	18	3	407	-	593	Posted
Angel Rios	7D 20	424 French Road, Utica	1,988	15	15	115	103	-	1,740	Posted
Sapi Dussi	10D 8	1309-13 Oneida Street, Utica	1,299	15	7	7	208	5	1,057	Posted
William Hawkins	11B 118	1210 Steuben St. Utica	2,116	15	-	101	2,000	-	-	Posted
Tim Darling	11C 114	1615 Steuben Street, Utica	1,027	15	6	225	20	3	758	Posted
Jim Spratt	11E 150	1507 Miller Street, Utica	1,359	15	3	242	19	2	1,078	Posted
Stanley Truax	11F 82	1640 Neilson Street, Utica	1,236	15	4	404	21	3	789	Posted
M of M Inc.	11G 69	1318 Brinckerhoff Ave (1 Flr)	1,457	15	9	321	30	7	1,075	Posted
Donald Shaub	11G 97	1308 Dudley Avenue, Utica	1,296	15	2	232	18	1	1,028	Posted
SueAnn Stevens	13C 102	1139 Seymour Avenue, Utica	1,180	15	9	131	28	7	990	Posted
Darlene Clark	13D 148	1546 Vincent Street, Utica	2,226	15	7	1,252	25	5	922	Posted
Virgilio & Ledi Suncar	13E 63	1131-33 Miller Street, Utica	1,139	15	8	161	27	6	922	Posted
Caroline Hayes	14B 96	1120 Leeds Street, Utica	1,015	15	5	212	22	3	758	Posted
Lloyd Barth	17D 23	612 Kossuth Avenue, Utica	1,657	-	1	750	18	727	161	Posted
Clotario Saporetti	17D 93	830 Bleeker Street, Utica	1,008	-	8	59	26	102	813	Posted
Celestino Montoya	17F 63	1007 Rutger Street, Utica	1,029	-	6	246	23	172	582	Posted
Lawrence Spada, III	17F 64	1003-5 Rutger Street, Utica	2,281	-	8	870	22	631	750	Posted
Heritage Acres	22G 66	217 Colonial Circle, Utica	2,320	-	751	15	1,554	-	-	Posted
Heritage Acres	37A 84	Mapleton Drive, Schuyler	4,462	1,642	15	-	1,519	15	1,271	Posted
Heritage Acres	37A 95	Birchdale Rd. Schuyler	3,509	1,052	15	-	1,188	15	1,239	Posted
Heritage Acres	37A 95A	1593 Herkimer Road, Utica	5,512	1,626	15	-	1,922	15	1,934	Posted
Robert Abbe	24B 65	8 Taylor Ave. Clarksmill	1,156	-	186	7	28	138	797	Posted
Ron Dobrzanski	24C 28	7815 State Rte. 5, Clinton	1,060	-	214	2	19	328	497	Posted
Timothy Tallman	27C 55	40 Jordan Rd. New Hartford	2,043	-	81	15	-	135	1,812	Posted
Tony's Pizza	28H 74	3921 Oneida Street, Utica	1,108	179	21	6	161	19	722	Posted
Carcuzzi Car Wash	28H 151A	9310 Chapman Rd. Utica	4,550	1,043	15	-	1,612	15	1,865	Posted
Brian Palmer	32S 120	6 Elm Street, Whitesboro	1,592	433	1	24	559	20	555	Posted

MOHAWK VALLEY WATER AUTHORITY

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 12 - March 31, 2008

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
Anthony Nassar	33A 77	9835 River Road, Utica	1,363	220	3	17	415	15	693	Posted
Rte. 49 Plaza	33D 146D	9220 Rte, 49, Marcy	1,545	-	348	15	599	15	568	Posted
Robert McMurray	33G 18	5934 Cavanaugh Rd. Marcy	1,471	238	4	19	341	17	852	Posted
Victor Rodriguez	33G 82	6373 Cavanaugh Rd. Marcy	1,373	186	5	20	266	15	881	Posted
Stephen Gardner (bankrupt)	22G 267A	9096 Koronowski Road, Marcy	1,555	-	-	-	312	1,084	159	Posted
Robert Wenner	35G 128	649 Pauline Avenue, Utica	1,000	108	21	6	109	19	737	Posted
T. Klotz (also, see shut-offs)	27 accounts	See separate attachment	16,551	434	1,252	2,177	1,150	2,572	8,966	Posted

DELINQUENT ACCOUNTS SHUT-OFF

Hidalgo Diaz	10F 86	1506 Steuben Street, Utica	1,019	15	1	987	16	-	-	Shut-Off
Ariste Accede	12A 142	1547 Neilson Street, Utica	1,056	-	-	1,041	15	-	-	Shut-Off
Ingrid Grimm	24B 136	37 Pratt Street, Clark Mills	3,491	-	84	32	79	81	3,215	Shut-Off
Genevieve Morgan	30D 61	23 Brainard Street, Whitesboro	1,137	624	3	18	85	16	391	Shut-Off
Jeffrey Szot	33G 67B	6476 Eaton Rd. Marcy	1,011	1,011	-	-	-	-	-	Shut-Off
Mike Ritter	37B 44C	2431 St. Route 5, Utica	2,167	2,167	-	-	-	-	-	Shut-Off
T. Klotz (also, see above)	7 accounts	See separate attachment	3,428	44	121	501	128	480	2,154	Shut-Off
City of Utica Delinquents-FY '08			144,257	-	-	-	-	-	144,257	
City of Utica Delinquents-FY '07			108,057	-	-	-	-	-	108,057	
City of Utica Delinquents-FY '06			64,102	-	-	-	-	-	64,102	
City of Utica Delinquents-FY '05			15,571	-	-	-	-	-	15,571	
City of Utica Delinquents-FY '04			90,702	-	-	-	-	-	90,702	
City of Utica Delinquents-FY '03			137,869	-	-	-	-	-	137,869	
City of Utica Delinquents-FY '02			195,909	-	-	-	-	-	195,909	
Oneida County Delinquents - FY '07			4,618	-	-	-	-	-	4,618	
Oneida County Delinquents - PY			47,401	-	-	-	-	-	47,401	
Remaining Accounts			1,128,992	527,144	112,532	128,036	150,607	37,289	173,384	Change
March, 2008			<u>2,042,207</u>	<u>538,526</u>	<u>118,355</u>	<u>139,933</u>	<u>167,476</u>	<u>45,127</u>	<u>1,032,790</u>	-7.61%
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%
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%
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%

MOHAWK VALLEY WATER AUTHORITY

WORK IN PROCESS—CAPITAL PROJECTS

Month 12 - March 31, 2008

CAPITAL PROJECTS - FY2003

CAPITAL PROJECT	LOCATION	PROJECT No.	AMENDED BUDGET	YEAR TO DATE EXPENSE	PRIOR YEARS EXPENSE	ADD'L. COMMITTED	TOTAL PROJECT EXPENSE	REMAINING BALANCE
Toby Road Tank	Marcy	02-26-A	105,164	1,250	32,664	48,750	82,664	22,500
Fiscal 2003 Budgeted Capital Projects			105,164	1,250	32,664 0	48,750	82,664	22,500

CAPITAL PROJECTS - FY2005

CAPITAL PROJECT	LOCATION	PROJECT #	AMENDED BUDGET	YEAR TO DATE EXPENSE	PRIOR YEAR EXPENSE	ADD'L. COMMITTED	TOTAL PROJECT EXPENSE	REMAINING BALANCE
Verona/Airport Tank & Mains	Verona/OC Airport	05-02-A	3,450,000	49,016	128,121	3,272,863	3,450,000	0
Emergency Generator	City Hall	05-09-A	135,000	1,638	1,125	132,237	135,000	0
SCADA-All Phases	System Wide	05-21-A	132,255	12,124	51,532	47,170	110,826	21,429
Clearwell	WTP	05-22-A	4,174,500	3,791,487	240,742	142,271	4,174,500	0
Fiscal 2005 Budgeted Capital Projects			7,891,755	3,854,265	421,520	3,594,541	7,870,326	21,429

CAPITAL PROJECTS - FY2006

CAPITAL PROJECT	LOCATION	PROJECT #	AMENDED BUDGET	YEAR TO DATE EXPENSE	PRIOR YEAR EXPENSE	ADD'L. COMMITTED	TOTAL PROJECT EXPENSE	REMAINING BALANCE
Water Main	Holland Patent	06-03-A	90,000	6,553	51,755	0	58,308	31,692
Tank-10m Gallon	Deerfield Tank	06-04-A	5,500,000	4,765,096	393,470	341,434	5,500,000	0
			5,590,000	4,771,649 0	445,225 0	341,434	5,558,308	31,692

MOHAWK VALLEY WATER AUTHORITY

WORK IN PROCESS—CAPITAL PROJECTS

Month 12 - March 31, 2008

CAPITAL PROJECTS - FY2007

CAPITAL PROJECT	LOCATION	PROJECT #	AMENDED BUDGET	YEAR TO DATE EXPENSE	PRIOR YEAR EXPENSE	ADD'L. COMMITTED	TOTAL PROJECT EXPENSE	REMAINING BALANCE
Corrosion Compliance Study	System Wide	07-01-A	180,000	63,388	91,559	25,053	180,000	0
Main Replacement	York St., Utica	07-03-A	33,440	58,465	24,422	0	82,887	-49,447
Pump Station	Cascade Drive, NH	07-04-A	2,500	0	1,325	0	1,325	1,175
System Improve.-WQ and Turn	System Wide	07-05-A	300,000	0	22,300	277,700	300,000	0
GIS & Hydraulic Modeling	System Wide	07-06-A	400,000	106,627	381,619	0	488,246	-88,246
Main Replacement/Crossings	Holland Patent	07-07-A	54,310	53,310	0	0	53,310	1,000
Ladder Safety/ Security	WTP-Backwash Tank	07-09-A	38,000	0	0	0	0	38,000
Water Tank	Smith Hill, Deerfield	07-10-A	600,000	975	0	599,025	600,000	0
Water Tank	Marcy Reservoir	07-12-A	3,600,000	12,029	0	3,587,971	3,600,000	0
Canal Crossing	Marcy	07-13-B	1,000,000	7,822	0	992,178	1,000,000	0
Activated Carbon PILOT	WTP	07-15-A	35,000	33,600	0	1,400	35,000	0
Main Extension	Mason Road	07-16-A	14,000	6,151	0	7,000	13,151	849
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	20,000	20,000	0
Leak Detection-Phase IV- VI	System Wide	07-19-A	85,000	19,032	0	65,968	85,000	0
Emergency Intake Valve	WTP	07-20-A	124,000	124,000	0	0	124,000	0
3rd Raw Water Intake Line-Desi	WTP	07-21-A	20,000	7,500	0	12,000	19,500	500
In-Line Hydro Generation Study	WTP	07-22-B	11,000	3,013	0	7,987	11,000	0
Fiscal 2007 Budgeted Capital Projects			6,529,250	10,032,657	1,359,920	6,279,150	17,671,727	-52,477

WORK IN PROCESS—CAPITAL PROJECTS

Month 12 - March 31, 2008

PROJECTS COMPLETED IN FISCAL YEAR 2008

CAPITAL PROJECT	LOCATION	PROJECT No.	AMENDED BUDGET	YEAR TO DATE EXPENSE	PRIOR YEARS EXPENSE	ADD'L. COMMITTED	TOTAL PROJECT EXPENSE	REMAINING BALANCE
Toby Road Tank-Land Purchase	Marcy	02-02-A	25,000	0	2,500	0	2,500	22,500
Main Replacement	Sherman Drive & Tilden Av	06-07-A	14,000	0	16,010	0	16,010	-2,010
Pump Station & Treatment Facili	System Wide	03-55-B	43,000	0	10,610	0	10,610	32,390
Safety & Security	Water Treatment Plant	03-23-A	30,000	0	30,302	0	30,302	-302
New Tank--Pre-Design	Airport Industrial Park	03-32-A	30,000	0	85,395	0	85,395	-55,395
WQ Lab-Hinkley Station	WTP	04-01-A	0	0	3,407	0	3,407	-3,407
Hydraulic Analysis & GIS Dev.	System Wide	05-08-A	80,000	0	80,093	0	80,093	-93
Main Replacement	New Hartford	05-08-B	90,000	0	7,671	0	7,671	82,329
Distribution Analysis-Chloramine:	System Wide	05-17-A	165,000	0	229,078	0	229,078	-64,078
Pavement of Mains	Dewey Street	03-47-B	7,665	0	7,665	0	7,665	0
Pleasant View Tank	Marcy	03-40-B	241,552	0	190,742	50,810	241,552	0
Other Security Projects	System Wide	05-04-A	12,700	0	3,494	9,206	12,700	0
Site Improvements	WTP	05-07-A	4,130	0	4,316	0	4,316	-186
Wall Repair	Southern Reserve.	05-11-B	33,000	0	20,652	0	20,652	12,348
Valve Exercising Program	System Wide	05-12-B	15,000	0	15,000	0	15,000	0
Cash Investment in Water Dist.	Whitestown-Contract #5	05-14-B	83,400	36,375	0	0	36,375	47,025

MOHAWK VALLEY WATER AUTHORITY

MAJOR REVENUE AND EXPENSE ACCOUNT ANALYSIS

Month 12 - March 31, 2008

MONTHLY CONSUMPTION- (IN HUNDREDS OF CUBIC FEET)

	FISCAL 08	FISCAL 07	FISCAL 06	FISCAL 05	FISCAL 04
April	432,019	419,898	421,158	436,874	438,082
May	428,265	412,183	433,169	433,732	437,133
June	449,886	483,811	463,071	432,431	430,936
July	441,659	434,748	477,805	476,038	443,310
August	510,472	475,336	514,883	469,873	440,876
September	493,270	481,683	513,111	449,233	546,365
October	446,832	436,160	469,375	529,942	477,584
November	453,228	472,410	474,227	424,247	458,962
December	403,309	451,290	424,902	426,796	416,941
January	404,724	397,180	407,949	409,415	463,977
February	430,673	434,793	398,579	452,494	428,836
March	<u>421,810</u>	<u>410,322</u>	<u>400,517</u>	<u>427,874</u>	<u>436,128</u>
Total	<u>5,316,147</u>	<u>5,309,814</u>	<u>5,398,746</u>	<u>5,368,949</u>	<u>5,419,130</u>

MONTHLY WATER BILLINGS:

	FISCAL 2008			FISCAL 2007	
	Billings	Cash Receipts	Reading Areas	Billings	Cash Receipts
April	\$ 1,309,707	\$ 1,019,228	Area 1	\$ 1,167,491	\$ 774,267
May	1,261,871	1,456,458	Area 2	1,168,917	1,303,161
June	1,310,916	1,180,125	Area 3	1,205,518	1,077,589
July	1,310,354	1,337,397	Area 1	1,214,680	1,260,740
August	1,459,484	1,375,328	Area 2	1,296,257	1,365,171
September	1,396,332	1,188,049	Area 3	1,265,491	1,124,613
October	1,363,214	1,896,068	Area 1	1,247,789	1,394,845
November	1,339,290	1,221,617	Area 2	1,224,796	1,133,510
December	1,208,607	1,414,089	Area 3	1,132,871	1,283,037
January	1,260,075	1,261,182	Area 1	1,134,424	1,062,568
February	1,281,830	1,249,834	Area 2	1,200,168	1,118,333
March	<u>1,247,605</u>	<u>1,417,892</u>	Area 3	<u>1,156,992</u>	<u>1,364,942</u>
Total	<u>\$15,749,285</u>	<u>\$16,017,267</u>		<u>\$14,415,394</u>	<u>\$14,262,776</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 REVENUE ACCOUNT ANALYSIS

Month 12 - March 31, 2008

REVENUE

- *Metered Water Sales:*

Monthly Billing--Quarterly and Monthly Accounts – For March, water sales (\$\$) is the prior year by \$92,000. This is primarily in the monthly accounts as several large user have increased consumption.

Overall Sales vs. Prior Year – For the year, water sales (\$\$) is above the budget by \$600,000 and above the prior year by \$1.3 million.

- “*System Charge*” – For the year, both quarterly billed and monthly billed system charges are relatively consistent with budget (below budget by (\$40,000)).
- *Quarterly and Monthly Penalties and Unpaid Bill Fees* –Overall, penalties are above budget estimates. Penalties are above budget by \$125,000 and unpaid bill fee are above by \$50,000. Cash collection of these fees ranges from 85% to 90%, based upon past years.
- Interest Income from operating funds is above the budget by \$60,000 for the year. Interest from trust funds is above the budget by \$183,000 for the year. We will be calculating arbitrage (excess interest earned) in the next months on bonded funds to determine if rebates are due on some serial bonds.

REVENUE ITEMS FALLING BELOW BUDGET

- *Other Delinquent Charges*— Revenue from shut-off fees, metered line charges, installation fees, line tap charges and termination of services fell below budget estimates.
- *Lab Fees*-Revenue is below budget due to the timing of EPA’s LT2 standard. This has recently gone into affect which will result in additional lab testing revenue from outside samples.

MOHAWK VALLEY WATER AUTHORITY

MAJOR EXPENSE ACCOUNT ANALYSIS

Month 12 - March 31, 2008

	<u>Month-To-Date</u>		Percent of Current Budget	Favorable (Unfavorable) Variance	Explanation of Variance
	Budget (Cash-Basis)	Actual-Mar 31, 2008 (Accrual-Basis)			
Administration					
Salaries	300,649	298,982	99.45%	1,667	Minimal variance
Contracted Services	69,600	51,045	73.34%	18,555	Feasibility study for marketing bottled did not occur (\$25k). Offset by \$5K unfavorable variance in public education / advertising.
Contracted Services.-Legal Fees	250,000	427,791	171.12%	(177,791)	Account consists of legal fees for lawsuit and legal charges for operations (Ted Earl) The annual budget was exceeded. Depositions for suit are completed and a final ruling is pending.
Finance & Accounting					
Salaries	425,935	422,790	99.26%	3,145	Minimal variance
Office Materials	1,565	3,559	227.41%	(1,994)	Overrun attributed to the printing of financial reports.
Contracted Services	217,437	249,500	114.75%	(32,063)	Budget overruns in banking services and collection agency fees.
Training & Education	1,500	2,909	0.00%	(1,409)	Meter Readers' training of hand held devices exceeded budgeted amount.
Engineering					
Salaries	512,035	507,416	99.10%	4,619	Position presently unfilled
Travel	9,029	3,572	39.56%	5,457	Did not attend some scheduled training events For instance: (a) NASTT Conference = \$1.8K; (b) EMA seminar = \$.8K and, (c) Pipe Rehab Show = \$1.3K.
Operating Supplies	13,100	8,691	66.34%	4,409	Several budgeted expenditures were under spent i.e., (a) Training Videos and manuals = \$1K; (b) Perimeter security = \$2K; and, (c) Training manuals = \$1K.
Contractor Services	55,630	93,420	167.93%	(37,790)	Tap card field management system = \$52 K not budgeted, This amt. is partially offset by state grant funds.
Training and Education	10,835	3,252	30.01%	7,583	Several seminars and conferences were not attended i.e., (a) NASTT, (b) EMA seminar and, (c) Pipe Rehab show
Clothing Allowance	4,260	425	9.98%	3,835	Minimal purchases throughout the year.

MOHAWK VALLEY WATER AUTHORITY

MAJOR EXPENSE ACCOUNT ANALYSIS-CONTINUED

Month 12 - March 31, 2008

	<u>Month-To-Date</u>		Percent of Current Budget	Favorable (Unfavorable) Variance	Explanation of Variance
	Budget (Cash-Basis)	Actual-Mar 31, 2008 (Accrual-Basis)			
Information Technology					
Salaries	245,514	248,065	101.04%	(2,551)	Two employees cashed-in one week's vacation, per contract.
Office Equipment	12,000	17,851	148.76%	(5,851)	Purchase of equipment for new phone system
Operating Supplies	20,000	13,753	68.77%	6,247	Certain charges are less than budgeted: a) paper = \$1.8K; b) toner/cartridges = \$2.3K; supplies and backup tapes = \$2.0K).
Contracted Services	119,666	82,740	69.14%	36,926	The following charges are less than budgeted: software licenses=\$15k; maintenance agreements=\$9K; IT contract support=\$25K (have not been billed for last four months.
Training and Education	9,785	1,600	16.35%	8,185	SCADA training attended but not billed = \$1.8K; Other training seminars were not attended (i.e., ARC IMS; GIS; Network Training; etc.)=\$6.3K
Water Quality					
Salaries	389,499	390,676	100.30%	(1,177)	Minimal variance
Operating Supplies	138,950	118,308	85.14%	20,642	Under spent for lab products such as glassware products and chemical reagents.
Contracted Services	18,240	8,627	47.30%	9,613	Charges for required water system monitoring are below budget-\$8K; summer interns not used--\$1.5K.
Training and Education	4,700	9,392	199.83%	(4,692)	Training on new lab equipment not covered by federal grant-\$4.8k.
Treatment Plant					
Salaries	342,112	332,927	97.32%	9,185	Favorable variance due to timing of new hire after employee retirement.
Wages	12,000	21,770	181.42%	(9,770)	Unfavorable variance caused by a part-time employee working full-time hours.
Small Equipment	17,300	3,369	19.47%	13,931	Certain equipment purchases did not occur: Chlorine Analyzer = \$2.8K; PH analyzer and sensors = \$5.0K.
Operating Supplies	734,515	778,743	106.02%	(44,228)	Purchase of polymer unfavorable by \$36K due to excessive usage needed to treat turbidity in the water.
Contractor Services	20,650	13,875	67.19%	6,775	Sludge removal favorable by \$6.5K.

MOHAWK VALLEY WATER AUTHORITY

MAJOR EXPENSE ACCOUNT ANALYSIS-CONTINUED

Month 12 - March 31, 2008

	<u>Month-To-Date</u>		Percent of Current Budget	Favorable (Unfavorable) Variance	Explanation of Variance
	Budget (Cash-Basis)	Actual-Mar 31, 2008 (Accrual-Basis)			
Maintenance					
Salaries	538,771	542,630	100.72%	(3,859)	Hired former supervisor (inman) to assist at the Yard.
Wages	930,532	859,360	92.35%	71,172	Vacant positions presently filled-savings will carry to y/e.
Street Repair Materials	130,000	99,340	76.42%	30,660	Favorable variances during the year were: a) Item# 4 = \$13.6K; b) Concrete = \$14K; and, c) Cold Patch = \$5.2K.
Small Equipment	29,500	14,991	50.82%	14,509	Many of the items budgeted were not purchased i.e., a) gears for valves-\$5.7K; pipe thawers-\$4.1K. Leak Surveying equipment \$5.4K.
Operating Supplies	121,871	161,293	132.35%	(39,422)	Valve repairs =(\$12.6K) unfavorable, and general supplies (i.e., clamps, couplings, main supplies . etc.) are (\$24K) unfavorable.
Contracted Services	27,500	49,808	181.12%	(22,308)	Underwater diving @ Hinckley Reservoir = \$17K
Training & Education	10,275	4,478	43.58%	5,797	Minimal safety training performed.
Vehicle & Equip. Repairs	141,900	154,071	108.58%	(12,171)	Unanticipated repairs have resulted in negative variance (i.e. emergency generator repairs = \$5.0K).
Cash-Financed Construction					
Meters	276,700	207,110	74.85%	69,590	Purchase of 5/8" meters favorable by approximately \$30K. We obtained more favorable prices by switching vendors.
Hydrants	29,500	33,853	114.76%	(4,353)	An additional 22 hydrants purchased in Feb. Will be paid in FY '09.
Vehicles & Machinery	226,500	147,327	65.05%	79,173	Two purchase orders outstanding totaling \$75K.
General Services					
Printing	37,955	33,446	88.12%	4,509	Favorability caused by the purchase of envelopes = \$1.2K and printing of the newsletter = \$3.3K.
Electricity and Gas	442,558	454,661	102.73%	(12,103)	Unfavorable variance for the year was 2.7%. Trend shows increased consumption at these locations--Pleasant St. location; Higby Rd. Pump Station (i.e., Sitrin Home).
Heating Oil	51,994	59,906	115.22%	(7,912)	Purchase of fuel oil was unfavorable by \$11K. The price per gallon of fuel oil increased by approximately 40% from the previous year.
Gas & Oil	142,945	159,196	111.37%	(16,251)	To assure uninterrupted operation, paid \$10K reserve. Price per gallon has increased by approx. 30% since beginning of year.
Overtime					
Treatment Plant	51,396	59,524	115.81%	(8,128)	
Maintenance	217,844	201,912	92.69%	15,932	

MOHAWK VALLEY WATER AUTHORITY

FINANCIAL RATIOS

Month 12 - March 31, 2008

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 '08</u>	<u>Feb. '08</u>	<u>Jan. '08</u>	<u>Dec. '07</u>	<u>Nov. '07</u>	<u>Oct. '07</u>	<u>Avg.-Past Six months</u>
1.74	1.68	1.56	1.62	1.43	1.63	1.70

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 '08</u>	<u>Feb. '08</u>	<u>Jan. '08</u>	<u>Dec. '07</u>	<u>Nov. '07</u>	<u>Oct. '07</u>	<u>Avg.-Past Six months</u>
\$3,004,840	\$2,486,824	\$2,354,405	\$2,451,120	\$1,854,991	\$2,235,426	\$2,673,269

FINANCIAL RATIOS

Month 12 - March 31, 2008

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 '08</u>	<u>Feb. '08</u>	<u>Jan. '08</u>	<u>Dec. '07</u>	<u>Nov. '07</u>	<u>Oct. '07</u>	<u>Avg.-Past Six months</u>
75%	75%	75%	75%	76%	76%	77%

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>March '08</u>	<u>Feb. '08</u>	<u>Jan. '08</u>	<u>Dec. '07</u>	<u>Nov. '07</u>	<u>Oct. '07</u>	<u>Avg.-Past Six months</u>
3.86	2.59	2.68	2.95	3.55	4.03	2.78

FINANCIAL RATIOS

Month 12 - March 31, 2008

A. UNACCOUNTED FOR WATER RATIO

What does it measure? – The Authority’s loss of treated water from the filtration plant to its customers.

Example: 25% indicates the Authority has lost one quarter of its treated water due to unaccounted-for factors including leakage and evaporation.

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

Calculation: $(1 - ((3\text{-Month Average Billed Consumption}) / (3\text{-Month Average Water Production})) + \text{Other Unmetered Uses}$

Please Note: On June 18, 2007 the Principal Engineer presented to the Board of Director’s an updated annual water supply audit based upon calendar 2006 production and consumption data as well as updated “other unmetered uses” of water within the system. The water supply audit presented includes the following other unmetered uses:

• Firefighting	2.50%
• Construction	.01%
• Street Cleaning	.02%
• Flushing	.003%
• Main Breaks	5.23%
• Water Leaks Subsequently Repaired	13.8%
• New Leaks Discovered thru Leak Detection Efforts	(13.8%)
• Meter Under-Registration	10.00%
Total Other Unmetered Uses	17.76%

	<u>Dec., Jan., Feb. '08</u>	<u>Nov., Dec., Jan '08</u>	<u>Oct., Nov., Dec. '07</u>	<u>Avg.-Past Six months</u>
Average Billed Water %	55.05%	54.72%	56.58%	55.80%
Other Unmetered Uses (See Detail Above)	17.76%	17.76%	17.76%	17.76%
Total Water Usage	72.81%	72.48%	74.34%	73.56%
Remaining “Unaccounted-For Leakage”	27.19%	27.52%	25.66%	26.44%

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 12 - March 31, 2008

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 '08</u>	<u>Feb. '08</u>	<u>Jan. '08</u>	<u>Dec. '07</u>	<u>Nov. '07</u>	<u>Oct. '07</u>	<u>Avg.-Past Six months</u>
\$36.91	\$40.84	\$40.84	\$40.92	\$40.20	\$40.18	\$38.88

GLOSSARY OF TERMS

Month 12 - March 31, 2008

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, 2008

- 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.