

# MOHAWK VALLEY WATER AUTHORITY

## *MONTHLY FINANCIAL REPORTING PACKAGE*

### **Month 2: Month Ended May 31, 2009**

#### **Finance Committee Members**

#### **Terms Ending**

December 31,

Bruce Brodsky, Committee Chairman	2008
Vincent Coyne	2008
Elis DeLia	2010
George Gaston, Board Chairman	2008
A. Eugene Snyder	2009
Frank Trevisani	2009

Report produced by Jim Korfonta, Comptroller

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**VITAL SIGNS—(KEY PERFORMANCE INDICATORS)**

Month 2 - May 31, 2009

**PRODUCTION & CONSUMPTION**

All amounts in <u>Cubic Feet</u> (1 cubic foot=7.481 gallons.)	<b>February, March, April, 2009</b>	<b>January, February, March, 2009</b>	<b>December 08, January and February, 2009</b>	<b>Average-- Past 6 Months</b>
<b>Average Water Consumption</b>	39,077,219	39,802,320	39,618,486	44,405,267
<b>Average Water Production</b>	73,056,516	76,122,261	76,322,782	71,494,680

**CASH FLOW**

Cash Flow-(See cash flow detail on page 4.)	<b>Beginning Cash</b>	<b>Operating Cash In</b>	<b>Operating Cash Out</b>	<b>Net Change In Cash</b>	<b>Balance Remaining</b>
May, 2009		\$ 1,722,415	\$ 1,293,405	\$ 429,010	
Year-To-Date	\$ 3,904,959	\$ 3,080,986	\$ 2,796,145	\$ 284,841	\$ 4,189,800

**Did you Know.....**

With the change in the FDIC (Federal Depository) rules, all non-interest bearing accounts and all NOW accounts with an interest rate of .50% or less will be fully covered by the FDIC through December 31, 2009. Then all NOW accounts earning over .50% interest along with all savings/money market and CD's will have FDIC coverage up to \$250,000.00. Collateral should cover any balances not covered by the FDIC coverage.

MVWA has one account that is non-interest bearing, one account that is interest bearing at .50% and an interest bearing account over .50% that is fully collateralized.

**MOHAWK VALLEY WATER AUTHORITY**

**VITAL SIGNS—(KEY PERFORMANCE INDICATORS)--CONTINUED**

Month 2 - May 31, 2009

**CUSTOMER ACCOUNT MAINTENANCE**

<b>Customers in the Water System</b>	<b>Beginning Balance</b>	<b>New Accounts/ Moved into Area</b>	<b>Moved Out of Service. Area</b>	<b>Ending Balance</b>
May, 2009		3	(17)	
Current YTD (2010)	38,955	58	(27)	38,986
Fiscal 2009	38,914	293	(252)	38,955
Fiscal 2008	38,877	497	(460)	38,914
Fiscal 2007	38,589	981	(693)	38,877
Fiscal 2006	38,449	573	(433)	38,589

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

**From Utica To:**

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

**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.
May, 2009	259	2	8	3	0	4	276	20	7	13.1	3.28
April 2009	218	8	2	1	0	1	230	21	3	11.0	2.74
Fiscal 2010	477	10	10	4	0	5	506	21	3	12.3	3.08

Prior Year Activity	Meters Replaced							Daily Activity			
	5/8"	3/4"	1"- 1 1/2"	2"	3"-4"	6"-8"	Total	High	Low	Daily Avg.	Staff Avg.
Fiscal 2009	3,113	46	61	16	15	4	3,255	32	4	13.2	3.3
Fiscal 2008	3,414	52	61	9	9	18	3,563	27	1	14	3.7
Fiscal 2007	2,344	34	30	9	23	17	2,457	20	1	8.4	2.4
Fiscal 2006	2,486	50	51	18	6	20	2,631	24	1	10.9	2.7
Fiscal 2005	2,964	54	51	24	0	3	3,096	27	1	12.6	3.2

**COMPTROLLER'S MESSAGE**

Month 2 - May 31, 2009

**WATER SYSTEM MAINTENANCE—PRODUCTION ACTIVITY**

Month	Water Main Breaks / Install, etc.	Curb Box	Leak Investigations	Meters-- Inspect./ Special Reads / Replaced	Hydrants	Valves	Pavement Cuts	Other	TOTALS
April, 2009	27	116	57	637	2	1	450	11	1,301
May, 2010	32	108	85	652	87	0	35	24	1,023
Total Fiscal 2010	59	224	142	1,289	89	1	485	35	2,324
Prior year activity	303	1,234	578	10,622	74	33	422	114	13,380
Total Fiscal 2008	314	1,068	353	12,865	60	38	422	110	15,230

**ACCOUNTS PAYABLE**

	<u>Total</u>	<u>0-10</u>	<u>10-20</u>	<u>20-30</u>	<u>30-45</u>	<u>45+</u>	<u>Capital Project Retention</u>
May, 2009	\$427,775	\$ 145,832	\$ 47,631	\$ 93,633	\$ 23,987	\$ 1,539	\$ 115,153

**SOLE SOURCE PROCUREMENT CONTRACTS:**

In accordance with MVWA's procurement policy, the following sole source contracts were awarded following review and approval by the Executive Director and the Purchasing Officer: (Explanations are on file in the administrative offices)

<u>Invoice Date</u>	<u>Department/Function</u>	<u>Supplier</u>	<u>Amount</u>
4/13/2009	Engineering/ Maintenance	Ross Valve Company	\$10,224

**COMPTROLLER'S MESSAGE**

Month 2 - May 31, 2009

**Big Picture**

***Consumption and Water Sales:***

**Consumption-Compared to Previous Year**

On a year to date basis, total consumption is lower by 3.4 million cubic feet or 4.1% when compared to the consumption billed during the same months of the previous year. Of this amount, 2.1 million cubic feet is from quarterly billed customers. This lower level of consumption was generally spread throughout the population of the quarterly accounts billed. Likewise, monthly customers made up the remaining 1.3 million cubic feet reduction.

**Quarterly Customer Summary (Compared to Prior Billing)**

When comparing the consumption for quarterly billed accounts to the previous billed, consumption is lower by 900,000 cubic feet or 1.8%. As discussed above, the lower level of consumption was generally spread among the population of quarterly accounts.

**Monthly Customer Summary (Compared to Prior Billing)**

When comparing the consumption for monthly billed accounts to the previous month billed, consumption is higher by 1.8 million cubic feet or 6.5%. There were several reasons for this increase: St. Elizabeth's Hospital had previously been estimated; Oneida County Sewer increased consumption by 200,000 cubic feet and continues to have wide fluctuations. Several other accounts experienced smaller fluctuations compared to the previous months billed.

**Water Sales:**

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

**COMPTROLLER'S MESSAGE**

Month 2 - May 31, 2009

**Big Picture**-continued

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

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

	<u>MONTHLY ACTIVITY</u>		<u>YEAR-TO-DATE ACTIVITY</u>	
	TARGET	MAY 2009	TARGET	ACTUAL
<b>Cash Inflow</b>	\$ 1,534,800	\$ 1,723,000	\$ 3,069,667	\$ 3,082,000
<b>Outflows--</b>				
<b>Transfer to Fund Reserves</b>	\$ -	\$ -	\$ -	\$ -
<b>Personnel Costs</b>	328,000	331,000	656,000	652,000
<b>PILOTS</b>	129,000	129,000	258,000	257,000
<b>Debt Service</b>	439,000	439,000	878,000	878,000
<b>Payments to Suppliers</b>	561,000	394,000	1,122,000	1,009,000
	<u>1,457,000</u>	<u>1,293,000</u>	<u>2,914,000</u>	<u>2,796,000</u>
<b>Cash Remaining</b>	\$ 77,800	\$ 430,000	\$ 155,667	\$ 286,000

**LITIGATION EXPENSES RELATED TO LAWSUIT**

FISCAL YEAR	PURPOSE	AMOUNT
2005	WATER PERMIT REVIEW & DISCOVERY	\$ 44,180
2006	DISCOVERY & DECLARATORY JUDGMENT	142,845
2007	DECLARATORY JUDGMENT ACTIVITY	243,757
2008	DECLARATORY JUDGMENT ACTIVITY	394,663
2009	DECLARATORY JUDGMENT ACTIVITY	223,481
2010	DECLARATORY JUDGMENT ACTIVITY	13,622
<b>TOTAL</b>		<b>\$ 1,062,548</b>

**COMPTROLLER'S MESSAGE**

Month 2 - May 31, 2009

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

**CURRENT CUSTOMER SERVICE ACTIVITY**

**Ongoing Initiatives--**

- We continue to execute a program to address properties that have either registered "0" consumption or estimated consumption for three or more quarters. Results will be displayed in future reports presented to the Finance Committee. This is to assist in our tampering efforts and to correct stopped meters.

--For the month, 3.7% of the monthly accounts were estimated. This is compared to 4.2% from the previous month.

--3.00% of the quarterly accounts were estimated. This is comparable to the 4.90% recorded in February, 2009 (The prior time this area was billed).

**MOHAWK VALLEY WATER AUTHORITY**

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**COMPTROLLER'S MESSAGE**

Month 2 - May 31, 2009

**BILLING/COLLECTIONS:**

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

<b>Fiscal 2010</b>	<b>Beginning Balance</b>	<b>Sent to Collections</b>	<b>Amount Collected</b>	<b>Returned From Collections</b>	<b>Ending Balance</b>
May, 2009		0	0		
Fiscal 2010	\$ 1,419	\$ 0	\$ 0	\$ 0	\$ 1,419

<b>Prior Fiscal Years</b>		<b>Sent to Collections</b>	<b>Amount Collected</b>	<b>Returned From Collections</b>	
Fiscal 2009		\$ 179,504	\$ 66,227	\$ 119,077	
Fiscal 2008		\$ 484,236	\$ 333,129	\$ 217,218	
Fiscal 2007		\$ 550,183	\$ 301,768	\$ 107,701	
Fiscal 2006		\$ 588,361	\$ 356,190	\$ 222,711	
Fiscal 2005		\$ 673,903	\$ 368,184	\$ 305,719	

**Shut-Offs**

Approximately 166 accounts “posted” for non-payment were addressed in May from a listing of back-logged work orders. An additional 56 accounts were addressed in May. The majority paid and approximately 11 accounts were shut-off. 99 accounts remain from the overall account balance requiring additional attention (curb box, meter replaced, special digging, etc.).

**TAMPERING ISSUES:**

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

<b>Date</b>	<b>Last Name</b>	<b>Acct. #</b>	<b>Address</b>	<b>Fee Amt.</b>	<b>Fee Paid</b>	<b>Evidence</b>	<b>Letter Sent</b>	<b>Posted</b>	<b>Shut Off</b>	<b>Status</b>
10/27/08	Pideo	7D-26	1502 Whitesboro St	\$2,000		Meter	11/2/08		10/29/2008	11
1/16/09	Sanabria	16	Properties	\$64,000		Pictures/Meters				11

**MOHAWK VALLEY WATER AUTHORITY**

**FLASH REPORT**

Month 2 - May 31, 2009

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

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

	Critical Ratio %	May	April	March	February	January	December
<b>ASSETS</b>							
Cash		\$ 4,710,988	\$ 4,326,293	\$ 4,350,337	\$ 3,942,873	\$ 4,204,040	\$ 4,704,854
Water Sales Receivable, Net		\$ 1,555,788	\$ 1,678,118	\$ 1,372,574	\$ 1,585,023	\$ 1,472,068	\$ 1,387,148
Trust Fund Assets		\$ 26,380,008	\$ 26,328,339	\$ 27,655,380	\$ 27,781,745	\$ 27,351,666	\$ 26,875,002
Utility Long Term Assets, Net		\$ 63,660,687	\$ 63,128,568	\$ 62,674,609	\$ 62,051,125	\$ 61,996,180	\$ 61,741,069
<b>Total Assets</b>		\$ 97,321,731	\$ 96,607,591	\$ 98,108,677	\$ 97,233,116	\$ 96,713,764	\$ 95,810,049
<b>LIABILITIES</b>							
Accounts Payable		\$ 427,775	\$ 429,254	\$ 461,729	\$ 553,538	\$ 767,533	\$ 464,109
Long Term Debt, Principal		\$ 66,758,092	\$ 66,858,950	\$ 67,811,947	\$ 67,962,804	\$ 67,948,661	\$ 67,934,518
<b>Total Liabilities</b>		\$ 71,323,045	\$ 71,542,210	\$ 72,486,691	\$ 72,619,681	\$ 72,607,629	\$ 71,872,891
<b>EQUITY</b>							
Unrestricted Earnings		\$ 4,384,010	\$ 3,454,139	\$ 4,301,529	\$ 4,898,653	\$ 4,391,354	\$ 4,222,398
Invested in Utility Plant, Net		\$ 18,178,331	\$ 18,178,331	\$ 16,944,829	\$ 16,944,829	\$ 16,944,829	\$ 16,944,829
Timber Sales Reserve		\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638
"3R" Reserve		\$ 874,493	\$ 873,635	\$ 872,264	\$ 872,264	\$ 872,264	\$ 872,256
Oper. and Maint. Reserve		\$ 575,291	\$ 574,433	\$ 872,264	\$ 573,062	\$ 573,054	\$ 573,054
Repair & Improvement		\$ 600,263	\$ 599,404	\$ 526,533	\$ 526,533	\$ 526,533	\$ 526,526
Bond Covenant Reserve		\$ 710,807	\$ 710,807	\$ 650,456	\$ 650,456	\$ 650,456	\$ 650,456
Capital Maintenanc Reserve		\$ 527,854	\$ 526,995	\$ 597,124	\$ -	\$ -	\$ -
<b>OPERATIONS - (Monthly Accumulation)</b>							
	<i>Accum. Budget</i>	<b>2nd Month FY 2010</b>	<b>1st Month FY 2010</b>	<b>12th Month FY 2009</b>	<b>11th Month FY 2009</b>	<b>10th Month FY 2009</b>	<b>9th Month FY 2009</b>
Water Sales	101%	\$ 2,821,459	\$ 1,391,302	\$ 16,353,628	\$ 15,081,700	\$ 13,774,673	\$ 12,442,114
Other Revenue	61%	\$ 419,104	\$ 174,823	\$ 2,288,196	\$ 2,111,659	\$ 1,976,634	\$ 1,824,412
Operating Expenses less PILOTS	80%	\$ 1,443,531	\$ 716,567	\$ 10,626,866	\$ 9,884,482	\$ 9,111,781	\$ 7,940,103
Debt Service, Interest only	100%	\$ 1,164,020	\$ 831,436	\$ 2,403,986	\$ 2,394,765	\$ 2,387,543	\$ 2,387,543
PILOT Payments	100%	\$ 257,492	\$ 128,746	\$ 1,553,163	\$ 1,424,418	\$ 1,295,673	\$ 1,166,928

**SIGNIFICANT DELINQUENT RECEIVABLE BALANCES**

Month 2 - May 31, 2009

**CURRENT WATER RECEIVABLES – AGING OF ACCOUNTS:**

**Note:** Accounts have been specifically identified if they are greater than \$1,000 with significant balances over 71 days old.

<b>Customer</b>	<b>Route &amp; Account</b>	<b>Address</b>	<b>Total</b>	<b>0-23</b>	<b>24-45</b>	<b>46-71</b>	<b>72-122</b>	<b>123-157</b>	<b>158 +</b>	<b>Acct. Status</b>
City of Utica	2 accounts	Parks / Recr. / Public Safety etc.	9,286	6	107	2,079	15	54	7,025	
City of Utica	15 accounts	All Other	6,342	-	449	166	198	451	5,078	
Kimberly Lynn	1D 37	623 Henry Stret, Utica	1,111	-	-	515	15	581	-	Posted
Ashford Clinton Corp.	2F 52BK	244 Roosevelt Dr. Utica	1,692	-	-	82	-	123	1,487	Posted
Lawrence Raynor	6A 133	919 Lenox Ave. Utica	2,116	-	1,882	9	26	-	199	Posted
Eddy Phouthakoun	12C 115	1633-35 Dudley Avenue, Utica	1,072	-	512	15	-	543	2	Investigation
Gospel Light Baptist Church	12E 36A	1605 Agnes Ave. Utica	1,318	-	672	15	-	616	15	Investigation
Joel Grimaldi	13D 25	1211 Conkling Ave. Utica	2,270	-	227	15	-	2,013	15	Posted
Robert Nora	14C 125	1534 Mohawk Street, Utica	1,976	-	64	-	1,912	-	-	Posted
Stateside Properties	15B 152A	611 South Street, Utica	2,443	-	1,348	15	1,080	-	-	Posted
Milquiades Burdier	16E 122	664-66 Bleeker Street, Utica	1,208	-	137	26	150	15	880	Posted
Fabbio Jimenez	18A 104	528 St. Anthony Street, Utica	1,771	131	2	17	1,369	15	237	Posted
Waterbury Felt, Inc.	31A 32	107 River Street, Oriskany	1,420	15	-	-	1,405	-	-	Posted
Airport Rd. Property, Inc.	31D 98	5920 Airport road, Oriskany	2,378	15	-	-	2,363	-	-	Posted
Susan Perry	32N 128	29 Hollywood Drive, Whitesboro	1,004	15	11	11	128	-	839	Investigation
Daniel Emery	32R 95	11 Gilbert Road, Whitesboro	1,034	15	11	147	27	-	834	Posted
Cybersports, Inc	34A 52A	8020 Ste. Route 12, NH	1,791	-	-	239	-	92	1,460	Investigation
Phyllis Dam	35G 114	619 Pauline Avenue, Utica	2,207	15	-	2,192	-	-	-	Posted
T. Klotz ( also, see shut-offs)	22 accounts	See separate attachment	6,537	2,125	1,537	1,319	156	609	791	Posted

**SIGNIFICANT DELINQUENT RECEIVABLE BALANCES**

Month 2 - May 31, 2009

**DELINQUENT ACCOUNTS - SHUT-OFFS**

Customer	Route & Account	Address	Total	0-23	24-45	46-71	72-122	123-157	158 +	Acct. Status
Ocwen Loan Service	3A 49	1857-59 Merriline Ave. Utica	1,790	-	17	224	28	418	1,103	Shut-off
Andrew Karas	3E 132	1331 Sunset Avenue, Utica	4,383	-	-	3,788	28	562	5	Shut-off
GID Properties	4A 132B	808 Wager Street	2,778	-	20	340	36	1,074	1,308	Posted
LaSonja Pulluaim	4C 32	904 Warren Street, Utica	1,332	-	3	440	17	646	226	Shut-off
Andrew Randt	5F 133BK	1203-1205 Whitesboro Str. Utica	1,250	-	-	427	15	808	-	Shut-off
Classie Boyd	6A 112	916 Lennox Avenue, Utica	1,285	-	1,172	-	19	79	15	Shut-off
William Almas	8C 26	1424 Oneida St. Utica	2,461	-	505	12	30	606	1,308	Shut-off
Hari Lukac	8C 46BK	17 Clinton Pl. Utica	1,312	-	203	-	-	189	920	Shut-off
Hidalgo Diaz	10F 86	1506 Steuben Street, Utica	1,557	-	79	35	26	54	1,363	Shut-off
Magnus Ogunsanwo	11B 87A	1109-11 Linwood Place	1,173	-	436	16	1	290	430	Shut-off
Mark Brito	11C 55	214 James Street, Utica	1,074	-	72	28	16	54	904	Shut-off
Joseph Smoot	12B 68	1622 Dudley Ave (2nd Fl)	1,478	-	318	18	4	861	277	Shut-off
Margaret Natale	12B 89	339 Pleasant Street, Utica	3,939	-	115	69	71	54	3,630	Shut-off
Josephine Morrock	12F 41	1611 Sulzer Place, Utica	1,220	-	599	18	4	322	277	Shut-off
Manuel Marte	13E 104	1131 West Street, Utica	1,103	-	71	22	9	175	826	Shut-off
Chantry Srey	16B 16	516 Lansing Street ( 1 Fl ), Utica	1,491	-	69	33	78	15	1,296	Shut-off
Samnang Phou	16E 56	705 Elizabeth Street, Utica	1,267	-	19	18	24	-	1,206	Shut-off
Stanley Williams	16E 114	516 Mohawk Street, Utica	1,220	-	61	25	177	15	942	Shut-off
James Mazzatti	17B 25	923 Elizabeth Street, Utica	2,101	591	-	15	1,479	15	1	Shut-off
Anthony Jackson	17B 112	917 Catherine Street ( 1 fl ) Utica	1,015	334	3	18	347	15	298	Shut-off
Edilberto Bello	17F 110	912 Blandina Street, Utica	1,008	101	-	15	876	15	1	Shut-off
Outback Steakhouse	27P 85BB	8655 Clinton Street, Utica	3,404	1,671	15	-	1,718	-	-	Shut-off
Alan Pflanz	30C 62	389 Oriskny Blvd. Utica	2,915	-	-	876	1,984	-	55	Shut-off
Michael Knapp	37B 14	2260 Route 5	4,015	15	46	864	63	54	2,973	Shut-off
Seco Leasing Corp.	50A 21	132-42 Hotel Street	1,849	15	105	118	210	95	1,306	Shut-off
Coolidge Mem. LLC	52B 60	106 Memorial Pkwy	9,424	15	614	620	1,096	499	6,580	Shut-off
Charleston Mall	55A 17	311 Turner Street, Utica	6,204	15	1,295	1,410	2,442	1,042	-	Shut-off
Charles Property Mgmt.	55B 29	311-15 Whitesboro Street	4,883	15	224	236	389	173	3,846	Shut-off
Sandra Albert	3 accounts	See separate attachment	1,347	-	15	189	60	162	921	Shut-off
T. Klotz ( also, see posted )	3 accounts	See separate attachment	3,807	102	470	163	323	444	2,305	Shut-off
City of Utica Delinquents-FY '09			189,684	-	-	-	-	-	189,684	
City of Utica Delinquents-FY '08			74,372	-	-	-	-	-	74,372	
City of Utica Delinquents-FY '07			68,212	-	-	-	-	-	68,212	
City of Utica Delinquents-FY '06			44,752	-	-	-	-	-	44,752	
City of Utica Delinquents - Prior Years			1,116,023	-	-	-	-	-	1,116,023	
Oneida County Delinquents			53,421	-	-	-	-	-	53,421	
Village Delinquents - FY '09			14,183	-	-	-	-	-	14,183	
Village Delinquents - Prior Years			90,113	-	-	-	-	-	90,113	
Remaining Accounts			1,402,777	649,808	292,442	151,062	107,587	80,611	121,267	Change
<b>May, 2009</b>			3,176,598	655,019	305,947	167,961	128,001	94,459	1,825,211	-3.12%
<b>April, 2009</b>			3,278,809	996,041	120,303	123,126	162,387	51,037	1,825,915	4.32%

**MOHAWK VALLEY WATER AUTHORITY**

**WORK IN PROCESS—CAPITAL PROJECTS**

Month 2 - May 31, 2009

**CAPITAL PROJECTS - FY2003**

CAPITAL PROJECT	LOCATION	PROJECT No.	AMENDED BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEARS EXPENSE	TOTAL PROJECT EXPENSE	REMAINING BALANCE
Toby Road Tank	Marcy	02-26-A	8,237,750	54,000	54,000	137,090	191,090	8,046,660
Fiscal 2003 Budgeted Capital Projects			<u>8,237,750</u>	<u>54,000</u>	<u>54,000</u>	<u>137,090</u>	<u>191,090</u>	<u>8,046,660</u>

**CAPITAL PROJECTS - FY2005**

CAPITAL PROJECT	LOCATION	PROJECT #	AMENDED BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEAR EXPENSE	TOTAL PROJECT EXPENSE	REMAINING BALANCE
Verona/Airport Tank & Mains	Verona/OC Airport	05-02-A	3,450,000	0	0	185,321	185,321	3,264,679
Emergency Generator	City Hall	05-09-A	135,000	0	0	2,763	2,763	132,237
SCADA-All Phases	System Wide	05-21-A	132,255	802	802	98,636	99,438	32,817
Clearwell	WTP	05-22-A	4,643,244	452	2,110	4,477,982	4,480,092	163,152
Fiscal 2005 Budgeted Capital Projects			<u>8,360,499</u>	<u>1,254</u>	<u>2,912</u>	<u>4,764,702</u>	<u>4,767,614</u>	<u>3,592,885</u>

**CAPITAL PROJECTS - FY2006**

CAPITAL PROJECT	LOCATION	PROJECT #	AMENDED BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEAR EXPENSE	TOTAL PROJECT EXPENSE	REMAINING BALANCE
Water Main	Holland Patent	06-03-A	90,000	0	0	81,067	81,067	8,933
Tank-10m Gallon	Deerfield Tank	06-04-A	5,789,505	1,988	1,988	5,832,646	5,834,634	-45,129
Fiscal 2006 Budgeted Capital Projects			<u>5,879,505</u>	<u>1,988</u>	<u>1,988</u>	<u>5,913,713</u>	<u>5,915,701</u>	<u>-36,196</u>

**MOHAWK VALLEY WATER AUTHORITY**

**WORK IN PROCESS—CAPITAL PROJECTS**

Month 2 - May 31, 2009

**CAPITAL PROJECTS - FY2007**

CAPITAL PROJECT	LOCATION	PROJECT #	AMENDED BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEAR EXPENSE	TOTAL PROJECT EXPENSE	REMAINING BALANCE
Corrosion Compliance Study	System Wide	07-01-A	180,000	0	0	163,783	163,783	16,217
Main Replacement	York St., Utica	07-03-A	84,600	0	0	82,887	82,887	1,713
Pump Station	Cascade Drive, NH	07-04-A	2,500	0	0	1,325	1,325	1,175
System Improve.-WQ and Turr	System Wide	07-05-A	300,000	0	0	22,300	22,300	277,700
GIS & Hydraulic Modeling	System Wide	07-06-A	550,000	0	4,077	538,301	542,378	7,622
Main Replacement/Crossings	Holland Patent	07-07-A	54,310	0	0	53,310	53,310	1,000
Ladder Safety/ Security	WTP-Backwash Tank	07-09-A	38,000	0	0	26,800	26,800	11,200
Water Tank	Smith Hill, Deerfield	07-10-A	600,000	0	0	2,331	2,331	597,669
Water Tank	Marcy Reservoir	07-12-A	3,815,456	798	798	143,134	143,932	3,671,524
Canal Crossing	Marcy	07-13-B	1,000,000	0	0	7,822	7,822	992,178
Activated Carbon PILOT	WTP	07-15-A	35,000	0	0	56,670	56,670	-21,670
Main Extension	Mason Road	07-16-A	14,000	0	0	11,065	11,065	2,935
Safety/Security/Equipment	System Wide	07-17-A	12,000	0	0	0	0	12,000
Security Surveillance Projects	System Wide	07-18-A	20,000	0	0	0	0	20,000
Leak Detection-Phase IV-VI	System Wide	07-19-A	80,000	0	0	46,702	46,702	33,298
Emergency Intake Valve	WTP	07-20-A	124,000	0	0	124,000	124,000	0
3rd Raw Water Intake Line-De	WTP	07-21-A	20,000	0	0	21,295	21,295	-1,295
In-Line Hydro Generation Stud	WTP	07-22-B	11,000	0	0	3,013	3,013	7,987
Fiscal 2007 Budgeted Capital Projects			<u>6,940,866</u>	<u>798</u>	<u>4,875</u>	<u>1,304,738</u>	<u>1,309,613</u>	<u>5,631,253</u>

**MOHAWK VALLEY WATER AUTHORITY**

**WORK IN PROCESS—CAPITAL PROJECTS**

Month 2 - May 31, 2009

**CAPITAL PROJECTS - FY2009**

<b>CAPITAL PROJECT</b>	<b>LOCATION</b>	<b>PROJECT #</b>	<b>AMENDED BUDGET</b>	<b>CURRENT MONTH EXPENSE</b>	<b>YEAR TO DATE EXPENSE</b>	<b>PRIOR YEAR EXPENSE</b>	<b>TOTAL PROJECT EXPENSE</b>	<b>REMAINING BALANCE</b>
Main Replacement	Walnut St., Utica	09-01-A	65,000	0	0	28,547	28,547	36,453
Main Replacement	Colonial Dr. Utica	09-03-A	10,305	0	0	6,880	6,880	3,425
Main Replacement	Parkside Court	09-04-A	6,120	0	0	5,311	5,311	809
Main Replacement	Scott St, Utica	09-05-A	1,950	0	0	1,950	1,950	0
Butterfly Valve	Deerfield Reservoir	09-06-A	79,785	0	0	79,785	79,785	0
Sludge Removal	WTP	09-07-A	79,785	0	0	48,990	48,990	30,795
WQ Monitoring Station	Yorkville	09-08-A	0	0	0	13,180	13,180	-13,180
Water Main	Evergreen Dr-	09-09-A	0	0	0	453	453	-453
Powell Rd. Crossover - HP	Holland Patent	09-10-A	8,000	0	0	7,226	7,226	774
Asbestos Remediation	Kemble Street	09-11-B	40,100	5,789	5,789	5,895	11,684	28,416
Fiscal 2009 Budgeted Capital Projects			250,945	0	0	122,473	185,096	57,849

**MOHAWK VALLEY WATER AUTHORITY**

**MAJOR REVENUE AND EXPENSE ACCOUNT ANALYSIS**

Month 2 - May 31, 2009

**MONTHLY CONSUMPTION- (IN HUNDREDS OF CUBIC FEET)**

	<b>FISCAL 10</b>	<b>FISCAL 09</b>	<b>FISCAL 08</b>	<b>FISCAL 07</b>	<b>FISCAL 06</b>
April	395,288	378,976	432,916	419,898	421,158
May	407,386	457,738	426,915	412,183	433,169
June	0	430,138	443,804	483,811	463,071
July	0	403,899	441,659	434,748	477,805
August	0	476,222	509,872	475,336	514,883
September	0	443,089	490,350	481,683	513,111
October	0	445,281	442,832	436,160	469,375
November	0	465,692	453,228	472,410	474,227
December	0	382,666	396,729	451,290	424,902
January	0	417,041	414,074	397,180	407,949
February	0	388,846	426,833	434,793	398,579
March	0	388,181	413,102	410,322	400,517
Total	<u>802,674</u>	<u>5,077,769</u>	<u>5,292,314</u>	<u>5,309,814</u>	<u>5,398,746</u>

**MONTHLY WATER BILLINGS:**

	<b>FISCAL 2010</b>			<b>FISCAL 2009</b>	
	<b>Billings</b>	<b>Cash Receipts</b>	<b>Reading Areas</b>	<b>Billings</b>	<b>Cash Receipts</b>
April	\$ 1,443,116	\$ 1,254,434	Area 1	\$ 1,199,556	\$ 1,000,257
May	1,431,322	1,631,169	Area 2	1,483,419	1,606,528
June	0	0	Area 3	1,367,807	1,564,270
July	0	0	Area 1	1,369,271	1,505,133
August	0	0	Area 2	1,498,222	1,300,309
September	0	0	Area 3	1,388,459	1,532,306
October	0	0	Area 1	1,399,083	1,375,866
November	0	0	Area 2	1,453,277	1,273,817
December	0	0	Area 3	1,283,018	1,532,110
January	0	0	Area 1	1,332,559	1,262,924
February	0	0	Area 2	1,307,028	1,205,149
March	0	0	Area 3	1,271,928	1,573,678
Total	<u>\$2,874,438</u>	<u>\$2,885,603</u>		<u>\$16,353,627</u>	<u>\$16,732,347</u>

**Area 1**--West downtown to South Utica line thru West Utica to Yorkville line. East downtown to South Utica line East to Armory Drive.

**Area 2**--East Utica, North Utica, New Hartford, Kirkland, Clark Mills.

**Area 3**--Yorkville, Whitestown, Deerfield, Marcy, Schuyler, Stittville, Barneveld, Washington Mills.

**MAJOR REVENUE ACCOUNT ANALYSIS**

Month 2 - May 31, 2009

REVENUE

- *Metered Water Sales* – see page 4
- *System charge* – System charges year to date are even with the budgeted amount.
- *Quarterly and Monthly Penalties and Unpaid Bill Fees* – Penalties and unpaid bill fees are above budgeted estimate. This may reflect our aggressive delinquent account program. Accounts are being paid or the use of water is being terminated.

**MAJOR EXPENSE ACCOUNT ANALYSIS**

Month 2 - May 31, 2009

	May 2009				Monthly Variance Explanation
	Current Budget (Cash-Basis)	Actual (Accrual-Basis)	Percent of Current Budget	Favorable (Unfavorable) Variance	
<b>Administration</b>					
Contracted Services	9,996	7,925	79.28%	2,071	Wellness program favorable by \$2.5K.
Legal Expenses	64,427	1,070	1.66%	63,357	Timing of charges for review of judge's decision regarding ongoing litigation.
<b>Finance &amp; Accounting</b>					
Salaries	74,096	70,098	94.60%	3,998	In the process of filling open position
Contracted Services	16,729	18,131	108.38%	(1,402)	Unanticipated Lock-Box charges = \$3.4K
<b>Engineering</b>					
Salaries	38,700	37,732	97.50%	968	Minimal variance
Equipment	3,200	0	0.00%	3,200	Scheduled purchase in April has not occurred
Supplies	3,475	497	14.30%	2,978	Portable radios have not been purchased = \$2.5K
Contracted Services	5,200	690	13.27%	4,510	Several purchases not made (i.e. Appraisal and surveying contractors = \$2K; emergency generator maintenance = \$2.5K)
<b>Water Distribution</b>					
Salaries	27,251	17,860	65.54%	9,391	Open position

**MAJOR EXPENSE ACCOUNT ANALYSIS**

Month 2 - May 31, 2009

**Information Technology**

Equipment	22,000	10,481	47.64%	11,519	Several purchases for computers, monitors, printers, etc. have not been made
Supplies	7,050	2,361	33.49%	4,689	No computer paper purchased to date ( \$3.5K )
Contracted Services	33,422	26,692	79.86%	6,730	Maintenance agreements favorable by \$12.2K

**Water Quality**

Operating Equipment	0	4,000	-	(4,000)	No purchases to date ( i.e. on-line meters = \$2.8K )
Operating Supplies	20,300	13,889	68.42%	6,411	Pathogen monitoring favorable by \$7.4K

**Treatment Plant**

Wages	3,216	10,491	326.21%	(7,275)	1 open position since January, 2009
Small Equipment	6,600	0	0.00%	6,600	No purchases made to date ( i.e. chlorine analyzer = \$5K ).
Travel	4,000	799	19.98%	3,201	AWWA Water Quality Tech. Conference not attended ( \$2.9K )
Operating Supplies	191,594	149,368	77.96%	42,226	Purchases of chemicals are running under budget.
Contractor Services	6,210	383	6.17%	5,827	Software support = \$5K favorable

**Maintenance**

Salaries	95,384	77,384	81.13%	18,000	Two unfilled positions
Wages	154,442	148,926	96.43%	5,516	One unfilled position
Street Repair Materials	19,238	12,018	62.47%	7,220	Timing of purchases of paving material.

**MAJOR EXPENSE ACCOUNT ANALYSIS**

Month 2 - May 31, 2009

**Cash-Financed Construction**

Meters	58,444	18,135	31.03%	40,309	The 5/8" meters have not been purchased
Hydrants	50,000	1,881	3.76%	48,119	No hydrant purchases made to date.
Vehicles & Machinery	70,000	-	-	70,000	No purchases made to date.

**General Services**

Electricity and Gas	83,420	64,345	77.13%	19,075	Favorability is due to significantly lower commodity prices.
Heating Oil	18,200	10,616	58.33%	7,584	Lower cost of fuel oil due to lower commodity prices.
Postage	10,840	19,991	184.42%	(9,151)	Timing of actual expenses for water billing postage vs. budget ( 2 mos. actual vs. 1 mo. budget )
Gas & Oil	23,720	7,806	32.91%	15,914	Timing: Fuel invoice for vehicles in May has not been received. Also, budgeted \$2.60/gal. but April actual was @2.10/gal.

**FINANCIAL RATIOS**

Month 2 - May 31, 2009

**LIQUIDITY** – The Authority’s ability to pay its most immediate obligations.

**A. *CURRENT RATIO***

**What does it measure?** The ratio measures the extent to which the Authority’s has current assets in excess of current liabilities. This measures our ability to pay bills when they become due.

(Current assets / Current liabilities)

**Best Practice:** Current Ratio of 2.0

<u>May '09</u>	<u>April '09</u>	<u>Mar. '09</u>	<u>Feb. '09</u>	<u>Jan. '09</u>	<u>Dec. '08</u>	<u>Avg.-Past Six months</u>
2.01	1.91	1.81	1.89	1.88	1.99	1.85

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**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>My '09</u>	<u>April '09</u>	<u>Mar. '09</u>	<u>Feb. '09</u>	<u>Jan. '09</u>	<u>Dec. '08</u>	<u>Avg.-Past Six months</u>
\$3,664,006	\$3,415,347	\$3,469,365	\$3,483,791	\$3,447,373	\$3,579,360	\$3,634,403

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**FINANCIAL RATIOS**

Month 2 - May 31, 2009

**SOLVENCY** – The Authority’s ability to pay its long-term obligations.

**A. DEBT TO ASSETS LEVERAGE RATIO**

**What does it measure?** – The degree to which the Authority’s assets are financed through borrowings and other long-term obligations.

(Total liabilities / Total assets)

Example: 0.50 would indicate half the assets are financed with outstanding debt.

**Best Practice:** Lower, the better. However, 40% -50% depending on an organization’s future ability to pay.

<u>May '09</u>	<u>April '09</u>	<u>Mar. '09</u>	<u>Feb. '09</u>	<u>Jan. '09</u>	<u>Dec '08</u>	<u>Avg.-Past Six months</u>
73%	74%	74%	75%	75%	75%	73%

Note: Excluding the original debt financing of approx. \$25 million to buy the regional water system, the debt to assets leverage ratio is approximately 47%.

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**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>May '09</u>	<u>April '09</u>	<u>Mar. '09</u>	<u>Feb. '09</u>	<u>Jan. '09</u>	<u>Dec '08</u>	<u>Avg.-Past Six months</u>
3.01	2.38	3.18	2.33	2.45	2.88	2.81

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**FINANCIAL RATIOS**

Month 2 - May 31, 2009

**A. UNACCOUNTED FOR WATER RATIO**

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

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

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

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

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

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

	<u>Feb., March., April 09</u>	<u>Jan., Feb., March 09</u>	<u>Dec., Jan. Feb.09</u>	<u>Avg.-Past Six months</u>
Average Billed Water %	53.49%	52.29%	51.91%	62.11%
Other Unmetered Uses (See Detail Above)	17.76%	17.76%	17.76%	17.76%
Total Water Usage	71.25%	70.05%	69.67%	79.87%
Remaining “Unaccounted-For Leakage”	28.75%	29.95%	30.33%	20.13%

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 2 - May 31, 2009

***B. DEBT & PILOT PAYMENT BURDEN RATIO***

**What does it measure?**– The portion of an average customer’s quarterly bill attributed to non-discretionary costs (debt service and PILOT payments).

(Monthly Debt Service + PILOTS) / # of Customers Billed per Month)

Example: The average quarterly bill for a family of four (4) using approximately 21,000 gallons is \$89.00. A burden of \$25.00 indicates that this portion of an average customer’s bill goes toward paying monthly debt service and PILOT payments.

<u>May '09</u>	<u>April '09</u>	<u>Mar. '09</u>	<u>Feb. '09</u>	<u>Jan. '09</u>	<u>Dec '08</u>	<u>Avg.-Past Six months</u>
\$43.98	\$43.94	\$43.66	\$43.68	\$43.68	\$40.68	\$43.75

**GLOSSARY OF TERMS**

Month 2 - May 31, 2009

**1) Three Traditional Financial Statements:**

- I. **Balance Sheet** – Indicates “where we are now”. Includes accounts like cash, receivables, long term assets, accounts payable and debt.
- II. **Statement of Income** – Shows “how we are doing” at a point in time-usually a month or year. The statement identifies the revenue earned and expenses incurred at that specific point in time. The difference between revenues and expenses is an organization’s net income or deficit.
- III. **Statement of Cash Flows** – Shows “where the cash came from and where it went”. Drawback: Does not indicate assets used to generate cash nor any commitments or liabilities for which cash will be needed in the short term or long term.

**2) Strategic Plan** - Defines the Authority’s mission, value and strategy. It also defines how the Authority’s mission, value and strategy will be carried out. The Plan is a dynamic process that is flexible enough to allow modification of plans in order to respond to changing circumstances.

**3) Business Plan/Operating Plan** – This is the implementation of the strategic plan through the use of identifying specific results to be achieved within a given period, usually one year. The plan also identifies the actions and resources to achieve those results.

**4) Profits and Net Income** – **Profits** are usually stated in dollars, and **Net Income** is the positive difference between revenues and expenses.

**5) Viability** – The ability of a business to continue to survive and succeed into the future.

**6) Accounting** – The art of recording, classifying and summarizing, in a significant manner and in terms of money, transactions and events which are in part at least, of a financial character, and interpreting the results thereof.

**7) GAAP** – (Generally Accepted Accounting Principals) Accounting principals developed and approved by the Financial Accounting Standards Board (FASB), an independent body created by the SEC, to provide guidelines as to how financial accounting should be performed.

**8) Cash Basis** - Sales (Revenues) and Expenses (Costs) are accounted for on a “cash received” and “cash paid” basis. There are no Accounts Receivable and Accounts Payable with the Cash Basis of Accounting.

**9) Accrual Basis** – the practice by which revenues are recorded when “earned” and expenses are recorded when “incurred” even if the cash has not yet been received or paid out. Expenses incurred to produce the Sales are properly “matched” against each other within the same accounting period.

**GLOSSARY OF TERMS**

Month 2 - May 31, 2009

- 10) Matching Principle** – As stated above, expenses incurred to produce Sales must be matched together within the same period. Otherwise, there is a distortion of Net Income for certain accounting periods.
- 11) Capitalization** – The practice of recording purchases where the usefulness will be recognized over time to generate revenue. (The “usefulness” is what we call depreciation.)
- 12) Net Realizable Value** – The value of a transaction or series of transactions after allowances or discounts have been taken against the transaction(s).

Example - Accounts Receivable: Gross receivables less an allowance for bad debts = Net Realizable Value of Accounts Receivable.

- 13) Meter Route/ Meter Cycle** – A **meter route** is a Meter Reader’s walking/driving direction used to read meters at residence and businesses. A route usually encompasses approximately 175 meter readings. A **meter cycle** is a group of meter routes that are within the same demographic area. A meter cycle usually includes 4-5 meter routes or approximately 700 meter readings.