

MOHAWK VALLEY WATER AUTHORITY

MONTHLY FINANCIAL REPORTING PACKAGE

Month 8: Month Ended November 30, 2006

Finance Committee Members

Terms Ending

December 31,

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

Report produced by Jim Korfonta, Comptroller

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VITAL SIGNS—(KEY PERFORMANCE INDICATORS)

Month 8 - November 30, 2006

PRODUCTION & CONSUMPTION

	<u>November</u>	<u>October</u>	<u>September</u>	<u>August</u>	<u>July</u>	<u>June</u>
Water Production (1,000 gallons)	531,900	549,900	547,100	551,400	537,600	531,800
Billed Consumption (1,000 gallons)	353,410	326,291	360,347	355,560	325,235	361,939

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
November 2006		\$ 1,303,314	\$ 1,402,248	\$ (98,934)	
Year-To-Date	\$ 2,445,083	\$ 10,929,996	\$ 10,163,951	\$ 766,045	\$ 3,211,128

CUSTOMER ACCOUNT MAINTENANCE

Customers in the Water System	Beginning Balance	New Accounts	Moved Out of Svs. Area	Ending Balance
November 2006		25	(38)	
Year- to-Date (Fiscal 2007)	38,589	783	(569)	38,803
Fiscal 2006	38,449	573	(433)	38,589

Breakdown of Customer Movement:

Currently, 1,186 final bills were processed of which 951 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 8 - November 30, 2006

WATER SYSTEM MAINTENANCE—PRODUCTION ACTIVITY

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

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
Year-To-Date	1,550	23	21	8	20	15	1,637	19	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 8 - November 30, 2006

ACCOUNTS PAYABLE

	<u>Total</u>	<u>0-10</u>	<u>10-20</u>	<u>20-30</u>	<u>30-50</u>	<u>50+</u>	<u>Capital Project Retention</u>
October 2006	\$280,054	\$165,527	\$48,085	\$51,112	\$1,277	\$59,248	\$0

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.

Big Picture

Monthly Water Sales: At eight months, billed water sales are above budgeted estimates by \$266,000 (\$9,376,000 budget vs. \$9,641,000 actual).

Monthly Consumption: At eight months, consumption is 15 million cubic feet below the prior year. This trend of dropping consumption has occurred for five consecutive months. The four prior months averaged a drop of 3.7 million cubic feet per month. For November, consumption dropped only 182,000 cubic feet compared to the prior October.

These reductions in consumption continue to be scattered throughout the areas billed. In addition, previous billings also incurred reduction in consumption scattered through the areas. Last summer was very hot and dry. This past summer period was cool and wet. We will continue to analyze accounts to determine if other factors can be attributed to this reduction.

This current consumption deficit compared to the previous year, equates to approximately \$400,000 water revenue under our current rate structure of \$27.86 per 1,000 cubic feet.

COMPTROLLER'S MESSAGE

Month 8 - November 30, 2006

Big Picture-continued

Cash Flow: At eight months, there remains a positive cash position even though a drop of \$231,000 occurred during September. Cash receipts are in range of budget estimates; however, payments to suppliers are \$500,000 more than anticipated partly due to the timing of vehicles purchases and paving costs. In addition, the annual payment to the NYS retirement system is due in December for approximately \$450,000. We will continue to monitor the effect of these unanticipated commitments (earlier in the fiscal year than budgeted) into the coming months. In addition, the impact of legal costs will continue to affect our cash position.

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

	<u>MONTHLY ACTIVITY</u>		<u>YEAR-TO-DATE ACTIVITY</u>	
	<u>TARGET</u>	<u>NOVEMBER 2006</u>	<u>TARGET</u>	<u>ACTUAL</u>
Cash Inflow	\$ 1,300,000	\$ 1,303,000	\$ 10,400,000	\$ 10,930,000
Outflows--				
Personnel Costs	322,000	336,000	2,737,000	2,723,000
Reimb. Capital Labor	-	-	-	-
PILOTS	125,000	118,000	968,000	954,000
Debt Service	305,000	302,000	2,416,000	2,419,000
Payments to Suppliers	350,000	601,000	2,800,000	3,707,000
Other Commitments:				
Annual Retirement-December	-	-	-	498,000
Set Aside for New Bonding-Debt Service	45,000	45,000	360,000	360,000
	<u>1,147,000</u>	<u>1,402,000</u>	<u>9,281,000</u>	<u>10,661,000</u>
Cash Remaining	\$ 153,000	\$ (99,000)	\$ 1,119,000	\$ 269,000

LITIGATION EXPENSES—TO DATE

FISCAL YEAR	PURPOSE	AMOUNT
2005	WATER PERMIT REVIEW & DISCOVERY	\$ 44,180
2006	DISCOVERY & DECLARATORY JUDGMENT	\$ 142,845
2007 (April 1, 2006 to September 30, 2006)	DECLARATORY JUDGMENT	\$ 131,978
	TOTALS	\$ 319,003

COMPTROLLER'S MESSAGE

Month 8 - November 30, 2006

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

CURRENT CUSTOMER SERVICE ACTIVITY

New Initiatives--

- As part of our telephone bid review, I had the opportunity to spend a day with the customer service manager at the Onondaga County Water Authority. We have exchanged techniques and ideas as to the operations in both water systems. We intend on keeping the relationship to assist each other
- We are currently teaming Customer Service Representatives with field personnel for cross training. This will allow the CSR's to see what the field crews experience on a daily basis to better communication efforts.
- 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%. (From 947 accounts in April to 692 accounts currently.)
- Combating theft continues to be a priority. Customer Service met with the Meter Department regarding theft of service. As a combined effort, we are looking devising procedures and incorporating additional ways to document and record vacant properties to prevent water theft.
- As a measure to inform customers of work or crews working in the area, I have purchased door hangers that will notify customers of water problems or maintenance in their area. I anticipate the maintenance crews will complete and distribute as needed.
- 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 8 - November 30, 2006

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 had an increase of 114% in revenue. Current ROI (return on investment) without results of the quarterly meters is approximately 2 years or 26 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.

Currently, for the month, 34% of the monthly accounts were estimated; 7% of the quarterly accounts were estimated. Monthly accounts are consistent with the prior month; quarterly accounts had a 3% increase. We continue to institute corrective actions to reduce account estimates.

BILLING/COLLECTIONS:

The following reflects the results since 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		19,139	19,139	5,150	
June 2006		69,972	12,874	17,779	
July 2006		19,029	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	
Year to Date	\$ 9,460	\$320,558	\$184,754	\$99,368	\$ 45,896

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 8 - November 30, 2006

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	403	93	130	4	362

- Since the beginning of the fiscal year, \$460,742 has been posted.
- For the current month, accounts totaling \$61,537 have been "posted". Of the outstanding posted balances, \$319,887 has been collected for the fiscal year.
- 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	Status
6/20/05	Riggles	35A-75HL	10853 Coby Mnr Rd	\$ -		Admit	7/8/05		10
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	\$ 500	Pict	7/25/06	8/8/06	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.

FLASH REPORT

Month 8 - November 30, 2006

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

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

	Critical Ratio %	November	October	September	August	July	June
ASSETS							
Cash		\$ 3,172,007	\$ 3,265,305	\$ 2,727,153	\$ 2,966,635	\$ 2,623,256	\$ 2,644,653
Water Sales Receivable, Net		\$ 1,682,544	\$ 1,582,621	\$ 1,769,856	\$ 1,636,966	\$ 1,732,378	\$ 1,878,957
Trust Fund Assets		\$ 25,195,331	\$ 12,647,988	\$ 12,487,860	\$ 12,108,741	\$ 12,025,942	\$ 11,595,540
Utility Long Term Assets, Net		\$ 49,896,378	\$ 49,985,026	\$ 50,038,746	\$ 50,023,776	\$ 50,051,688	\$ 47,322,439
Total Assets		\$ 81,092,965	\$ 69,196,857	\$ 68,598,131	\$ 68,136,084	\$ 67,807,647	\$ 64,525,896
LIABILITIES							
Accounts Payable		\$ 325,249	\$ 280,055	\$ 348,514	\$ 305,501	\$ 141,153	\$ 269,226
Long Term Debt, Principal		\$ 67,060,000	\$ 47,927,286	\$ 47,914,568	\$ 47,901,849	\$ 47,964,129	\$ 47,951,412
Total Liabilities		\$ 70,241,694	\$ 51,755,597	\$ 51,527,676	\$ 51,206,353	\$ 51,147,153	\$ 50,973,467
EQUITY							
Unrestricted Earnings		\$ (161,991)	\$ (46,806)	\$ (452,816)	\$ (593,540)	\$ (862,777)	\$ (1,212,411)
Invested in Utility Plant, Net		\$ 16,124,408	\$ 16,131,408	\$ 16,131,408	\$ 16,131,408	\$ 16,131,408	\$ 13,372,977
Timber Sales Reserve		\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638
"3R" Reserve		\$ 331,355	\$ 328,624	\$ 328,624	\$ 328,624	\$ 328,624	\$ 328,624
Oper. and Maint. Reserve		\$ 302,153	\$ 299,422	\$ 292,133	\$ 292,133	\$ 292,133	\$ 292,133
Bond Covenant Reserve		\$ 487,362	\$ 487,362	\$ 487,362	\$ 487,362	\$ 487,362	\$ 487,362
OPERATIONS - (Monthly Accumulation)							
	% of Accum. Budget	8th Month FY 2007	7th Month FY 2007	6th Month FY 2007	5th Month FY 2007	4th Month FY 2007	3rd Month FY 2007
Water Sales	103%	\$ 9,641,309	\$ 8,472,165	\$ 7,265,137	\$ 6,017,896	\$ 4,745,764	\$ 3,534,420
Other Revenue	125%	\$ 1,682,000	\$ 1,419,603	\$ 1,191,339	\$ 999,950	\$ 794,946	\$ 580,369
Operating Expenses	99%	\$ 6,436,969	\$ 5,657,075	\$ 5,561,430	\$ 4,405,270	\$ 3,447,112	\$ 2,137,238
Debt Service, Interest only	76%	\$ 772,873	\$ 772,873	\$ 772,873	\$ 760,333	\$ 663,782	\$ 663,782
PILOT Payments	100%	\$ 957,950	\$ 839,547	\$ 721,144	\$ 602,741	\$ 484,338	\$ 362,407

MOHAWK VALLEY WATER AUTHORITY

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 8 - November 30, 2006

CURRENT WATER RECEIVABLES – AGING OF ACCOUNTS:

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

Customer	Route & Account	Total	0-30	31-60	61-90	91-120	Over 120	Acct. Status
City of Utica-Facilities	6 accounts	830	815	6	0	9	0	
City of Utica-Tax Levy	Various	212,668	3,149	4,693	2,713	2,997	199,116	
Magnus Ognunsanwo	15F 137A	1,608	392	20	5	433	758	Posted
Jose Urena	12A 155	1,068	4	162	18	3	881	Posted
Carolyn Upshaw	13E 55	1,065	8	102	17	1	937	Posted
Nira Maljisevic	14B 50	1,017	7	173	17	2	818	Posted
Ron Helmes	14E 51	1,694	0	69	15	0	1,610	Pd. 500 on 11/13
E. Clayton Lortie	27N 5	1,393	124	65	0	131	1,073	Pd. in full 12/4
Airport Road Property, Inc.	31D 98	2,336	15	0	2,321	0	0	Posted
Doug Talerico	36A 51	1,018	24	8	56	22	908	Posted
Heritage Acres	37A 95A	1,825	15	0	1,810	0	0	Posted
Timothy Klotz (see also shut-offs)	33 accounts	19,700	1,755	3,230	496	1,401	12,818	Posted/collect.

DELINQUENT ACCOUNTS SHUT-OFF

Word Faith Deliverance	1C 2	1,410	23	333	18	3	1,033	Shut-off
Henry Topolski	3F 53	1,059	9	82	23	7	938	Shut-off
Henry Topolski	8B 35	1,833	17	63	30	15	1,708	Shut-off
Magnus Ognunsanwo	3F 126	1,075	1	511	15	0	548	Posted
William O' Brien	6A 162BK	1,509	101	243	24	8	1,133	Shut-off
Haru Lukac/Renata Vujeva	8C 46BK	3,916	0	165	0	0	3,751	Shut-off
Wanda Brito	10B 114	1,078	7	100	20	5	946	Posted
James Jones	10F 91	1,753	16	51	18	3	1,665	Posted

MOHAWK VALLEY WATER AUTHORITY

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 8 - November 30, 2006

Customer	Route & Account	Total	0-30	31-60	61-90	91-120	Over 120	Acct. Status
Som Mang Porm	10D 6	1,510	7	365	19	4	1,115	Shut-off
Angel & Mario Santana	11D 26	1,734	15	113	30	14	1,562	Shut-off
NYMA Properties	13B 133	1,529	14	49	16	1	1,449	Shut-off
Christiana Joseph	14A 41	1,705	10	373	22	7	1,293	Shut-off
Magen Letrende	17B 107	1,424	54	25	10	164	1,171	Shut-off
Fiore Carbone	17C 56	1,797	553	23	7	55	1,159	Shut-off
Ingrid Grimm	24B 136	2,689	37	40	25	72	2,515	Shut-off
132-42 Hotel Inc.	50A 121	1,310	109	82	105	20	994	Shut-off
Tartan Textile Serv.	55B 29	7,150	912	888	894	15	4,441	Shut-off
Raymond DeCarr	3 accounts	1,369	52	120	38	56	1,103	Shut-off
Sandra Albert	8 accounts	9,085	247	294	108	319	8,117	Shut-off
Timothy Klotz (also, see above)	3 accounts	4,667	86	276	51	97	4,157	Shut-off
City Delinquents-FY '06		28,163					28,163	
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		6,934					6,934	
Remaining Accounts		1,479,599	703,019	245,547	126,143	62,721	342,169	Change
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%

Prior Months Receivables:

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%
February, 2006	<u>2,229,258</u>	<u>616,596</u>	<u>147,754</u>	<u>105,240</u>	<u>130,457</u>	<u>1,229,211</u>	-0.33%
January, 2006	<u>2,236,659</u>	<u>618,757</u>	<u>143,619</u>	<u>102,351</u>	<u>136,911</u>	<u>1,235,021</u>	1.29%
December, 2005	<u>2,208,260</u>	<u>515,278</u>	<u>190,476</u>	<u>167,458</u>	<u>104,461</u>	<u>1,230,587</u>	-11.33%
November, 2005	<u>2,490,455</u>	<u>816,979</u>	<u>267,146</u>	<u>108,841</u>	<u>65,046</u>	<u>1,232,443</u>	12.95%

WORK IN PROCESS—CAPITAL PROJECTS

Month 8 - November 30, 2006

CAPITAL PROJECTS - FY2003

CAPITAL PROJECT	LOCATION	ORIGINAL BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEARS EXPENSE	ADD'L. COMMITTED	EXPENSED AND/OR COMMITTED
Toby Road Tank-Land Purchase	Marcy	25,000	2,500	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>

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

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	6,458	27,819	15,768	3,406,413	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	35,879	108,465	20,656	165,000
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	373	2,578	31,341	9,081	43,000
Clearwell	WTP	74,500	0	18,625	44,700	11,175	74,500
Fiscal 2005 Budgeted Capital Projects		<u>4,254,005</u>	<u>6,831</u>	<u>122,373</u>	<u>400,206</u>	<u>3,738,976</u>	<u>4,261,555</u>

WORK IN PROCESS—CAPITAL PROJECTS

Month 8 - November 30, 2006

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		
Storage Tank	Deerfield	0	2,460	2,460	0	0	2,460		
		<u>117,500</u>	<u>0</u>	<u>21,017</u>	<u>0</u>	<u>27,953</u>	<u>0</u>	<u>68,794</u>	<u>117,764</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
Disinfection BY-Product	Deerfield Tank	6,500,000	0	3,500	354	6,496,146	6,500,000
Main Replacement	Commercial Drive	30,000	0	11,326	0	0	11,326
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
Corrosion Compliance Study	System Wide	0	2,500	45,139	0	0	45,139
Main Replacement	Church St.	0	152	45,668	0	0	45,668
Main Replacement	York St.	0	0	17,271	0	0	17,271
Fiscal 2007 Budgeted Capital Projects		<u>6,595,600</u>	<u>2,652</u>	<u>150,407</u>	<u>354</u>	<u>6,503,419</u>	<u>6,654,180</u>

MOHAWK VALLEY WATER AUTHORITY

MAJOR REVENUE AND EXPENSE ACCOUNT ANALYSIS

Month 8 - November 30, 2006

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	<u>474,227</u>	<u>424,247</u>	<u>458,962</u>	<u>458,808</u>
		3,766,799	3,652,370	3,673,248	3,745,758
December	0	424,902	426,796	416,941	426,849
January	0	407,949	409,415	463,977	459,749
February	0	398,579	452,494	428,836	485,891
March	<u>0</u>	<u>400,517</u>	<u>427,874</u>	<u>436,128</u>	<u>478,881</u>
Total	<u>3,616,229</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	<u>1,086,651</u>	<u>838,573</u>
				8,667,196	8,450,429
December	0	0		983,813	1,339,885
January	0	0		1,000,181	1,007,019
February	0	0		980,290	1,097,821
March	<u>0</u>	<u>0</u>		<u>972,949</u>	<u>1,197,891</u>
Total	<u>\$ 9,790,939</u>	<u>\$ 9,433,896</u>		<u>\$ 12,604,429</u>	<u>\$ 13,093,045</u>

MAJOR REVENUE ACCOUNT ANALYSIS

Month 8 - November 30, 2006

REVENUE

- *Metered Water Sales:*

- Quarterly and Monthly Billings – For the month, water sales is above by \$140,000 compared to the prior year.

- Overall Sales vs. Prior Year – Water sales are up \$1,124,000 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 consistent with budget estimates. Cash collection of these assessments is in the range of 85% to 90%.
- *Interest Income*— Interest earnings are on track with estimates.
- *Other Charges* –Lab Fees, termination of services,miscellaneous income and inspection of new mains remain below estimates. We will continue monitoring these accounts in the next months.

MAJOR EXPENSE ACCOUNT ANALYSIS

Month 8 - November 30, 2006

	Annual Budget (Cash-Basis)	Year Ended November 30, 2006 (Accrual-Basis)	Percent of Current Budget	Favorable (Unfavorable) Variance	Explanation of Variance
Administration					
Salaries	190,054	194,463	102.32%	(4,409)	Unbudgeted position paid until May; Exec Dir. Contract exercised.
Membership Dues	8,940	4,714	52.73%	4,226	AWWA corporate membership not bill as scheduled during Nov.
Contracted Services	34,780	53,415	153.58%	(18,635)	Marketing firm expenses exceeding budget amount.
Training & Education	3,500	1,068	0.00%	2,432	Minimal travel to date.
Contracted Services.-Legal Fees	164,400	143,523	87.30%	20,877	Timing of legal expenses related to on-going lawsuit.
Finance & Accounting					
Salaries	268,883	265,665	98.80%	3,218	Reasonable favorable variance
Contracted Services	118,450	139,674	117.92%	(21,224)	M&T Lock-Box charges unfavorable by \$13.4K. In process of RFP for banking svcs. Credit card charges unfavorable by \$7.1K.
Training & Education	1,500	0	0.00%	1,500	No training to date.
Customer Service					
Salaries	138,272	135,622	98.08%	2,650	Meter reader position vacant for short period of time.
Travel	1,580	172	10.89%	1,408	Minimal travel to date.
Engineering					
Salaries	321,926	325,285	101.04%	(3,359)	As part of employ. contract, 2 staff sold a week's vacation; in addition 'ee paid for opting out of medical plan.
Wages	46,948	47,448	101.07%	(500)	On track w/ budget.
Operating Supplies	12,235	6,747	55.15%	5,488	Purchase of parts for pressure regulator has not occurred = \$4K..
Contractor Services	28,582	12,387	43.34%	16,195	The following has not been performed to date: transfer switch replacement = \$4K; calibration of equipment = \$2K; flushing kits = \$3K; interns for data entry = \$1.5K; annual inspect. of Hydo generators.-
Training and Education	4,400	1,340	30.45%	3,060	Hydraulic Modeling training budgeted for 2 employees (\$2,000) will take place later in the year.

MAJOR EXPENSE ACCOUNT ANALYSIS-CONTINUED

Month 8 - November 30, 2006

	Annual Budget (Cash-Basis)	Year Ended November 30, 2006 (Accrual-Basis)	Percent of Current Budget	Favorable (Unfavorable) Variance	
Information Technology					
Office Equipment	18,800	12,256	65.19%	6,544	Eight (9) computers purchased to date vs. fourteen (14) budgeted through November, 2006.
Travel & Vehicle Usage	1,700	0	0.00%	1,700	No travel for training incurred to date
Operating Supplies	11,750	5,894	50.16%	5,856	Timing of purchases (i.e.. Toner and paper)
Contracted Services	97,069	47,390	48.82%	49,679	Items not spent as scheduled: Software consultant-\$25K; Cool Ice software-\$7K; Timing of lease on server w/ UNYSIS-\$3K; Web Page development-\$6K; Firewall anti-virus = \$6K.
Training and Education	7,200	1,890	26.25%	5,310	The following budgeted training programs have not occurred: Arc IMS Administrator = \$1.4K; SCADA Training = \$1.8K; GIS training = \$1.2K.
Repairs	2,000	0	0.00%	2,000	No repairs on computer equipment incurred to date.
Water Quality					
Office Equipment	10,000	801	8.01%	9,199	Delay in purchase of watershed lab equipment = \$3K; purchase of convection oven = \$2K; On-Line Monitoring Chips \$1K; all other (ie., automatic pipetors) = \$3K.
Contracted Services	17,000	6,977	41.04%	10,023	Regulated Monitoring performed = \$8.7K favorable; Maintenance of microscopes not performed = \$1.5K favorable. Charges for summer intern unbudgeted = (\$1.5K)
Repairs	5,000	912	18.24%	4,088	Minimal repairs to date.
Shipping Charges	5,200	990	19.04%	4,210	Less shipping than anticipated for outside analysis of samples.
Treatment Plant					
Salaries	217,224	213,815	98.43%	3,409	Reasonable positive variance
Wages	7,381	16,093	218.02%	(8,712)	Part-time WQ position working more than budgeted.
Office Equipment	12,000	5,795	48.29%	6,205	Items not purchased to date: PH analyzer and sensor = \$2.5K; Hypo Feed = \$4K
Operating Supplies	445,248	502,329	112.82%	(57,081)	Polymer purchases - \$33K unfavorable. Aluminum sulphate purchases = \$12K unfavorable. High usage of polymer and aluminum sulphate is attributed to excessive rainfall which caused high levels of turbidity in the water. Chlorine purchases are also unfavorable by \$5K.
Training and Education	4,000	151	3.78%	3,849	Operator training not performed to date.
Plant Repairs	15,000	21,854	145.69%	(6,854)	Timing of budgeted plant repairs vs. budget. Include materials including a mixer moter, mechanical scale; service pack.

MAJOR EXPENSE ACCOUNT ANALYSIS-CONTINUED

Month 8 - November 30, 2006

	Annual Budget (Cash-Basis)	Year Ended November 30, 2006 (Accrual-Basis)	Percent of Current Budget	Favorable (Unfavorable) Variance	
Maintenance					
Salaries	371,416	340,625	91.71%	30,791	Unfilled meter shop supervisor position
Wages	609,602	541,661	88.85%	67,941	Positions being filled by part-timers in anticipation for full-time.
Street Repair Materials	426,036	484,803	113.79%	(58,767)	Timing of paving charges. Expected to even out throughout the rest of the year.
Office Equipment	5,625	729	12.96%	4,896	Limited purchase of office furniture to date.
Small Equipment	34,450	797	2.31%	33,653	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	332,655	302,309	90.88%	30,346	Purchases to date: meters \$5K unfavorable; hydrants \$28K favorable; valves \$10K unfavorable; general supplies \$2K favorable.
Contracted Services	17,750	14,052	79.17%	3,698	Unbudgeted railroad flagman = \$6K; offset by temp. services of \$4.6K
Training & Education	22,220	2,055	9.25%	20,165	Various safety training programs have not occurred or are running under budget (ie. Pesh, Haz Communication)
Clothing Allowance	9,100	10,577	116.23%	(1,477)	Timing of clothing allowance purchases.
Vehicle & Equip. Repairs	125,968	109,770	87.14%	16,198	Favorable year to date. Will continue to monitor account for significant variances.
General Services					
Printing	26,780	14,806	55.29%	11,974	Timing of water bill and envelopes purchases.
Electricity and Gas	308,000	254,304	82.57%	53,696	Year to date favorability is due to budget estimates based on anticipated higher utility rates.
Postage	56,324	62,003	110.08%	(5,679)	Timing of water billing postage.
Gas & Oil	69,275	80,589	116.33%	(11,314)	Gasoline purchases for vehicles are unfavorable by \$13K.
Overtime					
Finance & Accounting	500	3,551	0.00%	(3,051)	Project for upgrading data related to tap cards and other engineering data bases
Engineering	16,800	14,934	88.89%	1,866	
Info. Technology	10,000	9,172	91.72%	828	Services for City of Utica not performed to date
Treatment Plant	33,136	42,743	128.99%	(9,607)	
Maintenance	110,000	101,520	92.29%	8,480	
Total Overtime	171,416	172,431	100.59%	1,898	

MOHAWK VALLEY WATER AUTHORITY

FINANCIAL RATIOS

Month 8 - November 30, 2006

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

A. *CURRENT RATIO*

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

(Current assets / Current liabilities)

Best Practice: Current Ratio of 2.0

<u>Nov. '06</u>	<u>Oct. '06</u>	<u>Sept '06</u>	<u>Aug '06</u>	<u>July '06</u>	<u>June '06</u>	<u>Avg.-Past Six months</u>
2.05	1.83	1.80	1.96	1.95	2.02	3.79

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>Nov. '06</u>	<u>Oct. '06</u>	<u>Sept '06</u>	<u>Aug '06</u>	<u>July '06</u>	<u>June '06</u>	<u>Avg.-Past Six months</u>
\$2,970,444	\$2,886,411	\$2,609,297	\$2,849,942	\$2,698,000	\$2,736,741	\$2,311,483

FINANCIAL RATIOS

Month 8 - November 30, 2006

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

A. DEBT TO ASSETS LEVERAGE RATIO

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

(Total liabilities / Total assets)

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

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

<u>Nov '06</u>	<u>Oct '06</u>	<u>Sept '06</u>	<u>Aug '06</u>	<u>July '06</u>	<u>June '06</u>	<u>Avg.-Past Six months</u>
74%	75%	75%	75%	80%	80%	81%

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

B. COVERAGE RATIO

What does it measure? – Measures cash flow generated by operations compared to debt service and PILOT payments (non-discretionary costs).

(Total Cash Received / Total Debt Service (principal & interest) + PILOT payments)

Example: 1.25 indicates the Authority generated 25% more than the cash needed to pay monthly/annual debt service.

Best Practice: Over 1.00 indicates an organization can at least pay these non-discretionary costs. However, higher the better.

<u>Nov. '06</u>	<u>Oct. '06</u>	<u>Sept '06</u>	<u>Aug '06</u>	<u>July '06</u>	<u>June '06</u>	<u>Avg.-Past Six months</u>
4.59	4.29	3.00	3.69	3.37	2.98	3.00

FINANCIAL RATIOS

Month 8 - November 30, 2006

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

A. UNACCOUNTED FOR WATER RATIO

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

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

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

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

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

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

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

<u>Nov ‘06</u>	<u>Oct ‘06</u>	<u>Sept ‘06</u>	<u>Aug ‘06</u>	<u>July ‘06</u>	<u>June ‘06</u>	<u>Avg.-Past Six months</u>
27.79%	29.70%	28.79%	27.54%	29.27%	32.23%	34.90%

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 8 - November 30, 2006

B. DEBT & PILOT PAYMENT BURDEN RATIO

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

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

Example: The average quarterly bill for a family of four (4) using approximately 21,000 gallons is \$61.00. A burden of \$25.00 indicates that this portion of an average customer’s bill goes toward paying monthly debt service and PILOT payments.

<u>Nov. 06</u>	<u>Oct. 06</u>	<u>Sept. 06</u>	<u>Aug 06</u>	<u>July 06</u>	<u>June 06</u>	<u>Avg.-Past Six months</u>
\$32.53	\$32.71	\$32.71	\$32.16	\$34.11	\$35.12	\$35.59

GLOSSARY OF TERMS

Month 8 - November 30, 2006

1) Three Traditional Financial Statements:

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

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

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

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

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

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

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

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

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

GLOSSARY OF TERMS

Month 8 - November 30, 2006

- 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.