

MOHAWK VALLEY WATER AUTHORITY

MONTHLY FINANCIAL REPORTING PACKAGE

Month 6: Month Ended September 30, 2007

Finance Committee Members

Terms Ending

December 31,

Bruce Brodsky, Committee Chairman	2008
Vincent Coyne	2008
Elis DeLia	2007
George Gaston, Board Chairman	2008
Joseph Hobika, Jr.	2007
Frank Trevisani	2009

Report produced by Jim Korfonta, Comptroller

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VITAL SIGNS—(KEY PERFORMANCE INDICATORS)

Month 6 - September 30, 2007

PRODUCTION & CONSUMPTION

All amounts in <u>Cubic Feet</u> (1 cubic foot=7.481 gallons.)	June, July, August	May, June, July	April, May, June	Average Past 6 Months
Average Water Consumption	46,511,229	43,790,933	43,499,558	42,343,578
Average Water Production	81,465,034	81,388,406	78,974,116	74,397,779

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
September 2007		\$ 1,343,127	\$ 1,478,756	\$ (135,629)	
Year-To-Date	\$ 3,147,760	\$ 8,607,597	\$ 8,341,496	\$ 266,101	\$ 3,413,861

CUSTOMER ACCOUNT MAINTENANCE

Customers in the Water System	Beginning Balance	New Accounts/ Moved into Area	Moved Out of Svs. Area	Ending Balance
September 2007		143	(32)	
Year-To Date (Fiscal 2008)	38,877	262	(206)	38,933
Fiscal 2007	38,589	981	(693)	38,877
Fiscal 2006	38,449	573	(433)	38,589

Breakdown of Customer Movement:

- Month to date, 608 final bills were processed of which 500 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 6 - September 30, 2007

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.
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	1,724	23	31	3	6	10	1,797	27	6	14.0	3.6

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 6 - September 30, 2007

WATER SYSTEM MAINTENANCE—PRODUCTION ACTIVITY

Month	Water Main Breaks / Install, etc.	Curb Box	Leak Investigations	Meters-- Inspect./ Special Reads / Replaced	Hydrants	Valves	Pavement Cuts	Other	TOTALS
April, 2007	13	96	31	947	8	2	28	10	1,135
May, 2007	16	177	41	1,078	9	10	35	15	1,381
June, 2007	30	78	22	1,329	1	5	35	5	1,505
July, 2007	18	179	30	1,202	7	2	35	7	1,480
August, 2007	35	63	35	1,246	4	0	37	13	1,433
September, 2007	26	40	20	1,250	5	3	30	13	1,387

ACCOUNTS PAYABLE

	Total	0-10	10-20	20-30	30-50	50+	Capital Project Retention
September 2007	\$294,790	\$71,175	\$8,394	\$1,139	\$23	\$24,317	\$189,742

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 September, consumption increased 1.7 million cubic feet compared to the prior month and 4.3 million cubic feet more compared to the last time this section was billed (June).

This increase in consumption was split between quarterly and monthly accounts. Quarterly accounts increased 1.6 million cubic feet compared to June when this area was last billed. Monthly consumption increased 1.3 million cubic feet compared to last month.

Significant quarterly changes include increased consumption at the Oneida County business park hotel; Whitesboro school attributed to watering the fields; one of the NYS thruway meters used more than previous; and several car washes had significant increases.

Monthly consumption saw increases at Midstate Correction facility and several other businesses used more during the summer months.

COMPTROLLER'S MESSAGE

Month 6 - September 30, 2007

Big Picture-continued

Cash Flow: Year-to-date, our cash position continues to be positive; however, a \$135,000 reduction occurred during September. We still have not been billed for paving by the contractor-this bill is anticipated at \$300,000. We are considering legal action for not complying with the contract.

In addition, we are scheduled to make our annual retirement payment in December--\$500,000. If significant changes do not occur, we will be required to dip into our savings.

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

	<u>MONTHLY ACTIVITY</u>		<u>YEAR-TO-DATE ACTIVITY</u>	
	<u>TARGET</u>	<u>SEPTEMBER 2007</u>	<u>TARGET</u>	<u>ACTUAL</u>
Cash Inflow	\$ 1,500,000	\$ 1,343,000	\$ 8,600,000	\$ 8,608,000
Outflows--				
Transfer to Funds Reserves	\$ -	\$ -	\$ -	\$ -
Personnel Costs	326,000	322,000	2,119,000	2,121,000
Reimb. Capital Labor	-	-	-	-
PILOTS	136,000	132,000	816,000	802,000
Debt Service	376,000	390,000	2,283,000	2,288,000
Paving	49,000	-	320,000	-
Payments to Suppliers	450,000	635,000	2,850,000	3,131,000
	<u>1,337,000</u>	<u>1,479,000</u>	<u>8,388,000</u>	<u>8,342,000</u>
Cash Remaining	\$ 163,000	\$ (136,000)	\$ 212,000	\$ 266,000

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 (April thru July)	\$ 83,108
TOTAL		\$ 513,890

COMPTROLLER'S MESSAGE

Month 6 - September 30, 2007

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

CURRENT CUSTOMER SERVICE ACTIVITY

New Initiatives--

- A draft proposal is under review to provide relief to residential customers with extraordinary water leakage.
- We proposed a program to the Finance Committee to address properties that have either registered "0" consumption or estimated reads 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, 4% of the monthly accounts were estimated; 4.5% of the quarterly accounts were estimated.

Ongoing Initiatives--

- We are in the final stages on a layout for the web site for on-line viewing of customer's accounts. We are also finalizing the process of accepting on-line payments and requesting service work orders on-line.

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
September 2007		\$ 85,672	\$ 30,264	\$ 5,642	
August 2007		\$ 40,087	\$ 43,908	\$ 50,024	
July 2007		\$ 82,701	\$ 40,942	\$ 20,705	
June 2007		\$ 57,123	\$ 29,866	\$ 15,540	
May 2007		\$ 50,591	\$ 28,801	\$ 30,311	
April 2007		\$ 32,120	\$ 36,683	\$ 0	
Year to Date	\$ 150,174	\$ 348,294	\$ 210,464	\$ 122,222	\$ 165,782

Prior Fiscal Years	Beginning Balance	Sent to Collections	Amount Collected	Returned From Collections	Ending Balance
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 6 - September 30, 2007

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	697	66	29	2	732

- Year to date, \$480,394 was posted; \$177,230 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

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

FLASH REPORT

Month 6 - September 30, 2007

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 %	September	August	July	June	May	April
ASSETS							
Cash		\$ 3,318,441	\$ 3,181,152	\$ 3,552,192	\$ 3,376,098	\$ 2,976,205	\$ 2,790,403
Water Sales Receivable, Net		\$ 1,707,795	\$ 1,477,582	\$ 1,688,381	\$ 1,839,898	\$ 1,711,616	\$ 1,506,697
Trust Fund Assets		\$ 21,851,014	\$ 22,651,299	\$ 23,511,486	\$ 24,438,522	\$ 24,960,479	\$ 25,363,438
Utility Long Term Assets, Net		\$ 55,160,147	\$ 54,201,017	\$ 52,711,707	\$ 51,893,924	\$ 51,292,283	\$ 50,245,840
Total Assets		\$ 84,033,735	\$ 83,270,763	\$ 83,140,975	\$ 82,863,536	\$ 82,000,698	\$ 81,704,437
LIABILITIES							
Accounts Payable		\$ 466,325	\$ 328,312	\$ 485,946	\$ 1,044,444	\$ 324,297	\$ 483,438
Long Term Debt, Principal		\$ 59,728,961	\$ 59,794,817	\$ 59,780,675	\$ 59,766,532	\$ 61,835,906	\$ 60,012,322
Total Liabilities		\$ 63,964,706	\$ 63,669,655	\$ 63,735,972	\$ 64,082,884	\$ 63,610,016	\$ 63,966,165
EQUITY							
Unrestricted Earnings		\$ 1,569,682	\$ 1,100,770	\$ 904,667	\$ 285,578	\$ (164,392)	\$ (580,932)
Invested in Utility Plant, Net		\$ 16,131,408	\$ 16,131,408	\$ 16,131,408	\$ 16,131,408	\$ 16,131,408	\$ 16,124,408
Timber Sales Reserve		\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638
"3R" Reserve		\$ 539,989	\$ 593,986	\$ 593,986	\$ 592,231	\$ 592,231	\$ 590,306
Oper. and Maint. Reserve		\$ 429,786	\$ 429,783	\$ 429,783	\$ 428,029	\$ 428,029	\$ 426,104
Repair & Improvement		\$ 547,070	\$ 547,066	\$ 547,066	\$ 545,312	\$ 545,312	\$ 543,387
Bond Covenant Reserve		\$ 640,456	\$ 650,456	\$ 650,456	\$ 650,456	\$ 650,456	\$ 487,362
Increase in Net Assets		\$ 404,922	\$ 196,103	\$ 624,352	\$ 449,970	\$ 592,409	\$ (262,289)
OPERATIONS - (Monthly Accumulation)							
	<i>Accum. Budget</i>	6th Month FY 2008	5th Month FY 2008	4th Month FY 2008	3rd Month FY 2008	2nd Month FY 2008	1st Month FY 2008
Water Sales	104%	\$ 8,019,666	\$ 6,618,739	\$ 5,069,799	\$ 3,869,906	\$ 2,564,162	\$ 1,307,382
Other Revenue	112%	\$ 1,372,518	\$ 1,149,003	\$ 967,459	\$ 554,020	\$ 386,404	\$ 135,799
Operating Expenses less PILOTS	91%	\$ 5,026,599	\$ 4,157,211	\$ 2,985,971	\$ 2,178,748	\$ 1,410,985	\$ 797,053
Debt Service, Interest only	92%	\$ 919,497	\$ 897,916	\$ 897,916	\$ 897,897	\$ 597,494	\$ 330,403
PILOT Payments	100%	\$ 801,847	\$ 669,567	\$ 537,287	\$ 415,559	\$ 298,349	\$ 135,486
Excess Revenue after Expenses		\$ 217,907	\$ 446,119	\$ 577,310	\$ 529,833	\$ 61,407	\$ (14,368)

MOHAWK VALLEY WATER AUTHORITY

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 6 - September 30, 2007

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
Sam Phou	1C 17	6 Cornelia Place, Utica	1,908	-	1,498	2	114	1	293	Collection
Sarkis Zeina	1D 141	513 Henry Street - Utica, 13502	1,084	-	20	5	376	-	683	Posted
Arthur Randazzo	1E 152	11 Noyes Street, Utica	1,928	-	23	8	709	2	1,186	Posted
Mattie Brown	3F 94	702 Kirkland Street, Utica	1,230	-	15	-	622	-	593	Posted
James Spratt	5F 87	607 Lennox Ave.	1,050	-	15	-	1,035	-	-	Posted
Angel Rios	7D 20	424 French Road, Utica	2,116	15	-	-	2,101	-	-	Posted
Thornberry's	8B 55	1011 King Street, Utica	1,272	15	8	8	188	6	1,047	Posted
Gloria Sylvia	12A 45	1566 - 68 Seymour Avenue, Utica	1,284	15	7	293	19	2	948	Posted
Rafael & Nereda Perez	13D 117	1409 Taylor Avenue, Utica	1,034	15	4	184	21	3	807	Posted
Rafael & Nereda Perez	13D 117A	1409 Taylor Avenue, Utica	1,214	15	2	276	18	1	902	Posted
Jessencia Gonzalez	14F 72	1153 Hoover Avenue, Utica	1,592	15	4	536	16	571	450	Posted
Coolidge Rutger, LLC	15A 101A	7 Rutger Park, Utica	1,582	-	5	518	15	538	506	Posted
Williams - P178604	17A 60	800 Park Avenue, Utica	1,076	58	1,018	-	-	-	-	Posted
Forrest Austin	18b 122	1506 Catherine St.	1,097	-	6	232	15	232	612	Posted
Heritage Acres	22G 65	217 Colonial Circle, Utica	1,154	-	5	251	20	336	542	Posted
Heritage Acres	22G 66	217 Colonial Circle, Utica	2,603	-	8	821	15	919	840	Posted
Tony's Sports Car	28H 77	P.O. Box 206, Washington Mills, NY	1,019	562	15	-	442	-	-	Posted
Carcuzzi Car Wash	28H 151A	2422 Chenango Road, Utica	3,284	1,608	15	-	1,661	-	-	Posted
Ray Liuzzi	32D 52EN	546 Bretts Way	2,101	101	-	-	2,000	-	-	Posted
Marc M. Cittadino	32R 73	10 Norris Drive, Whitesboro	1,057	202	5	20	151	18	661	Posted
Brian Palmer	32S 120	6 Elm Street, Whitesboro	1,475	534	3	18	403	17	500	Posted
J&J Properties	33A 108	315 Winchester Drive, NH	1,202	346	25	15	816	-	-	Collections
Brenda Conway	33D 74	9163 Jones Road, Marcy	1,406	82	8	23	244	21	1,028	Posted
Robert McMurray	33G 18	5934 Cavanaugh Road, Marcy	1,338	388	1	515	195	19	220	Collections
Victor Rodriguez	33G 82	6373 Cavanaugh Rd., Marcy	1,135	310	-	15	639	16	155	Posted
Stephen Gardner	33G 267A	9096 Koronowski Rd., Marcy	1,227	104	8	23	150	22	920	Posted
Daniel Knuth	33J 165	10703 Miller Road, Utica	1,031	102	20	5	281	19	604	Posted
Claudia Loy	37C 15AA	356 Windfall Road, Utica	1,404	97	24	9	207	22	1,045	Posted
Algonquin Corp	50D 5	1434 Genesee Street Utica	2,959	15	243	1,164	1,535	2	-	Posted
239 Genesee Hold, LLC	52B 19	239 Genesee Street, Utica	2,326	15	628	633	1,050	-	-	Posted
Blackburn Properties, LLC	52D 76	2007 Beechgrove Pl. NH	4,689	15	370	374	2,777	447	706	Cr. Adj. pending
Brandegge Garden Apts.	52E 27C	827 Jay Street, Whitesboro	4,573	15	1,456	1,833	1,269	-	-	Posted
Timothy Klotz (see also shut-offs 29 accounts)		Multiple accounts listed seperately	13,180	8 2,945	410	309	3,620	501	5,395	Posted/collect.

MOHAWK VALLEY WATER AUTHORITY

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 6 - September 30, 2007

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
<u>DELINQUENT ACCOUNTS SHUT-OFF</u>										
Jesee Buckley	1E 85	261 Western Hills Drive	3,003	-	17	2	802	1	2,181	Shut-Off
Beverly Blum	5C 54	920 Haak Avenue, Utica	2,177	-	22	7	889	6	1,253	Shut-Off
Christina Dole	5E 102	P.O.Box 37 Remsden, 13438	1,374	-	19	4	71	2	1,278	Shut-Off
Gloria Velez	5F 121	1226 Court St. Utica	4,229	-	15	-	255	-	3,959	Shut-Off
Carlos Humberto Chavez	7C 115	129-31 Matthews Ave. Utica	2,958	15	-	-	66	3	2,874	Shut-Off
Lewis Reuther	8F 137	1919 Butterfield Avenue, Utica	1,091	15	3	3	137	-	933	Shut-Off
Som Mang Porm	10D 6	322 South Street, Utica	1,326	15	4	4	457	25	821	Shut-Off
Kim Tuy	10E 112	134-36 Elmwood St. Utica	3,737	-	3	3	19	2	3,710	Shut-Off
Timothy Lee	11F 164	1411 Howard Avenue, Utica	1,243	15	10	60	28	6	1,124	Shut-Off
Juan Jimenez	12C 162	1501 Dudley Street, Utica	1,294	15	8	238	15	-	1,018	Shut-Off
Francis Zongrone	13A 13	1610 Gibson Road, Utica	3,586	15	4	55	20	3	3,489	Shut-Off
Ingrid Grimm	24B 136	37 Pratt Street, Clark Mills	3,200	-	81	30	73	79	2,937	Shut-Off
Dorothey Mae Weir	37A 102	2017 State, Route 5, Utica	1,506	54	15	-	51	15	1,371	Shut-Off
Coolidge Mem, LLC	52B 60	106 Memorial Parkway, Utica	1,862	15	454	469	924	-	-	Shut-Off
Tartan Textile Serv.	55B 29	311-15 Whitesboro Street, Utica	9,693	15	998	1,004	1,981	977	4,718	Shut-Off
Timothy Klotz (also, see above)	6 accounts	Multiple accounts listed seperately	2,150	478	47	17	491	101	1,016	Shut-Off
City of Utica Delinquents-FY '07			180,585	-	-	-	-	-	180,585	
City of Utica Delinquents-FY '06			77,436	-	-	-	-	-	77,436	
City of Utica Delinquents-FY '05			18,706	-	-	-	-	-	18,706	
City of Utica Delinquents-FY '04			93,088	-	-	-	-	-	93,088	
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			43,542	-	-	-	-	-	43,542	
Remaining Accounts			1,668,419	862,221	138,550	160,328	210,363	56,404	240,553	Change
September, 2007			<u>2,533,231</u>	<u>870,462</u>	<u>146,119</u>	<u>170,314</u>	<u>239,366</u>	<u>61,339</u>	<u>1,045,631</u>	-0.06%
August, 2007			<u>2,534,834</u>	<u>614,197</u>	<u>211,343</u>	<u>206,476</u>	<u>163,951</u>	<u>144,233</u>	<u>1,194,634</u>	5.86%
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%

MOHAWK VALLEY WATER AUTHORITY

WORK IN PROCESS—CAPITAL PROJECTS

Month 6 - September 30, 2007

CAPITAL PROJECTS - FY2003

CAPITAL PROJECT	LOCATION	ORIGINAL BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEARS EXPENSE	ADD'L. COMMITTED	EXPENSED AND/OR COMMITTED	REMAINING BALANCE	
Toby Road Tank-Land Purchase	Marcy	25,000	0	0	2,500	0	2,500	22,500	
Toby Road Tank	Marcy	80,164	0	0	30,164	50,000	80,164	0	
Safety & Security	Water Treatment Plant	30,000	0	0	24,067	2,898	26,965	3,035	
New Tank--Pre-Design	Airport Industrial Park	30,000	0	0	67,630	0	67,630	-37,630	
Pump Station & Treatment Facility	System Wide	43,000	0	0	10,610	32,390	43,000	0	
Fiscal 2003 Budgeted Capital Projects		<u>183,164</u>	<u>0</u>	<u>0</u>	<u>132,471</u>	<u>0</u>	<u>85,288</u>	<u>217,759</u>	<u>-34,595</u>

CAPITAL PROJECTS - FY2005

CAPITAL PROJECT	LOCATION	AMENDED BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEAR EXPENSE	ADD'L. COMMITTED	EXPENSED AND/OR COMMITTED	REMAINING BALANCE
Verona/Airport Tank & Mains	Verona/OC Airport	3,450,000	2,376	21,133	66,926	3,361,941	3,450,000	0
SCADA-Computer Hardware	System Wide	39,255	0	0	51,186	0	51,186	-11,931
Hydrolic Analysis & GIS Dev.	System Wide	80,000	0	0	60,516	19,484	80,000	0
Main Replacement	New Hartford	90,000	0	0	7,671	82,000	89,671	329
Emergency Generator	City Hall	135,000	0	1,638	1,125	132,237	135,000	0
Main Replacement	Park Ave., Holland Pat.	93,750	0	0	37,458	54,654	92,112	1,638
Storage Tank #2-Higby Rd	New Hartford	20,000	0	0	24,197	0	24,197	-4,197
Distribution Analysis-Chloramines	System Wide	165,000	0	0	154,037	10,000	164,037	963
Tank Safety Ladder	Valley View Tank	19,500	0	0	19,500	0	19,500	0
Install Water Mains	Chapman Road	44,000	0	0	35,751	0	35,751	8,249
SCADA	System Wide	43,000	0	1,142	33,919	7,939	43,000	0
Clearwell	WTP	4,174,500	383,018	1,579,082	145,515	2,449,903	4,174,500	0
Fiscal 2005 Budgeted Capital Projects		<u>8,354,005</u>	<u>385,394</u>	<u>1,602,995</u>	<u>637,801</u>	<u>6,118,158</u>	<u>8,358,954</u>	<u>-4,949</u>

MOHAWK VALLEY WATER AUTHORITY

WORK IN PROCESS—CAPITAL PROJECTS

Month 6 - September 30, 2007

CAPITAL PROJECTS - FY2006

CAPITAL PROJECT	LOCATION	AMENDED BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEAR EXPENSE	ADD'L. COMMITTED	EXPENSED AND/OR COMMITTED	REMAINING BALANCE
Chemical Feed	WTP	7,500	0	0	7,500	0	7,500	0
Security Protection	WTP	20,000	0	0	20,264	0	20,264	-264
Water Main	Holland Patent	90,000	0	0	21,206	68,794	90,000	0
Tank- 10m Gallon	Deerfield Tank	5,500,000	593,442	2,726,501	324,342	2,449,157	5,500,000	0
Main Replacement	Commercial Drive	30,000	0	0	21,287	0	21,287	8,713
Main Replacement	Leah St.	51,600	0	0	23,056	0	23,056	28,544
Main Replacement	Sherman Drive & Tilden Ave	14,000	0	0	4,447	7,273	11,720	2,280
		<u>5,713,100</u>	<u>593,442</u>	<u>2,726,501</u>	<u>422,102</u>	<u>2,525,224</u>	<u>5,673,827</u>	<u>39,273</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	REMAINING BALANCE
Corrosion Compliance Study	System Wide	180,000	2,648	30,672	64,110	85,218	180,000	0
Main Replacement	Church St.	22,000	0	0	45,668	0	45,668	-23,668
Main Replacement	York St.	33,440	1,906	18,070	17,271	0	35,341	-1,901
Pump Station	Cascade Drive, NH	180,000	0	0	937	0	937	179,063
System Improve.-WQ and Turnover	Sytem Wide	300,000	0	0	1,959	298,041	300,000	0
GIS & Hydrolic Modeling	Sytem Wide	400,000	0	35,119	269,874	95,007	400,000	0
Main Replacemwnts	Holland Patent	54,310	0	29,000	0	0	29,000	25,310
Water Tank	Smith Hill, Deerfield	600,000	20	975	269,874	0	270,849	329,151
Canal Crossing	Marcy	0	3,600	3,600	0	0	3,600	-3,600
WTP GAC PILOT Testing	WTP	35,000	3,500	26,250	0	8,750	35,000	0
Fiscal 2007 Budgeted Capital Projects		<u>1,888,750</u>	<u>11,674</u>	<u>5,596,688</u>	<u>1,464,927</u>	<u>5,468,670</u>	<u>12,530,285</u>	<u>667,165</u>

MOHAWK VALLEY WATER AUTHORITY

MAJOR REVENUE AND EXPENSE ACCOUNT ANALYSIS

Month 6 - September 30, 2007

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	<u>481,683</u>	<u>513,111</u>	<u>449,233</u>	<u>546,365</u>
		2,707,659	2,823,197	2,698,181	2,736,702
October	0	436,160	469,375	529,942	477,584
November	0	472,410	474,227	424,247	458,962
December	0	451,290	424,902	426,796	416,941
January	0	397,180	407,949	409,415	463,977
February	0	434,793	398,579	452,494	428,836
March	<u>0</u>	<u>410,322</u>	<u>400,517</u>	<u>427,874</u>	<u>436,128</u>
Total	<u>2,755,571</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	1,487,995	Area 2	1,168,917	1,303,161
June	1,310,916	1,219,228	Area 3	1,205,518	1,077,589
July	1,310,354	1,370,609	Area 1	1,214,680	1,260,740
August	1,459,484	1,412,101	Area 2	1,296,257	1,365,171
September	1,396,332	1,226,802	Area 3	<u>1,265,491</u>	<u>1,124,613</u>
				7,318,354	6,905,541
October	0	0		1,247,789	1,394,845
November	0	0		1,224,796	1,133,510
December	0	0		1,132,871	1,283,037
January	0	0		1,134,424	1,062,568
February	0	0		1,200,168	1,118,333
March	<u>0</u>	<u>0</u>		<u>1,156,992</u>	<u>1,364,942</u>
Total	<u>\$ 8,048,664</u>	<u>\$ 7,735,963</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 6 - September 30, 2007

REVENUE

- *Metered Water Sales:*
 - Quarterly and Monthly Billings – For the month, water sales is above by \$131,000 compared to the prior year.
 - Overall Sales vs. Prior Year – Water sales are up \$731,000 for the year compared to the prior year.
- “*System Charge*” – Both quarterly billed and monthly billed system charges are above estimates.
- *Quarterly and Monthly Penalties and Unpaid Bill Fees* –Overall, penalties are above budget estimates. Cash collection of these assessments is in the range of 85% to 90%, on target with budgeted amounts.

REVENUE ITEMS FALLING BELOW BUDGET

- *Other Delinquent Charges*— Revenue from shut-off fees and metered line charges continue to be below estimates.
- *Other Charges--Metered Line Charges, installation fees, Line Tap Charges, Curb Box Charges, and miscellaneous income* are below estimates.

MAJOR EXPENSE ACCOUNT ANALYSIS

Month 6 - September 30, 2007

	Month-To-Date		Percent of Current Budget	Favorable (Unfavorable) Variance	Explanation of Variance
	Budget (Cash-Basis)	Actual-Sept. 30, 2007 (Accrual-Basis)			
Administration					
Salaries	150,325	147,871	98.37%	2,454	Comptroller Contract outstanding
Contracted Services	32,700	27,926	85.40%	4,774	Timing. Yellow Book asvertising recorded in May, but budgeted in December.
Contracted Services.-Legal Fees	125,100	90,344	72.22%	34,756	Have not been billed for August AND September
Finance & Accounting					
Salaries	212,966	210,765	98.97%	2,201	Minimal variance-Internal auditor's annual review
Contracted Services	134,669	126,209	93.72%	8,460	Unfavorable variances for banking services (e.g. Lock-Box = \$13.5K and Credit Card charges = \$11.8K). Partially offset by unused budget for Special Projects = \$14.8K favorable. Currently, a Request for Banking Services proposals has been drafted for the purpose of
Training & Education	1,200	2,774	0.00%	(1,574)	Timing of training meter readers on hand held units.
Engineering					
Salaries	256,017	257,986	100.77%	(1,969)	Two employees cashed-in one week's vacation, per contract.
Travel	7,824	1,775	22.69%	6,049	NASTT Trenching Conference; the AWWA Distribution Symposium; the Soft Ting training; and EMA AC Drive have been postponed to a later time.
Contractor Services	28,214	78,251	277.35%	(50,037)	Tap card field management system = \$52 K not budgeted, This amt. is partially offset by state grant funds.
Training	7,720	1,000	12.95%	6,720	NASTT Trnching; MWH Soft Ting training and EMA AC Drive Troubleshooting training scheduled but not attended to date

MAJOR EXPENSE ACCOUNT ANALYSIS-CONTINUED

Month 6 - September 30, 2007

	Month-To-Date		Percent of Current Budget	Favorable (Unfavorable) Variance	Explanation of Variance
	Budget (Cash-Basis)	Actual-Sept. 30, 2007 (Accrual-Basis)			
Information Technology					
Contracted Services	89,900	51,958	57.80%	37,942	Timing of pending charges : software licenses= \$10.5k; maintenance agreements = \$15.3k; IT contract support = \$9k; web page development over by \$6.0k.
Training and Education	6,685	1,600	23.93%	5,085	Staff training (word/excel) for certain staff. GIS and SCADA training not attended to date.
Water Quality					
Salaries	194,748	191,851	98.51%	2,897	Minimal favorable variance
Wages	15,159	15,060	99.35%	99	Employee hired as provisional plant operator. Minimal Variance
Operating Supplies	69,420	54,250	78.15%	15,170	Timing of purchases of microbiological supplies unfavorable \$13k.
Contracted Services	12,240	4,627	37.80%	7,613	Charges for regulated monitoring are favorable to date by \$5K-this should carry to y/e.
Training and Education	6,617	3,350	50.63%	3,267	Training on new lab equipment not covered by federal grant--\$4.8k.
Treatment Plant					
Salaries	171,054	160,180	93.64%	10,874	Fav. variance due to timing of new hire after employee retirement.
Wages	5,999	10,041	167.38%	(4,042)	Unfavorable variance caused by a part-time employee working full-time hours.
Travel			-	0	
Small Equipment	12,550	2,370	18.88%	10,180	Timing of purchases: a) Chlorine Analyzer = \$2.8K; b) Radiator for generator = \$3.5K; PH analyzer and sensors = \$3.0K.
Operating Supplies	368,319	364,149	98.87%	4,170	Timing of chemicals purchases
Contractor Services	17,310	11,067	63.93%	6,243	Sludge removal-budget 13K-actual 6.5K-will carry to y/e.

MAJOR EXPENSE ACCOUNT ANALYSIS-CONTINUED

Month 6 - September 30, 2007

	Month-To-Date		Percent of Current Budget	Favorable (Unfavorable) Variance	Explanation of Variance
	Budget (Cash-Basis)	Actual-Sept. 30, 2007 (Accrual-Basis)			
Maintenance					
Salaries	269,386	267,109	99.15%	2,277	Meter serviceman out on workman's compensation during April-fav. variance will carry to y/e.
Wages	465,265	442,265	95.06%	23,000	Vacant positions presently filled-saving will carry to y/e.
Street Repair Materials	77,750	50,995	65.59%	26,755	Timing of material purchases including stone, cold patch, and rebar. Billing for paving estimated at \$300,000+.
Small Equipment	24,500	4,490	18.33%	20,010	Many of the items budgeted have not been procured (e.g. (a) Gears for Horz Rensselear Valves = \$5.7K; (b) pipe thawers = \$4.1K; (c) leak survey equipment = \$7K). We are monitoring these items to determine if they will carry to y/e.
Operating Supplies	60,421	94,988	157.21%	(34,567)	Valve replacements =(\$15.9K) unfavorable, and general supplies (i.e., clamps, couplings, main supplies.etc.) are (\$15.6K) unfavorable.
Training & Education	8,575	940	10.96%	7,635	Minimal safety training to date.
Cash-Financed Construction					
Meters	106,300	110,769	104.20%	(4,469)	Timing of purchases
Hydrants	14,000	29,513	210.81%	(15,513)	Full allotment of hydrants needed immediately.
General Services					
Printing	16,670	19,158	114.93%	(2,488)	Year to date unfavorability do to the timing of purchases (i.e, envelopes, notices, etc.).
Telephone	57,388	62,714	109.28%	(5,326)	Cell phone charges are unfavorable by \$2.6K year to date. These expenditures are being closely monitored on a monthly basis.
Electricity and Gas	202,309	212,926	105.25%	(10,617)	Timing of utility billing--Trend has shown increased consumption in following areas: a) 4 electric space heaters added to Pleasant St. location; b) increased number of customers being serviced by the Higby Rd. Pump Station (ie. Sitrin Nursing Home).
Heating Oil	12,480	23,236	186.19%	(10,756)	Timing of fuel oil purchases for the Treatment Plant.
Gas & Oil	76,120	71,586	94.04%	4,534	Year to date favorability due to the July gasoline purchases not invoiced. To assure uninterrupted operation, paid \$10K reserve.
Overtime					
Treatment Plant	25,686	31,412	122.29%	(5,726)	
Maintenance	96,000	78,610	81.89%	17,390	

MOHAWK VALLEY WATER AUTHORITY

FINANCIAL RATIOS

Month 6 - September 30, 2007

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

A. *CURRENT RATIO*

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

(Current assets / Current liabilities)

Best Practice: Current Ratio of 2.0

<u>Sept. '07</u>	<u>August '07</u>	<u>July '07</u>	<u>June '07</u>	<u>May '07</u>	<u>April '07</u>	<u>Avg.-Past Six months</u>
1.79	1.80	1.88	1.64	1.60	1.68	1.86

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>Sept. '07</u>	<u>August '07</u>	<u>July '07</u>	<u>June '07</u>	<u>May '07</u>	<u>April '07</u>	<u>Avg.-Past Six months</u>
\$3,058,088	\$2,784,272	\$3,158,342	\$2,499,907	\$2,058,130	\$2,426,486	\$2,760,804

FINANCIAL RATIOS

Month 6 - September 30, 2007

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

A. DEBT TO ASSETS LEVERAGE RATIO

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

(Total liabilities / Total assets)

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

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

<u>Sept. '07</u>	<u>August '07</u>	<u>July '07</u>	<u>June '07</u>	<u>May '07</u>	<u>April '07</u>	<u>Avg.-Past Six months</u>
76%	77%	77%	77%	78%	78%	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>Sept. '07</u>	<u>August '07</u>	<u>July '07</u>	<u>June '07</u>	<u>May '07</u>	<u>April '07</u>	<u>Avg.-Past Six months</u>
2.57	2.99	2.95	2.61	3.30	2.28	3.47

FINANCIAL RATIOS

Month 6 - September 30, 2007

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>June, July, Aug. '07</u>	<u>May, June, July '07</u>	<u>April, May June '07</u>	<u>Avg.-Past Six months</u>
Average Billed Water %	57.09%	54.76%	55.08%	56.92%
Other Unmetered Uses (See Detail Above)	17.76%	17.76%	17.76%	17.76%
Total Water Usage	74.85%	72.52%	72.84%	74.68%
Remaining “Unaccounted-For Leakage”	25.15%	27.48%	27.16%	25.32%

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 6 - September 30, 2007

B. DEBT & PILOT PAYMENT BURDEN RATIO

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

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

Example: The average quarterly bill for a family of four (4) using approximately 21,000 gallons is \$87.00. A burden of \$25.00 indicates that this portion of an average customer’s bill goes toward paying monthly debt service and PILOT payments.

<u>Sept. '07</u>	<u>August '07</u>	<u>July '07</u>	<u>June '07</u>	<u>May '07</u>	<u>April '07</u>	<u>Avg.-Past Six months</u>
\$40.17	\$39.76	\$40.22	\$39.13	\$39.67	\$34.31	\$35.71

GLOSSARY OF TERMS

Month 6 - September 30, 2007

1) Three Traditional Financial Statements:

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

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

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

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

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

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

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

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

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

GLOSSARY OF TERMS

Month 6 - September 30, 2007

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

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

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