

MOHAWK VALLEY WATER AUTHORITY

MONTHLY FINANCIAL REPORTING PACKAGE

Month 6: Month Ended September 30, 2009

Finance Committee Members

Terms Ending

December 31,

Rocco Arcuri, Finance Committee Chair	2011
Vincent Coyne	2011
Elis DeLia, Board Chairman	2010
George Gaston	2011
A. Eugene Snyder	2009
Frank Trevisani	2009

Report produced by Jim Korfonta, Comptroller

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VITAL SIGNS—(KEY PERFORMANCE INDICATORS)

Month 6 - September 30, 2009

PRODUCTION & CONSUMPTION

All amounts in <u>Cubic Feet</u> (1 cubic foot=7.481 gallons.)	June, July, August 2009	May, June, July 2009	April, May, June 2009	Average--Past 6 Months
Average Water Consumption	42,482,562	41,139,035	40,253,902	41,399,950
Average Water Production	71,951,326	71,002,194	70,962,090	73,562,275

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
August, 2009		\$ 1,654,785	\$ 1,406,815	\$ 247,970	
Year-To-Date	\$ 3,904,959	\$ 7,828,857	\$ 7,117,351	\$ 711,506	\$ 4,616,465

Did you Know.....

The average household that uses 22,000 gallons per quarter (88,000 gallons per year) or 11,760 cubic feet per year has an average annual charge of \$384.00.

Since fiscal 2006, the total water charge has increased \$96.00. This consists of the maintenance charge which has increased \$5.90 from \$16.92 to \$22.82. The consumption charge has increased \$.82 from \$2.50 to \$3.32 per 1,000 gallons for the average household.

VITAL SIGNS—(KEY PERFORMANCE INDICATORS)--CONTINUED

Month 6 - September 30, 2009

CUSTOMER ACCOUNT MAINTENANCE

Customers in the Water System	Beginning Balance	New Accounts/ Moved into Area	Moved Out of Service. Area	Ending Balance
August, 2009		22	(41)	
Current YTD (2010)	38,955	196	(93)	39,058
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%		

COMPTROLLER'S MESSAGE

Month 6 - September 30, 2009

WATER SYSTEM MAINTENANCE--METER ACTIVITY

Current Fiscal Year	Meters Replaced							Daily Activity			
	5/8"	3/4"	1"- 1½"	2"	3"-4"	6"-8"	Total	High	Low	Daily Avg.	Staff Avg.
September 2009	371	20	8	1	0	0	400	30	9	19.0	4.76
August 2009	339	3	5	1	0	0	348	28	11	16.6	4.14
July 2009	372	10	6	3	3	0	394	26	12	18.8	4.69
June 2009	306	4	5	3	1	1	320	21	7	14.5	3.63
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	1,865	47	34	12	4	6	1,968	30	3	18.0	4.50

Prior Year Activity	Meters Replaced							Daily Activity			
	5/8"	3/4"	1"- 1 ½"	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 6 - September 30, 2009

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>
September 2009	\$ 283,373	\$ 77,111	\$ 33,955	\$ 28,365	\$ 14,931	\$ 2,143	\$ 126,868

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>
04/06/2009	Water Quality/Micro Pro Instrument Upgrade	Advanced Analytical	\$9,450
4/13/2009	Engineering/ Maintenance	Ross Valve Company	\$10,224
06/08/2009	Electrical Engineering Services	Towne Engineering	\$4,800
07/16/2009	Maintenance/ GPS Software Maintenance	Trackstar International	\$858
09/18/2009	Personnel/Job Posting	Observer Dispatch	\$1,477
09/23/2009	Water Quality Supplies	Millipore	\$1,321
09/23/2009	Water Quality Supplies	IDEXX	Various
10/08/2009	BioSentry System	JMAR	Lease
09/16/2009	Office Security	Sentinel Security	\$650
09/25/2009	Analytical Samples	MWH Labs	\$1,950
09/17/2009	Analytical Samples	MWH Labs	\$1,465

Big Picture

Consumption and Water Sales:

Consumption:

As noted previously, consumption is lower on a year to date basis when compared to the first 6 months of the previous fiscal year. YTD consumption is down by 7.2 million cubic feet compared to the previous year. This is attributed to a slow down of economic activity in the area and conservation measures coupled with a cooler summer season.

When comparing quarterly accounts billed in September to June (the previous month these accounts were billed), consumption actually increased by 1.1 million cubic. This increase was spread generally throughout the quarterly accounts billed. Likewise, consumption billed to monthly customers increased by 434,000 cubic feet compared to August.

Water Sales:

Water sales continue to exceed budget by 1%. This revenue pattern has remained constant throughout the current fiscal year even though consumption has decreased when compared to the previous year.

COMPTROLLER'S MESSAGE

Month 6 - September 30, 2009

Big Picture-continued

Cash Flow: After the 5th month of the new fiscal year, revenue is above the target (budget) by \$155,000 whereas payments to suppliers are less than the target by \$350,000 resulting in a positive cash flow YTD.

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
TOTAL		\$ 1,062,548

MOHAWK VALLEY WATER AUTHORITY

FLASH REPORT

Month 6 - September 30, 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 %	August	July	June	May	April	March
ASSETS							
Cash		\$ 5,679,486	\$ 5,029,664	\$ 5,076,007	\$ 4,710,988	\$ 4,326,293	\$ 4,350,337
Water Sales Receivable, Net		\$ 1,637,790	\$ 1,618,930	\$ 1,550,542	\$ 1,555,788	\$ 1,678,118	\$ 1,372,574
Trust Fund Assets		\$ 26,972,517	\$ 27,101,382	\$ 26,573,158	\$ 26,380,008	\$ 26,328,339	\$ 27,655,380
Utility Long Term Assets, Net		\$ 63,779,479	\$ 63,514,857	\$ 63,679,001	\$ 63,660,687	\$ 63,128,568	\$ 62,674,609
Total Assets		\$ 99,721,590	\$ 98,728,359	\$ 98,109,127	\$ 97,321,731	\$ 96,607,591	\$ 98,396,603
LIABILITIES							
Accounts Payable		\$ 795,215	\$ 445,652	\$ 473,437	\$ 427,775	\$ 429,254	\$ 461,729
Long Term Debt, Principal		\$ 66,715,522	\$ 66,786,378	\$ 66,772,235	\$ 66,758,092	\$ 66,858,950	\$ 67,811,947
Total Liabilities		\$ 71,796,037	\$ 71,796,037	\$ 71,594,143	\$ 71,323,045	\$ 71,542,210	\$ 72,486,691
EQUITY							
Unrestricted Earnings		\$ 5,780,530	\$ 5,308,655	\$ 4,896,346	\$ 4,384,010	\$ 3,454,139	\$ 4,301,529
Invested in Utility Plant, Net		\$ 18,178,331	\$ 18,178,331	\$ 18,178,331	\$ 18,178,331	\$ 18,178,331	\$ 18,178,331
Timber Sales Reserve		\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638	\$ 147,638
"3R" Reserve		\$ 876,741	\$ 876,741	\$ 875,484	\$ 874,493	\$ 873,635	\$ 872,920
Oper. and Maint. Reserve		\$ 577,539	\$ 577,539	\$ 576,282	\$ 575,291	\$ 574,433	\$ 573,718
Repair & Improvement		\$ 602,510	\$ 602,510	\$ 601,253	\$ 600,263	\$ 599,404	\$ 598,689
Bond Covenant Reserve		\$ 710,807	\$ 710,807	\$ 710,807	\$ 710,807	\$ 710,807	\$ 710,807
Capital Maintenanc Reserve		\$ 530,101	\$ 530,101	\$ 528,844	\$ 527,854	\$ 526,995	\$ 526,280
OPERATIONS - (Monthly Accumulation)							
	<i>Accum. Budget</i>	5th Month FY 2010	4th Month FY 2010	3rd Month FY 2010	2nd Month FY 2010	1st Month FY 2010	12th Month FY 2009
Water Sales	102%	\$ 7,256,945	\$ 5,732,250	\$ 4,258,021	\$ 2,821,459	\$ 1,391,302	\$ 16,353,628
Other Revenue	112%	\$ 941,703	\$ 847,641	\$ 573,699	\$ 419,104	\$ 174,823	\$ 2,288,196
Operating Expenses less PILOTS	79%	\$ 5,825,822	\$ 3,313,335	\$ 2,371,765	\$ 1,443,531	\$ 716,567	\$ 10,626,866
Debt Service, Interest only	100%	\$ 1,171,922	\$ 1,164,576	\$ 1,164,576	\$ 1,164,020	\$ 831,436	\$ 2,403,986
PILOT Payments	100%	\$ 633,259	\$ 508,043	\$ 382,827	\$ 257,492	\$ 128,746	\$ 1,553,163

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 6 - September 30, 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.

Customer	Route & Account	Address	Total	0-23	24-45	46-71	72-122	123-157	158 +	Acct. Status
City of Utica	4 accounts	Parks / Recr. / Public Safety etc.	13,239	-	723	5,804	230	2,079	4,403	
City of Utica	12 accounts	All Other	11,982	-	1,146	260	143	5,095	5,338	
Lilowite Puran	1E 134	700 Oswego Street, Utica	1,082	-	2	452	15	449	164	Posted
Ashford Clinton Corp.	2F 52BK	244 Roosevelt Dr. Utica	1,841	-	25	124	-	82	1,610	Posted
Utica Metal Products, Inc.	3E 50A	1530 Lincon Avenue, Utica	5,279	-	2,476	15	2,788	-	-	Investigation
Albino Sanabria	Multiple Accounts		20,523	-	1,112	2,838	16,573	-	-	Posted/Invest.
CNY Business Systems	4D 132	601 Lafayette Street, Utica	1,126	-	9	204	26	295	592	Posted
Lawrence Raynor	6A 133	919 Lenox Avenue, Utica	1,245	61	-	18	1,166	-	-	Posted
Dwight & Lisa Buchanan	13C 60	1219 Seymour Avnue, Utica	1,380	-	197	15	-	1,168	-	Posted
Thein Aung	16B 27	507 Lancing Street	2,590	-	51	15	2,436	15	73	To be Posted
Nicolas Peralta	16E 60	715 Elizabeth Street, Utica	2,078	-	176	15	1,887	-	-	Posted
Stan Williams	16E 114	513 Mohawk Street	1,338	-	66	30	83	25	1,134	Posted
Milquiades Burdier	16E 122	664-66 Bleeker Street, Utica	1,409	-	140	29	170	26	1,044	Posted
Luis & Irma Escobar	17D 124	780 Elizabeth Street, Utica	1,773	-	55	-	1,718	-	-	Posted
Ed Thielman	32A 92	4 Oakdale Circle	1,236	15	-	-	1,221	-	-	Investigation
Marcy Center Development	33D 2	9225 State Rte. 49, N.H.	2,289	15	-	-	1,211	-	1,063	Investigation
Phyllis Dam	35G 114	619 Pauline Avenue, Utica	2,280	15	-	58	15	-	2,192	Posted
T. Klotz (Includes shut-offs)	22 accounts	See separate attachment	14,055	209	2,324	1,516	3,625	2,116	4,265	Posted

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SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 6 - September 30, 2009

DELINQUENT ACCOUNTS - SHUT-OFFS

Customer	Route & Account	Address	Total	0-23	24-45	46-71	72-122	123-157	158 +	Acct. Status
Kimberly Lynn	1D 37	623 Henry Stret, Utica	1,374	-	9	238	15	516	596	Shut-off
Ocwen Loan Service	3A 49	1857-59 Merriline Ave. Utica	2,021	-	24	175	49	224	1,549	Shut-off
Andrew Karas	3E 132	1331 Sunset Avenue, Utica	4,467	-	9	59	16	3,788	595	Shut-off
GID Properties	4A 132B	808 Wager Street	2,994	-	37	146	55	339	2,417	Shut-off
LaSonja Pulluaim	4C 32	904 Warren Street, Utica	1,653	-	13	289	22	440	889	Shut-off
Antonio Figueroa	4C 89	926 Stark Street, Utica	1,040	-	13	70	39	69	849	Shut-off
Andrew Randt	5F 133BK	1203-1205 Whitesboro Str. Utica	1,385	-	12	108	15	427	823	Shut-off
Classie Boyd	6A 112	916 Lennox Avenue, Utica	1,359	-	1	59	15	1,171	113	Shut-off
William Almas	8C 26	1424 Oneida St. Utica	2,702	-	187	36	40	496	1,943	Shut-off
Hari Lukac	8C 46BK	17 Clinton Pl. Utica	1,515	-	203	-	-	203	1,109	Shut-off
Hidalgo Diaz	10F 86	1506 Steuben Street, Utica	1,696	-	81	37	42	78	1,458	Shut-off
Magnus Ogunsanwo	11B 87A	1109-11 Linwood Place	1,428	-	229	22	12	430	735	Shut-off
Mark Brito	11C 55	214 James Street, Utica	1,191	-	74	29	28	71	989	Shut-off
Margaret Natale	12B 89	339 Pleasant Street, Utica	4,186	-	118	73	113	112	3,770	Shut-off
Eddy Phouthakoun	12C 115	1633-35 Dudley Avenue, Utica	1,691	-	605	15	-	512	559	Shut-off
Josephine Morrock	12F 41	1611 Sulzer Place, Utica	1,359	-	117	19	8	612	603	Shut-off
Soe Htun	13E 55		1,047	-	71	27	24	84	841	Shut-off
Manuel Marte	13E 104	1131 West Street, Utica	1,217	-	74	28	25	81	1,009	Shut-off
Barbara Thomsen	14D 5	1129 Kosuth Avenue, Utica	1,686	-	662	25	19	73	907	Shut-off
Chantry Srey	16B 16	516 Lansing Street (1 Fl), Utica	1,326	-	20	19	38	18	1,231	Shut-off
Samnang Phou	16E 56	705 Elizabeth Street, Utica	1,305	-	19	19	37	12	1,218	Shut-off
Stanley Williams	16E 114	516 Mohawk Street, Utica	1,272	-	30	15	94	6	1,127	Shut-off
James Mazzatti	17B 25	923 Elizabeth Street, Utica	2,250	-	51	15	675	15	1,494	Shut-off
Waterbury Felt, Inc.	31A 32	107 River Street, Oriskany	2,752	-	-	-	1,347	-	1,405	Shut-off
Seco Leasing Corp.	50A 21	132-42 Hotel Street	2,218	15	110	123	241	118	1,611	Shut-off
Coolidge Mem. LLC	52B 60	106 Memorial Pkwy	11,360	15	640	646	1,266	620	8,173	Shut-off
807-811 Broad Street, LLC	55A 6	807-11 Broad St. Utica	2,085	15	414	429	884	343	-	Shut-off
Charleston Mall	55A 17	311 Turner Street, Utica	10,234	15	1,329	1,326	2,670	1,410	3,484	Shut-off
Charles Property Mgmt.	55B 29	311-15 Whitesboro Street	5,621	15	235	246	482	236	4,407	Shut-off
Sandra Albert	3 accounts	See separate attachment	1,611	-	17	189	73	188	1,144	Shut-off

SIGNIFICANT DELINQUENT RECEIVABLE BALANCES

Month 6 - September 30, 2009

DELINQUENT ACCOUNTS - SHUT-OFFS

Customer	Route & Account	Address	Total	0-23	24-45	46-71	72-122	123-157	158 +	Acct. Status
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			1,531,099	641,440	268,436	175,855	143,233	122,009	180,126	Change
August, 2009			<u>3,346,649</u>	<u>641,830</u>	<u>282,342</u>	<u>191,730</u>	<u>184,884</u>	<u>146,051</u>	<u>1,899,812</u>	2.36%
July, 2009			<u>3,269,343</u>	<u>666,958</u>	<u>221,603</u>	<u>154,105</u>	<u>275,327</u>	<u>74,145</u>	<u>1,877,205</u>	2.80%
June, 2009			<u>3,180,368</u>	<u>677,911</u>	<u>155,326</u>	<u>231,778</u>	<u>204,284</u>	<u>55,875</u>	<u>1,855,194</u>	0.12%
May, 2009			<u>3,176,598</u>	<u>655,019</u>	<u>305,947</u>	<u>167,961</u>	<u>128,001</u>	<u>94,459</u>	<u>1,825,211</u>	-3.12%
April, 2009			<u>3,278,809</u>	<u>996,041</u>	<u>120,303</u>	<u>123,126</u>	<u>162,387</u>	<u>51,037</u>	<u>1,825,915</u>	4.32%

MOHAWK VALLEY WATER AUTHORITY

WORK IN PROCESS—CAPITAL PROJECTS

Month 6 - September 30, 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	20,680	100,291	137,090	237,381	8,000,369
Fiscal 2003 Budgeted Capital Projects			<u>8,237,750</u>	<u>20,680</u>	<u>100,291</u>	<u>137,090</u>	<u>237,381</u>	<u>8,000,369</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	99	185,321	185,420	3,264,580
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	1,827	24,761	98,636	123,397	8,858
Clearwell	WTP	05-22-A	4,697,000	0	4,571	4,477,982	4,482,553	214,447
Fiscal 2005 Budgeted Capital Projects			<u>8,414,255</u>	<u>1,827</u>	<u>29,431</u>	<u>4,764,702</u>	<u>4,794,133</u>	<u>3,620,122</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
Tank-10m Gallon	Deerfield Tank	06-04-A	5,789,505	9,708	11,696	5,832,646	5,844,342	-54,837
Fiscal 2006 Budgeted Capital Projects			<u>5,789,505</u>	<u>9,708</u>	<u>11,696</u>	<u>5,832,646</u>	<u>5,844,342</u>	<u>-54,837</u>

MOHAWK VALLEY WATER AUTHORITY

WORK IN PROCESS—CAPITAL PROJECTS

Month 6 - September 30, 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
Pump Station	Cascade Drive, NH	07-04-A	2,500	0	0	1,325	1,325	1,175
System Improve.-WQ and Turnover	System Wide	07-05-A	300,000	0	95	22,300	22,395	277,605
GIS & Hydraulic Modeling	System Wide	07-06-A	550,000	0	4,077	538,301	542,378	7,622
Water Tank	Smith Hill, Deerfield	07-10-A	598,955	1,475	9,552	2,331	11,883	587,072
Water Tank	Marcy Reservoir	07-12-A	3,815,456	350,454	376,292	143,134	519,426	3,296,030
Canal Crossing	Marcy	07-13-B	1,000,000	0	0	7,822	7,822	992,178
Activated Carbon PILOT	WTP	07-15-A	75,000	0	5,540	56,670	62,210	12,790
Leak Detection-Phase IV-VI	System Wide	07-19-A	80,000	0	0	46,702	46,702	33,298
3rd Raw Water Intake Line-Design	WTP	07-21-A	20,000	0	0	21,295	21,295	-1,295
In-Line Hydro Generation Study	WTP	07-22-B	11,000	0	0	3,013	3,013	7,987
Fiscal 2007 Budgeted Capital Projects			<u>6,632,911</u>	<u>351,929</u>	<u>395,556</u>	<u>1,006,676</u>	<u>1,402,232</u>	<u>5,230,679</u>

CAPITAL PROJECTS - FY2009

CAPITAL PROJECT	LOCATION	PROJECT #	AMENDED BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEAR EXPENSE	TOTAL PROJECT EXPENSE	REMAINING BALANCE
Main Replacement	Colonial Dr. Utica	09-03-A	10,305	0	0	6,880	6,880	3,425
Main Replacement	Scott St, Utica	09-05-A	1,950	0	0	1,950	1,950	0
WQ Monitoring Station	Yorkville	09-08-A	0	0	0	13,180	13,180	-13,180
Powell Rd. Crossover - HP	Holland Patent	09-10-A	8,000	0	370	7,226	7,596	404
Asbestos Remediation	Kemble Street	09-11-B	40,100	0	23,207	5,895	29,102	10,998
Fiscal 2009 Budgeted Capital Projects			<u>60,355</u>	<u>0</u>	<u>23,577</u>	<u>35,131</u>	<u>58,708</u>	<u>1,647</u>

CAPITAL PROJECTS - FY2009

CAPITAL PROJECT	LOCATION	PROJECT #	AMENDED BUDGET	CURRENT MONTH EXPENSE	YEAR TO DATE EXPENSE	PRIOR YEAR EXPENSE	TOTAL PROJECT EXPENSE	REMAINING BALANCE
Main Replacement	Highland Ave., Utica	10-01-A	2,580	0	2,580	0	2,580	0
Main Replacement	Highland Ave., Utica	10-02-A	1,230	0	1,230	0	1,230	0
			<u>3,810</u>	<u>0</u>	<u>3,810</u>	<u>0</u>	<u>3,810</u>	<u>0</u>

MOHAWK VALLEY WATER AUTHORITY

MAJOR REVENUE AND EXPENSE ACCOUNT ANALYSIS

Month 6 - September 30, 2009

CONSUMPTION- (On a Monthly Basis) [In 100's of cubic feet]

	FISCAL 10	FISCAL 09	FISCAL 08	FISCAL 07	FISCAL 06
April	395,288	378,976	432,916	419,926	421,158
May	406,161	457,738	426,915	412,210	433,169
June	406,167	430,138	443,804	439,976	463,071
July	421,843	403,899	441,659	434,777	477,805
August	446,467	476,222	509,872	475,315	514,883
September	441,571	443,089	490,350	481,714	507,461
October	0	445,281	442,832	433,788	469,375
November	0	465,692	453,228	472,441	473,127
December	0	382,666	396,729	405,714	408,938
January	0	417,041	414,074	383,500	407,949
February	0	388,846	426,833	434,822	398,579
March	<u>0</u>	<u>388,181</u>	<u>413,102</u>	<u>410,349</u>	<u>400,517</u>
Total	<u>2,517,497</u>	<u>5,077,769</u>	<u>5,292,314</u>	<u>5,204,532</u>	<u>5,376,032</u>

WATER BILLINGS (On a Monthly Basis):

	FISCAL 2010				FISCAL 2009	
	Budgeted Billings	Actual Billings	Cash Receipts	Reading Areas	Billings	Cash Receipts
April	\$1,254,331	\$ 1,443,116	\$ 1,254,434	Area 1	\$ 1,199,556	\$ 1,000,257
May	1,550,068	1,431,322	1,631,169	Area 2	1,483,419	1,606,528
June	1,429,756	1,383,583	1,475,311	Area 3	1,367,807	1,564,270
July	1,409,370	1,474,229	1,430,285	Area 1	1,369,271	1,505,133
August	<u>1,565,955</u>	<u>1,528,003</u>	<u>1,559,529</u>	Area 2	<u>1,498,222</u>	<u>1,300,309</u>
	7,209,480				6,918,275	6,976,497
September	1,454,766	0	0		1,388,459	1,532,306
October	1,520,679	0	0		1,399,083	1,375,866
November	1,524,644	0	0		1,453,277	1,273,817
December	1,333,749	0	0		1,283,018	1,532,110
January	1,397,839	0	0		1,332,559	1,262,924
February	1,377,722	0	0		1,307,028	1,205,149
March	<u>1,339,020</u>	<u>0</u>	<u>0</u>		<u>1,271,928</u>	<u>1,573,678</u>
Total	<u>\$17,157,899</u>	<u>\$7,260,253</u>	<u>\$7,350,728</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 EXPENSE ACCOUNT ANALYSIS

Month 6 - September 30, 2009

	<u>August, 2009</u>				<u>Monthly Variance Explanation</u>
	<u>Current Budget (Cash-Basis)</u>	<u>Actual (Accrual-Basis)</u>	<u>Percent of Current Budget</u>	<u>Favorable (Unfavorable) Variance</u>	
Administration					
Contracted Services	34,554	22,616	65.45%	11,938	Page consulting unfavorable by \$16K due to additional work related to lawsuit/ decision.
Operational Expense	1,355	7,522	555.13%	(6,167)	Legal notices/advertising more than anticipated
Legal Expenses	137,199	28,505	20.78%	108,694	Charges for review of judge's decision regarding litigation not yet billed.
Finance & Accounting					
Salaries	203,764	195,461	95.93%	8,303	Position filled in August, 2009--will extend to year-end
Contracted Services	63,072	70,889	112.39%	(7,817)	Unanticipated charges for: lock-box charges-\$8K; software support-\$4.9K; higher usage of credit cards than anticipated-\$5.1K.
Engineering					
Equipment	3,200	0	0.00%	3,200	Trimble GPS antenna has not been purchased
Office Equipment	5,000	850	17.00%	4,150	Timing of charges for Eng. reorganization
Supplies	5,700	2,426	42.56%	3,274	Portable radios have not been purchased = \$2.5K
Contracted Services	15,040	12,261	81.52%	2,779	Temporary help not used to date-\$1.5k.
Water Distribution					
Salaries	74,940	49,830	66.49%	25,110	Open Distribution Engineer position
Information Technology					
Equipment	29,800	12,859	43.15%	16,941	Several purchases for computers, monitors, printers, etc. have not been made (i.e. computers = 10.8K)
Supplies	11,350	4,617	40.68%	6,733	Timing of supply purchases
Contracted Services	90,455	59,095	65.33%	31,360	IT consulting favorable by \$20K due to timing of invoices. PAR Terrain evaluation was not budgeted = \$6.6K.

MAJOR EXPENSE ACCOUNT ANALYSIS

Month 6 - September 30, 2009

August, 2009					
	Current Budget (Cash-Basis)	Actual (Accrual-Basis)	Percent of Current Budget	Favorable (Unfavorable) Variance	Monthly Variance Explanation
Water Quality					
Operating Equipment	8,000	0	0.00%	8,000	No purchases to date (i.e. on-line meters = \$2.8K)
Operating Supplies	63,900	31,325	49.02%	32,575	Pathogen monitoring favorable by \$13.6; micro. supplies favorable \$15k
Treatment Plant					
Wages	8,844	1,496	16.92%	7,348	Position filled-favorable will extend to YE.
Small Equipment	12,100	0	0.00%	12,100	No purchases made to date (i.e. chlorine analyzer = \$5K). Chlorine scales = \$2K.
Operating Supplies	787,934	400,225	50.79%	387,709	Purchase of activated charcoal not made yet = \$350K
Contractor Services	49,625	11,804	23.79%	37,821	Sludge Removal-invoiced in Sept.--35k

MAJOR EXPENSE ACCOUNT ANALYSIS

Month 6 - September 30, 2009

August, 2009					
	Current Budget (Cash-Basis)	Actual (Accrual-Basis)	Percent of Current Budget	Favorable (Unfavorable) Variance	Monthly Variance Explanation
Maintenance					
Salaries	262,306	217,204	82.81%	45,102	Two unfilled positions
Wages	424,714	412,768	97.19%	11,946	One unfilled position
Street Repair Materials	66,626	43,733	65.64%	22,893	Timing of purchases: favorable cold patch \$3.5k; concrete/paving supplies favorable-\$19k
Small Equipment	36,450	1,542	4.23%	34,908	Items not purchased yet: (a) panels for the trenching equipment-\$11.6K; locating equip-\$7.5K; leak detector equipment-\$9k.
Vehicles / Equipment Repairs	48,725	53,610	110.03%	(4,885)	Valves and regulator parts-\$10K--not budgeted in FY2009.
General Services					
Electricity and Gas	187,263	140,110	74.82%	47,153	Favorability is due to lower commodity prices.
Heating Oil	34,700	10,616	30.59%	24,084	Lower cost of # 2 Fuel Oil due to lower commodity prices.
Gas & Oil	58,500	36,642	62.64%	21,858	Favorable price/gallon variances to date.

FINANCIAL RATIOS

Month 6 - September 30, 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>September’09</u>	<u>August’09</u>	<u>July’09</u>	<u>June’09</u>	<u>May ‘09</u>	<u>April ‘09</u>	<u>Avg.-Past Six months</u>
2.02	1.93	2.00	2.03	2.01	1.91	1.88

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>September’09</u>	<u>August ’09</u>	<u>July’ 09</u>	<u>June ’09</u>	<u>May ‘09</u>	<u>April ‘09</u>	<u>Avg.-Past Six months</u>
\$4,481,106	\$4,315,645	\$4,050,385	\$3,982,983	\$3,664,006	\$3,415,347	\$3,622,564

FINANCIAL RATIOS

Month 6 - September 30, 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>September ‘09</u>	<u>August ‘09</u>	<u>July ‘09</u>	<u>June ‘09</u>	<u>May ‘09</u>	<u>April ‘09</u>	<u>Avg.-Past Six months</u>
72%	73%	73%	73%	73%	74%	74%

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>September ‘09</u>	<u>August ‘09</u>	<u>July ‘09</u>	<u>June ‘09</u>	<u>May ‘09</u>	<u>April ‘09</u>	<u>Avg.-Past Six months</u>
2.33	2.93	2.72	2.88	3.01	2.38	2.68

FINANCIAL RATIOS

Month 6 - September 30, 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>June, July, August '09</u>	<u>May, June, July '09</u>	<u>April, May, June '09</u>	<u>Avg.-Past Six months</u>
Average Billed Water %	59.04%	57.94%	56.73%	56.28%
Other Unmetered Uses (See Detail Above)	17.76%	17.76%	17.76%	17.76%
Total Water Usage	76.80%	75.70%	74.49%	74.04%
Remaining “Unaccounted-For Leakage”	23.20%	24.32%	25.51%	25.96%

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, 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>September '09</u>	<u>August '09</u>	<u>July '09</u>	<u>June '09</u>	<u>May '09</u>	<u>April '09</u>	<u>Avg.-Past Six months</u>
\$47.21	\$43.37	\$43.35	\$43.44	\$43.98	\$43.94	\$43.72

GLOSSARY OF TERMS

Month 6 - September 30, 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 6 - September 30, 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.