

**Westchester Joint Water Works  
General Fund**

Financial Statements

Years Ended December 31, 2009 and 2008



## Independent Auditors' Report

### To the Board of Trustees of the Westchester Joint Water Works

We have audited the accompanying special-purpose balance sheets of the General Fund of the Westchester Joint Water Works as of December 31, 2009 and 2008 and the related special-purpose statements of operations, undistributed earnings and cash flows for the years then ended. These financial statements are the responsibility of the Westchester Joint Water Work's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Water Works' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As more fully described in Note 2 to the special-purpose financial statements, the Westchester Joint Water Works uses a cyclical billing method under which it does not accrue revenue for water delivered but unbilled at the end of the calendar quarter, it also charges capital expenditures to operations as incurred, and vacation and sick pay are charged to operations when paid. The special-purpose financial statements are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

In our opinion, except for the departures from generally accepted accounting principles described in Note 2 the special-purpose financial statements referred to above present fairly, in all material respects, the financial position of the General Fund of the Westchester Joint Water Works as of December 31, 2009 and 2008 and the results of its operations and its cash flows for the years then ended.

Our audits were made for the purpose of forming an opinion on the basic financial statements for the years ended December 31, 2009 and 2008 taken as a whole. The accompanying supplementary information is presented for the purpose of additional analysis and is not a required part of the financial statements of the General Fund of the Westchester Joint Water Works. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements for the years ended December 31, 2009 and 2008 and, except for the departures from generally accepted accounting principles described in Note 2 in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Management's Discussion and Analysis has not been included in the financial statements and is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Board of Trustees and management of the Westchester Joint Water Works and is not intended to be and should not be used by anyone other than these specified parties.

*O'Connor Davie Munno & Dobbins, LLP*

White Plains, New York  
June 2, 2010

**Westchester Joint Water Works  
General Fund**

Balance Sheets  
December 31,

	<b>2009</b>	<b>2008</b>
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents		
Petty cash	\$ 150	\$ 150
Demand deposits	2,757,286	3,168,154
Accounts Receivable		
Consumer services, net of allowance for uncollectible amounts of \$227,000 in 2009	1,226,152	1,484,661
Due from Member Municipalities		
Village of Mamaroneck	-	91,720
Town of Mamaroneck	-	287,217
Town-Village of Harrison	240,756	2,262,486
Due from Village of Larchmont	106,717	121,621
Due from Others	45,111	
Due from Capital Projects Fund	48,877	49,268
Inventory		
Materials and supplies - at cost	443,724	473,491
Work in progress - at cost	6,871	23,862
Prepaid expenses and other assets	216,509	322,242
Total Current Assets	5,092,153	8,284,872
Meter inventory	122,224	144,690
	\$ 5,214,377	\$ 8,429,562
<b>LIABILITIES AND UNDISTRIBUTED (LOSS) EARNINGS</b>		
Current Liabilities		
Accounts Payable and Accrued Liabilities		
Water purchased	\$ 589,396	\$ 587,235
Filtration plant fines payable	4,401,250	140,000
Other	181,229	657,108
Due to Member Municipalities		
Village of Mamaroneck	11,780	
Town of Mamaroneck	16,009	-
Town-Village of Harrison	-	5,430
Deferred revenues	-	20,322
Contractor deposits and contractor retained percentages	167,119	143,650
Consumer deposits	441,048	449,248
Consumer credit balances	100,729	69,792
Total Current Liabilities	5,908,560	2,072,785
Undistributed (loss) earnings	(694,183)	6,356,777
	\$ 5,214,377	\$ 8,429,562

See notes to financial statements

**Westchester Joint Water Works  
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Statements of Operations  
Years Ended December 31,

	Village of Mamaroneck		Town of Mamaroneck		Town-Village of Harrison		Totals	
	2009	2008	2009	2008	2009	2008	2009	2008
<b>REVENUES</b>								
Sale of Water and Service								
Member Districts								
Retail - Basic	\$ 2,699,051	\$ 2,559,928	\$ 1,764,236	\$ 1,952,590	\$ 4,757,413	\$ 5,312,269	\$ 9,220,700	\$ 9,824,787
Retail - Surcharge	278,189	292,283	123,269	182,912	772,420	707,501	1,173,878	1,182,696
Fire protection	124,825	124,202	88,710	88,490	303,617	306,676	517,152	519,368
Service connections	2,815	1,035	1,325	1,060	10,855	20,374	14,995	22,469
Meter installations	3,359	2,854	1,641	1,553	10,086	7,366	15,086	11,773
Penalties	6,049	641	3,064	107	(308)	569	8,805	1,317
	<u>3,114,288</u>	<u>2,980,943</u>	<u>1,982,245</u>	<u>2,226,712</u>	<u>5,854,083</u>	<u>6,354,755</u>	<u>10,950,616</u>	<u>11,562,410</u>
Nonmember Districts								
Retail - Basic	93,460	94,989	61,417	62,749	178,909	188,939	333,786	346,677
Retail - Surcharge	1,560	8,147	1,025	5,381	2,985	16,204	5,570	29,732
Wholesale - Basic	466,680	452,668	306,675	299,025	893,359	900,379	1,666,714	1,652,072
Wholesale - Surcharge	67,639	60,448	44,449	39,931	129,481	120,234	241,569	220,613
Fire protection	3,401	3,307	2,235	2,184	6,509	6,577	12,145	12,068
Miscellaneous	(1,495)	(80)	(983)	(53)	(2,863)	(158)	(5,341)	(291)
	<u>631,245</u>	<u>619,479</u>	<u>414,818</u>	<u>409,217</u>	<u>1,208,380</u>	<u>1,232,175</u>	<u>2,254,443</u>	<u>2,260,871</u>
Total Revenues	<u>3,745,533</u>	<u>3,600,422</u>	<u>2,397,063</u>	<u>2,635,929</u>	<u>7,062,463</u>	<u>7,586,930</u>	<u>13,205,059</u>	<u>13,823,281</u>
<b>OPERATING EXPENSES</b>								
Water purchases							5,502,781	5,687,106
30" Main supply							176,011	164,533
Larchmont plant							377,873	328,842
Rye Lake plant							534,115	565,266
Lake Street Plant							30,783	41,437
Silver Lake Well							9,688	5,854
Transmission and distribution							1,524,062	1,417,136

(Continued)

Westchester Joint Water Works  
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Statements of Operations (Continued)  
Years Ended December 31,

	Village of Mamaroneck		Town of Mamaroneck		Town-Village of Harrison		Totals	
	2009	2008	2009	2008	2009	2008	2009	2008
<b>OPERATING EXPENSES (CONTINUED)</b>								
Motor vehicle fleet	\$	\$	\$	\$	\$	\$	\$	\$
Customer service								
General and administrative								
Total Operating Expenses	3,261,136	3,331,635	2,143,032	2,200,824	6,242,746	6,626,791	11,646,914	12,159,250
Apportioned to Districts								
Income Before Other	484,397	268,787	254,031	435,105	819,717	960,139	1,558,145	1,664,031
Income (Expense)								
<b>OTHER INCOME (EXPENSE), NET</b>								
NYS archives grant revenue							32,657	-
NYS archives grant expenditures							(32,657)	-
Jobbing work and overhead							9,705	53,115
recovery							(148,083)	15,587
Inventory adjustment							13,223	8,952
Interest income							55,112	76,677
Sales of scrap and								
miscellaneous							135,097	92,891
Expense recovery - Village of Larchmont								
and Aquarion Water Company								
Insurance and other recoveries								35,712
Total Other Income	18,215	77,524	11,970	51,211	34,869	154,199	65,054	282,934
Apportioned to Districts								
Net Income before	502,612	346,311	266,001	486,316	854,586	1,114,338	1,623,199	1,946,965
Filtration Plant Fines								
Filtration Plant Fines	1,193,150	38,360	784,070	25,340	2,284,030	76,300	4,261,250	140,000
Net Income (Loss)	\$ (690,538)	\$ 307,951	\$ (518,069)	\$ 460,976	\$ (1,429,444)	\$ 1,038,038	\$ (2,638,051)	\$ 1,806,965

See notes to financial statements

**Westchester Joint Water Works  
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Statements of Undistributed (Loss) Earnings  
Years Ended December 31,

	Village of Mamaroneck		Town of Mamaroneck		Town-Village of Harrison		Totals	
	2009	2008	2009	2008	2009	2008	2009	2008
Unreserved Balance - January 1,	\$ 666,752	\$ 405,334	\$ 1,029,354	\$ 568,378	\$ 2,609,671	\$ 1,601,729	\$ 4,305,777	\$ 2,575,441
Net income (loss) for the year	(690,538)	307,951	(518,069)	460,976	(1,429,444)	1,038,038	(2,638,051)	1,806,965
	(23,786)	713,285	511,285	1,029,354	1,180,227	2,639,767	1,667,726	4,382,406
Distributions and Other Charges/Credits with Members	666,752	-	1,029,354	-	2,609,671	-	4,305,777	-
Distributions to members	37,080	46,533	15,401	-	54,651	30,096	107,132	76,629
Transferred to tax lien	703,832	46,533	1,044,755	-	2,664,322	30,096	4,412,909	76,629
Unreserved Balance - December 31,	(727,618)	666,752	(533,470)	1,029,354	(1,484,095)	2,609,671	(2,745,183)	4,305,777
Reserved								
Reserved for inventory	76,400	76,400	44,800	44,800	78,800	78,800	200,000	200,000
Reserved for working capital	539,596	539,596	356,744	356,744	754,660	754,660	1,651,000	1,651,000
Reserved for insurance	69,068	69,068	40,488	40,488	90,444	90,444	200,000	200,000
Total Reserved - December 31,	685,064	685,064	442,032	442,032	923,904	923,904	2,051,000	2,051,000
Total Undistributed Earnings December 31,	\$ (42,554)	\$ 1,351,816	\$ (91,438)	\$ 1,471,386	\$ (560,191)	\$ 3,533,575	\$ (694,183)	\$ 6,356,777

See notes to financial statements

**Westchester Joint Water Works  
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Statements of Cash Flows  
Years Ended December 31,

	<b>2009</b>	<b>2008</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) income	\$ (2,638,051)	\$ 1,806,965
Adjustments to reconcile net income (loss) to net cash from operating activities		
Transfers to tax lien	(107,132)	(76,629)
Filtration plant fines	4,261,250	140,000
Changes in operating assets and liabilities		
Accounts receivable	2,651,328	(1,208,105)
Inventory	69,224	8,842
Prepaid expenses and other assets	105,733	48,364
Accounts payable and accrued liabilities	(473,718)	564,449
Due from/to Capital Projects Fund	391	4,301
Deferred revenues	(20,322)	20,322
Consumer deposits	(8,200)	15,123
Consumer credit balances	30,937	(47,949)
	3,871,440	1,275,683
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Contractor and contractor retained percentages	23,469	(17,033)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Distributions to members	(4,305,777)	-
	(410,868)	1,258,650
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	3,168,304	1,909,654
End of year	\$ 2,757,436	\$ 3,168,304
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		
Regular	\$ 150	\$ 150
Savings	2,757,286	3,168,154
	\$ 2,757,436	\$ 3,168,304

See notes to financial statements

**Westchester Joint Water Works  
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Notes to Financial Statements

**1. Organization**

The Westchester Joint Water Works was organized in 1927 under the laws of New York State as a joint water works and is a nontaxable public benefit corporation. It was formed by three member municipalities, the Village of Mamaroneck, Town of Mamaroneck and the Town-Village of Harrison, to jointly acquire, construct, provide, maintain and operate a water works system. The fixed properties, accounted for in the Capital Projects Fund, are not included in these financial statements.

**2. Summary of Significant Accounting Policies**

*Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Basis of Presentation*

The General Fund financial statements of the Westchester Joint Water Works have been prepared in accordance with generally accepted accounting principles as applicable to proprietary funds, except as described below.

Proprietary funds are used to account for operations that are (1) financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Generally accepted accounting principles require that income be accrued and recognized when earned, that capital expenditures be capitalized and depreciated over the useful life of the asset and that the amount due for vacation and sick pay be recognized when earned. The General Fund of the Westchester Joint Water Works uses a cyclical billing method under which it does not accrue revenue for water delivered but unbilled at the end of the calendar quarter, it also charges capital expenditures directly to operations as incurred, and vacation and sick pay are charged to operations when paid. Such practice is not in accordance with generally accepted accounting principles. The Board of Trustees have agreed that the special-purpose financial statements be prepared for the purpose of determining distributions to its members based on the departures from generally accepted accounting principles noted above and that all other accounting principles followed by the Westchester Joint Water Works will be in accordance with generally accepted accounting principles.

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Notes to Financial Statements

**2. Summary of Significant Accounting Policies *(continued)***

***Budgetary Data***

The Westchester Joint Water Works' administration prepares a proposed budget for the General Fund for approval by the Board of Trustees.

***Fair Value Measurements***

The Company follows Financial Accounting Standards Board (FASB) guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

***Cash and Cash Equivalents***

Cash and cash equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with maturities of three months or less, at the time of purchase.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal Deposit Insurance.

***Accounts Receivable***

The Westchester Joint Water Works uses a cyclical method of billing its regular retail customers in each billing district on a staggered quarterly basis. Customers in member districts, consisting of the Village of Mamaroneck, the Town of Mamaroneck and the Town-Village of Harrison are billed during the first, second and third months of each calendar quarter, respectively. The Westchester Joint Water Works does not accrue revenue from unbilled water at the end of any calendar quarter. Once a year, old customer balances are transferred to the tax lien of the respective member resulting in a reduction of the year-end member distribution. Allowances are recorded when appropriate.

***Inventory of Materials and Supplies***

The cost of materials and supplies, which is derived from perpetual records, is determined at cost on the first-in, first-out method.

**Westchester Joint Water Works  
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Notes to Financial Statements

**2. Summary of Significant Accounting Policies (*continued*)**

***Vehicles and Other Equipment***

All expenses for vehicles and equipment, as well as maintenance and repairs, are charged to operations as incurred.

***Vacation and Sick Pay***

All expenditures for vacation and sick pay are charged to operations at the time of payment.

***Revenues and Expenses***

Each member municipality is credited with revenues billed in its district. Revenues billed in nonmember districts and operating expenses are apportioned to member districts on the basis of the quantity of water billed in the member districts.

***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is June 2, 2010.

**3. Reserves**

The reserves for inventory, working capital and insurance at December 31, 2009 and 2008, were \$200,000, \$1,651,000 and \$200,000, respectively. These reserves have the effect of restricting a portion of each member district's earnings available for distribution.

**4. Pension Plan**

The Westchester Joint Water Works participates in the New York State and Local Employees' Retirement System (ERS). This System is a cost-sharing multiple-employer defined benefit pension plan. The System provides retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law. The System issues publicly available financial reports that include financial statements and required supplementary information for the System. These reports may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12224.

**Westchester Joint Water Works  
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Notes to Financial Statements

**4. Pension Plan (Continued)**

Funding Policy - The System is non-contributory except for employees who joined after July 27, 1976, and have less than ten years of service, who contribute 3% of their salary. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion and regular pension contributions. Contribution rates for the plan year ended March 31, 2010 are as follows:

<u>Tier/Plan</u>	<u>GTLI &amp; Regular</u>
1 751	9.3%
2 751	8.6
3 A14	7.0
4 A15	7.0

The actual cost for the years ended December 31, 2009 and 2008 was \$176,010 and \$233,114, respectively.

**5. Contingencies**

In September 1999, the Attorney General of the State of New York sought and obtained an injunction to require the Westchester Joint Water Works (the "WJWW") to build a water filtration plant for its Rye Lake water supply. The WJWW submitted a plan to build a filtration plant that would cost its members approximately \$70 million to build and \$1.5 million per year to operate. The New York State Health Department approved the plans on April 6, 2006. The WJWW awarded contracts on August 3, 2006 and construction commenced on August 29, 2006. The Supreme Court of the State of New York has ruled that construction had to be completed by December 3, 2008. Construction has been halted due to litigation, permitting issues and the requirement to approve an environmental impact statement by the Harrison Planning Board. The process before the Harrison Planning Board is continuing and management is uncertain when this will be completed.

Management is currently exploring two potential options. The first option is the possibility of a joint venture with the County of Westchester that will connect to the County water supply system as an alternative to building a filtration plant. Depending of the features selected for this option the cost range is from \$50 million to \$70 million. A second option would involve a phase-out of the Rye Lake Water Supply over a period of two and a half to three years by replacing that water supply with water obtained from New York City's Shaft 22 intake and thru interconnection modifications and improvements with United Water New Rochelle. The estimated cost of this option is \$60 million to \$70 million range. As the WJWW has not met the December 3, 2008 deadline, an accrual for fines of \$4,401,250 for the period December 4, 2008 through December 31, 2009 is reflected in accounts payable on the Balance Sheet and

**Westchester Joint Water Works  
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Notes to Financial Statements

**5. Contingencies *(continued)***

\$4,261,250 and \$140,000 for the years ended December 31, 2009 and 2008 have been reflected in the Statements of Operations. Management has indicated that based on their current discussions with the State that the State is holding in abeyance the imposition of fines although they continue to be accrued. The expectation of management is that they may be suspended and replaced with a negotiated settlement if the WJWW participates in the County joint venture or other acceptable alternative to building the filtration plant. The above accrual will be adjusted when the discussions are finalized. The amount of fines is potentially substantial as they continue to accrue at \$13,750 a day.

The WJWW receives numerous additional notices of claims for money damages occurring from property damage or personal injury. Of the claims currently pending, none are expected to have a material effect on the financial position of the WJWW if adversely settled.

**Westchester Joint Water Works  
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Supplementary Information

December 31, 2009 and 2008

**Westchester Joint Water Works  
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Schedules of Revenue and Expenses  
Years Ended December 31,

	2009		Variance From Budget (Under) Over	2008 Actual
	Actual	Budget		
<b>REVENUES</b>				
Sale of Water and Service				
Member Districts				
Retail - Basic	\$ 9,220,700	\$ 10,516,772	\$ (1,296,072)	\$ 9,824,787
Retail - Surcharge	1,173,878	1,200,000	(26,122)	1,182,696
Fire protection	517,152	571,306	(54,154)	519,368
Service connections	14,995	24,716	(9,721)	22,469
Meter installations	15,086	12,950	2,136	11,773
Penalties	8,805	1,449	7,356	1,317
	<u>10,950,616</u>	<u>12,327,193</u>	<u>(1,376,577)</u>	<u>11,562,410</u>
Nonmember Districts				
Retail - Basic	333,786	394,401	(60,615)	346,677
Retail - Surcharge	5,570	30,000	(24,430)	29,732
Wholesale - Basic	1,666,714	2,704,311	(1,037,597)	1,652,072
Wholesale - Surcharge	241,569	-	241,569	220,613
Fire protection	12,145	13,275	(1,130)	12,068
Miscellaneous	(5,341)	699	(6,040)	(291)
	<u>2,254,443</u>	<u>3,142,686</u>	<u>(888,243)</u>	<u>2,260,871</u>
Total Revenues	<u>\$ 13,205,059</u>	<u>\$ 15,469,879</u>	<u>\$ (2,264,820)</u>	<u>\$ 13,823,281</u>
<b>OPERATING EXPENSES</b>				
Water Purchases				
Shaft 22	2,339,203	2,612,179	(272,976)	2,278,041
Rye Lake	1,686,980	1,405,724	281,256	1,777,861
Lake Street	-	-	-	381
Excess Per Capita Usage - Retail	1,235,029	1,264,541	(29,512)	1,410,211
Excess Per Capita Usage - Wholesale	241,569	680,503	(438,934)	220,612
	<u>5,502,781</u>	<u>5,962,947</u>	<u>(460,166)</u>	<u>5,687,106</u>
30" Main Supply				
Supervision - Salaries	2,816	2,484	332	2,450
Operations and maintenance				
Salaries	1,388	600	788	346
Other	171,807	165,989	5,818	161,737
	<u>176,011</u>	<u>169,073</u>	<u>6,938</u>	<u>164,533</u>

(Continued)

**Westchester Joint Water Works  
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Schedules of Revenue and Expenses (Continued)  
Years Ended December 31,

	2009		Variance From Budget (Under) Over	2008 Actual
	Actual	Budget		
<b>Larchmont Plant</b>				
Supervision - Salaries	\$ 30,856	\$ 27,192	\$ 3,664	\$ 26,834
Plant operations - Salaries	63,601	32,840	30,761	43,865
Sampling and analysis				
Salaries	19,328	20,000	(672)	19,359
Other	30,114	21,436	8,678	20,812
Operations and maintenance				
Salaries	23,043	30,000	(6,957)	30,428
Other	36,229	41,362	(5,133)	45,764
Power	38,679	55,650	(16,971)	42,689
Chemicals	132,873	155,117	(22,244)	99,091
Improvements	3,150	9,000	(5,850)	-
Equipment purchases	-	14,000	(14,000)	-
	<u>377,873</u>	<u>406,597</u>	<u>(28,724)</u>	<u>328,842</u>
<b>Rye Lake Plant</b>				
Supervision - Salaries	25,480	22,456	3,024	22,159
Plant operations - Salaries	52,519	48,408	4,111	36,737
Sampling and analysis				
Salaries	13,514	10,000	3,514	13,923
Other	30,642	32,000	(1,358)	29,016
Operations and maintenance				
Salaries	76,695	70,000	6,695	85,438
Other	56,641	100,732	(44,091)	129,124
Power	166,634	178,980	(12,346)	170,525
Chemicals	111,990	100,508	11,482	78,344
Improvements	-	7,000	(7,000)	-
Equipment purchases	-	1,200	(1,200)	-
	<u>534,115</u>	<u>571,284</u>	<u>(37,169)</u>	<u>565,266</u>
<b>Lake Street Plant</b>				
Salaries	5,785	-	5,785	5,648
Other	-	-	-	81
Operations and maintenance				
Salaries	3,085	-	3,085	4,227
Other	18,182	18,592	(410)	23,947
Power	3,731	7,900	(4,169)	7,429
Chemicals	-	110	(110)	105
	<u>30,783</u>	<u>26,602</u>	<u>4,181</u>	<u>41,437</u>

(Continued)

**Westchester Joint Water Works  
General Fund**

Schedules of Revenue and Expenses (Continued)  
Years Ended December 31,

	2009		Variance From Budget (Under) Over	2008 Actual
	Actual	Budget		
Silver Lake Well				
Operations and maintenance				
Salaries	\$ 607	\$ -	\$ 607	\$ 269
Other	5,451	3,059	2,392	2,970
Power	3,630	2,746	884	2,615
	<u>9,688</u>	<u>5,805</u>	<u>3,883</u>	<u>5,854</u>
Transmission and Distribution				
Supervision - Salaries	144,443	111,752	32,691	101,410
Storage tanks				
Salaries	6,592	10,000	(3,408)	16,135
Other	8,916	10,000	(1,084)	7,654
Booster stations				
Salaries	7,437	10,000	(2,563)	8,839
Other	62,103	119,000	(56,897)	85,268
Water mains				
Salaries	394,703	368,556	26,147	323,368
Other	132,515	95,000	37,515	90,897
Fire hydrants				
Salaries	112,101	100,000	12,101	134,723
Other	56,466	87,906	(31,440)	85,346
Service repairs				
Salaries	191,677	180,000	11,677	199,409
Other	137,046	50,000	87,046	100,455
Leak survey				
Salaries	-	-	-	5,236
Other	14,828	22,241	(7,413)	21,593
Emergency service - Salaries	39,408	55,332	(15,924)	37,471
Other expenses				
Salaries	192,784	205,700	(12,916)	180,801
Miscellaneous	22,279	24,993	(2,714)	17,813
Equipment purchases	764	42,100	(41,336)	718
	<u>1,524,062</u>	<u>1,492,580</u>	<u>31,482</u>	<u>1,417,136</u>

(Continued)

**Westchester Joint Water Works  
General Fund**

Schedules of Revenue and Expenses (Continued)  
Years Ended December 31,

	2009		Variance From Budget (Under) Over	2008 Actual
	Actual	Budget		
Motor Vehicle Fleet				
Supervision - Salaries	\$ 14,084	\$ 12,412	\$ 1,672	\$ 12,248
Maintenance and repairs				
Salaries	43,441	68,976	(25,535)	52,308
Gasoline and oil	36,533	67,182	(30,649)	65,225
Tires, batteries, parts and tools	15,515	15,450	65	15,000
Shop and outside repair expenses	26,021	33,536	(7,515)	32,559
Vehicle purchases	788	90,000	(89,212)	89,649
	<u>136,382</u>	<u>287,556</u>	<u>(151,174)</u>	<u>266,989</u>
Customer Service				
Supervision - Salaries	100,133	96,212	3,921	93,965
Meter reader - Salaries	68,833	65,144	3,689	76,293
Servicemen - Salaries	151,670	135,704	15,966	135,325
Meter parts and miscellaneous expenses	5,279	14,555	(9,276)	15,529
Scrapped meters	66,639	72,249	(5,610)	70,145
Meter testing and repairs	7,585	15,773	(8,188)	15,314
Customer records and billing				
Salaries	228,878	217,372	11,506	191,349
Other	142,256	105,006	37,250	126,717
Automatic Meter Read System	12,877	22,400	(9,523)	-
Equipment purchases	2,883	28,200	(25,317)	3,149
	<u>787,033</u>	<u>772,615</u>	<u>14,418</u>	<u>727,786</u>
General and Administrative				
Management and staff - Salaries	324,939	336,004	(11,065)	552,770
Office supervision - Salaries	84,317	84,600	(283)	52,485
Secretarial and clerical - Salaries	134,929	164,632	(29,703)	170,922
Professional, educational and legal	26,658	27,444	(786)	19,197
Communication	32,215	30,720	1,495	29,825
Heating and electricity	22,826	28,000	(5,174)	23,736
Supplies and expenses - Other	26,055	31,541	(5,486)	30,186
Board of Trustees	8,900	12,100	(3,200)	10,900
Accounting	29,856	14,927	14,929	28,984
Professional services - Other	237,173	192,923	44,250	264,761
Insurance				
Liability and other	136,595	255,316	(118,721)	245,497
Compensation and disability	98,119	79,024	19,095	75,985
Medical, dental and group life	711,844	850,786	(138,942)	749,110

(Continued)

**Westchester Joint Water Works  
General Fund**

Schedules of Revenue and Expenses (Continued)  
Years Ended December 31,

	2009		Variance From Budget (Under) Over	2008 Actual
	Actual	Budget		
General and Administrative (Continued)				
Social security	\$ 200,142	\$ 162,000	\$ 38,142	\$ 207,222
New York State retirement plan	176,010	204,000	(27,990)	233,114
Rent and taxes	127,395	111,042	16,353	113,719
Maintenance of buildings and grounds				
Salaries	116,057	159,488	(43,431)	86,401
Other	49,945	37,500	12,445	41,560
Improvements to buildings and grounds -				
Salaries	-	-	-	667
Improvements	4,060	38,600	(34,540)	8,146
Equipment purchases	20,151	99,000	(78,849)	9,114
	<u>2,568,186</u>	<u>2,919,647</u>	<u>(351,461)</u>	<u>2,954,301</u>
<b>Total Operating Expenses</b>	<u>11,646,914</u>	<u>12,614,706</u>	<u>(967,792)</u>	<u>12,159,250</u>
Other Income (Expenses), net				
NYS archives grant revenue	32,657	-	32,657	-
NYS archives grant expenditures	(32,657)	(7,040)	(25,617)	-
Jobbing work and overhead recovery	9,705	54,487	(44,782)	53,115
Inventory adjustment	(148,083)	41,200	(189,283)	15,587
Interest income	13,223	66,950	(53,727)	8,952
Sales of scrap and miscellaneous	55,112	43,260	11,852	76,677
Expense recovery - Village of Larchmont and Aquarion Water Company	135,097	97,850	37,247	92,891
Insurance and other recoveries	-	15,450	(15,450)	35,712
	<u>65,054</u>	<u>312,157</u>	<u>(247,103)</u>	<u>282,934</u>
<b>Net Operating Expenses</b>	<u>11,581,860</u>	<u>12,302,549</u>	<u>(720,689)</u>	<u>11,876,316</u>
<b>Total Revenues</b>	<u>13,205,059</u>	<u>15,469,879</u>	<u>(2,264,820)</u>	<u>13,823,281</u>
<b>Net Income (Loss) before Filtration Plant Fines</b>	<u>1,623,199</u>	<u>3,167,330</u>	<u>(1,544,131)</u>	<u>1,946,965</u>
<b>Filtration Plant Fines</b>	<u>4,261,250</u>	<u>-</u>	<u>4,261,250</u>	<u>140,000</u>
<b>Net Income (Loss)</b>	<u>\$ (2,638,051)</u>	<u>\$ 3,167,330</u>	<u>\$ (5,805,381)</u>	<u>\$ 1,806,965</u>

See independent auditors' report

