

**Westchester Joint Water Works
General Fund**

Financial Statements

Years Ended December 31, 2010 and 2009



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, 2010 and 2009 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, 2010 and 2009 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, 2010 and 2009 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, 2010 and 2009 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 Davies Munro & Dobbins, LLP

Harrison, New York
March 3, 2011

**Westchester Joint Water Works
General Fund**

Balance Sheets
December 31,

	2010	2009
ASSETS		
Current Assets		
Cash and Cash Equivalents		
Petty cash	\$ 150	\$ 150
Demand deposits	4,420,816	2,757,286
Accounts Receivable		
Consumer services, net of allowance for uncollectible amounts of \$227,000 in 2009	2,169,110	1,226,152
Due from Member Municipalities		
Village of Mamaroneck	3,132	-
Town of Mamaroneck	2,143	-
Town-Village of Harrison	283,963	240,756
Due from Village of Larchmont	110,669	106,717
Due from Others	-	45,111
Due from Capital Projects Fund	48,877	48,877
State and Federal aid receivable	30,251	-
Inventory		
Materials and supplies - at cost	425,325	443,724
Work in progress - at cost	7,189	6,871
Prepaid expenses and other assets	212,197	216,509
Total Current Assets	7,713,822	5,092,153
Meter inventory	-	122,224
	\$ 7,713,822	\$ 5,214,377
LIABILITIES AND UNDISTRIBUTED (LOSS) EARNINGS		
Current Liabilities		
Accounts Payable and Accrued Liabilities		
Water purchased	\$ 681,988	\$ 589,396
Filtration plant fines payable	9,420,000	4,401,250
Other	299,827	181,229
Due to Member Municipalities		
Village of Mamaroneck	-	11,780
Town of Mamaroneck	-	16,009
Contractor deposits and contractor retained percentages	68,753	167,119
Consumer deposits	446,748	441,048
Consumer credit balances	101,389	100,729
Total Current Liabilities	11,018,705	5,908,560
Undistributed deficit	(3,304,883)	(694,183)
	\$ 7,713,822	\$ 5,214,377

See notes to financial statements

**Westchester Joint Water Works
General Fund**

Statements of Operations
Years Ended December 31,

	Village of Mamaroneck		Town of Mamaroneck		Town-Village of Harrison		Totals	
	2010	2009	2010	2009	2010	2009	2010	2009
REVENUES								
Sale of Water and Service								
Member Districts								
Retail - Basic	\$ 4,468,759	\$ 2,699,051	\$ 2,555,235	\$ 1,764,236	\$ 7,688,928	\$ 4,757,413	\$ 14,712,922	\$ 9,220,700
Retail - Surcharge	513,633	278,189	282,254	123,269	1,041,707	772,420	1,837,594	1,173,878
Fire protection	125,720	124,825	88,692	88,710	305,095	303,617	519,507	517,152
Service connections	3,860	2,815	555	1,325	9,345	10,855	13,760	14,995
Meter installations	3,802	3,359	1,879	1,641	12,205	10,086	17,886	15,086
Penalties	20,129	6,049	5,658	3,064	19,276	(308)	45,063	8,805
	<u>5,135,903</u>	<u>3,114,288</u>	<u>2,934,273</u>	<u>1,982,245</u>	<u>9,076,556</u>	<u>5,854,083</u>	<u>17,146,732</u>	<u>10,950,616</u>
Nonmember Districts								
Retail - Basic	161,227	93,460	115,339	61,417	343,537	178,909	620,103	333,786
Retail - Surcharge	17,707	1,560	12,668	1,025	37,730	2,985	68,105	5,570
Wholesale - Basic	560,032	466,680	400,638	306,675	1,193,300	893,359	2,153,970	1,666,714
Wholesale - Surcharge	120,606	67,639	86,280	44,449	256,985	129,481	463,871	241,569
Fire protection	3,135	3,401	2,243	2,235	6,679	6,509	12,057	12,145
Miscellaneous	5,432	(1,495)	3,886	(983)	11,574	(2,863)	20,892	(5,341)
	<u>868,139</u>	<u>631,245</u>	<u>621,054</u>	<u>414,818</u>	<u>1,849,805</u>	<u>1,208,380</u>	<u>3,338,998</u>	<u>2,254,443</u>
Total Revenues	<u>6,004,042</u>	<u>3,745,533</u>	<u>3,555,327</u>	<u>2,397,063</u>	<u>10,926,361</u>	<u>7,062,463</u>	<u>20,485,730</u>	<u>13,205,059</u>
OPERATING EXPENSES								
Water purchases							9,435,259	5,502,781
30" Main supply							191,747	176,011
Larchmont plant							446,319	377,873
Rye Lake plant							655,333	534,115
Lake Street Plant							24,023	30,783
Silver Lake Well							5,876	9,688
Transmission and distribution							1,775,188	1,524,062

(Continued)

**Westchester Joint Water Works
General Fund**

Statements of Operations (Continued)
Years Ended December 31,

	Village of Mamaroneck		Town of Mamaroneck		Town-Village of Harrison		Totals	
	2010	2009	2010	2009	2010	2009	2010	2009
OPERATING EXPENSES (CONTINUED)								
Motor vehicle fleet	\$	\$	\$	\$	\$	\$	\$	\$
Customer service							170,137	136,382
General and administrative							843,428	787,033
							3,086,224	2,568,186
Total Operating Expenses	4,324,719	3,261,136	3,093,837	2,143,032	9,214,978	6,242,746	16,633,534	11,646,914
Apportioned to Districts								
Income Before Other	1,679,323	484,397	461,490	254,031	1,711,383	819,717	3,852,196	1,558,145
Income (Expense)								
OTHER INCOME (EXPENSE), NET								
State aid							25,930	-
Federal aid							4,321	-
NYS archives grant revenue							-	32,657
NYS archives grant expenditures							-	(32,657)
Jobbing work and overhead recovery								
Inventory adjustment							11,846	9,705
Interest income							12,880	(148,083)
Sales of scrap and miscellaneous							13,474	13,223
Expense recovery - Village of Larchmont and Aquarion Water Company							46,283	55,112
							131,800	135,097
Total Other Income	64,099	18,215	45,855	11,970	136,580	34,869	246,534	65,054
Apportioned to Districts								
Net Income before	1,743,422	502,612	507,345	266,001	1,847,963	854,586	4,098,730	1,623,199
Filtration Plant Fines	1,304,875	1,193,150	933,488	784,070	2,780,387	2,284,030	5,018,750	4,261,250
Filtration Plant Fines								
Net Income (Loss)	\$ 438,547	\$ (690,538)	\$ (426,143)	\$ (518,069)	\$ (932,424)	\$ (1,429,444)	\$ (920,020)	\$ (2,638,051)

See notes to financial statements

**Westchester Joint Water Works
General Fund**

Statements of Undistributed (Loss) Earnings
Years Ended December 31,

	Village of Mamaroneck		Town of Mamaroneck		Town-Village of Harrison		Totals	
	2010	2009	2010	2009	2010	2009	2010	2009
Unreserved Balance - January 1,	\$ (727,618)	\$ 666,752	\$ (533,470)	\$ 1,029,354	\$ (1,484,095)	\$ 2,609,671	\$ (2,745,183)	\$ 4,305,777
Net income (loss) for the year	438,547	(690,538)	(426,143)	(518,069)	(932,424)	(1,429,444)	(920,020)	(2,638,051)
	(289,071)	(23,786)	(959,613)	511,285	(2,416,519)	1,180,227	(3,665,203)	1,667,726
Distributions and Other Charges/Credits with Members								
Distributions to members	465,532	666,752	250,600	1,029,354	799,935	2,609,671	1,516,067	4,305,777
Transferred to tax lien	92,231	37,080	25,246	15,401	57,136	54,651	174,613	107,132
	557,763	703,832	275,846	1,044,755	857,071	2,664,322	1,690,680	4,412,909
Unreserved Balance - December 31,	(846,834)	(727,618)	(1,235,459)	(533,470)	(3,273,590)	(1,484,095)	(5,355,883)	(2,745,183)
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 Deficit December 31,	\$ (161,770)	\$ (42,554)	\$ (793,427)	\$ (91,438)	\$ (2,349,686)	\$ (560,191)	\$ (3,304,883)	\$ (694,183)

See notes to financial statements

**Westchester Joint Water Works
General Fund**

Statements of Cash Flows
Years Ended December 31,

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (920,020)	\$ (2,638,051)
Adjustments to reconcile net loss to net cash from operating activities		
Transfers to tax lien	(174,613)	(107,132)
Filtration plant fines	5,018,750	4,261,250
Changes in operating assets and liabilities		
Accounts receivable	(978,070)	2,651,328
Inventory	140,305	69,224
Prepaid expenses and other assets	4,312	105,733
Accounts payable and accrued liabilities	180,939	(473,718)
Due from/to Capital Projects Fund	-	391
Deferred revenues	-	(20,322)
Consumer deposits	5,700	(8,200)
Consumer credit balances	660	30,937
	3,277,963	3,871,440
 CASH FLOWS FROM INVESTING ACTIVITIES		
Contractor and contractor retained percentages	(98,366)	23,469
 CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions to members	(1,516,067)	(4,305,777)
 Net Change in Cash and Cash Equivalents	1,663,530	(410,868)
 CASH AND CASH EQUIVALENTS		
Beginning of year	2,757,436	3,168,304
End of year	\$ 4,420,966	\$ 2,757,436
 CASH AND CASH EQUIVALENTS AT END OF PERIOD		
Regular	\$ 150	\$ 150
Savings	4,420,816	2,757,286
	\$ 4,420,966	\$ 2,757,436

See notes to financial statements

**Westchester Joint Water Works
General Fund**

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 accounting principles generally accepted in the United States of America 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.

**Westchester Joint Water Works
General Fund**

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.

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 based on a combination of write-off history, aging analysis and any specific knowledge of troubled accounts.

Inventory of Materials and Supplies

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

**Westchester Joint Water Works
General Fund**

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 March 3, 2011.

3. Reserves

The reserves for inventory, working capital and insurance at December 31, 2010 and 2009, 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
General Fund**

Notes to Financial Statements

4. Pension Plan (Continued)

Funding Policy - The Systems are non-contributory except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary and employees in tier 5 who also contribute 3% of their salary without regard to their years of service. Contributions to ERS 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 to ERS consist of a life insurance portion and regular pension contributions. Contribution rates for the plans' year's ending in 2011 are as follows:

<u>Tier/Plan</u>	<u>GTLI & Regular</u>
1 751	15.3%
3 A14	11.3
4 A15	11.3

The actual cost for the years ended December 31, 2010 and 2009 was \$219,945 and \$176,010, 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.

With the endorsement of New York State, Management is currently moving forward with an alternative to the filtration plant. The alternative involves a joint venture with Westchester County to get access to ultraviolet treated water. WJWW, as well as its member municipalities, entered into an intermunicipal agreement in April 2010 with Westchester County for this purpose. The County UV Alternative, as it is known, will involve WJWW constructing a pipeline and pump station as well as modifying some existing interconnections and infrastructure. The total cost of this alternative to WJWW is expected to be \$50 to \$70 million which includes its share of the cost to be incurred by

**Westchester Joint Water Works
General Fund**

Notes to Financial Statements

5. Contingencies (continued)

Westchester County to construct either a pipeline to access New York City's ultraviolet plant at Eastview or build an ultraviolet plant of its own in the vicinity of Kensico Plaza. As the WJWW has not met the December 3, 2008 deadline, an accrual for fines of \$9,420,000 and \$4,401,250 for the period December 4, 2008 through December 31, 2010 and December 31, 2009 is reflected in accounts payable on the Balance Sheet and \$5,018,750 and \$4,261,250 for the years ended December 31, 2010 and 2009 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 the fines will be suspended or replaced with a negotiated settlement now that the filtration plant alternative with Westchester County is progressing and in 2010 WJWW signed an inter-municipal agreement with the County. WJWW has proposed a revised compliance schedule to the New York State Department of Health and is involved in ongoing discussions to resolve this matter and has prepared and submitted to the State in 2010 a draft Basis of Design related to participating in the County alternative. 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
General Fund**

Supplementary Information

December 31, 2010 and 2009

**Westchester Joint Water Works
General Fund**

Schedules of Revenue and Expenses
Years Ended December 31,

	2010		Variance From Budget (Under) Over	2009 Actual
	Actual	Budget		
REVENUES				
Sale of Water and Service				
Member Districts				
Retail - Basic	\$ 14,712,922	\$ 12,100,363	\$ 2,612,559	\$ 9,220,700
Retail - Surcharge	1,837,594	1,584,810	252,784	1,173,878
Fire protection	519,507	543,337	(23,830)	517,152
Service connections	13,760	15,746	(1,986)	14,995
Meter installations	17,886	-	17,886	15,086
Penalties	45,063	9,568	35,495	8,805
	<u>17,146,732</u>	<u>14,253,824</u>	<u>2,892,908</u>	<u>10,950,616</u>
Nonmember Districts				
Retail - Basic	620,103	514,849	105,254	333,786
Retail - Surcharge	68,105	5,549	62,556	5,570
Wholesale - Basic	2,153,970	1,460,681	693,289	1,666,714
Wholesale - Surcharge	463,871	517,615	(53,744)	241,569
Fire protection	12,057	12,388	(331)	12,145
Miscellaneous	20,892	-	20,892	(5,341)
	<u>3,338,998</u>	<u>2,511,082</u>	<u>827,916</u>	<u>2,254,443</u>
Total Revenues	<u>20,485,730</u>	<u>16,764,906</u>	<u>3,720,824</u>	<u>13,205,059</u>
OPERATING EXPENSES				
Water Purchases				
Shaft 22	2,802,070	2,525,924	276,146	2,339,203
Rye Lake	2,721,452	1,846,079	875,373	1,686,980
Lake Street	-	-	-	-
Excess Per Capita Usage - Retail	3,447,866	1,365,443	2,082,423	1,235,029
Excess Per Capita Usage - Wholesale	463,871	262,554	201,317	241,569
	<u>9,435,259</u>	<u>6,000,000</u>	<u>3,435,259</u>	<u>5,502,781</u>
30" Main Supply				
Supervision - Salaries	1,983	1,785	198	2,816
Operations and maintenance				
Salaries	-	-	-	1,388
Other	180,437	166,589	13,848	171,807
Equipment purchases	9,327	-	9,327	-
	<u>191,747</u>	<u>168,374</u>	<u>23,373</u>	<u>176,011</u>

(Continued)

**Westchester Joint Water Works
General Fund**

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

	2010		Variance From Budget (Under) Over	2009 Actual
	Actual	Budget		
Larchmont Plant				
Supervision - Salaries	\$ 58,234	\$ 19,560	\$ 38,674	\$ 30,856
Plant operations - Salaries	110,354	134,669	(24,315)	63,601
Sampling and analysis				
Salaries	25,037	16,290	8,747	19,328
Other	22,774	33,000	(10,226)	30,114
Operations and maintenance				
Salaries	11,613	12,525	(912)	23,043
Other	48,167	33,580	14,587	36,229
Power	51,223	55,650	(4,427)	38,679
Chemicals	113,726	155,117	(41,391)	132,873
Improvements	5,191	9,000	(3,809)	3,150
Equipment purchases	-	71,600	(71,600)	-
	<u>446,319</u>	<u>540,991</u>	<u>(94,672)</u>	<u>377,873</u>
Rye Lake Plant				
Supervision - Salaries	17,936	16,151	1,785	25,480
Plant operations - Salaries	121,278	111,208	10,070	52,519
Sampling and analysis				
Salaries	14,720	8,680	6,040	13,514
Other	25,554	32,000	(6,446)	30,642
Operations and maintenance				
Salaries	22,034	24,949	(2,915)	76,695
Other	105,836	97,923	7,913	56,641
Power	229,741	218,980	10,761	166,634
Chemicals	118,234	120,509	(2,275)	111,990
Improvements	-	7,000	(7,000)	-
Equipment purchases	-	115,000	(115,000)	-
	<u>655,333</u>	<u>752,400</u>	<u>(97,067)</u>	<u>534,115</u>
Lake Street Plant				
Salaries	10,402	8,031	2,371	5,785
Other	-	-	-	-
Operations and maintenance				
Salaries	211	-	211	3,085
Other	10,602	12,168	(1,566)	18,182
Power	2,808	7,900	(5,092)	3,731
	<u>24,023</u>	<u>28,099</u>	<u>(4,076)</u>	<u>30,783</u>

(Continued)

**Westchester Joint Water Works
General Fund**

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

	2010		Variance From Budget (Under) Over	2009 Actual
	Actual	Budget		
Silver Lake Well				
Operations and maintenance				
Salaries	\$ -	\$ -	\$ -	\$ 607
Other	2,475	5,013	(2,538)	5,451
Power	3,401	3,513	(112)	3,630
	<u>5,876</u>	<u>8,526</u>	<u>(2,650)</u>	<u>9,688</u>
Transmission and Distribution				
Supervision - Salaries	83,785	52,550	31,235	144,443
Storage tanks				
Salaries	9,377	7,306	2,071	6,592
Other	17,749	10,000	7,749	8,916
Booster stations				
Salaries	908	249	659	7,437
Other	90,050	107,000	(16,950)	62,103
Water mains				
Salaries	448,924	485,398	(36,474)	394,703
Other	522,700	83,000	439,700	132,515
Fire hydrants				
Salaries	75,292	62,746	12,546	112,101
Other	40,324	38,599	1,725	56,466
Service repairs				
Salaries	134,726	124,068	10,658	191,677
Other	73,766	50,000	23,766	137,046
Leak survey				
Salaries	27,143	-	27,143	-
Other	4,620	13,484	(8,864)	14,828
Emergency service - Salaries	41,888	35,447	6,441	39,408
Other expenses				
Salaries	138,292	153,975	(15,683)	192,784
Miscellaneous	63,624	26,917	36,707	22,279
Equipment purchases	2,020	80,000	(77,980)	764
	<u>1,775,188</u>	<u>1,330,739</u>	<u>444,449</u>	<u>1,524,062</u>

(Continued)

**Westchester Joint Water Works
General Fund**

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

	2010		Variance From Budget (Under) Over	2009 Actual
	Actual	Budget		
Motor Vehicle Fleet				
Supervision - Salaries	\$ 9,913	\$ 8,926	\$ 987	\$ 14,084
Maintenance and repairs				
Salaries	13,044	21,512	(8,468)	43,441
Gasoline and oil	42,778	37,341	5,437	36,533
Tires, batteries, parts and tools	3,321	14,769	(11,448)	15,515
Shop and outside repair expenses	101,081	56,935	44,146	26,021
Vehicle purchases	-	-	-	788
	<u>170,137</u>	<u>139,483</u>	<u>30,654</u>	<u>136,382</u>
Customer Service				
Supervision - Salaries	19,829	17,853	1,976	100,133
Meter reader - Salaries	81,298	36,839	44,459	68,833
Servicemen - Salaries	156,478	131,103	25,375	151,670
Meter parts and miscellaneous expenses	10,548	102,000	(91,452)	5,279
Scrapped meters	45,546	59,873	(14,327)	66,639
Meter testing and repairs	60	8,523	(8,463)	7,585
Customer records and billing				
Salaries	209,718	238,011	(28,293)	228,878
Other	125,046	126,709	(1,663)	142,256
Automatic Meter Read System	-	14,469	(14,469)	12,877
Equipment purchases	194,905	250,000	(55,095)	2,883
	<u>843,428</u>	<u>985,380</u>	<u>(141,952)</u>	<u>787,033</u>
General and Administrative				
Management and staff - Salaries	385,180	376,307	8,873	324,939
Office supervision - Salaries	85,491	81,623	3,868	84,317
Secretarial and clerical - Salaries	103,599	97,487	6,112	134,929
Professional, educational and legal	21,765	29,167	(7,402)	26,658
Communication	35,829	34,000	1,829	32,215
Heating and electricity	21,888	28,000	(6,112)	22,826
Supplies and expenses - Other	19,171	20,097	(926)	26,055
Board of Trustees	7,200	10,000	(2,800)	8,900
Accounting	29,876	25,000	4,876	29,856
Professional services - Other	262,881	410,755	(147,874)	237,173
Insurance				
Liability and other	169,624	165,879	3,745	136,595
Compensation and disability	110,309	98,119	12,190	98,119
Medical, dental and group life	755,241	793,790	(38,549)	711,844

(Continued)

**Westchester Joint Water Works
General Fund**

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

	2010		Variance From Budget (Under) Over	2009 Actual
	Actual	Budget		
General and Administrative (Continued)				
Social security	\$ 186,410	\$ 198,264	\$ (11,854)	\$ 200,142
New York State retirement plan	219,945	284,000	(64,055)	176,010
Rent and taxes	136,018	145,587	(9,569)	127,395
Maintenance of buildings and grounds				
Salaries	31,827	38,215	(6,388)	116,057
Other	40,811	27,000	13,811	49,945
Improvements to buildings and grounds -				
Salaries	2,497	7,217	(4,720)	-
Improvements	27,071	-	27,071	4,060
Equipment purchases	433,591	475,500	(41,909)	20,151
	<u>3,086,224</u>	<u>3,346,007</u>	<u>(259,783)</u>	<u>2,568,186</u>
Total Operating Expenses	<u>16,633,534</u>	<u>13,299,999</u>	<u>3,333,535</u>	<u>11,646,914</u>
Other Income (Expenses), net				
State aid	25,930	-	25,930	-
Federal aid	4,321	-	4,321	-
NYS archives grant revenue	-	-	-	32,657
NYS archives grant expenditures	-	-	-	(32,657)
Jobbing work and overhead recovery	11,846	-	11,846	9,705
Inventory adjustment	12,880	-	12,880	(148,083)
Interest income	13,474	10,000	3,474	13,223
Sales of scrap and miscellaneous	46,283	43,260	3,023	55,112
Expense recovery - Village of Larchmont and Aquarion Water Company	131,800	250,000	(118,200)	135,097
Insurance and other recoveries	-	15,450	(15,450)	-
	<u>246,534</u>	<u>318,710</u>	<u>(72,176)</u>	<u>65,054</u>
Net Operating Expenses	<u>16,387,000</u>	<u>12,981,289</u>	<u>3,405,711</u>	<u>11,581,860</u>
Total Revenues	<u>20,485,730</u>	<u>16,764,906</u>	<u>3,720,824</u>	<u>13,205,059</u>
Net Income before Filtration Plant Fines	<u>4,098,730</u>	<u>3,783,617</u>	<u>315,113</u>	<u>1,623,199</u>
Filtration Plant Fines	<u>5,018,750</u>	<u>-</u>	<u>5,018,750</u>	<u>4,261,250</u>
Net Income (Loss)	<u>\$ (920,020)</u>	<u>\$ 3,783,617</u>	<u>\$ (4,703,637)</u>	<u>\$ (2,638,051)</u>

See independent auditors' report

**Westchester Joint Water Works
General fund**

Schedules of Water Purchased and Sold
Years Ended December 31,

	Gallons Sold (In Thousands)		Percentages		
			All Districts	Members Only	
	2010	2009		2010	2010
Retail Sales					
Village of Mamaroneck	754,664	688,900	17.1 %	26.0 %	28.0 %
Town of Mamaroneck	539,594	451,799	12.2	18.6	18.4
Town-Village of Harrison	1,606,772	1,316,674	36.3	55.4	53.6
Outside districts	80,928	61,474	1.8	-	-
	<u>2,981,958</u>	<u>2,518,847</u>	<u>67.4</u>		
Wholesale Sales					
Village of Larchmont	393,700	360,080	8.9		
United Water Westchester	1,049,902	1,127,488	23.7		
United Water New Rochelle	-	19,822	-		
	<u>1,443,602</u>	<u>1,507,390</u>	<u>32.6</u>		
Totals	<u>4,425,560</u>	<u>4,026,237</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>

Retail Water Revenues Per
Thousand Gallons

\$	<u>5.78</u>	\$	<u>4.26</u>
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	Gallons Purchased (In Thousands)		Percentages	
	2010	2009	2010	2009
	Shaft 22	2,670,275	2,565,794	50.4 %
Rye Lake Plant	2,624,069	1,848,398	49.6	41.9
Total Produced and to be Accounted for	<u>5,294,344</u>	<u>4,414,192</u>	<u>100.0</u>	<u>100.0</u>
Total Sold and Billed	<u>4,425,560</u>	<u>4,026,237</u>	<u>83.6</u>	<u>91.2</u>
Balance Not Billed	<u>868,784</u>	<u>387,955</u>	<u>16.4 %</u>	<u>8.8 %</u>

See independent auditors' report