



ERIE COUNTY WATER AUTHORITY

INTEROFFICE MEMORANDUM

August 18, 2020

To: Commissioners Schad, Carney and LaGree

From: Joyce A. Tomaka, Comptroller

Subject: July 2020 Financial Report

Operating Revenue For the Month of: July, 2020

Actual operating revenue of \$6,821,000 was lower than the budgeted operating revenue of \$7,163,000 by **(\$342,000)** or **(4.8%)**

Category	Actual	Budget	Higher than Budget (Lower than Budget)
Residential	\$3,560,000	\$3,686,000	(\$126,000)
Commercial	556,000	756,000	(200,000)
Industrial	188,000	189,000	(1,000)
Public Authorities	219,000	207,000	12,000
Public Fire Protection	322,000	314,000	8,000
Private Fire Protection	55,000	52,000	3,000
Sales to Other Districts	412,000	403,000	9,000
Infrastructure Inv. Charge	1,464,000	1,450,000	14,000
Other Water Revenues	45,000	106,000	(61,000)
TOTAL	\$6,821,000	\$7,163,000	(\$342,000)

Operating Revenue Year-to-Date: July 31, 2020

Total actual year-to-date operating revenue through July 31 of \$44,149,000 was lower than the budgeted operating revenue of \$45,458,000, by **(\$1,309,000)** or **(2.9%)**

Category	Actual	Budget	Higher than Budget (Lower than Budget)
Residential	\$22,100,000	\$22,582,000	(\$482,000)
Commercial	3,934,000	4,565,000	(631,000)
Industrial	1,359,000	1,184,000	175,000
Public Authorities	1,299,000	1,391,000	(92,000)
Public Fire Protection	2,296,000	2,206,000	90,000
Private Fire Protection	394,000	377,000	17,000
Sales to Other Districts	2,340,000	2,457,000	(117,000)
Infrastructure Inv. Charge	10,066,000	9,929,000	137,000
Other Water Revenues	361,000	767,000	(406,000)
TOTAL	\$44,149,000	\$45,458,000	(\$1,309,000)

Investment Income:

	Actual	Budget	Higher than Budget (Lower than Budget)
Month of July	\$27,000	\$75,000	(\$48,000)
YTD through July 31	\$361,000	\$525,000	(\$164,000)

Operating & Maintenance Expense For the Month of: July, 2020

Actual operating & maintenance expenses of \$3,860,000, were lower than the budgeted operating & maintenance expenses of \$4,599,000 by \$739,000 or 16%. Listed below is a summary of the major budget variance categories:

Category	Actual	Budget	Lower than Budget (Higher than Budget)
Salaries & Wages	\$1,381,000	\$1,626,000	\$245,000
Fringe Benefits	\$714,000	\$826,000	\$112,000
Emergency Credits	-	-	\$0
Overtime	270,000	211,000	(\$59,000)
COVID-19 Overtime	-	-	\$0
Chemicals Purchased	127,000	109,000	(\$18,000)
Power Purchased	403,000	472,000	\$69,000
Materials and Supplies	183,000	200,000	\$17,000
Other Public Utilities	45,000	53,000	\$8,000
Insurance and Damages	207,000	252,000	\$45,000
Special Services	20,000	22,000	\$2,000
Payments to Contractors	891,000	852,000	(\$39,000)
Administrative Credits	(651,000)	(396,000)	\$255,000
COVID-19 Related Expense	3,000	12,000	\$9,000

Operating & Maintenance Expense Year-to-Date: July 31, 2020

Total actual year-to-date operating & maintenance expenses through July 31 of \$24,817,000 were lower than the budgeted operating & maintenance expenses of \$30,738,000 by \$5,921,000 or 19.3%. Listed below is a summary of the major budget variance categories:

Category	Actual	Budget	Lower than Budget (Higher than Budget)
Salaries & Wages	8,976,000	10,824,000	\$1,848,000
Fringe Benefits	4,729,000	5,502,000	\$773,000
Emergency Credits	369,000	-	(\$369,000)
Overtime	1,234,000	1,360,000	\$126,000
COVID-19 Overtime	118,000	-	(\$118,000)
Chemicals Purchased	719,000	650,000	(\$69,000)
Power Purchased	1,750,000	2,412,000	\$662,000
Materials and Supplies	1,094,000	1,354,000	\$260,000
Other Public Utilities	412,000	467,000	\$55,000
Insurance and Damages	1,523,000	1,762,000	\$239,000
Special Services	193,000	209,000	\$16,000
Payments to Contractors	3,726,000	5,270,000	\$1,544,000
Administrative Credits	(1,916,000)	(1,585,000)	\$331,000
COVID-19 Related Expense	49,000	59,000	\$10,000

Net Income/(Loss)*:

	2020	2019	Increase/(Decrease)
Month of July	\$1,364,000	\$1,695,000	(\$331,000)
YTD through July 31	\$8,267,000	\$8,727,000	(\$460,000)

*Income is shown on a GAAP basis – taking into account OPEB expense and other non-cash items

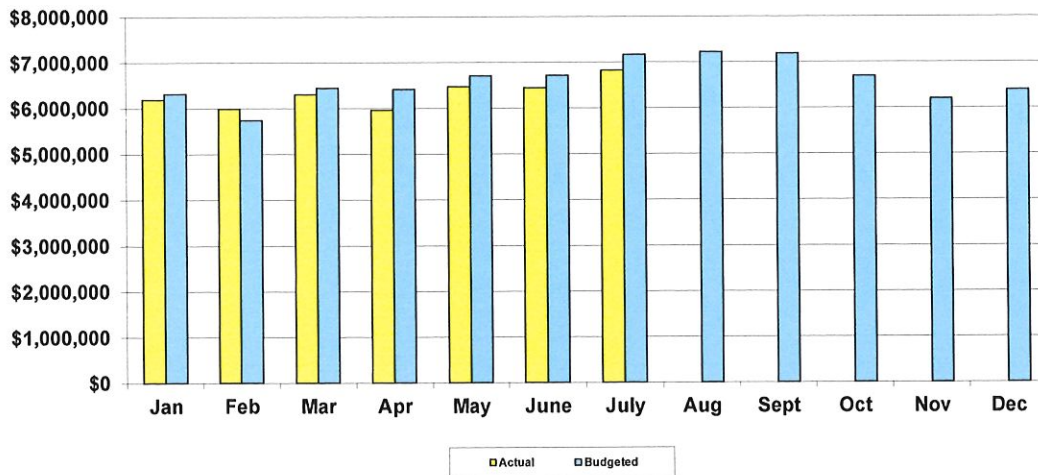
Summary of Non-Cash Charges Year-to-Date:

Non-Cash Charges	Actual	Budget	Lower than Budget (Higher than Budget)
Depreciation	\$8,172,000	\$7,998,000	(\$174,000)
Amortization	(144,000)	(228,000)	(\$84,000)
OPEB Expense	2,429,000	2,725,000	\$296,000
TOTAL	\$10,457,000	\$10,495,000	\$38,000

Attached is a chart comparing actual operating revenue, investment income and operating expenses compared to budget on a monthly basis.

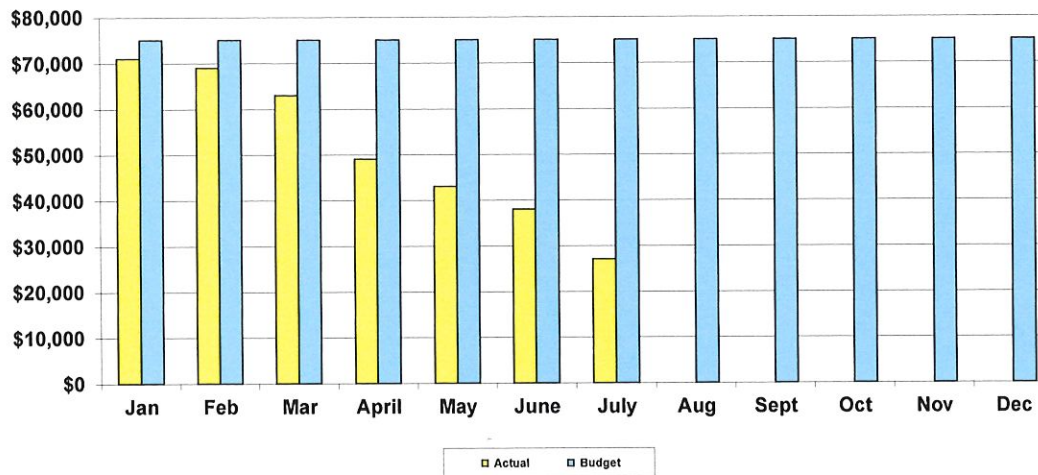
cc: K. Prendergast

**2020 Operating Revenue
Actual to Budget**



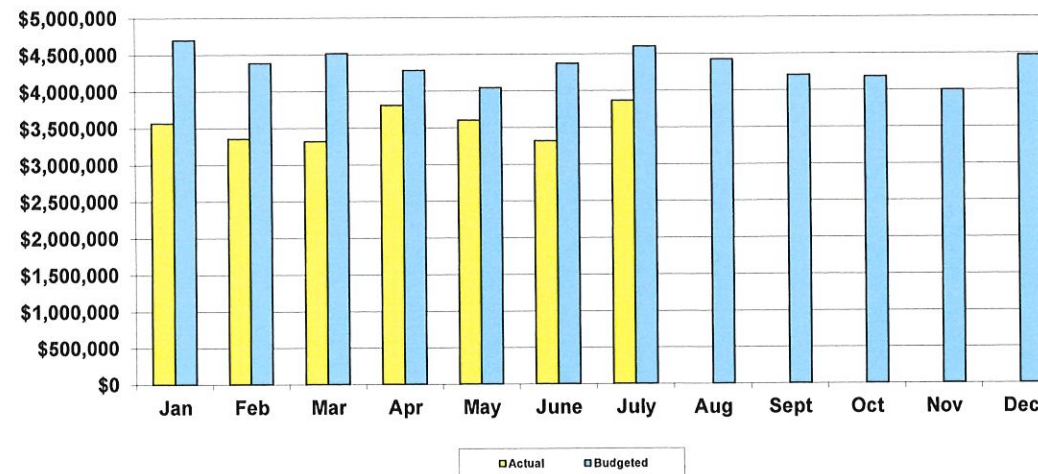
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Actual	\$6,187,000	\$5,984,000	\$6,299,000	\$5,956,000	\$6,463,000	\$6,439,000	\$6,821,000	\$0	\$0	\$0	\$0	\$0
Budgeted	\$6,311,000	\$5,735,000	\$6,435,000	\$6,408,000	\$6,698,000	\$6,709,000	\$7,163,000	\$7,221,000	\$7,182,000	\$6,683,000	\$6,193,000	\$6,383,000

**2020 Investment Income
Actual to Budget**



	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Actual	\$71,000	\$69,000	\$63,000	\$49,000	\$43,000	\$38,000	\$27,000	\$0	\$0	\$0	\$0	\$0
Budget	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000

**2020 Operating Expense
Actual to Budget**



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Actual	\$3,566,000	\$3,351,000	\$3,316,000	\$3,804,000	\$3,601,000	\$3,318,000	\$3,860,000	\$0	\$0	\$0	\$0	\$0
Budgeted	\$4,696,000	\$4,379,000	\$4,513,000	\$4,281,000	\$4,042,000	\$4,367,000	\$4,599,000	\$4,418,000	\$4,203,000	\$4,177,000	\$3,996,000	\$4,465,000