



ERIE COUNTY WATER AUTHORITY

INTEROFFICE MEMORANDUM

September 15, 2020

To: Commissioners Schad, Carney and LaGree

From: Joyce A. Tomaka, Comptroller

Subject: August 2020 Financial Report

Operating Revenue For the Month of: August, 2020

Actual operating revenue of \$7,488,000 was higher than the budgeted operating revenue of \$7,221,000 by \$267,000 or 3.7%

Category	Actual	Budget	Higher than Budget (Lower than Budget)
Residential	\$3,837,000	\$3,663,000	\$174,000
Commercial	891,000	816,000	75,000
Industrial	219,000	187,000	32,000
Public Authorities	168,000	230,000	(62,000)
Public Fire Protection	323,000	334,000	(11,000)
Private Fire Protection	54,000	52,000	2,000
Sales to Other Districts	418,000	378,000	40,000
Infrastructure Inv. Charge	1,469,000	1,455,000	14,000
Other Water Revenues	109,000	106,000	3,000
TOTAL	\$7,488,000	\$7,221,000	\$267,000

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

Total actual year-to-date operating revenue through August 31 of \$51,637,000 was lower than the budgeted operating revenue of \$52,679,000, by (\$1,042,000) or (2%)

Category	Actual	Budget	Higher than Budget (Lower than Budget)
Residential	\$25,937,000	\$26,245,000	(\$308,000)
Commercial	4,824,000	5,381,000	(557,000)
Industrial	1,578,000	1,371,000	207,000
Public Authorities	1,467,000	1,621,000	(154,000)
Public Fire Protection	2,619,000	2,540,000	79,000
Private Fire Protection	448,000	429,000	19,000
Sales to Other Districts	2,758,000	2,835,000	(77,000)
Infrastructure Inv. Charge	11,535,000	11,384,000	151,000
Other Water Revenues	471,000	873,000	(402,000)
TOTAL	\$51,637,000	\$52,679,000	(\$1,042,000)

Investment Income:

	Actual	Budget	Higher than Budget (Lower than Budget)
Month of August	\$28,000	\$75,000	(\$47,000)
YTD through August 31	\$388,000	\$600,000	(\$212,000)

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

Actual operating & maintenance expenses of \$3,925,000, were lower than the budgeted operating & maintenance expenses of \$4,446,000 by \$521,000 or 11.7%. Listed below is a summary of the major budget variance categories:

Category	Actual	Budget	Lower than Budget (Higher than Budget)
Salaries & Wages	\$1,280,000	\$1,487,000	\$207,000
Fringe Benefits	\$666,000	\$756,000	\$90,000
Overtime	215,000	221,000	\$6,000
Chemicals Purchased	128,000	100,000	(\$28,000)
Power Purchased	352,000	432,000	\$80,000
Materials and Supplies	174,000	298,000	\$124,000
Other Public Utilities	68,000	57,000	(\$11,000)
Insurance and Damages	170,000	252,000	\$82,000
Special Services	(43,000)	22,000	\$65,000
Payments to Contractors	1,186,000	801,000	(\$385,000)
Administrative Credits	(431,000)	(347,000)	\$84,000
COVID-19 Related Expense	3,000	12,000	\$9,000

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

Total actual year-to-date operating & maintenance expenses through August 31 of \$28,741,000 were lower than the budgeted operating & maintenance expenses of \$35,143,000 by \$6,402,000 or 18.2%. Listed below is a summary of the major budget variance categories:

Category	Actual	Budget	Lower than Budget (Higher than Budget)
Salaries & Wages	10,256,000	12,311,000	\$2,055,000
Emergency Credits	369,000	-	(\$369,000)
Fringe Benefits	5,395,000	6,257,000	\$862,000
Overtime	1,449,000	1,582,000	\$133,000
COVID-19 Overtime	118,000	-	(\$118,000)
Chemicals Purchased	847,000	750,000	(\$97,000)
Power Purchased	2,102,000	2,844,000	\$742,000
Materials and Supplies	1,268,000	1,651,000	\$383,000
Other Public Utilities	480,000	524,000	\$44,000
Insurance and Damages	1,692,000	2,014,000	\$322,000
Special Services	150,000	230,000	\$80,000
Payments to Contractors	4,912,000	6,030,000	\$1,118,000
Administrative Credits	(2,347,000)	(1,932,000)	\$415,000
COVID-19 Related Expense	53,000	71,000	\$18,000

Net Income/(Loss)*:

	2020	2019	Increase/(Decrease)
Month of August	\$2,034,000	\$2,413,000	(\$379,000)
YTD through August 31	\$10,301,000	\$11,140,000	(\$839,000)

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

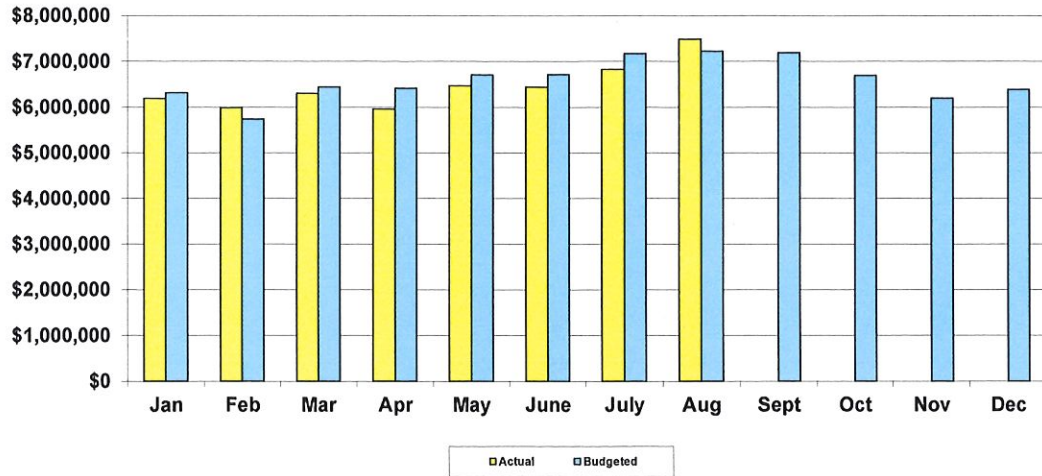
Summary of Non-Cash Charges Year-to-Date:

Non-Cash Charges	Actual	Budget	Lower than Budget (Higher than Budget)
Depreciation	\$9,337,000	\$9,141,000	(\$196,000)
Amortization	(164,000)	(261,000)	(\$97,000)
OPEB Expense	2,776,000	3,114,000	\$338,000
TOTAL	\$11,949,000	\$11,994,000	\$45,000

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

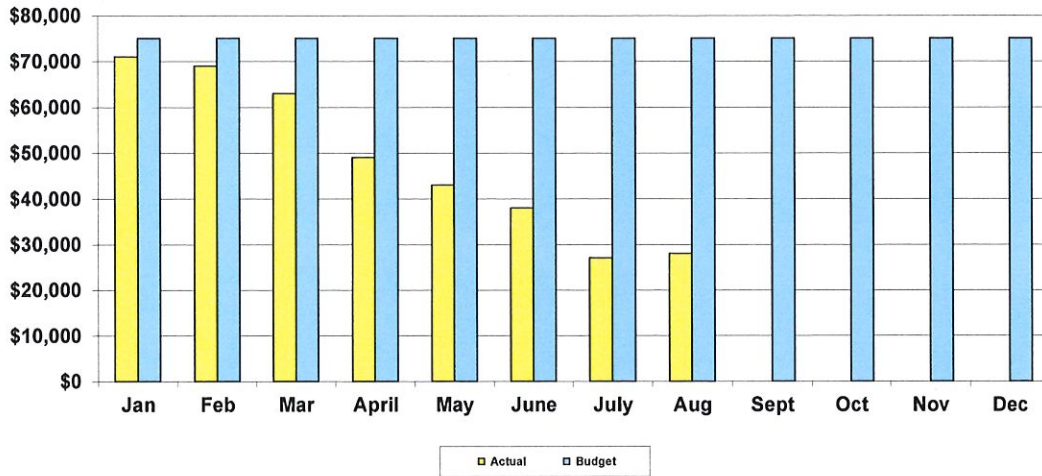
cc: K. Prendergast

**2020 Operating Revenue
Actual to Budget**



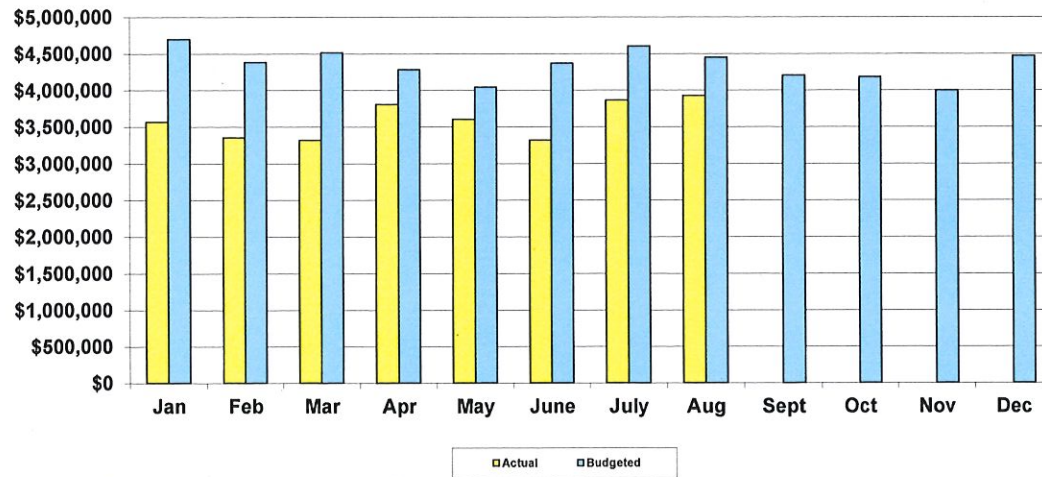
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Actual	\$6,187,000	\$5,984,000	\$6,299,000	\$5,956,000	\$6,463,000	\$6,439,000	\$6,821,000	\$7,488,000	\$0	\$0	\$0	\$0
Budgeted	\$6,311,000	\$5,735,000	\$6,435,000	\$6,408,000	\$6,698,000	\$6,709,000	\$7,163,000	\$7,221,000	\$7,182,000	\$6,683,000	\$6,193,000	\$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	\$28,000	\$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	\$3,925,000	\$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	\$4,446,000	\$4,203,000	\$4,177,000	\$3,996,000	\$4,465,000