



# ERIE COUNTY WATER AUTHORITY

## INTEROFFICE MEMORANDUM

March 17, 2021

To: Commissioners Schad, Carney and LaGree  
 From: Joyce A. Tomaka, Comptroller  
 Subject: February 2021 Financial Report

### Operating Revenue For the Month of: February, 2021

Actual operating revenue of \$5,962,000 was lower than the budgeted operating revenue of \$6,077,000 by **(\$115,000)** or **(1.9%)**

Category	Actual	Budget	Higher than Budget (Lower than Budget)
Residential	\$2,958,000	\$3,000,000	(\$42,000)
Commercial	555,000	577,000	(22,000)
Industrial	149,000	154,000	(5,000)
Public Authorities	155,000	165,000	(10,000)
Public Fire Protection	311,000	315,000	(4,000)
Private Fire Protection	56,000	54,000	2,000
Sales to Other Districts	261,000	306,000	(45,000)
Infrastructure Inv. Charge	1,421,000	1,395,000	26,000
Other Water Revenues	96,000	111,000	(15,000)
<b>TOTAL</b>	<b>\$5,962,000</b>	<b>\$6,077,000</b>	<b>(\$115,000)</b>

### Operating Revenue Year-to-Date: February 28, 2021

Total actual year-to-date operating revenue through February 28 of \$12,549,000 was lower than the budgeted operating revenue of \$12,761,000, by **(\$212,000)** or **(1.7%)**

Category	Actual	Budget	Higher than Budget (Lower than Budget)
Residential	\$6,215,000	\$6,297,000	(\$82,000)
Commercial	1,125,000	1,217,000	(92,000)
Industrial	318,000	332,000	(14,000)
Public Authorities	319,000	350,000	(31,000)
Public Fire Protection	634,000	636,000	(2,000)
Private Fire Protection	113,000	107,000	6,000
Sales to Other Districts	612,000	659,000	(47,000)
Infrastructure Inv. Charge	2,984,000	2,935,000	49,000
Other Water Revenues	229,000	228,000	1,000
<b>TOTAL</b>	<b>\$12,549,000</b>	<b>\$12,761,000</b>	<b>(\$212,000)</b>

Revenues for Residential, Commercial, Industrial, Public Authorities and Sales to Other Districts were budgeted based on a full year's rate increase of 6.5%. For customers billed quarterly, this increase is phased in over the first three months. As a result, we have an expected variance against budget of approximately \$400,000 over the first quarter which we anticipate making up over the course of the year.

**Operating & Maintenance Expense For the Month of: February, 2021**

Actual operating & maintenance expenses of \$3,626,000, were lower than the budgeted operating & maintenance expenses of \$4,600,000 by \$974,000 or 21.2%. Listed below is a summary of the major budget variance categories:

Category	Actual	Budget	Lower than Budget (Higher than Budget)
Salaries & Wages	\$1,237,000	\$1,507,000	\$270,000
Fringe Benefits	629,000	742,000	\$113,000
Overtime	259,000	233,000	(\$26,000)
Chemicals Purchased	96,000	105,000	\$9,000
Power Purchased	277,000	325,000	\$48,000
Materials and Supplies	140,000	202,000	\$62,000
Other Public Utilities	69,000	88,000	\$19,000
Insurance and Damages	189,000	251,000	\$62,000
Special Services	19,000	38,000	\$19,000
Payments to Contractors	521,000	920,000	\$399,000
Administrative Credits	(39,000)	(200,000)	161,000

**Operating & Maintenance Expense Year-to-Date: February 28, 2021**

Total actual year-to-date operating & maintenance expenses through February 28 of \$7,583,000 were lower than the budgeted operating & maintenance expenses of \$9,326,000 by \$1,743,000 or 18.7%. Listed below is a summary of the major budget variance categories:

Category	Actual	Budget	Lower than Budget (Higher than Budget)
Salaries & Wages	\$2,570,000	\$3,090,000	\$520,000
Fringe Benefits	\$1,290,000	\$1,522,000	\$232,000
Overtime	476,000	488,000	\$12,000
Chemicals Purchased	187,000	213,000	\$26,000
Power Purchased	492,000	701,000	\$209,000
Materials and Supplies	243,000	335,000	\$92,000
Other Public Utilities	142,000	158,000	\$16,000
Insurance and Damages	440,000	501,000	\$61,000
Special Services	38,000	59,000	\$21,000
Payments to Contractors	1,276,000	1,652,000	\$376,000
Administrative Credits	(69,000)	(253,000)	184,000



**Investment Income:**

	Actual	Budget	Higher than Budget (Lower than Budget)
Month of February	\$9,000	\$4,000	\$5,000
YTD through February 28	\$18,000	\$8,000	\$10,000

**Net Income/(Loss)\*:**

Comparison to Last Year	2021	2020	Increase/(Decrease)
Month of February	(\$273,000)	\$1,081,000	(\$1,354,000)
YTD through February 28	\$358,000	\$2,092,000	(\$1,734,000)

Comparison to Budget	Actual	Budget	Higher than Budget (Lower than Budget)
Month of February	(\$273,000)	(\$136,000)	(\$137,000)
YTD through February 28	\$358,000	\$222,000	\$136,000

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

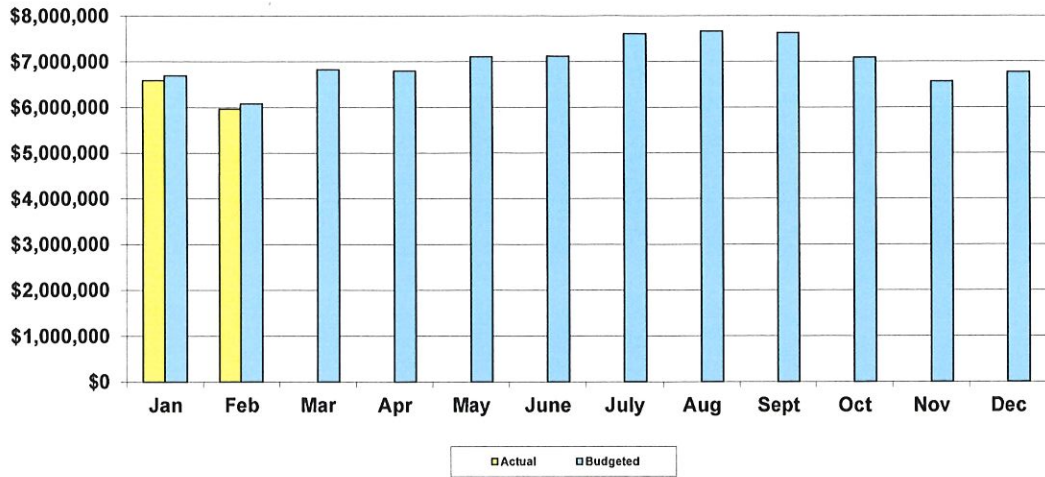
**Summary of Non-Cash Charges Year-to-Date:**

Non-Cash Charges	Actual	Budget	Lower than Budget (Higher than Budget)
Depreciation	\$2,413,000	\$2,362,000	(\$51,000)
Amortization	(41,000)	(65,000)	(\$24,000)
OPEB Expense	591,000	666,000	\$75,000
<b>TOTAL</b>	<b>\$2,963,000</b>	<b>\$2,963,000</b>	<b>\$0</b>

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

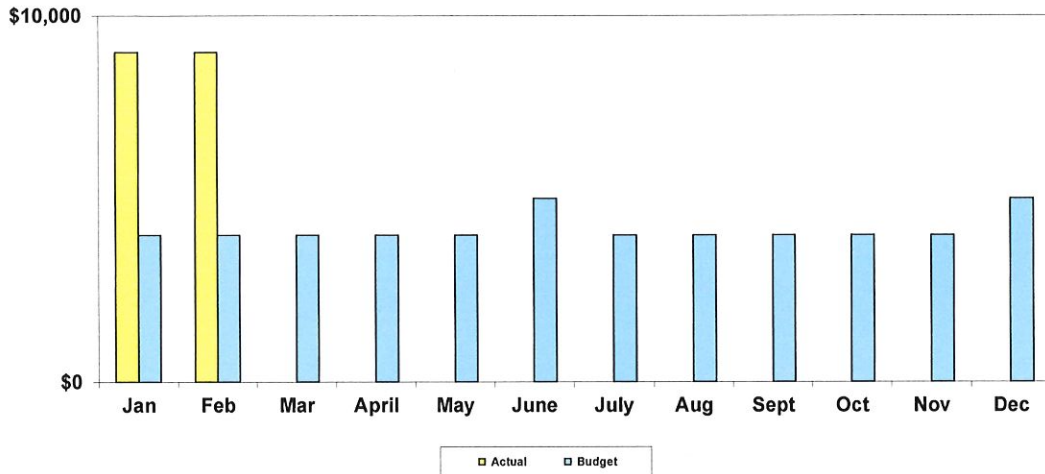
cc: K. Prendergast

**2021 Operating Revenue  
Actual to Budget**



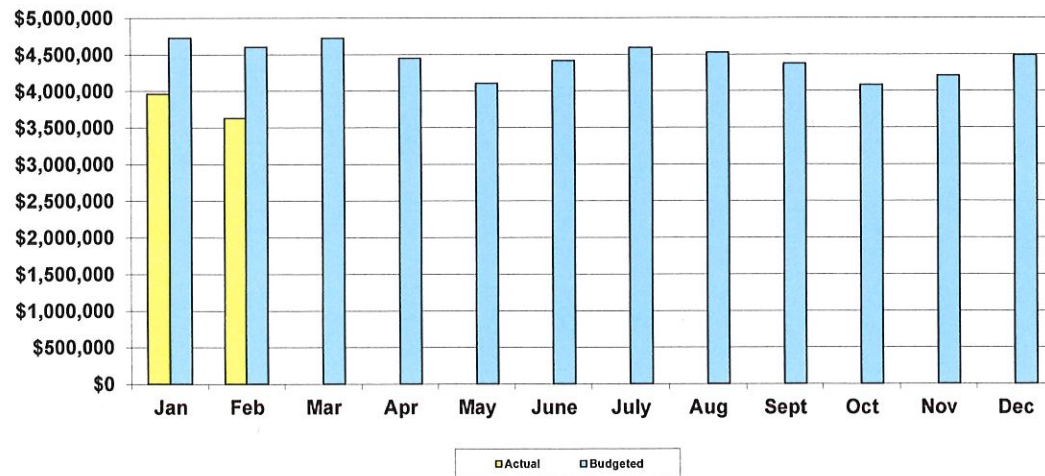
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Actual	\$6,587,000	\$5,962,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Budgeted	\$6,684,000	\$6,077,000	\$6,822,000	\$6,794,000	\$7,101,000	\$7,114,000	\$7,598,000	\$7,658,000	\$7,622,000	\$7,087,000	\$6,565,000	\$6,766,000

**2021 Investment Income  
Actual to Budget**



	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Actual	\$9,000	\$9,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Budget	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000

**2021 Operating Expense  
Actual to Budget**



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Actual	\$3,957,000	\$3,626,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Budgeted	\$4,726,000	\$4,600,000	\$4,722,000	\$4,448,000	\$4,102,000	\$4,411,000	\$4,588,000	\$4,523,000	\$4,372,000	\$4,078,000	\$4,206,000	\$4,485,000