



# ERIE COUNTY WATER AUTHORITY

## INTEROFFICE MEMORANDUM

June 10, 2020

To: Commissioners Schad, Carney and LaGree

From: Joyce A. Tomaka, Comptroller

Subject: May 2020 Financial Report

### Operating Revenue For the Month of: May, 2020

Actual operating revenue of \$6,463,000 was lower than the budgeted operating revenue of \$6,698,000 by **(\$235,000)** or **(3.5%)**

Category	Actual	Budget	Higher than Budget (Lower than Budget)
Residential	\$3,267,000	\$3,305,000	<b>(\$38,000)</b>
Commercial	577,000	695,000	<b>(118,000)</b>
Industrial	226,000	164,000	62,000
Public Authorities	173,000	225,000	<b>(52,000)</b>
Public Fire Protection	322,000	318,000	4,000
Sales to Other Utilities	362,000	366,000	<b>(4,000)</b>
Infrastructure Inv. Charge	1,467,000	1,455,000	12,000
Other Water Revenues	69,000	170,000	<b>(101,000)</b>
<b>TOTAL</b>	<b>\$6,463,000</b>	<b>\$6,698,000</b>	<b>(\$235,000)</b>

### Operating Revenue Year-to-Date: May 31, 2020

Total actual year-to-date operating revenue through May 31 of \$30,889,000 was lower than the budgeted operating revenue of \$31,586,000, by **(\$697,000)** or **(2.2%)**

Category	Actual	Budget	Higher than Budget (Lower than Budget)
Residential	\$15,291,000	\$15,579,000	<b>(\$288,000)</b>
Commercial	2,755,000	3,105,000	<b>(350,000)</b>
Industrial	970,000	814,000	156,000
Public Authorities	903,000	961,000	<b>(58,000)</b>
Public Fire Protection	1,652,000	1,580,000	72,000
Sales to Other Utilities	1,556,000	1,657,000	<b>(101,000)</b>
Infrastructure Inv. Charge	7,176,000	7,068,000	108,000
Other Water Revenues	586,000	822,000	<b>(236,000)</b>
<b>TOTAL</b>	<b>\$30,889,000</b>	<b>\$31,586,000</b>	<b>(\$697,000)</b>

**Investment Income:**

	Actual	Budget	Higher than Budget (Lower than Budget)
Month of May	\$43,000	\$75,000	(\$32,000)
YTD through May 31	\$295,000	\$375,000	(\$80,000)

**Operating & Maintenance Expense For the Month of: May, 2020**

Actual operating & maintenance expenses of \$3,601,000, were lower than the budgeted operating & maintenance expenses of \$4,042,000 by \$441,000 or 10.9%. Listed below is a summary of the major budget variance categories:

Category	Actual	Budget	Lower than Budget (Higher than Budget)
Salaries, Wages & Fringes	\$1,942,000	\$2,243,000	\$301,000
Emergency Credits	143,000	-	(\$143,000)
Overtime	132,000	162,000	\$30,000
COVID-19 Overtime	56,000	-	(\$56,000)
Chemicals Purchased	24,000	96,000	\$72,000
Power Purchased	267,000	276,000	\$9,000
Materials and Supplies	126,000	194,000	\$68,000
Other Public Utilities	57,000	60,000	\$3,000
Insurance and Damages	229,000	252,000	\$23,000
Special Services	19,000	31,000	\$12,000
Payments to Contractors	444,000	662,000	\$218,000
Administrative Credits	(66,000)	(326,000)	(\$260,000)
COVID-19 Related Expense	8,000	13,000	\$5,000

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

Total actual year-to-date operating & maintenance expenses through May 31 of \$17,639,000 were lower than the budgeted operating & maintenance expenses of \$21,795,000 by \$4,157,000 or 19.1%. Listed below is a summary of the major budget variance categories:

Category	Actual	Budget	Lower than Budget (Higher than Budget)
Salaries, Wages & Fringes	\$9,618,000	\$11,525,000	\$1,907,000
Emergency Credits	286,000	-	(\$286,000)
Overtime	784,000	994,000	\$210,000
COVID-19 Overtime	118,000	-	(\$118,000)
Chemicals Purchased	485,000	454,000	(\$31,000)
Power Purchased	1,105,000	1,580,000	\$475,000
Materials and Supplies	777,000	913,000	\$136,000
Other Public Utilities	318,000	360,000	\$42,000
Insurance and Damages	1,103,000	1,259,000	\$156,000
Special Services	158,000	160,000	\$2,000
Payments to Contractors	2,242,000	3,626,000	\$1,384,000
Administrative Credits	(757,000)	(855,000)	(\$98,000)
COVID-19 Related Expense	16,000	35,000	\$19,000

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

	2020	2019	Increase/(Decrease)
Month of May	\$1,249,000	\$1,940,000	(\$691,000)
YTD through May 31	\$5,432,000	\$5,484,000	(\$52,000)

\*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:**

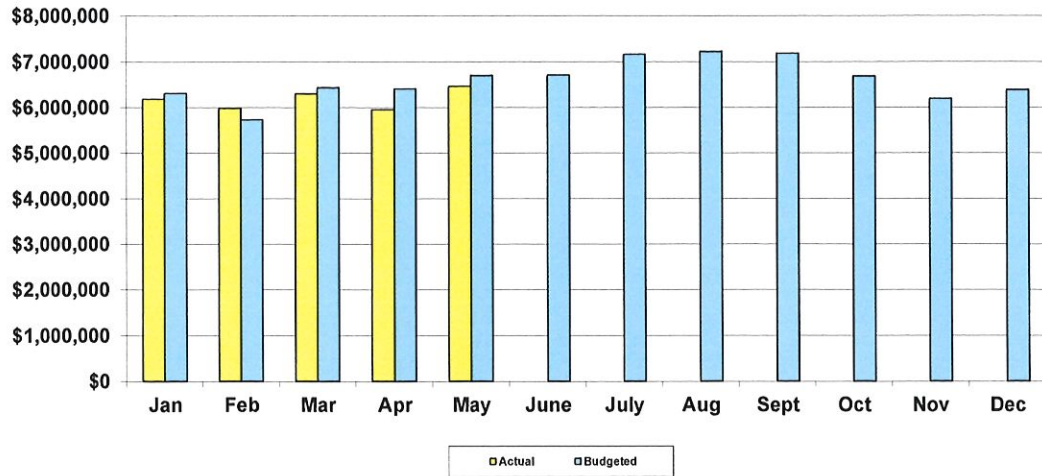
Non-Cash Charges	Actual	Budget	Lower than Budget (Higher than Budget)
Depreciation	\$5,841,000	\$5,713,000	(\$128,000)
Amortization	(103,000)	(163,000)	(\$60,000)
OPEB Expense	1,735,000	1,946,000	\$211,000
<b>TOTAL</b>	<b>\$7,473,000</b>	<b>\$7,496,000</b>	<b>\$23,000</b>

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

cc: K. Prendergast

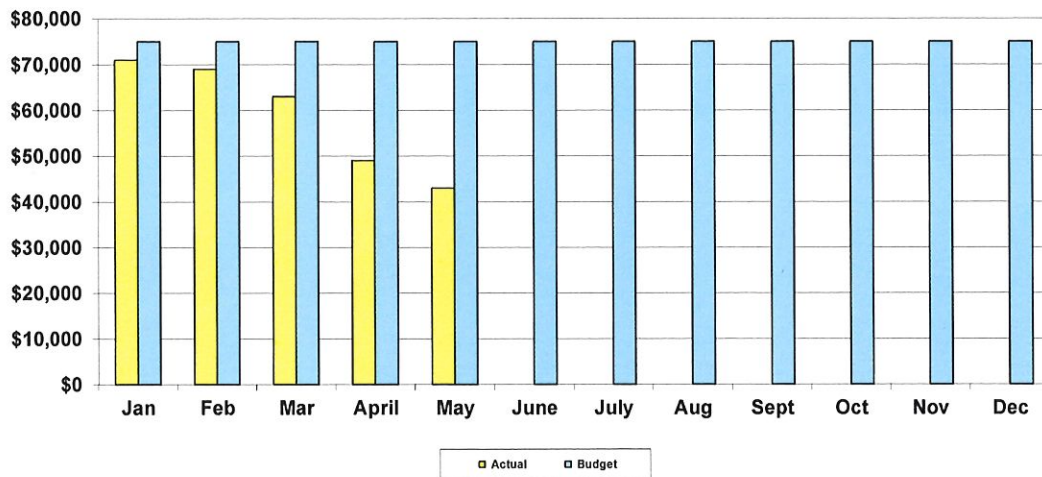


**2020 Operating Revenue  
Actual to Budget**



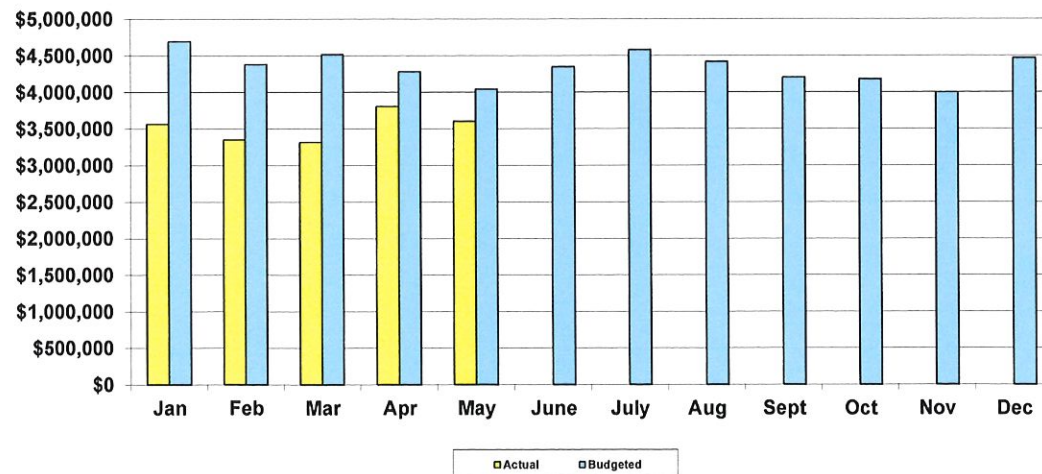
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Actual	\$6,187,000	\$5,984,000	\$6,299,000	\$5,956,000	\$6,463,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Budgeted	\$6,311,000	\$5,735,000	\$6,435,000	\$6,408,000	\$6,698,000	\$6,709,000	\$7,163,000	\$7,221,000	\$7,182,000	\$6,683,000	\$6,193,000	\$6,383,000

**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	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Budgeted	\$4,696,000	\$4,379,000	\$4,513,000	\$4,281,000	\$4,042,000	\$4,347,000	\$4,580,000	\$4,418,000	\$4,203,000	\$4,177,000	\$3,996,000	\$4,465,000