



ERIE COUNTY WATER AUTHORITY

INTEROFFICE MEMORANDUM

November 23, 2020

To: Commissioners Schad, Carney and LaGree

From: Joyce A. Tomaka, Comptroller *JAT*

Subject: October 2020 Financial Report

Operating Revenue For the Month of: October, 2020

Actual operating revenue of \$7,679,000 was higher than the budgeted operating revenue of \$6,683,000 by \$996,000 or 14.9%

Category	Actual	Budget	Higher than Budget (Lower than Budget)
Residential	\$4,138,000	\$3,285,000	\$853,000
Commercial	829,000	704,000	125,000
Industrial	173,000	188,000	(15,000)
Public Authorities	215,000	223,000	(8,000)
Public Fire Protection	322,000	318,000	4,000
Private Fire Protection	54,000	53,000	1,000
Sales to Other Districts	344,000	353,000	(9,000)
Infrastructure Inv. Charge	1,468,000	1,456,000	12,000
Other Water Revenues	136,000	103,000	33,000
TOTAL	\$7,679,000	\$6,683,000	\$996,000

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

Total actual year-to-date operating revenue through October 31 of \$67,432,000 was higher than the budgeted operating revenue of \$66,544,000, by \$888,000 or 1.3%

Category	Actual	Budget	Higher than Budget (Lower than Budget)
Residential	\$34,660,000	\$33,220,000	\$1,440,000
Commercial	6,423,000	6,895,000	(472,000)
Industrial	1,976,000	1,749,000	227,000
Public Authorities	1,911,000	2,082,000	(171,000)
Public Fire Protection	3,262,000	3,174,000	88,000
Private Fire Protection	560,000	535,000	25,000
Sales to Other Districts	3,492,000	3,548,000	(56,000)
Infrastructure Inv. Charge	14,420,000	14,250,000	170,000
Other Water Revenues	728,000	1,091,000	(363,000)
TOTAL	\$67,432,000	\$66,544,000	\$888,000

Investment Income:

	Actual	Budget	Higher than Budget (Lower than Budget)
Month of October	\$20,000	\$75,000	(\$55,000)
YTD through October 31	\$431,000	\$750,000	(\$319,000)

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

Actual operating & maintenance expenses of \$3,603,000, were lower than the budgeted operating & maintenance expenses of \$4,204,000 by \$601,000 or 14.3%. Listed below is a summary of the major budget variance categories:

Category	Actual	Budget	Lower than Budget (Higher than Budget)
Salaries & Wages	\$1,360,000	\$1,558,000	\$198,000
Fringe Benefits	\$699,000	\$791,000	\$92,000
Overtime	222,000	183,000	(\$39,000)
Chemicals Purchased	91,000	85,000	(\$6,000)
Power Purchased	290,000	276,000	(\$14,000)
Materials and Supplies	262,000	257,000	(\$5,000)
Other Public Utilities	45,000	53,000	\$8,000
Insurance and Damages	212,000	252,000	\$40,000
Special Services	22,000	22,000	\$0
Payments to Contractors	855,000	801,000	(\$54,000)
Administrative Credits	(712,000)	(483,000)	\$229,000
COVID-19 Related Expense	4,000	12,000	\$8,000

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

Total actual year-to-date operating & maintenance expenses through October 31 of \$36,123,000 were lower than the budgeted operating & maintenance expenses of \$43,577,000 by \$7,454,000 or 17.1%. Listed below is a summary of the major budget variance categories:

Category	Actual	Budget	Lower than Budget (Higher than Budget)
Salaries & Wages	12,941,000	15,426,000	\$2,485,000
Emergency Credits	369,000	-	(\$369,000)
Fringe Benefits	6,778,000	7,840,000	\$1,062,000
Overtime	1,910,000	1,954,000	\$44,000
COVID-19 Overtime	118,000	-	(\$118,000)
Chemicals Purchased	1,024,000	925,000	(\$99,000)
Power Purchased	2,598,000	3,432,000	\$834,000
Materials and Supplies	1,685,000	2,110,000	\$425,000
Other Public Utilities	593,000	628,000	\$35,000
Insurance and Damages	2,119,000	2,517,000	\$398,000
Special Services	188,000	274,000	\$86,000
Payments to Contractors	6,207,000	7,609,000	\$1,402,000
Administrative Credits	(3,260,000)	(2,815,000)	\$445,000
COVID-19 Related Expense	92,000	95,000	\$3,000

Net Income/(Loss)*:

	2020	2019	Increase/(Decrease)
Month of October	\$2,467,000	\$1,468,000	\$999,000
YTD through October 31	\$15,434,000	\$14,502,000	\$932,000

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

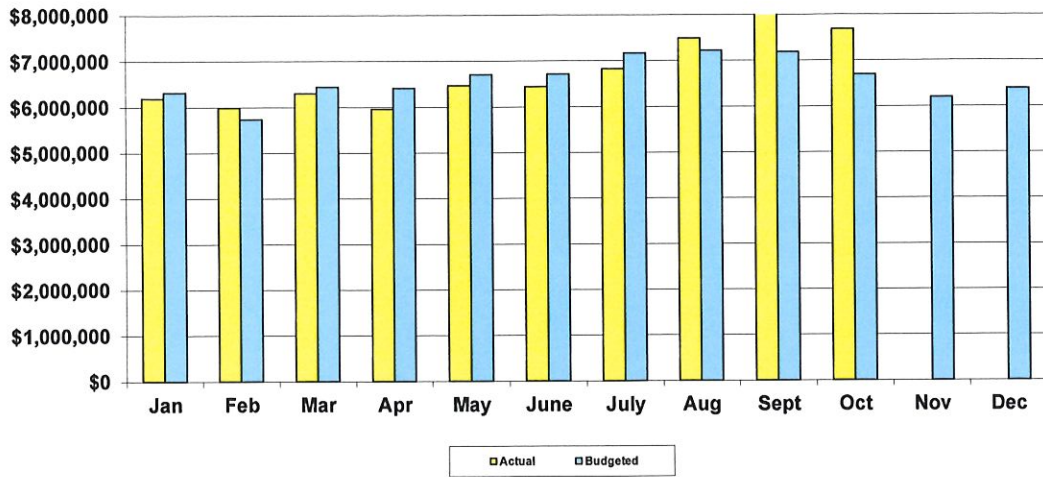
Summary of Non-Cash Charges Year-to-Date:

Non-Cash Charges	Actual	Budget	Lower than Budget (Higher than Budget)
Depreciation	\$11,668,000	\$11,426,000	(\$242,000)
Amortization	(205,000)	(326,000)	(\$121,000)
OPEB Expense	3,470,000	3,892,000	\$422,000
TOTAL	\$14,933,000	\$14,992,000	\$59,000

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

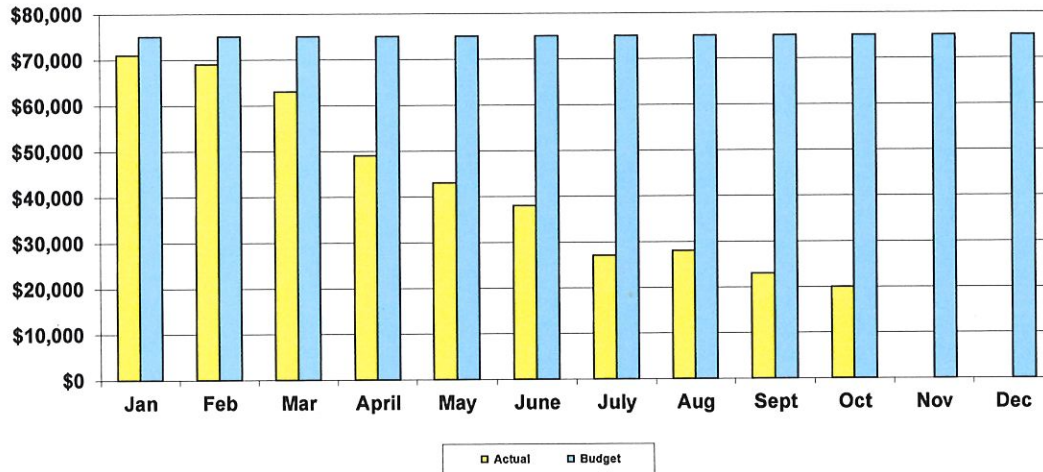
cc: K. Prendergast

**2020 Operating Revenue
Actual to Budget**



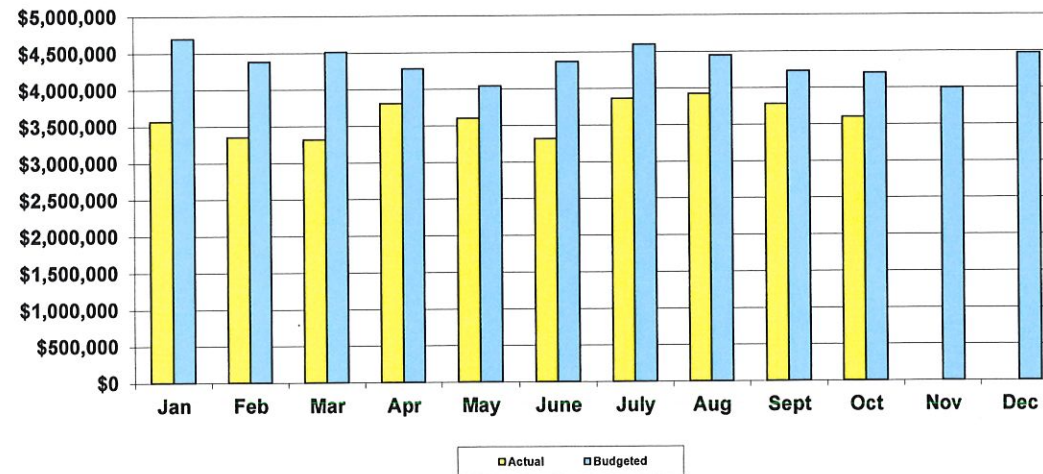
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Actual	\$6,167,000	\$5,984,000	\$6,299,000	\$5,956,000	\$6,463,000	\$6,439,000	\$6,821,000	\$7,488,000	\$8,117,000	\$7,679,000	\$0	\$0
Budgeted	\$6,311,000	\$5,735,000	\$6,435,000	\$6,408,000	\$6,698,000	\$6,709,000	\$7,163,000	\$7,221,000	\$7,182,000	\$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	\$23,000	\$20,000	\$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	\$3,568,000	\$3,351,000	\$3,316,000	\$3,804,000	\$3,601,000	\$3,318,000	\$3,860,000	\$3,925,000	\$3,779,000	\$3,603,000	\$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	\$4,230,000	\$4,204,000	\$3,996,000	\$4,465,000