



ERIE COUNTY WATER AUTHORITY
INTEROFFICE MEMORANDUM

October 16, 2020

To: Commissioners Schad, Carney and LaGree

From: Joyce A. Tomaka, Comptroller

Subject: September 2020 Financial Report

Operating Revenue For the Month of: September, 2020

Actual operating revenue of \$8,117,000 was higher than the budgeted operating revenue of \$7,182,000 by \$935,000 or 13%

Category	Actual	Budget	Higher than Budget (Lower than Budget)
Residential	\$4,585,000	\$3,690,000	\$895,000
Commercial	770,000	811,000	(41,000)
Industrial	225,000	190,000	35,000
Public Authorities	229,000	237,000	(8,000)
Public Fire Protection	322,000	318,000	4,000
Private Fire Protection	58,000	52,000	6,000
Sales to Other Districts	390,000	359,000	31,000
Infrastructure Inv. Charge	1,418,000	1,411,000	7,000
Other Water Revenues	120,000	114,000	6,000
TOTAL	\$8,117,000	\$7,182,000	\$935,000

Operating Revenue Year-to-Date: September 30, 2020

Total actual year-to-date operating revenue through September 30 of \$59,754,000 was lower than the budgeted operating revenue of \$59,861,000, by (\$107,000) or (.2%)

Category	Actual	Budget	Higher than Budget (Lower than Budget)
Residential	\$30,522,000	\$29,935,000	\$587,000
Commercial	5,594,000	6,192,000	(598,000)
Industrial	1,803,000	1,561,000	242,000
Public Authorities	1,696,000	1,859,000	(163,000)
Public Fire Protection	2,941,000	2,857,000	84,000
Private Fire Protection	506,000	481,000	25,000
Sales to Other Districts	3,147,000	3,194,000	(47,000)
Infrastructure Inv. Charge	12,953,000	12,795,000	158,000
Other Water Revenues	592,000	987,000	(395,000)
TOTAL	\$59,754,000	\$59,861,000	(\$107,000)

Investment Income:

	Actual	Budget	Higher than Budget (Lower than Budget)
Month of September	\$23,000	\$75,000	(\$52,000)
YTD through September 30	\$411,000	\$675,000	(\$264,000)

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

Actual operating & maintenance expenses of \$3,779,000, were lower than the budgeted operating & maintenance expenses of \$4,230,000 by \$451,000 or 10.7%. Listed below is a summary of the major budget variance categories:

Category	Actual	Budget	Lower than Budget (Higher than Budget)
Salaries & Wages	\$1,324,000	\$1,558,000	\$234,000
Fringe Benefits	\$684,000	\$791,000	\$107,000
Overtime	240,000	189,000	(\$51,000)
Chemicals Purchased	86,000	90,000	\$4,000
Power Purchased	206,000	312,000	\$106,000
Materials and Supplies	155,000	202,000	\$47,000
Other Public Utilities	69,000	51,000	(\$18,000)
Insurance and Damages	215,000	252,000	\$37,000
Special Services	16,000	21,000	\$5,000
Payments to Contractors	440,000	778,000	\$338,000
Administrative Credits	(201,000)	(400,000)	(\$199,000)
COVID-19 Related Expense	36,000	12,000	(\$24,000)

Operating & Maintenance Expense Year-to-Date: September 30, 2020

Total actual year-to-date operating & maintenance expenses through September 30 of \$32,520,000 were lower than the budgeted operating & maintenance expenses of \$39,373,000 by \$6,853,000 or 17.4%. Listed below is a summary of the major budget variance categories:

Category	Actual	Budget	Lower than Budget (Higher than Budget)
Salaries & Wages	11,579,000	13,867,000	\$2,288,000
Emergency Credits	369,000	-	(\$369,000)
Fringe Benefits	6,079,000	7,049,000	\$970,000
Overtime	1,689,000	1,772,000	\$83,000
COVID-19 Overtime	118,000	-	(\$118,000)
Chemicals Purchased	933,000	840,000	(\$93,000)
Power Purchased	2,308,000	3,156,000	\$848,000
Materials and Supplies	1,423,000	1,853,000	\$430,000
Other Public Utilities	548,000	576,000	\$28,000
Insurance and Damages	1,907,000	2,266,000	\$359,000
Special Services	166,000	252,000	\$86,000
Payments to Contractors	5,352,000	6,808,000	\$1,456,000
Administrative Credits	(2,548,000)	(2,332,000)	\$216,000
COVID-19 Related Expense	89,000	83,000	(\$6,000)

Net Income/(Loss)*:

	2020	2019	Increase/(Decrease)
Month of September	\$2,666,000	\$1,894,000	\$772,000
YTD through September 30	\$12,967,000	\$13,034,000	(\$67,000)

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

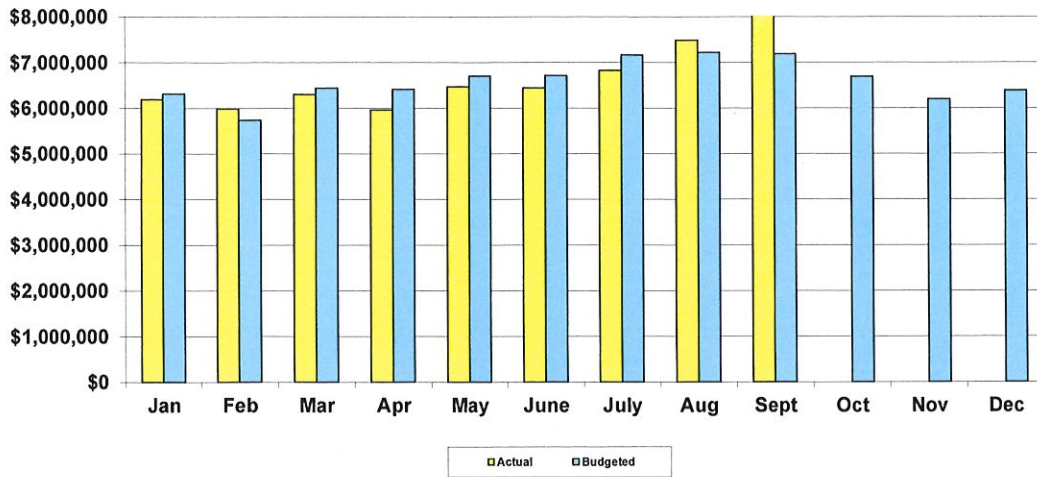
Summary of Non-Cash Charges Year-to-Date:

Non-Cash Charges	Actual	Budget	Lower than Budget (Higher than Budget)
Depreciation	\$10,503,000	\$10,283,000	(\$220,000)
Amortization	(185,000)	(293,000)	(\$108,000)
OPEB Expense	3,123,000	3,503,000	\$380,000
TOTAL	\$13,441,000	\$13,493,000	\$52,000

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

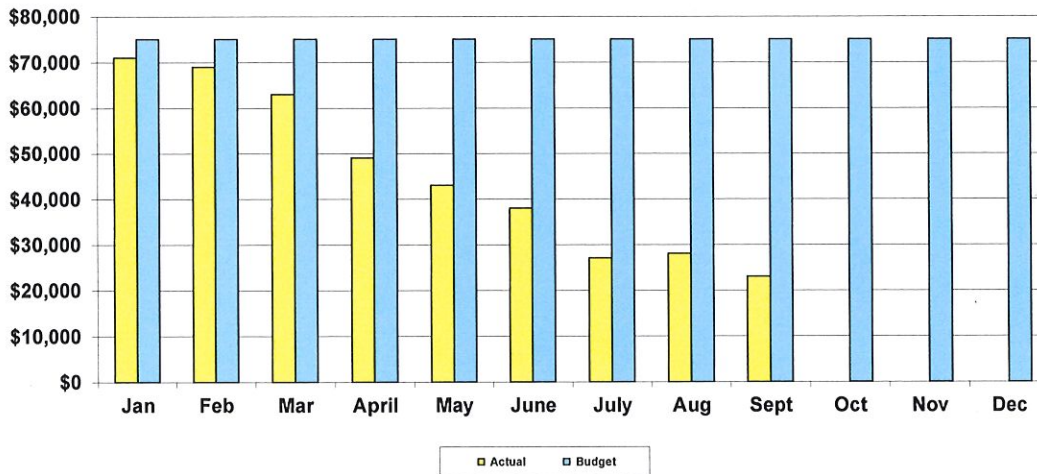
cc: K. Prendergast

**2020 Operating Revenue
Actual to Budget**



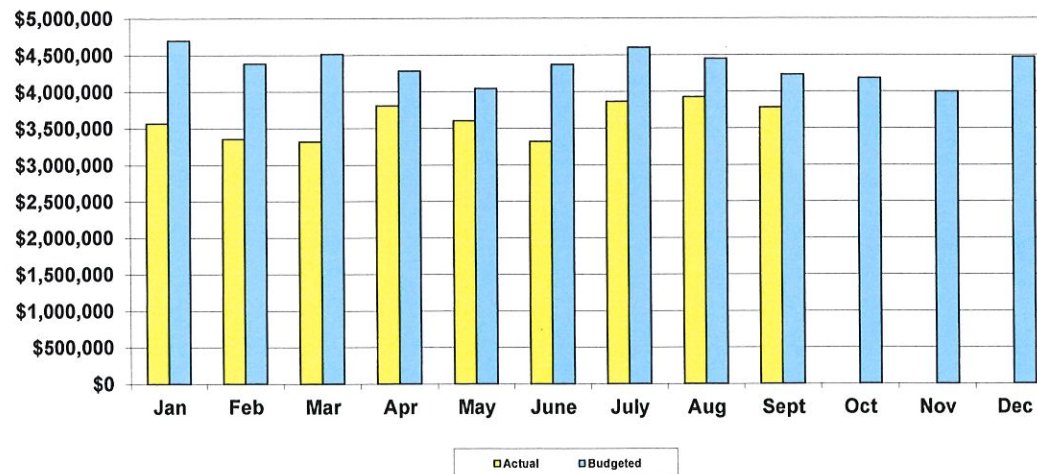
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Actual	\$6,187,000	\$5,984,000	\$6,299,000	\$5,958,000	\$6,463,000	\$6,439,000	\$6,821,000	\$7,488,000	\$8,117,000	\$0	\$0	\$0
Budgeted	\$6,311,000	\$5,735,000	\$6,435,000	\$6,408,000	\$6,698,000	\$6,709,000	\$7,163,000	\$7,221,000	\$7,182,000	\$6,683,000	\$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	\$23,000	\$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	\$3,880,000	\$3,925,000	\$3,779,000	\$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	\$4,230,000	\$4,177,000	\$3,996,000	\$4,465,000