



## Erie County Water Authority

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716-849-8484 • FAX 716-849-8467

January 28, 2011

Mr. Robert M. Graber  
Clerk of the Legislature  
Erie County Legislature  
92 Franklin Street  
Buffalo, NY 14202

Dear Mr. Graber:

Article 5, Title 3, Section 1070 of the Public Authorities Law provides, in part, that the Erie County Water Authority shall submit a detailed financial report for the preceding fiscal year.

In compliance with the aforementioned statutory provision, please find a copy of the Authority's **unaudited** comparative financial statements for the years ended December 31, 2010 and 2009.

The information contained in the financial statements is subject to audit by the Authority's independent accountants. Also, disclosure requirements will be met in the audited financial report.

When the audited financial report is issued, a copy of the same will be forwarded to you.

Very truly yours,

ERIE COUNTY WATER AUTHORITY  
A handwritten signature in black ink, appearing to read "Robert J. Lichtenthal, Jr.", is written over the printed name.

Robert J. Lichtenthal, Jr.  
Deputy Director

Enclosure

# **ERIE COUNTY WATER AUTHORITY**

**Unaudited**

**Comparative Financial Statements**

**For the Years Ended**

**December 2010 And 2009**



GLU1990  
Period Ending 12/31/2010

ERIE COUNTY WATER AUTHORITY  
Financial Statements  
Unaudited

Run Date 1/27/2011

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GLU1914  
 Period Ending 12/31/2010

ERIE COUNTY WATER AUTHORITY  
 Balance Sheet  
 Unaudited

Run Date 1/27/2011  
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	<u>Dec 31, 2010</u>	<u>Dec 31, 2009</u>
<b>ASSETS:</b>		
Water plant, net	339,622,802	351,859,544
Invested Reserve Fund		
Future construction	17,475,766	21,326,972
Debt service reserve	9,594,860	10,237,854
Debt service fund (at amortized cost)	1,647,734	1,882,886
Sick Pay	1,855,439	1,947,751
Customer Deposits	932,182	775,071
Mark to Market	<u>82</u>	<u>11,445</u>
	<u>371,128,864</u>	<u>388,041,523</u>
Current Assets:		
Cash and cash equivalents	18,892,001	15,545,811
Customers' accounts receivable, less allowance for doubtful accounts of \$432,784 and \$708,721	4,320,565	4,275,871
Investments	0	5,000,000
Interest receivable and other assets	2,292,856	2,278,203
Materials and Supplies	<u>2,117,214</u>	<u>2,146,065</u>
Total current assets:	<u>27,622,636</u>	<u>29,245,949</u>
Unamortized bond discount and expense	4,989,632	5,768,665
Long-term investment	549,983	0
	<u>404,291,115</u>	<u>423,056,138</u>
<b>CAPITALIZATION AND LIABILITIES</b>		
Capitalization		
Earnings reinvested in the business	223,003,604	236,642,617
Contributions in aid of construction	<u>59,793,447</u>	<u>58,704,611</u>
Total equity:	<u>282,797,051</u>	<u>295,347,228</u>
Water Revenue Bonds - long term	<u>88,199,876</u>	<u>98,007,112</u>
Total capitalization:	<u>370,996,927</u>	<u>393,354,339</u>
Current liabilities		
Accounts Payable	5,399,170	5,502,686
Water revenue bonds - current	6,215,000	6,400,000
Interest and other accrued liabilities	4,374,129	4,065,547
Construction retentions	<u>1,174,197</u>	<u>1,549,594</u>
Total current liabilities:	<u>17,162,496</u>	<u>17,517,827</u>
Accrued sick pay	1,855,439	1,947,751
Long Term OPEB Liability	13,809,727	9,928,664
Advances for construction	466,527	307,556
	<u>404,291,115</u>	<u>423,056,138</u>

GLU1920  
 Period Ending 12/31/2010

ERIE COUNTY WATER AUTHORITY  
 Comparative Income Statement  
 Unaudited

Run Date 1/27/2011  
 Page 2

	Year Ended Dec 31, 2010	Year Ended Dec 31, 2009
<b>Operating Revenue</b>		
Residential	35,224,872	33,301,075
Commercial	6,973,293	6,859,468
Industrial	1,604,491	1,664,086
Public Authorities	2,170,750	1,988,592
Unmetered Fire Protection	538,419	533,713
Public Fire Protection	3,278,573	3,249,834
Sales to Other Utilities	5,322,260	4,966,093
Misc Water Revenues	156,969	158,179
Other Water Revenues	723,159	693,816
Summer Surcharge	872,035	621,932
Account Origination Fees	109,834	124,619
<b>Total Operating Revenue</b>	<b>56,974,655</b>	<b>54,161,408</b>
<b>Operating Revenue Deductions</b>		
Sturgeon Point Plant	5,521,289	5,694,984
Van De Water Plant	3,194,854	3,112,910
Control Operations	3,057,269	3,131,301
Instrumentation	717,867	742,732
Water Quality Assurance	1,182,840	998,835
Maintenance Unit	462,378	387,272
Line Maintenance	4,089,229	4,192,147
UFPO	416,554	421,129
Hydrants and Valves	1,574,127	1,570,779
Meter Shop	1,706,322	1,665,513
Dispatch	406,948	403,116
Service Center	623,375	614,525
Design	1,075,869	1,218,905
Construction	361,132	355,306
New Services	838,384	1,066,481
Restoration	2,247,073	2,246,616
Administrative	2,017,013	4,460,541
Human Resources	568,435	576,291
Budget	137,271	125,916
Central Purchasing	105,099	107,719
Stores	291,329	273,018
Data Processing	1,467,251	1,581,891
Public Information	81,984	87,487
Information Services-Serv Cent	691,355	727,542
Municipal Liasion	144,991	145,190
Comptroller	212,929	215,743
Accounting	661,431	754,093
Cash Management	248,067	285,442
Customer Service and Billing	1,880,715	1,885,001
Legal	593,169	384,907
Secretary to the Authority	275,075	238,994
Information Services-El1 Sq	315,132	306,252
Members of the Authority	101,728	97,800
General Expenses	1,519,303	699,060

GLU1920  
 Period Ending 12/31/2010

ERIE COUNTY WATER AUTHORITY  
 Comparative Income Statement  
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Run Date 1/27/2011  
 Page 3

	Year Ended Dec 31, 2010	Year Ended Dec 31, 2009
Total Operating Revenue Deductions	34,553,759	31,854,356
Net Operating Income	22,420,895	22,307,052
Other Income		
Interest on Investments	478,772	873,995
Misc. Non Operating Revenue	235,946	22,919
Tower Rents	490,467	504,254
Gain or Loss on Sale of Invest	150,107	0
Mark to Market Adjustment	11,364-	2,117-
Total Other Income	1,343,929	1,399,051
Income Deductions		
Int. Charged to Const-credit	45,125-	643,393-
Total Income Deductions	45,125-	643,393-
Net Income Before Bond Interest & Non-Cash Charges	23,809,950	24,349,496
Bond Interest		
Phase 1 NYDWSRF Int	179,405	204,996
Phase 1 NYDWSRF Int Subsidy	59,320-	65,661-
Phase 2 NYDWSRF Interest	353,850	527,507
Phase 2 NYDWSRF Int Subsidy	152,514-	171,296-
2003F NYDWSRF Interest	453,655	469,468
2003F NYDWSRF Int Subsidy	126,960-	134,725-
2007 FR Interest Expense	1,590,514	1,619,183
2008 Interest Expense	2,006,900	2,157,483
Total	4,265,531	4,606,955
Net Income Before Non-Cash Charges	19,544,419	19,742,540
Non-Cash Charges		
Depreciation of Water Plant	11,220,774	10,666,557
Amort. of Debt Disc & Expense	476,798	438,085
OPEB Expense	3,881,063	3,469,409
Total Non-Cash Charges	15,578,635	14,574,051
Net Income Before Extraordinary Loss	3,965,784	5,168,489
Loss on Acquired Assets	17,604,796	0
Net Income After Extraordinary Loss	13,639,012-	5,168,489