Erie County Water Authority
295 Main Street, Rm. 350 • Buffalo, NY 14203-2494
716-849-8484 • Fax 716-849-8467

January 30, 2015

Ms. Karen M. McCarthy
Clerk of the Legislature
Erie County Legislature
92 Franklin Street
Buffalo, NY 14202

Dear Ms. McCarthy:

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

In compliance with aforementioned statutory provision, please find a copy of ECWA's **unaudited** comparative financial statements for the years ended December 31, 2014 and 2013.

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

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

Very truly yours,

ERIE COUNTY WATER AUTHORITY

Robert J. Lichtenthal, Jr.
Deputy Director

RJL:ajp
Enclosure

ERIE COUNTY WATER AUTHORITY

Unaudited

Comparative Financial Statements

For the Years Ended

December 2014 And 2013

ERIE COUNTY WATER AUTHORITY
Financial Statements
Unaudited

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ERIE COUNTY WATER AUTHORITY
Balance Sheet
Unaudited

	Dec 31, 2014	Dec 31, 2013
ASSETS:		
Water plant, net	354,995,016	354,952,618
Invested Reserve Fund		
Future construction	15,208,484	16,764,040
Debt service reserve	8,903,180	8,903,355
Debt service fund (at amortized cost)	2,331,803	2,322,512
Customer Deposits	807,230	1,003,377
Voluntary Defined Contribution	14,778	0
Mark to Market	37-	75
	382,260,455	383,945,978
Current Assets:		
Cash and cash equivalents	24,227,980	22,710,032
Customers' accounts receivable, less allowance for doubtful accounts of $335,728 and $307,644	5,374,841	4,403,760
Interest receivable and other assets	9,310,706	8,979,809
Materials and Supplies	2,119,398	2,009,023
Total current assets:	41,032,925	38,102,624
Long-term investment	549,983	549,983
	423,843,363	422,598,585
CAPITALIZATION AND LIABILITIES		
Capitalization		
Earnings reinvested in the business	243,788,211	238,245,819
Contributions in aid of construction	65,520,709	64,056,026
Total equity:	309,308,919	302,301,845
Water Revenue Bonds - long term	67,754,318	76,581,553
Total capitalization:	377,063,237	378,883,398
Current liabilities		
Accounts Payable	5,108,005	4,298,660
Water revenue bonds - current	8,525,000	8,185,000
Interest and other accrued liabilities	2,750,756	3,889,750
Construction retentions	755,812	579,759
Total current liabilities:	17,139,574	16,953,168
Accrued sick pay	3,221,067	3,186,619
Long Term OPEB Liability	26,021,324	23,263,564
Advances for construction	398,161	311,835
	423,843,363	422,598,585

ERIE COUNTY WATER AUTHORITY
Comparative Income Statement
Unaudited

	Year Ended Dec 31, 2014	Year Ended Dec 31, 2013
Operating Revenue		
Residential	35,954,051	35,784,899
Commercial	7,450,855	7,245,844
Industrial	1,689,835	1,585,025
Public Authorities	2,275,352	2,147,079
Unmetered Fire Protection	573,514	581,854
Public Fire Protection	3,693,241	3,563,873
Sales to Other Utilities	3,686,340	4,275,543
Misc Water Revenues	172,059	207,063
Other Water Revenues	1,002,029	765,636
Summer Surcharge	713,221	786,579
Infrastructure Inv Charge	7,992,100	5,885,407
Account Origination Fees	124,390	124,215
Total Operating Revenue	65,326,986	62,953,017
Operating Revenue Deductions		
Sturgeon Point Plant	5,773,157	5,412,336
Van De Water Plant	3,725,133	3,269,071
Control Operations	3,422,574	3,396,925
Instrumentation	982,027	1,037,832
Water Quality Assurance	940,115	1,142,392
Maintenance Unit	671,791	625,010
Line Maintenance	6,686,436	5,728,509
UFPO	507,417	471,038
Hydrants and Valves	1,639,166	1,617,499
Meter Shop	1,272,992	1,275,403
Dispatch	474,348	454,894
Design	1,183,271	1,134,883
Construction	1,003,997	802,065
New Services	1,219,080	924,599
Restoration	2,796,860	2,130,343
Administrative	196,696	231,754
Budget	815-	155,927
Central Purchasing	101,444	166,365
Stores	353,780	439,294
Information Services-Serv Cent	644,665	575,028
Facilities	438,880	420,951
Municipal Liasion	0	90,748
Comptroller	246,237	235,957
Accounting	680,492	652,875
Cash Management	310,350	247,093
Customer Service and Billing	1,839,039	1,891,727
Legal	605,571	464,446
Secretary to the Authority	287,830	301,314
Human Resources	729,130	636,778
Information Services-Ell Sq	291,385	280,653
Data Processing	1,673,985	1,660,382
Public Information	111,653	84,389
Members of the Authority	101,967	73,954

ERIE COUNTY WATER AUTHORITY
Comparative Income Statement
Unaudited

	Year Ended Dec 31, 2014	Year Ended Dec 31, 2013
General Expenses	3,083,104	3,232,226
Administrative Credits	1,294,957-	1,807,457-
Total Operating Revenue Deductions	42,698,798	39,457,203
Net Operating Income	22,628,188	23,495,814
Other Income		
Interest on Investments	356,781	401,808
Misc. Non Operating Revenue	50,214	78,147
Tower Rents	531,608	524,616
Gain or Loss on Sale of Invest	0	136,155
Arbitrage Expense	0	135,213-
Mark to Market Adjustment	113-	17
Total Other Income	938,491	1,005,529
Income Deductions		
Int. Charged to Const-credit	55,722-	215,181-
Total Income Deductions	55,722-	215,181-
Net Income Before Bond Interest & Non-Cash Charges	23,622,402	24,716,525
Bond Interest		
Phase 2 NYDWSRF Interest	173,453	189,323
Phase 2 NYDWSRF Int Subsidy	59,141-	64,152-
2003F NYDWSRF Interest	266,222	365,908
2003F NYDWSRF Int Subsidy	89,663-	103,231-
2007 FR Interest Expense	1,464,326	1,497,739
2008 Interest Expense	1,255,771	1,476,438
2011 Interest Expense	258,091	285,505
Total	3,269,059	3,647,530
Net Income Before Non-Cash Charges	20,353,344	21,068,995
Non-Cash Charges		
Depreciation of Water Plant	12,355,427	12,153,618
Amort. of Debt Disc & Expense	302,236-	302,236-
OPEB Expense	2,757,760	2,772,000
Total Non-Cash Charges	14,810,951	14,623,382
Net Income Before Extraordinary Loss	5,542,392	6,445,612

ERIE COUNTY WATER AUTHORITY
Statement of Cashflow
Unaudited

	Dec 31, 2014	Dec 31, 2013
Cash flows from operating activities		
Net Income	5,542,392	6,445,612
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	12,053,191	11,851,382
Interest expense, net	0	0
Allowance for funds used during construction	(55,722)	(215,181)
Change in:		
Debt service fund	(9,291)	33,184
Customer's accounts receivable	(971,081)	191,467
Materials and supplies	(110,375)	150,230
Other assets	(330,897)	(1,023,368)
Accounts Payable	809,346	(512,152)
Accrued retirement contributions	0	0
Construction retentions	176,053	(97,510)
Other liabilities	(1,138,993)	171,056
Sick pay accrual	34,448	195,254
Long Term OPEB Liability	2,757,760	2,772,000
Sick Pay	0	0
Customer Deposits	196,146	(208,194)
Voluntary Defined Contribution	(14,778)	0
Net cash provided by operating activities	18,938,198	19,753,781
Cash flows from investing activities		
Proceeds from the sale or maturity of investments	20,909,460	40,528,253
Purchase of investments	(20,743,928)	(29,344,506)
Mark to Market	113	(17)
Cash Transfer for Investment	1,390,200	(2,149,993)
Additions to water plant, net of disposals	(12,342,103)	(18,165,784)
Net cash used for investing activities	(10,786,258)	(9,132,048)
Cash flows from capital and related financing activities		
Issuance of water revenue bonds	0	0
Repayment of water revenue bonds	(8,185,000)	(8,541,616)
Cost of bond issuance	0	0
Increase in contributions in aid of construction	1,464,682	1,392,537
Increase (Decrease) in advances for construction	86,326	38,417
Net cash used for capital and related financing activities	(6,633,992)	(7,110,662)
Net increase(decrease) in cash and cash equivalents	1,517,948	3,511,072
Cash and cash equivalents:		
Beginning of year	22,710,032	19,198,960
End of year	24,227,980	22,710,032