



Erie County Water Authority

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

January 29, 2016

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 the aforementioned statutory provision, please find a copy of ECWA's **unaudited** comparative financial statements for the years ended December 31, 2015 and 2014.

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

ERIE COUNTY WATER AUTHORITY

Unaudited

Comparative Financial Statements

For the Years Ended

December 2015 And 2014



GLUI990
Period Ending 12/31/2015

ERIE COUNTY WATER AUTHORITY
Financial Statements
Unaudited

Run Date 1/28/2016

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GLU1914
 Period Ending 12/31/2015

ERIE COUNTY WATER AUTHORITY
 Balance Sheet
 Unaudited

Run Date 1/28/2016
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	Dec 31, 2015	Dec 31, 2014 (Restated)
ASSETS:		
Water plant, net	360,641,151	354,995,016
Invested Reserve Fund		
Future construction	9,804,618	15,208,484
Debt service reserve	8,903,197	8,903,180
Debt service fund (at amortized cost)	2,352,022	2,331,803
Customer Deposits	797,704	807,230
Section 125 Employee Withholding	15,519	14,778
Mark to Market	-117	-37
	<u>382,514,095</u>	<u>382,260,455</u>
Current Assets:		
Cash and cash equivalents	28,722,628	24,227,980
Customers' accounts receivable, less allowance	4,195,746	5,374,841
for doubtful accounts of \$412,256 and \$335,728	12,458,588	9,310,706
Interest receivable and other assets	2,116,557	2,119,398
Materials and Supplies	47,493,519	41,032,925
	<u>47,493,519</u>	<u>41,032,925</u>
Total current assets:		
	<u>1,946,395</u>	<u>2,246,850</u>
Deferred outflow from retirement contribution post measurement date	554,028	
	<u>433,058,020</u>	<u>426,090,213</u>
Long-term investment	549,983	549,983
	<u>433,058,020</u>	<u>426,090,213</u>
CAPITALIZATION AND LIABILITIES		
Capitalization		
Earnings reinvested in the business	253,560,364	243,448,695
Contributions in aid of construction	69,654,729	65,520,709
	<u>323,215,093</u>	<u>308,969,404</u>
Water Revenue Bonds - long term	58,557,082	67,754,318
	<u>381,772,175</u>	<u>376,723,722</u>
Total capitalization:		
	<u>3,398,738</u>	<u>5,108,005</u>
Current liabilities		
Accounts Payable	8,895,000	8,525,000
Water revenue bonds - current	3,007,983	2,750,756
Interest and other accrued liabilities	1,046,400	755,812
Construction retentions	16,348,120	17,139,573
	<u>16,348,120</u>	<u>17,139,573</u>
Total current liabilities:		
	<u>1,933,536</u>	<u>2,586,366</u>
Net Pension Liability	3,375,445	3,221,067
Accrued sick pay	29,223,542	26,021,324
Long Term OPEB Liability	405,202	398,161
Advances for construction	433,058,020	426,090,213

GLU1920
 Period Ending 12/31/2015

ERIE COUNTY WATER AUTHORITY
 Comparative Income Statement
 Unaudited

Run Date 1/28/2016
 Page 2

	Year Ended Dec 31, 2015	Year Ended Dec 31, 2014
Operating Revenue		
Residential	36,335,268	35,954,051
Commercial	7,899,110	7,450,855
Industrial	1,721,516	1,689,835
Public Authorities	2,394,994	2,275,352
Unmetered Fire Protection	599,837	573,514
Public Fire Protection	3,675,290	3,693,241
Sales to Other Utilities	3,625,852	3,686,540
Misc Water Revenues	202,262	172,059
Other Water Revenues	1,121,041	1,002,029
Summer Surcharge	844,405	713,221
Infrastucture Inv Charge	10,355,326	7,992,100
Account Origination Fees	114,225	124,390
Total Operating Revenue	68,889,124	65,326,986
Operating Revenue Deductions		
Sturgeon Point Plant	4,948,861	5,773,157
Van De Water Plant	2,923,549	3,725,133
Control Operations	3,121,957	3,422,574
Instrumentation	1,216,175	982,027
Water Quality Assurance	698,786	940,115
Maintenance Unit	657,246	671,791
Line Maintenance	6,819,322	6,686,436
UFPD	479,842	507,417
Hydrants and Valves	1,650,855	1,639,166
Meter Shop	1,307,768	1,272,992
Dispatch	475,864	474,348
Design	1,142,813	1,183,271
Construction	1,086,100	1,003,997
New Services	1,593,608	1,219,080
Restoration	2,549,792	2,796,860
Administrative	222,359	196,696
Budget	0	815-
Central Purchasing	177,827	101,444
Stores	337,119	353,780
Information Services-Serv Cent	658,492	644,665
Facilities	405,776	438,880
Comptroller	254,700	246,237
Accounting	633,779	680,492
Cash Management	312,206	310,350
Customer Service and Billing	1,941,909	1,859,039
Legal	571,035	605,571
Secretary to the Authority	380,358	287,830
Human Resources	893,597	729,130
Information Services-Ell Sq	323,547	291,385
Data Processing	1,520,229	1,673,985
Public Information	68,652	111,653
Members of the Authority	74,913	101,967
General Expenses	4,112,001	3,083,104

GLU1920
 Period Ending 12/31/2015

ERIE COUNTY WATER AUTHORITY
 Comparative Income Statement
 Unaudited

Run Date 1/28/2016
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	Year Ended Dec 31, 2015	Year Ended Dec 31, 2014
Administrative Credits	1,822,135	1,294,957
Total Operating Revenue Deductions	41,738,723	42,698,798
Net Operating Income	27,150,402	22,628,188
Other Income		
Interest on Investments	355,210	356,781
Misc. Non Operating Revenue	160,026	50,214
Tower Rents	546,065	531,608
Gain or Loss on Sale of Invest	0	0
Mark to Market Adjustment	80	113
Total Other Income	1,061,221	938,491
Income Deductions		
Int. Charged to Const-credit	239,440	55,722
Total Income Deductions	239,440	55,722
Net Income Before Bond Interest & Non-Cash Charges	28,451,063	23,622,402
Bond Interest		
Phase 2 NYDMSRF Interest	153,524	173,453
Phase 2 NYDMSRF Int Subsidy	52,789	59,141
2003F NYDMSRF Interest	242,021	266,222
2003F NYDMSRF Int Subsidy	81,701	89,663
2007 FR Interest Expense	1,429,564	1,466,326
2008 Interest Expense	1,924,063	1,255,771
2011 Interest Expense	230,024	258,091
Total	2,964,705	3,269,059
Net Income Before Non-Cash Charges	25,506,357	20,353,344
Non-Cash Charges		
Depreciation of Water Plant	12,694,706	12,355,427
Amort. of Debt Disc & Expense	302,236	302,236
OPEB Expense	3,202,218	2,757,760
Total Non-Cash Charges	15,594,689	14,810,951
Net Income Before Extraordinary Loss	10,111,669	5,542,392

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 Period Ending 12/31/2015

ERIE COUNTY WATER AUTHORITY
 Statement of Cashflow
 Unaudited

Run Date 1/28/2016
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	<u>Dec 31, 2015</u>	<u>Dec 31, 2014</u>
Cash flows from operating activities		
Net Income	9,772,153	5,542,392
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	12,192,471	12,053,191
Interest expense, net	0	0
Allowance for funds used during construction	(239,440)	(55,722)
Change in:		
Debt service fund	(20,219)	(9,291)
Customer's accounts receivable	1,179,095	(971,081)
Materials and supplies	2,841	(110,375)
Other assets	(3,714,769)	(330,897)
Accounts Payable	(1,709,268)	809,346
Accrued retirement contributions	0	0
Construction retentions	290,588	176,053
Other liabilities	257,227	(1,138,993)
Sick pay accrual	154,378	34,448
Long Term OPEB Liability	3,202,218	2,757,760
Sick Pay	0	0
Customer Deposits	9,526	196,146
Voluntary Defined Contribution	(741)	(14,778)
Net cash provided by operating activities	<u>21,376,059</u>	<u>18,938,198</u>
Cash flows from investing activities		
Proceeds from the sale or maturity of investments	14,635,383	20,909,460
Purchase of Investments	(9,216,512)	(20,743,928)
Mark to Market	80	113
Cash Transfer for Investment	(15,022)	1,390,200
Additions to water plant, net of disposals	(17,901,401)	(12,342,103)
Net cash used for investing activities	<u>(12,497,472)</u>	<u>(10,786,258)</u>
Cash flows from capital and related financing activities		
Issuance of water revenue bonds	0	0
Repayment of water revenue bonds	(8,525,000)	(8,185,000)
Cost of bond issuance	0	0
Increase in contributions in aid of construction	4,134,021	1,464,682
Increase (Decrease) in advances for construction	7,041	86,326
Net cash used for capital and related financing activities	<u>(4,383,939)</u>	<u>(6,633,992)</u>
Net Increase(decrease) in cash and cash equivalents	4,494,648	1,517,948
Cash and cash equivalents:		
Beginning of year	26,227,980	22,710,032
End of year	26,722,628	24,227,980