



Erie County Water Authority

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

January 30, 2012

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

Dear Mr. Graber:

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, 2011 and 2010.

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

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

Robert J. Lichtenthal, Jr.
Deputy Director

RJL:ajp
Enclosure

3M-13



ERIE COUNTY WATER AUTHORITY
 Comparative Income Statement
 Unaudited

	Year Ended Dec 31, 2011	Year Ended Dec 31, 2010
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General Expenses	806,612	1,519,303
Total Operating Revenue Deductions	34,380,230	34,553,759
Net Operating Income	24,575,902	22,420,895
Other Income		
Interest on Investments	458,342	478,772
Misc. Non Operating Revenue	85,940	235,946
Tower Rents	487,231	490,467
Gain or Loss on Sale of Invest	0	150,107
Mark to Market Adjustment	82-	11,364-
Total Other Income	1,031,432	1,343,929
Income Deductions		
Int. Charged to Const-credit	174,317-	45,125-
Total Income Deductions	174,317-	45,125-
Net Income Before Bond Interest & Non-Cash Charges	25,781,651	23,809,950
Bond Interest		
Phase 1 NYDWSRF Int	0	179,405
Phase 1 NYDWSRF Int Subsidy	0	59,320-
Phase 2 NYDWSRF Interest	210,414	353,850
Phase 2 NYDWSRF Int Subsidy	70,702-	132,514-
2003F NYDWSRF Interest	435,736	453,655
2003F NYDWSRF Int Subsidy	119,192-	126,960-
2007 FR Interest Expense	1,560,720	1,590,514
2008 Interest Expense	1,848,229	2,006,900
Total	3,865,205	4,265,531
Net Income Before Non-Cash Charges	21,916,445	19,544,419
Non-Cash Charges		
Depreciation of Water Plant	11,509,330	11,220,774
Amort. of Debt Disc & Expense	432,521	476,798
OPEB Expense	4,021,089	3,881,063
Total Non-Cash Charges	15,962,941	15,578,635
Net Income Before Extraordinary Loss	5,953,505	3,965,784
Loss on Acquired Assets	0	17,604,796
Net Income After Extraordinary Loss	5,953,505	13,639,012-

ERIE COUNTY WATER AUTHORITY
 Statement of Cashflow
 Unaudited

	<u>Dec 31, 2011</u>	<u>Dec 31, 2010</u>
Cash flows from operating activities		
Net Income	5,953,505	(13,639,012)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	11,941,852	11,697,572
Interest expense, net	0	0
Allowance for funds used during construction	(174,317)	(45,125)
Change in:		
Debt service fund	(7,576)	235,152
Customer's accounts receivable	35,270	(44,694)
Materials and supplies	(138,216)	28,850
Other assets	(4,843,318)	(14,653)
Accounts Payable	(694,432)	(103,516)
Accrued retirement contributions	0	0
Construction retentions	(815,028)	(375,398)
Other liabilities	295,711	308,582
Sick pay accrual	(1,010)	(92,312)
Long Term OPEB Liability	4,021,089	3,881,063
Sick Pay	1,010	92,312
Customer Deposits	(60,840)	(157,111)
	<u>15,513,700</u>	<u>1,771,710</u>
Net cash provided by operating activities		
Cash flows from investing activities		
Proceeds from the sale or maturity of investments	24,347,431	64,915,378
Purchase of investments	(17,402,932)	(55,831,785)
Mark to Market	82	11,364
Cash Transfer for Investment	(55,879)	(139,376)
Additions to water plant, net of disposals	(18,883,934)	1,061,093
	<u>(11,995,232)</u>	<u>10,016,674</u>
Net cash used for investing activities		
Cash flows from capital and related financing activities		
Issuance of water revenue bonds	0	0
Repayment of water revenue bonds	(6,215,000)	(9,690,000)
Cost of bond issuance	0	0
Increase in contributions in aid of construction	985,232	1,088,836
Increase (Decrease) in advances for construction	(39,570)	158,970
	<u>(5,269,338)</u>	<u>(8,442,194)</u>
Net cash used for capital and related financing activities		
Net increase(decrease) in cash and cash equivalents		
	(1,750,870)	3,346,190
Cash and cash equivalents:		
Beginning of year	18,892,001	15,545,811
End of year	17,141,131	18,892,001

ERIE COUNTY WATER AUTHORITY
 Comparative Income Statement
 Unaudited

	Year Ended Dec 31, 2011	Year Ended Dec 31, 2010
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Operating Revenue		
Residential	35,663,644	35,224,872
Commercial	6,866,248	6,973,293
Industrial	1,549,584	1,604,491
Public Authorities	2,015,272	2,170,750
Unmetered Fire Protection	552,183	538,419
Public Fire Protection	3,350,972	3,278,573
Sales to Other Utilities	5,086,522	5,322,260
Misc Water Revenues	176,277	156,969
Other Water Revenues	745,867	723,159
Summer Surcharge	942,554	872,035
Infrastructure Inv Charge	1,901,758	0
Account Origination Fees	105,252	109,834
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Total Operating Revenue	58,956,132	56,974,655
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Operating Revenue Deductions		
Sturgeon Point Plant	5,109,129	5,521,289
Van De Water Plant	3,027,128	3,194,854
Control Operations	3,082,828	3,057,269
Instrumentation	776,045	717,867
Water Quality Assurance	1,219,099	1,182,840
Maintenance Unit	613,015	462,378
Line Maintenance	4,700,516	4,089,229
UFPO	461,280	416,554
Hydrants and Valves	1,682,197	1,574,127
Meter Shop	1,794,460	1,706,322
Dispatch	454,580	406,948
Service Center	656,868	623,375
Design	1,146,865	1,075,869
Construction	326,727	361,132
New Services	913,154	838,384
Restoration	2,064,512	2,247,073
Administrative	2,433,994	2,017,013
Human Resources	609,674	568,435
Budget	154,074	137,271
Central Purchasing	113,149	105,099
Stores	347,345	291,329
Data Processing	1,509,683	1,467,251
Public Information	16,487	81,984
Information Services-Serv Cent	733,056	691,355
Municipal Liasion	162,530	144,991
Comptroller	220,925	212,929
Accounting	625,310	661,431
Cash Management	298,843	248,067
Customer Service and Billing	2,165,275	1,880,715
Legal	439,650	393,169
Secretary to the Authority	248,645	275,075
Information Services-Ell Sq	260,182	315,132
Members of the Authority	74,380	101,728

ERIE COUNTY WATER AUTHORITY

Unaudited

Comparative Financial Statements

For the Years Ended

December 2011 And 2010



GLU1990
Period Ending 12/31/2011

ERIE COUNTY WATER AUTHORITY
Financial Statements
Unaudited

Run Date 1/30/2012

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ERIE COUNTY WATER AUTHORITY
 Balance Sheet
 Unaudited

	<u>Dec 31, 2011</u>	<u>Dec 31, 2010</u>
ASSETS:		
Water plant, net	347,171,723	339,622,802
Invested Reserve Fund		
Future construction	10,587,147	17,475,766
Debt service reserve	9,594,858	9,594,860
Debt service fund (at amortized cost)	1,655,310	1,647,734
Sick Pay	1,854,429	1,855,439
Customer Deposits	993,022	932,182
Mark to Market	0	82
	<u>371,856,489</u>	<u>371,128,864</u>
Current Assets:		
Cash and cash equivalents	17,141,131	18,892,001
Customers' accounts receivable, less allowance for doubtful accounts of \$693,532 and \$432,784	4,285,295	4,320,565
Interest receivable and other assets	7,136,175	2,292,856
Materials and Supplies	<u>2,255,430</u>	<u>2,117,214</u>
Total current assets:	<u>30,818,031</u>	<u>27,622,636</u>
Unamortized bond discount and expense	4,254,875	4,989,632
Long-term investment	549,983	549,983
	<u>407,479,378</u>	<u>404,291,115</u>
CAPITALIZATION AND LIABILITIES		
Capitalization		
Earnings reinvested in the business	228,957,109	223,003,604
Contributions in aid of construction	<u>60,778,679</u>	<u>59,793,447</u>
Total equity:	<u>289,735,788</u>	<u>282,797,051</u>
Water Revenue Bonds - long term	<u>81,412,640</u>	<u>88,199,876</u>
Total capitalization:	<u>371,148,428</u>	<u>370,996,927</u>
Current liabilities		
Accounts Payable	4,704,738	5,399,170
Water revenue bonds - current	6,485,000	6,215,000
Interest and other accrued liabilities	4,669,841	4,374,129
Construction retentions	<u>359,169</u>	<u>1,174,197</u>
Total current liabilities:	<u>16,218,748</u>	<u>17,162,496</u>
Accrued sick pay	1,854,429	1,855,439
Long Term OPEB Liability	17,830,816	13,809,727
Advances for construction	426,957	466,527
	<u>407,479,378</u>	<u>404,291,115</u>