



Erie County Water Authority

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Finance Department

January 30, 2023

Mr. Robert M. Graber
Clerk of the Legislature
Erie County Legislature
92 Franklin St.
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 this provision, please find a copy of ECWA's unaudited comparative financial statements for the years ended December 31, 2022 and 2021.

The information contained in the financial statements is subject to audit by the ECWA's independent auditors.

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 blue ink, appearing to read "Joyce Tomaka".

Joyce Tomaka
Comptroller

Enclosure



ERIE COUNTY WATER AUTHORITY
UNAUDITED
Statements of Net Position
December 31, 2022 and 2021

	2022	2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 36,352,746	\$ 33,515,282
Restricted cash and cash equivalents	3,168,206	2,151,966
Unrestricted investments	9,199,704	22,185,067
Restricted investments	337,877	383,858
Customer accounts receivable, net of allowance for doubtful accounts	6,650,156	5,125,244
Materials and supplies	4,538,679	3,681,539
Accrued revenue	10,854,945	10,078,812
Prepaid expenses and other assets	<u>4,686,422</u>	<u>4,878,570</u>
Total current assets	<u>75,788,735</u>	<u>82,000,338</u>
Noncurrent assets:		
Restricted cash and cash equivalents	31,774	5,967,636
Restricted investments	22,083,143	18,927,701
Long term accounts receivable	1,927,155	2,090,457
Capital assets, not being depreciated	36,530,464	19,926,081
Capital assets, being depreciated, net of accumulated depreciation	<u>443,245,011</u>	<u>429,131,768</u>
Total noncurrent assets	<u>503,817,547</u>	<u>476,043,643</u>
Total assets	<u>579,606,282</u>	<u>558,043,981</u>
DEFERRED OUTFLOWS OF RESOURCES		
Post-measurement date retirement contributions	1,617,794	2,198,740
Changes in retirement system assumptions	9,132,973	11,065,688
Actual vs projected other post employment benefit factors	11,389,701	15,368,437
Advanced refunding of Series 2007 Bonds	<u>919,934</u>	<u>986,038</u>
Total deferred outflows of resources	<u>23,060,402</u>	<u>29,618,903</u>
LIABILITIES		
Current liabilities:		
Accounts payable	12,036,425	12,289,127
Advances for construction	1,365,255	936,895
Construction retention	2,459,694	2,408,900
Accrued interest on water revenue bonds	175,406	199,879
Accrued liabilities	1,948,468	1,871,621
Compensated absences	1,647,247	1,679,770
Water revenue bonds - current portion	<u>3,861,011</u>	<u>3,767,627</u>
Total current liabilities	<u>23,493,506</u>	<u>23,153,819</u>
Noncurrent liabilities:		
Compensated absences	3,896,876	3,401,843
Net pension liability	(4,765,917)	54,107
Long term other post employment benefit liability	54,624,496	89,974,098
Water revenue bonds - long term	<u>46,055,381</u>	<u>49,916,392</u>
Total noncurrent liabilities	<u>99,810,836</u>	<u>143,346,440</u>
Total liabilities	<u>123,304,342</u>	<u>166,500,259</u>
DEFERRED INFLOWS OF RESOURCES		
Changes in retirement system assumptions	16,246,559	15,803,179
Changes in other post employment benefit assumptions	<u>53,031,392</u>	<u>28,446,047</u>
Total deferred inflows of resources	<u>69,277,951</u>	<u>44,249,226</u>
NET POSITION		
Invested in capital assets, net of related debt	429,859,083	396,359,868
Restricted		
Debt service reserve account	864,311	862,893
Debt service account	1,405,855	925,060
Unrestricted	<u>(22,044,858)</u>	<u>(21,234,422)</u>
Total net position	<u>\$ 410,084,391</u>	<u>\$ 376,913,399</u>



ERIE COUNTY WATER AUTHORITY
UNAUDITED

Statements of Revenue, Expenses and Changes in Net Position
Years Ended December 31, 2022 and 2021

	2022	2021
Operating revenue	\$ 90,789,007	\$ 84,913,199
Operating expenses:		
Operation and administration	33,178,996	30,040,037
Maintenance	17,576,994	15,875,558
Depreciation	14,817,036	14,472,846
Other post-employment benefit expense	(7,333,443)	1,511,558
Total operating expenses	58,239,583	61,899,999
Operating income	32,549,424	23,013,200
Nonoperating revenues (expenses):		
Interest income on investments	648,577	75,743
Interest on loans receivable	70,520	74,715
Interest expense	(1,758,934)	(1,894,295)
Total nonoperating revenues (expenses)	(1,039,837)	(1,743,837)
Net income before contribution in aid of construction	31,509,587	21,269,363
Contribution in aid of construction	1,661,405	3,272,013
Change in net position	33,170,992	24,541,376
Net Position - beginning of year	376,913,399	352,372,023
Net Position - end of year	\$ 410,084,391	\$ 376,913,399



ERIE COUNTY WATER AUTHORITY
UNAUDITED

Statement of Cash Flows
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 89,180,268	\$ 82,532,028
Payments to contractors	(21,009,118)	(16,000,375)
Payments to employees including fringe benefits	(32,044,770)	(30,828,891)
Net cash provided by operating activities	36,126,380	35,702,762
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(45,483,868)	(37,967,312)
Bond issuance	-	-
Bond repayment	(3,455,000)	(3,305,000)
Interest paid on revenue bonds	(2,029,930)	(2,175,821)
Advances for construction	428,360	(474,460)
Contribution in aid of construction	1,661,405	3,272,012
Net cash used by capital and related financing activities	(48,879,033)	(40,650,581)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(52,910,582)	(52,119,513)
Proceeds from sale or maturity of investments	63,144,926	38,327,678
Interest received	436,151	208,998
Net cash provided (used) by investing activities	10,670,495	(13,582,837)
Net increase (decrease) in cash	(2,082,158)	(18,530,656)
Cash and cash equivalents - beginning of year (including amounts restricted for future construction, debt service reserve, debt service, and customer deposits)	41,634,884	60,165,540
Cash and cash equivalents - end of year (including amounts restricted for future construction, debt service reserve, debt service, and customer deposits)	\$ 39,552,726	\$ 41,634,884

(continued)

ERIE COUNTY WATER AUTHORITY
UNAUDITED

Statement of Cash Flows
Years Ended December 31, 2022 and 2021

(concluded)

	<u>2022</u>	<u>2021</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income	\$ 32,549,424	\$ 23,013,200
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	14,817,036	14,472,846
(Increase) decrease in accounts receivable	(1,524,912)	(524,055)
(Increase) decrease in material and supplies	(857,140)	(187,726)
(Increase) decrease in accrued revenue	(776,133)	(637,083)
(Increase) decrease in other assets	(15,555)	(1,395,656)
(Increase) Decrease in long term accounts receivable	163,302	163,302
(Increase) Decrease in deferred outflows of resources	6,624,604	(2,724,773)
Increase (decrease) in accounts payable	(252,702)	2,367,233
Increase (decrease) in other accrued liabilities	76,847	247,263
Increase (decrease) in compensated absences	462,510	(123,221)
Increase (decrease) in net pension liability	(4,820,024)	(14,240,529)
Increase (decrease) in other post employment liability	(35,349,602)	942,087
Increase (decrease) in deferred inflows of resources	25,028,725	14,329,874
 Total adjustments	 3,576,956	 12,689,562
 Net cash provided by operating activities	 \$ 36,126,380	 \$ 35,702,762