



LEHIGH COUNTY AUTHORITY

FINANCIAL REPORT – OCTOBER 2017

**FINANCIAL REPORT
OCTOBER 2017**

1. SUMMARY

A. Month

MONTH	OCTOBER 2017						
	Actual	Forecast	Budget	Prior Year	FC Var	Bud Var	PY Var
Income Statement							
Suburban Water	162,146	94,191	164,864	28,092	67,955	(2,718)	134,053
Suburban Wastewater	(257,602)	153,365	190,771	372,404	(410,967)	(448,373)	(630,006)
City Division	(729,168)	(1,588,575)	(449,810)	210,713	859,407	(279,358)	(939,881)
Cash Flow Statement (Indirect)							
Suburban Water	(667,120)	(502,130)	(354,369)	(776,441)	(164,990)	(312,751)	109,320
Suburban Wastewater	(229,434)	(115,655)	(102,175)	482,777	(113,779)	(127,259)	(712,211)
City Division	499,669	(251,501)	906,018	565,930	751,170	(406,349)	(66,260)

Net income

Suburban water was the lone fund with a positive figure for net income in October. Suburban Wastewater and City Division were both negative for the month.

Two of the three funds have a net income that was better than forecast. Both Suburban Water and City Division had net incomes favorable to forecast while Suburban Wastewater came in unfavorable to forecast.

Suburban Water was \$68k better than forecast due to lower operating expenses and lower non-operating expenses.

Suburban Wastewater was \$411k lower than forecast due to lower operating revenues, higher operating expenses, and lower non-operating revenues.

City Division was \$859k favorable to forecast due to lower operating expenses, lower non-operating expenses, and higher interest income.

Cash Flow

City Division was the only fund with a positive figure for cash flow. Both Suburban Water and Suburban Wastewater finished with negative cash flow for the month.

Similarly, City Division was the lone fund with a favorable variance to forecast. Both Suburban Water and Suburban Wastewater came in with cash flows lower than forecast.

Suburban Water cash flow for the month was \$165k lower than forecast due, mainly, to higher capital spending.

Suburban Wastewater was \$114k lower than forecast due to lower cash from operations from lower net income with a partial offset from lower capital spending.

City Division was favorable to forecast by \$751k due, mainly, to lower capital spending.

B. YTD

YTD	OCTOBER 2017							
	Actual	Forecast	Budget	Prior Year		FC Var	Bud Var	PY Var
Income Statement								
Suburban Water	144,575	(128,522)	98,473	753,208		273,097	46,102	(608,633)
Suburban Wastewater	(57,915)	187,833	(67,798)	769,271		(245,747)	9,883	(827,186)
City Division	(4,066,893)	(9,063,204)	(8,309,553)	(7,352,695)		4,996,311	4,242,660	3,285,802
Cash Flow Statement (Indirect)								
Suburban Water	13,759,701	13,043,681	806,143	(601,638)		716,020	12,953,558	14,361,340
Suburban Wastewater	1,190,561	197,632	7,877,742	2,538,082		992,929	(6,687,181)	(1,347,521)
City Division	2,962,524	(1,104,322)	736,866	(2,240,276)		4,066,847	2,225,658	5,202,801
Debt Service Coverage Ratio								
Suburban Water	1.40	1.41	1.31	1.77		(0.01)	0.09	(0.37)
Suburban Wastewater	6.89	7.34	2.52	7.79		(0.45)	4.37	(0.90)
City Division	1.25	1.20	1.20	1.57		0.05	0.05	(0.32)
YTD Cash Flow Statement (Adjusted)								
Suburban Water	(1,532,305)	(2,248,325)	(5,093,857)	(601,638)		716,020	3,561,552	(930,666)
Suburban Wastewater	1,190,561	197,632	(2,997,258)	2,538,082		992,929	4,187,819	(1,347,521)
City Division	2,962,524	(1,104,322)	736,866	(2,240,276)		4,066,847	2,225,658	5,202,801

Net income

Suburban Water is the lone fund with a positive net income for the year. Suburban Wastewater and City division are both negative so far for the year. Suburban Water and City Division are reporting net incomes favorable to forecast. Suburban Wastewater net income year to date is unfavorable to forecast. All three funds, however, are reporting favorable variances to budget.

Suburban Water is \$273k better than forecast and \$46k better than budget. The forecast variance is due to lower operating expenses that more than offset lower operating revenues along with lower non-operating expenses. The favorable variance to budget is due to lower operating expenses that more than offset lower operating revenues further offset by lower non-operating revenues.

Suburban Wastewater net income is \$246k lower than forecast but \$10k better than budget. The forecast variance is due to lower operating revenues and higher operating expenses that was just slightly offset by higher non-operating revenues. The variance to budget is favorable due to lower operating expenses, lower non-operating expenses, and lower interest expense that was mostly offset by lower operating revenues.

City Division is \$5.0m favorable to forecast and \$4.2m better than budget. The significant favorable variance to forecast is due to higher operating revenues along with higher non-operating revenues and lower non-operating expenses. The significant favorable variance to budget is due to higher operating revenues, lower operating expenses, and lower non-operating expenses.

Cash Flows

All three funds are reporting a cash flow that is positive. When you look at the cash flows after adjustments for borrowing levels, all three funds are favorable with respect to forecast and all three funds are favorable with respect to budget.

Suburban Water cash flow is \$716k favorable to forecast and \$3.6m favorable to adjusted budget. The forecast variance is due to slightly lower cash from operations more than offset by lower capital spending. The budget variance is due to the same factors.

Suburban Wastewater cash flow is \$993k better than forecast and \$4.2m better than adjusted budget. The forecast variance and the budget variance is due, mainly, to lower capital spending.

City Division cash flow is \$4.1m better than forecast and \$2.2m better than budget. Both variances are due to lower capital spending.

Debt Service Coverage Ratio

All three funds have a debt service coverage ratio that is better than the internal target of 1.20. Suburban Water are down a little bit to forecast but better than budget. City Division is better than forecast and better than budget.

2. SUBURBAN WATER

A. Month

MONTH - SUBURBAN WATER	OCTOBER 2017						
	Actual	Forecast	Budget	Prior Year	FC Var	Bud Var	PY Var
Income Statement							
Operating Revenues	899,449	905,112	928,918	877,244	(5,663)	(29,469)	22,205
Operating (Expenses)	(718,045)	(781,471)	(734,533)	(636,384)	63,426	16,488	(81,661)
Operating Income	181,404	123,641	194,385	240,860	57,763	(12,981)	(59,456)
Non-Operating Revenues (Expenses)	104,132	73,407	66,167	31,014	30,725	37,965	73,118
Income Before Interest	285,536	197,048	260,552	271,874	88,488	24,984	13,662
Interest Income	7,887	14,143	16,667	4,961	(6,256)	(8,780)	2,926
Interest Expense	(131,277)	(117,000)	(112,355)	(248,742)	(14,277)	(18,922)	117,465
Capital Contributions	-	-	-	-	-	-	-
NET INCOME	162,146	94,191	164,864	28,092	67,955	(2,718)	134,053

Net income was positive and was \$68k better than forecast.

Operating revenues were slightly down to forecast as lower large industrial and lower industrial/commercial revenues were mostly offset by higher residential and fire service revenues.

Operating expenses were lower due to lower purchased services and lower equipment purchases.

Non-operating revenues were favorable as higher tapping fees and meter sales were partially offset by lower inspection & review fees along with lower project reimbursement revenues.

Non-operating expenses were lower due to lower expensed capital.

MONTH - SUBURBAN WATER	OCTOBER 2017						
	Actual	Forecast	Budget	Prior Year	FC Var	Bud Var	PY Var
Cash Flow Statement (Indirect)							
Net Income	162,146	94,191	164,864	28,092	67,955	(2,718)	134,053
Add: Depreciation & Amortization	260,234	245,832	245,833	245,832	14,402	14,401	14,402
Add: Non-Cash Interest Expense	-	(2,000)	-	(0)	2,000	-	0
Add: Capex Charged to Expense	345	25,314	8,333	433	(24,969)	(7,988)	(88)
Principal Payments	(195,676)	(139,000)	(152,816)	(150,205)	(56,676)	(42,860)	(45,471)
Investments Converting To Cash	-	-	-	-	-	-	-
New Borrowing	-	-	-	-	-	-	-
Capital Expenditures	(894,169)	(726,467)	(620,583)	(900,592)	(167,702)	(273,586)	6,423
NET FUND CASH FLOWS	(667,120)	(502,130)	(354,369)	(776,441)	(164,990)	(312,751)	109,320

Cash flow for the month was negative and was \$165k lower than forecast with favorable variances on cash flows from operations more than offset by higher principal payments and higher capital spending.

B. YTD

YTD - SUBURBAN WATER	OCTOBER 2017						
	Actual	Forecast	Budget	Prior Year	FC Var	Bud Var	PY Var
Income Statement							
Operating Revenues	7,505,740	7,718,639	7,739,013	7,446,014	(212,899)	(233,273)	59,726
Operating (Expenses)	(6,739,881)	(7,034,792)	(7,345,330)	(6,176,053)	294,911	605,449	(563,828)
Operating Income	765,859	683,847	393,683	1,269,961	82,012	372,176	(504,102)
Non-Operating Revenues (Expenses)	615,051	444,072	661,670	476,996	170,979	(46,619)	138,055
Income Before Interest Expense	1,380,909	1,127,918	1,055,353	1,746,957	252,991	325,556	(366,047)
Interest Income	71,276	96,429	166,670	47,288	(25,153)	(95,394)	23,989
Interest Expense	(1,307,611)	(1,352,870)	(1,123,550)	(1,041,036)	45,259	(184,061)	(266,574)
Capital Contributions	-	-	-	-	-	-	-
NET INCOME	144,575	(128,522)	98,473	753,208	273,097	46,102	(608,633)

Net income for the year so far is positive and \$273k better than forecast and \$46k better than budget.

Compared to Forecast

Operating revenues are down due to lower large industrial, lower industrial/commercial, lower residential, and lower public fire service revenues.

Operating expenses are lower due to lower spending on maintenance services, water purchases, and equipment purchases.

Non-operating revenues are unfavorable due to lower inspection & plan review fees and lower project reimbursement revenues with a slight offset from higher meter sales.

Non-operating expenses are favorable due to lower expensed capital.

Interest income was lower than forecast and interest expense was lower.

Compared to budget

Operating revenues are down with lower large industrial and lower residential revenues partially offset by higher industrial/commercial revenues and higher private fire service revenues.

Operating expenses are lower due to lower spending on maintenance services, water purchases, miscellaneous services, and equipment purchases.

Non-operating revenues are lower due to lower inspection & review fees and lower project reimbursement revenues.

Non-operating expenses are favorable due to lower expenses capex.

Interest income is down to budget, while interest expense is higher on higher borrowing.

YTD - SUBURBAN WATER	OCTOBER 2017						
	Actual	Forecast	Budget	Prior Year	FC Var	Bud Var	PY Var
Cash Flow Statement (Indirect)							
Net Income	144,575	(128,522)	98,473	753,208	273,097	46,102	(608,633)
Add: Depreciation & Amortization	2,472,722	2,458,320	2,458,330	2,458,320	14,402	14,392	14,402
Add: Non-Cash Interest Expense	(105,776)	(8,000)	-	(0)	(97,776)	(105,776)	(105,776)
Add: Capex Charged to Expense	5,611	253,137	83,330	3,532	(247,526)	(77,719)	2,080
Principal Payments	(1,358,924)	(1,358,596)	(1,528,160)	(1,365,810)	(329)	169,236	6,886
Investments Converting To Cash	-	-	-	-	-	-	-
New Borrowing	15,292,006	15,292,006	5,900,000	-	-	9,392,006	15,292,006
Capital Expenditures	(2,690,513)	(3,464,664)	(6,205,830)	(2,450,888)	774,151	3,515,317	(239,625)
NET FUND CASH FLOWS	13,759,701	13,043,681	806,143	(601,638)	716,020	12,953,558	14,361,340

If we adjust the cash flows for all of the differences created by borrowing variances, cash flow so far this year would be -\$1,532k but would be \$716k favorable to forecast and \$3.6m favorable to budget.

Compared to forecast, cash flows are up on lower capital spending.

Compared to budget, cash flows are better due to lower capital spending as well.

3. SUBURBAN WASTEWATER

A. Month

MONTH - SUBURBAN WASTEWATER	OCTOBER 2017						
	Actual	Forecast	Budget	Prior Year	FC Var	Bud Var	PY Var
Income Statement							
Operating Revenues	1,485,208	1,755,267	1,732,187	1,831,055	(270,059)	(246,979)	(345,847)
Operating (Expenses)	(1,690,362)	(1,642,270)	(1,546,447)	(1,455,338)	(48,092)	(143,915)	(235,025)
Operating Income	(205,154)	112,997	185,740	375,717	(318,151)	(390,894)	(580,871)
Non-Operating Revenues (Expenses)	(35,113)	58,010	66,083	13,467	(93,123)	(101,196)	(48,580)
Income Before Interest Expense	(240,267)	171,007	251,823	389,184	(411,274)	(492,090)	(629,452)
Interest Income	301	389	9,917	506	(88)	(9,616)	(205)
Interest Expense	(17,636)	(18,031)	(70,969)	(17,286)	395	53,333	(349)
Capital Contributions	-	-	-	-	-	-	-
NET INCOME	(257,602)	153,365	190,771	372,404	(410,967)	(448,373)	(630,006)

Net income was negative and was \$411k worse than forecast.

Operating revenues were lower than forecast across most of the revenue categories except for a favorable variance on excess removal credits.

Operating expenses were unfavorable as well with higher spending on purchased services.

Non-operating revenues were lower due to lower tapping fees.

Non-operating expenses were only slightly favorable to forecast.

MONTH - SUBURBAN WASTEWATER	OCTOBER 2017						
	Actual	Forecast	Budget	Prior Year	FC Var	Bud Var	PY Var
Cash Flow Statement (Indirect)							
Net Income	(257,602)	153,365	190,771	372,404	(410,967)	(448,373)	(630,006)
Add: Depreciation & Amortization	364,694	364,694	327,083	334,133	-	37,611	30,561
Add: Non-Cash Interest Expense	2,741	2,847	-	3,001	(106)	2,741	(260)
Add: Capex Charged to Expense	-	86	25,000	993	(86)	(25,000)	(993)
Principal Payments	(67,106)	(39,500)	(93,946)	(42,262)	(27,606)	26,840	(24,844)
Investments Converting To Cash	-	-	-	-	-	-	-
New Borrowing	-	-	-	-	-	-	-
Capital Expenditures	(272,161)	(597,147)	(551,083)	(185,493)	324,986	278,922	(86,668)
NET FUND CASH FLOWS	(229,434)	(115,655)	(102,175)	482,777	(113,779)	(127,259)	(712,211)

Cash flows were negative and unfavorable to forecast due to lower cash generated from operations with some help from lower capital spending to offset somewhat.

B. YTD

YTD - SUBURBAN WASTEWATER	OCTOBER 2017						
	Actual	Forecast	Budget	Prior Year	FC Var	Bud Var	PY Var
Income Statement							
Operating Revenues	14,160,334	14,381,848	15,346,362	15,254,783	(221,514)	(1,186,028)	(1,094,448)
Operating (Expenses)	(15,038,362)	(14,927,700)	(15,464,470)	(15,448,832)	(110,662)	426,108	410,470
Operating Income	(878,027)	(545,851)	(118,108)	(194,050)	(332,176)	(759,919)	(683,978)
Non-Operating Revenues (Expenses)	995,501	910,104	660,830	1,127,223	85,398	334,671	(131,722)
Income Before Interest Expense	117,474	364,253	542,722	933,174	(246,777)	(425,248)	(815,699)
Interest Income	3,534	3,891	99,170	7,860	(357)	(95,636)	(4,326)
Interest Expense	(178,924)	(180,311)	(709,690)	(171,763)	1,387	530,766	(7,161)
Capital Contributions	-	-	-	-	-	-	-
NET INCOME	(57,915)	187,833	(67,798)	769,271	(245,747)	9,883	(827,186)

For the year, net income is negative and is \$246k lower than forecast but \$10k better than budget.

Compared to forecast

Operating revenues are unfavorable across the signatories and the Wastewater Treatment Plant.

Operating expenses are unfavorable due to higher treatment & transportation costs with some favorable offset from lower maintenance services and lower contract operator costs.

Non-operating revenues are higher due to higher tapping fees.

Non-operating expenses are about in line with forecast.

Interest income/expenses are relative close to forecast.

Compared to budget

Operating revenues are down to budget with major unfavorable variances in the Wastewater Treatment Plant for hauler fees, and industrial charges that are partially offset by favorable variances from the signatory group.

Operating expenses are down to budget with most of that coming from lower spending on maintenance services and contract operator costs with some offset from higher treatment & transportation costs.

Non-operating revenues (expenses) are favorable to budget due to higher tapping fees.

Non-operating expenses are lower due to lower expensed capital.

Interest expenses is lower due to lower invested balances and interest expense is favorable on lower borrowing levels.

YTD - SUBURBAN WASTEWATER	OCTOBER 2017						
	Actual	Forecast	Budget	Prior Year	FC Var	Bud Var	PY Var
Cash Flow Statement (Indirect)							
Net Income	(57,915)	187,833	(67,798)	769,271	(245,748)	9,883	(827,186)
Add: Depreciation & Amortization	3,646,940	3,646,940	3,270,830	3,341,330	-	376,110	305,610
Add: Non-Cash Interest Expense	27,961	28,470	-	29,759	(509)	27,961	(1,798)
Add: Capex Charged to Expense	681	862	250,000	2,461	(181)	(249,319)	(1,780)
Principal Payments	(395,773)	(394,999)	(939,460)	(407,844)	(774)	543,687	12,071
Investments Converting To Cash	-	-	-	-	-	-	-
New Borrowing	-	-	10,875,000	-	-	(10,875,000)	-
Capital Expenditures	(2,031,333)	(3,271,474)	(5,510,830)	(1,196,896)	1,240,141	3,479,497	(834,437)
NET FUND CASH FLOWS	1,190,561	197,632	7,877,742	2,538,082	992,929	(6,687,181)	(1,347,521)

Cash flow is positive and \$993k better than forecast and \$4.2m better than budget adjusted for no borrowing.

Compared to forecast, cash flows are up due to lower capital spending with an unfavorable partial offset from lower cash generated by operations.

Compared to adjusted budget, cash flows are up on higher funds generated by operations along with lower capital spending.

4. CITY DIVISION

A. Month

MONTH - CITY DIVISION	OCTOBER 2017						
	Actual	Forecast	Budget	Prior Year	FC Var	Bud Var	PY Var
Income Statement							
Operating Revenues	2,686,447	2,684,708	3,052,405	3,199,957	1,739	(365,958)	(513,510)
Operating (Expenses)	(1,833,079)	(1,872,693)	(1,871,840)	(1,703,260)	39,614	38,761	(129,819)
Operating Income	853,369	812,015	1,180,565	1,496,698	41,354	(327,196)	(643,329)
Non-Operating Revenues (Expenses)	(473,575)	(1,174,984)	(283,834)	(149,768)	701,409	(189,741)	(323,806)
Income Before Interest Expense	379,794	(362,969)	896,731	1,346,929	742,763	(516,937)	(967,135)
Interest Income	153,979	37,335	25,167	179,242	116,644	128,812	(25,263)
Interest Expense	(1,262,941)	(1,262,941)	(1,371,708)	(1,315,458)	-	108,767	52,517
Capital Contributions	-	-	-	-	-	-	-
NET INCOME	(729,168)	(1,588,575)	(449,810)	210,713	859,407	(279,358)	(939,881)

Net income for the month was negative but was \$859k better than forecast.

Operating revenues were higher than forecast with higher water revenues almost completely offset by lower wastewater revenues. Water revenues were up on higher residential/industrial/commercial revenues. Wastewater revenues were down to forecast on lower municipal charges.

Operating expenses were lower than forecast as higher purchased services were more than offset by lower purchased materials and supplies and lower labor charges.

Non-operating revenues were down to forecast on lower project reimbursement revenues.

Non-operating expenses were down due to lower expensed capital.

MONTH - CITY DIVISION	OCTOBER 2017						
	Actual	Forecast	Budget	Prior Year	FC Var	Bud Var	PY Var
Cash Flow Statement (Indirect)							
Net Income	(729,168)	(1,588,575)	(449,810)	210,713	859,407	(279,358)	(939,881)
Add: Depreciation & Amortization	450,000	450,000	466,667	450,000	-	(16,667)	-
Add: Non-Cash Interest Expense	1,262,941	1,262,941	1,371,708	1,315,458	-	(108,767)	(52,517)
Add: Capex Charged to Expense	485,373	1,213,324	658,667	139,230	(727,951)	(173,294)	346,143
Principal Payments	-	-	-	-	-	-	-
Cash Outlays on Lease & Lease Reserve	(252,000)	(252,000)	(252,000)	(250,000)	-	-	(2,000)
Investments Converting To Cash	-	-	-	-	-	-	-
New Borrowing	-	-	-	-	-	-	-
Capital Expenditures	(717,477)	(1,337,191)	(889,214)	(1,299,471)	619,714	171,737	581,995
NET FUND CASH FLOWS	499,669	(251,501)	906,018	565,930	751,170	(406,349)	(66,260)

Cash flows for the month were positive and were \$751k better than forecast. This was driven by higher cash generated by operations along with lower capital spending.

B. YTD

YTD - CITY DIVISION	OCTOBER 2017						
	Actual	Forecast	Budget	Prior Year	FC Var	Bud Var	PY Var
Income Statement							
Operating Revenues	27,165,218	26,662,080	26,712,597	31,609,818	503,138	452,621	(4,444,600)
Operating (Expenses)	(18,341,583)	(18,319,394)	(18,718,400)	(20,329,426)	(22,189)	376,817	1,987,844
Operating Income	8,823,635	8,342,686	7,994,197	11,280,391	480,949	829,438	(2,456,756)
Non-Operating Revenues (Expenses)	(705,569)	(5,149,831)	(2,838,340)	(3,231,385)	4,444,263	2,132,771	2,525,816
Income Before Interest Expense	8,118,067	3,192,855	5,155,857	8,049,006	4,925,212	2,962,210	69,060
Interest Income	444,450	373,351	251,670	383,794	71,100	192,780	60,656
Interest Expense	(12,629,410)	(12,629,410)	(13,717,080)	(15,785,496)	-	1,087,670	3,156,086
Capital Contributions	-	-	-	-	-	-	-
NET INCOME	(4,066,893)	(9,063,204)	(8,309,553)	(7,352,695)	4,996,311	4,242,660	3,285,802

Net income for the year is negative but better than forecast by \$5.0m and better than budget by \$4.2m

Compared to forecast

Operating revenues are up to budget with water up by \$496k and wastewater up by \$7k. Water is up due to higher residential/commercial revenues. Wastewater is up due to higher residential/commercial revenues as well along with higher hauler revenues and higher leachate program revenues with most of that favorable effect offset by lower municipal charges.

Operating expenses are slightly higher than forecast as higher purchased services have been partially offset by lower purchased materials & supplies.

Non-operating revenues are favorable due to higher project reimbursement revenues.

Non-operating expenses are down due to lower expensed capital.

Compared to budget

Operating revenues are up to budget with water up by \$696k and wastewater down by \$243k. Water is up due to higher residential/commercial revenues. Wastewater is up due to higher residential/commercial revenues and higher hauler revenues and higher leachate program revenues partially offset by lower municipal charges.

Operating expenses are lower due to lower labor charges and lower materials and supplies with some unfavorable offset from higher purchased services.

Non-operating revenues (expenses) are favorable due to lower capital costs charged to expense partially offset by lower tapping fees and lower project reimbursement revenues.

YTD - CITY DIVISION	OCTOBER 2017						
	Actual	Forecast	Budget	Prior Year	FC Var	Bud Var	PY Var
Cash Flow Statement (Indirect)							
Net Income	(4,066,893)	(9,063,204)	(8,309,553)	(7,352,695)	4,996,311	4,242,660	3,285,802
Add: Depreciation & Amortization	4,500,000	4,500,000	4,666,670	5,400,000	-	(166,670)	(900,000)
Add: Non-Cash Interest Expense	6,105,549	6,105,549	7,193,219	9,261,635	-	(1,087,670)	(3,156,086)
Add: Capex Charged to Expense	1,508,854	5,533,239	6,586,670	2,903,823	(4,024,385)	(5,077,816)	(1,394,969)
Principal Payments	-	-	-	-	-	-	-
Cash Outlays on Lease & Lease Reserve	(508,000)	(508,000)	(508,000)	(500,000)	-	-	(8,000)
Investments Converting To Cash	-	-	-	-	-	-	-
New Borrowing	-	-	-	-	-	-	-
Capital Expenditures	(4,576,986)	(7,671,906)	(8,892,140)	(11,953,039)	3,094,920	4,315,154	7,376,054
NET FUND CASH FLOWS	2,962,524	(1,104,322)	736,866	(2,240,276)	4,066,847	2,225,658	5,202,801

YTD cash flow is positive and \$4.1m better than forecast and \$2.2m better than budget.

Compared to forecast, cash flows are up on higher cash generated by operations along with lower capital spending.

Compared to budget, cash flows are up on higher cash generated by operations along with lower capital spending.

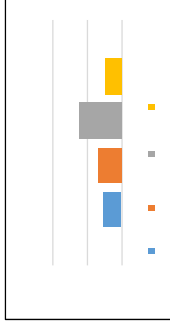
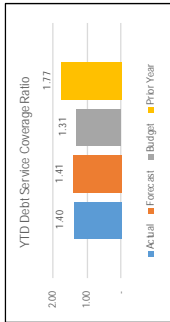
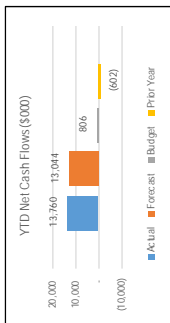
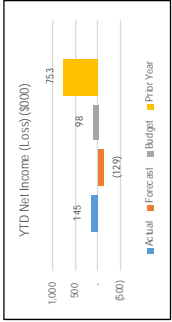
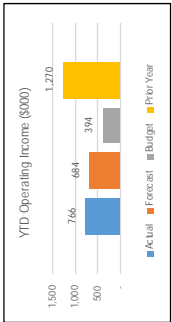
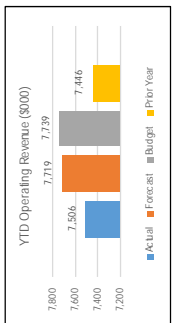
5. FULL YEAR FORECAST

The Q3 Forecast is in the table below for reference.

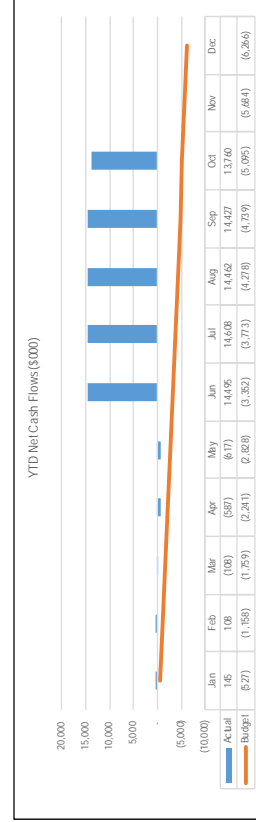
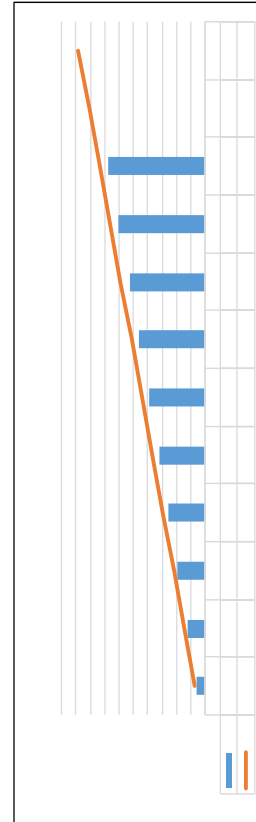
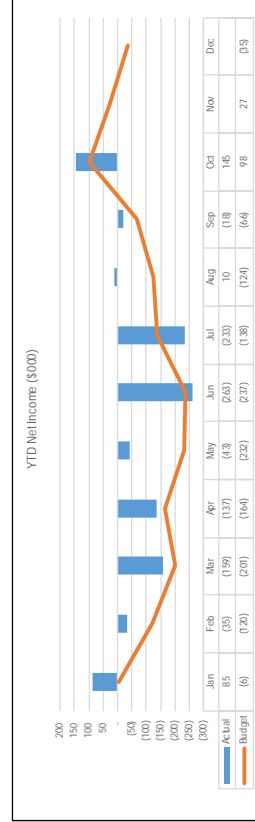
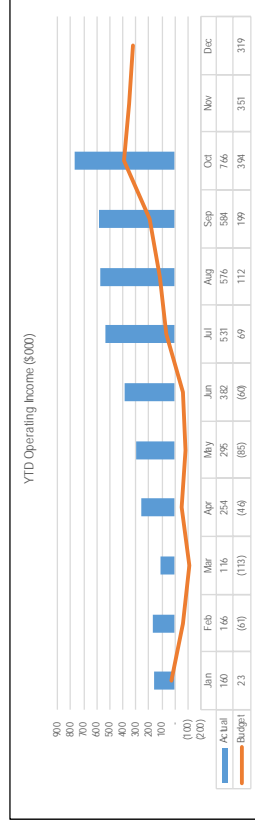
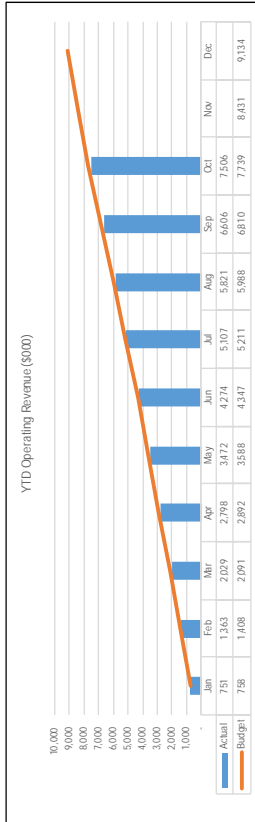
	<u>Forecast</u>	<u>Budget</u>	<u>Last FC</u>	<u>Variance to</u>	
				<u>Budget</u>	<u>Last FC</u>
INCOME STATEMENT					
Suburban Water	(21,018)	(34,673)	(240,736)	13,655	219,718
Suburban Wastewater	326,504	(237,977)	(235,352)	564,481	561,856
City Division	(9,623,562)	(10,217,568)	(10,277,443)	594,006	653,881
TOTAL LCA	<u>(9,318,077)</u>	<u>(10,490,218)</u>	<u>(10,753,531)</u>	<u>1,172,141</u>	<u>1,435,454</u>
CASH FLOW STATEMENT					
Suburban Water	13,118,480	(81,469)	8,746,795	13,199,950	4,371,685
Suburban Wastewater	(501,737)	7,121,675	37,287,310	(7,623,412)	(37,789,047)
City Division	(3,705,185)	(4,479,360)	(4,538,598)	774,175	833,413
TOTAL LCA	<u>8,911,558</u>	<u>2,560,846</u>	<u>41,495,507</u>	<u>6,350,712</u>	<u>(32,583,950)</u>
DEBT SERVICE COVERAGE RATIO					
Suburban Water	1.38	1.27	1.20	0.12	0.19
Suburban Wastewater	7.96	2.45	2.52	5.51	5.44
City Division	1.22	1.21	1.18	0.01	0.04

We will be developing a forecast for the remainder of this year after the budget process is completed.

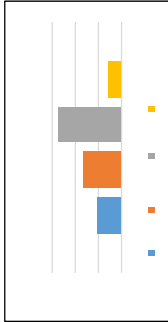
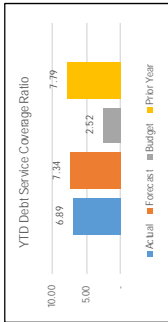
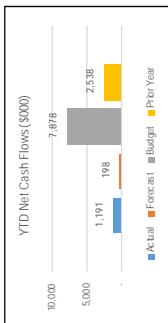
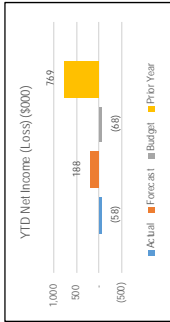
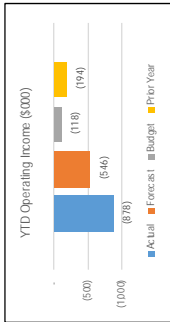
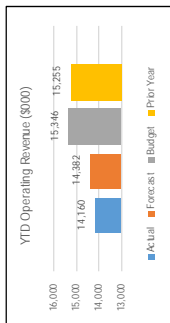
**DASHBOARD - SUBURBAN WATER
OCTOBER 2017**



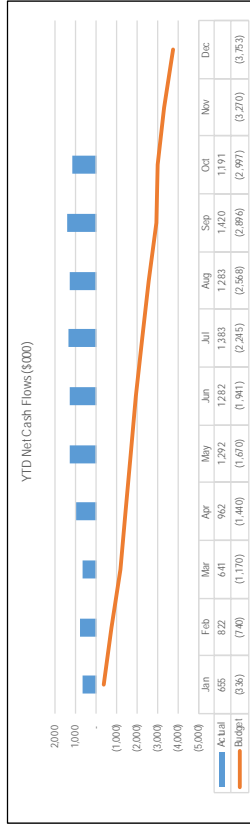
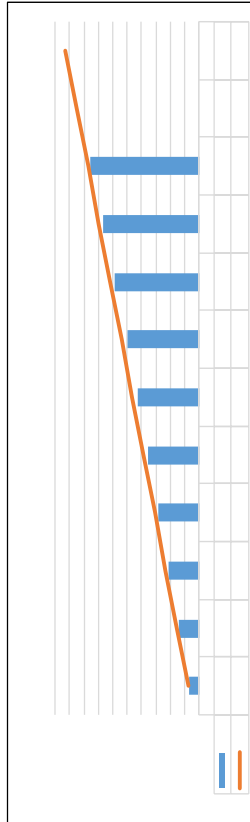
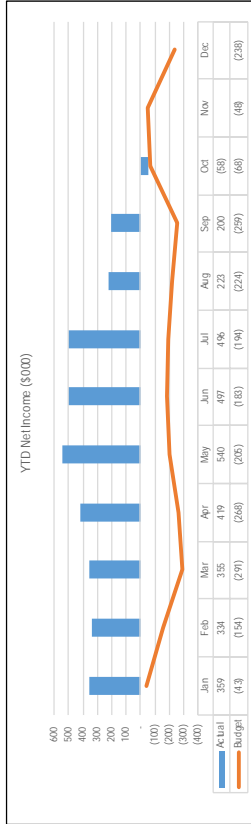
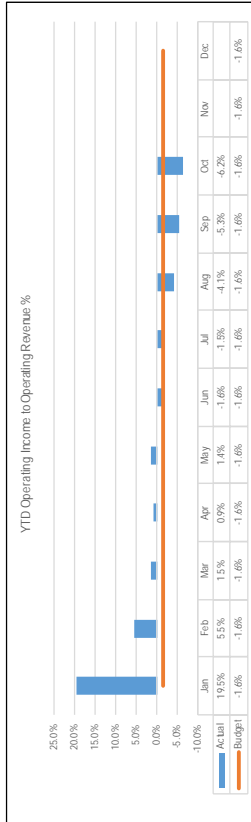
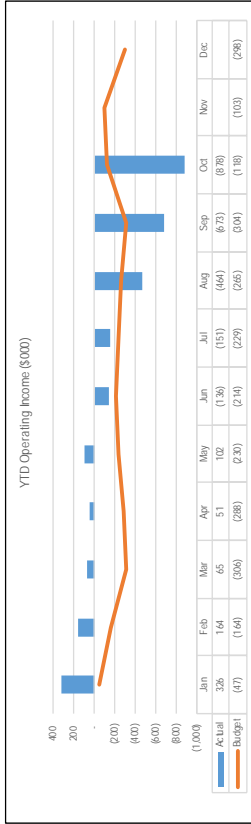
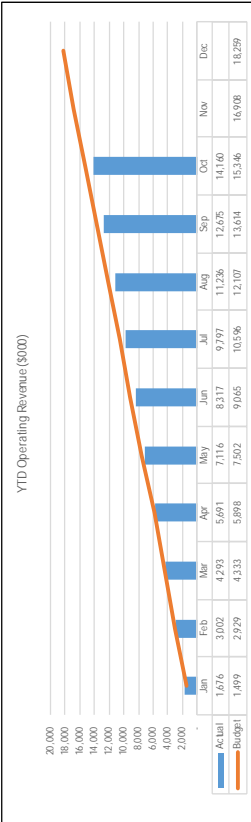
	Actual	Forecast	Budget	Prior Yr	Forecast	Budget	Prior Yr	Variance to
YTD COMPARATIVE (\$000)								
Operating Revenues	7,506	7,719	7,739	7,446	(213)	(233)	60	
Less: Operating Expenses	6,740	7,035	7,345	6,176	295	605	(954)	
Operating Income	766	684	394	1,270	82	372	(504)	
Other income (expenses)	(621)	(613)	(296)	(517)	192	(325)	(104)	
Net Income	145	(129)	98	763	274	47	(608)	
Debt Service Coverage Ratio	1.40	1.41	1.31	1.77	(0.01)	0.09	(0.37)	
Net Cash Flows	13,760	13,044	806	(602)	716	12,954	14,362	



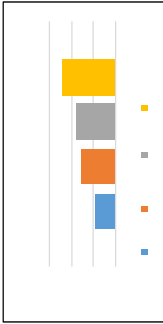
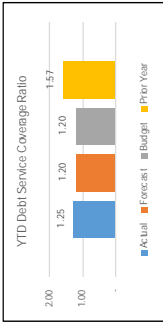
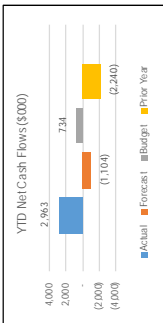
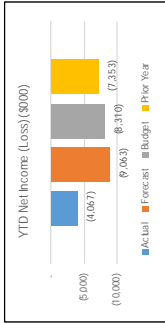
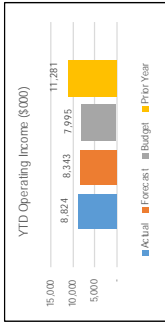
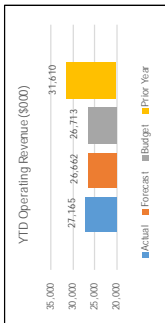
**DASHBOARD - SUBURBAN WASTEWATER
OCTOBER 2017**



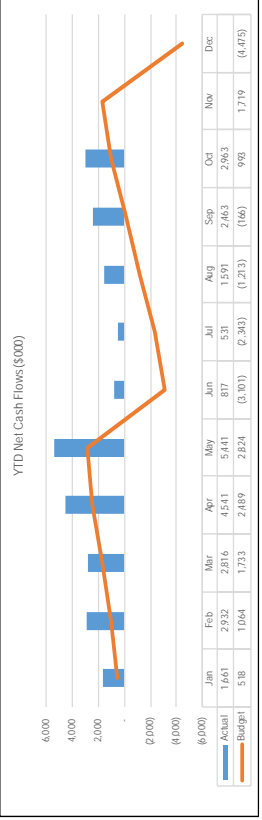
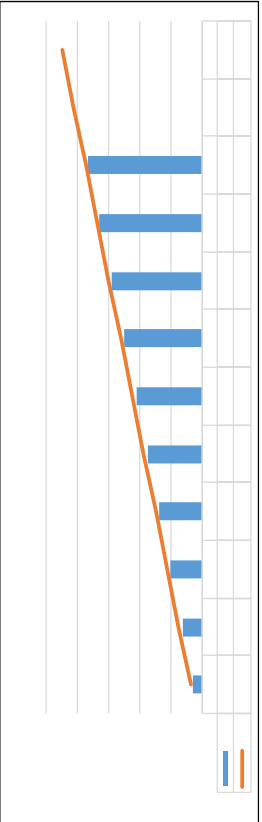
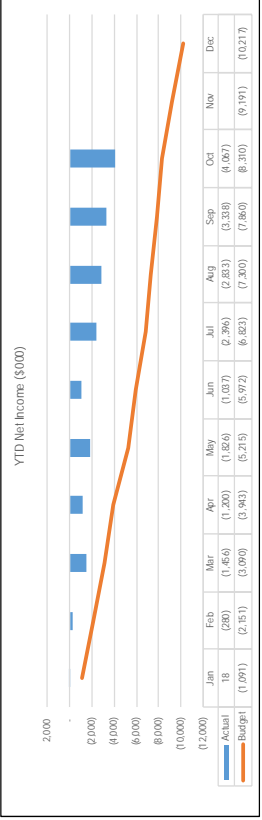
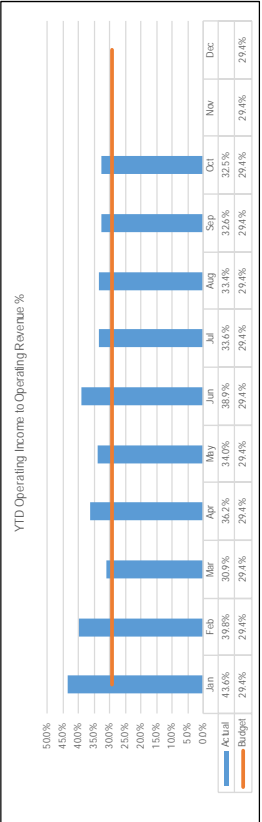
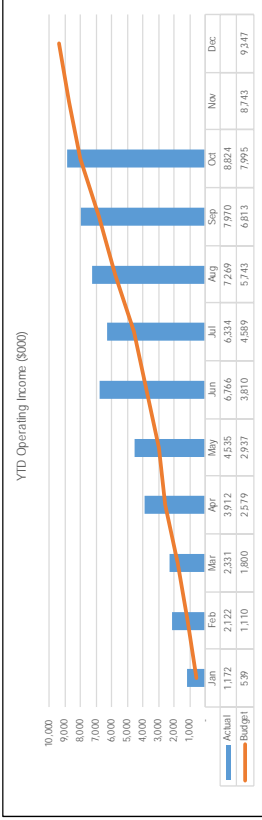
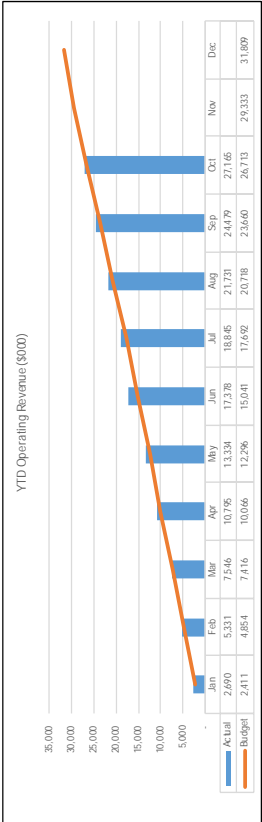
	Actual	FC	Budget	Pr Yr	FC	Budget	Pr Yr	Variance to
YTD (\$000)	14,160	14,382	15,346	15,255	(222)	(1,186)	(1,095)	
Operating Revenues	15,038	14,928	15,464	15,449	(110)	426	411	
Less: Operating Expenses	(878)	(546)	(118)	(194)	(332)	(760)	(684)	
Operating Income	820	734	50	963	86	770	(143)	
Other income (expenses)	(58)	188	(68)	769	(246)	10	(827)	
Net Income	6.89	7.34	2.52	7.79	(0.45)	4.37	(0.90)	
Debt Service Coverage	1,191	198	7,878	2,538	993	(6,687)	(1,347)	
Net Cash Flows								



**DASHBOARD - CITY DIVISION
OCTOBER 2017**



	Actual	FC	Budget	PY	Variance to
YTD (\$000)					
Operating Revenues	27,165	26,662	26,713	31,610	503 (4,445)
Less: Operating Expenses	18,341	18,319	18,718	20,329	(22) 377 1,988
Operating Income	8,824	8,343	7,995	11,281	481 (2,457)
Other income (expenses)	(12,891)	(17,406)	(16,305)	(18,634)	4,515 3,414 5,743
Net Income	(4,067)	(9,063)	(8,310)	(7,353)	4,996 4,243 3,286
Debt Service Coverage	1.25	1.20	1.20	1.57	0.05 (0.32)
Net Cash Flows	2,963	(1,104)	734	(2,240)	4,067 2,229 5,203



LEHIGH COUNTY AUTHORITY SUBURBAN WATER MONTHLY FINANCIAL STATEMENTS																
MONTH - SUBURBAN WATER																
OCTOBER 2017																
Income Statement	Actual	Forecast	Budget	Prior Year	FC Var	Bud Var	PY Var	YTD - SUBURBAN WATER	Income Statement	Actual	Forecast	Budget	Prior Year	FC Var	Bud Var	PY Var
Operating Revenues	899,449	905,112	928,918	877,244	(5,663)	(29,469)	22,205	Operating Revenues	7,505,740	7,718,639	7,739,013	7,446,014	(212,899)	(233,273)	59,726	
Operating (Expenses)	(718,045)	(781,471)	(734,533)	(636,364)	69,426	16,488	(81,661)	Operating (Expenses)	(6,739,881)	(7,034,792)	(7,345,330)	(6,176,053)	294,911	605,449	(563,828)	
Operating Income	181,404	123,641	194,385	240,860	57,763	(12,981)	(59,456)	Operating Income	765,859	683,847	393,683	1,269,961	82,012	372,176	(504,102)	
Non-Operating Revenues (Expenses)	104,132	73,407	66,167	31,014	30,725	37,965	73,118	Non-Operating Revenues (Expenses)	615,051	444,072	661,670	476,906	170,979	(46,619)	1,38,055	
Income Before Interest	285,536	197,048	260,552	271,874	88,488	24,984	13,662	Income Before Interest Expense	1,380,909	1,127,918	1,056,353	1,746,957	252,991	325,556	(366,047)	
Interest Income	7,887	14,143	16,667	4,961	(6,256)	(8,780)	2,916	Interest Income	71,276	96,429	166,670	47,288	(25,153)	(95,394)	23,989	
Interest Expense	(131,277)	(117,000)	(112,355)	(248,742)	(14,277)	(18,928)	117,465	Interest Expense	(1,307,611)	(1,352,870)	(1,123,550)	(1,041,936)	45,259	(184,061)	(266,574)	
Capital Contributions	-	-	-	-	-	-	-	Capital Contributions	-	-	-	-	-	-	-	-
NET INCOME	162,146	94,191	164,864	28,092	67,955	(2,718)	134,053	NET INCOME	144,575	(128,522)	98,473	753,208	273,097	46,102	(608,633)	
MONTH - SUBURBAN WATER																
OCTOBER 2017																
Cash Flow Statement (Indirect)	Actual	Forecast	Budget	Prior Year	FC Var	Bud Var	PY Var	YTD - SUBURBAN WATER	Cash Flow Statement (Indirect)	Actual	Forecast	Budget	Prior Year	FC Var	Bud Var	PY Var
Net Income	162,146	94,191	164,864	28,092	67,955	(2,718)	134,053	Net Income	144,575	(128,522)	98,473	753,208	273,097	46,102	(608,633)	
Add: Depreciation & Amortization	280,234	245,832	245,832	14,401	14,402	-	14,402	Add: Depreciation & Amortization	2,472,722	2,458,330	2,458,330	2,438,320	14,402	14,392	34,402	
Less: Non-Cash Interest Expense	-	(2,000)	-	(0)	2,000	-	0	Less: Non-Cash Interest Expense	(105,776)	(8,000)	-	-	(0)	(97,776)	(105,776)	
Add: Capex Charged to Expense	345	25,314	8,333	433	(24,969)	(7,988)	(88)	Add: Capex Charged to Expense	5,611	25,137	83,330	3,532	(247,526)	(77,719)	2,080	
Principal Payments	(195,676)	(139,000)	(152,816)	(150,205)	(56,676)	(42,860)	(45,471)	Principal Payments	(1,358,924)	(1,358,596)	(1,528,810)	(1,365,810)	(329)	169,236	6,886	
Investments Converting To Cash	-	-	-	-	-	-	-	Investments Converting To Cash	15,292,006	15,292,006	5,900,000	-	-	-	-	
New Borrowing	(894,169)	(726,467)	(620,583)	(900,592)	(167,702)	(273,586)	6,423	New Borrowing	(2,690,513)	(3,464,664)	(6,205,830)	(2,450,888)	774,151	3,515,317	(239,625)	
Capital Expenditures	(667,120)	(502,130)	(354,369)	(776,441)	(164,990)	(312,751)	109,320	Capital Expenditures	13,759,701	13,043,681	806,143	(601,638)	716,020	12,953,558	14,361,340	
NET FUND CASH FLOWS	(667,120)	(502,130)	(354,369)	(776,441)	(164,990)	(312,751)	109,320	NET FUND CASH FLOWS	13,759,701	13,043,681	806,143	(601,638)	716,020	12,953,558	14,361,340	
MONTH - SUBURBAN WATER																
OCTOBER 2017																
Cash Flow Statement (Direct)	Actual	Forecast	Budget	Prior Year	FC Var	Bud Var	PY Var	YTD - SUBURBAN WATER	Cash Flow Statement (Direct)	Actual	Forecast	Budget	Prior Year	FC Var	Bud Var	PY Var
Operating Revenues	899,449	905,112	928,918	877,244	(5,663)	(29,469)	22,205	Operating Revenues	7,505,740	7,718,639	7,739,013	7,446,014	(212,899)	(233,273)	59,726	
Operating Expenses (Ex Depreciation)	(457,811)	(535,639)	(488,700)	(800,552)	77,828	30,889	(67,559)	Operating Expenses (Ex Depreciation)	(4,267,159)	(4,576,472)	(4,887,000)	(3,717,733)	309,313	619,841	(549,426)	
Interest Income	7,887	14,143	16,667	4,961	(6,256)	(8,780)	2,916	Interest Income	71,276	96,429	166,670	47,288	(25,153)	(95,394)	23,989	
Cash Available For Debt Service	449,525	383,616	456,885	491,653	65,909	(7,360)	(42,128)	Cash Available For Debt Service	3,309,857	3,238,596	3,018,683	3,775,569	71,261	291,174	(465,711)	
Interest Payments	(131,277)	(119,000)	(112,355)	(248,742)	(12,277)	(18,922)	117,465	Interest Payments	(1,413,387)	(1,360,870)	(1,123,550)	(1,041,936)	(52,517)	(289,837)	(372,350)	
Principal Payments	(195,676)	(139,000)	(152,816)	(150,205)	(56,676)	(42,860)	(45,471)	Principal Payments	(1,358,924)	(1,358,596)	(1,528,160)	(1,365,810)	(329)	169,236	6,886	
Net Cash Available After Debt Service	122,572	125,616	191,714	92,705	(3,044)	(69,142)	29,867	Net Cash Available After Debt Service	537,546	519,131	366,973	1,368,722	18,416	170,573	(831,176)	
Non-Operating Revenues (Expenses)	104,132	73,407	66,167	31,014	30,725	37,965	73,118	Non-Operating Revenues (Expenses)	615,051	444,072	661,670	476,906	170,979	(46,619)	138,055	
Add: Capex Charged to Expense	345	25,314	8,333	433	(24,969)	(7,988)	(88)	Add: Capex Charged to Expense	5,611	25,137	83,330	3,532	(247,526)	(77,719)	2,080	
Less: Project Reimbursement	-	(24,233)	(27,833)	-	24,233	27,833	-	Less: Project Reimbursement	(46,814)	(97,329)	(78,330)	-	50,515	231,516	(46,814)	
Non-Cash Working Capital Changes	-	-	-	-	-	-	-	Non-Cash Working Capital Changes	-	-	-	-	-	-	-	-
Net Cash Available For Capital	227,048	200,104	238,381	124,151	26,944	(11,333)	102,897	Net Cash Available For Capital	1,111,394	1,119,010	833,643	1,849,250	(7,616)	277,751	(737,855)	
Project Reimbursement	-	24,233	27,833	-	(24,233)	(27,833)	-	Project Reimbursement	46,814	97,329	278,330	-	(50,515)	(231,516)	46,814	
Capital Contributions	-	-	-	-	-	-	-	Capital Contributions	-	-	-	-	-	-	-	-
Investments Converting To Cash	-	-	-	-	-	-	-	Investments Converting To Cash	-	-	-	-	-	-	-	-
New Borrowing	-	-	-	-	-	-	-	New Borrowing	15,292,006	15,292,006	5,900,000	-	-	9,392,006	15,292,006	
Capital Expenditures	(894,169)	(726,467)	(620,583)	(900,592)	(167,702)	(273,586)	6,423	Capital Expenditures	(2,690,513)	(3,464,664)	(6,205,830)	(2,450,888)	774,151	3,515,317	(239,625)	
NET FUND CASH FLOWS	(667,120)	(502,130)	(354,369)	(776,441)	(164,990)	(312,751)	109,320	NET FUND CASH FLOWS	13,759,701	13,043,681	806,143	(601,638)	716,020	12,953,558	14,361,340	
DEBT SERVICE COVERAGE RATIO																
Total Cash Available For Debt Service	554,002	458,104	503,552	523,099				Total Cash Available For Debt Service	3,883,705	3,838,476	3,485,353	4,256,096				
Debt Service	326,953	258,000	265,171	396,948				Debt Service	2,712,511	2,719,465	2,651,710	2,406,846				
DSCR	1.69	1.78	1.90	1.31				DSCR	1.40	1.41	1.31	1.77				

LEHIGH COUNTY AUTHORITY SUBURBAN WASTEWATER MONTHLY FINANCIAL STATEMENTS											
MONTH - SUBURBAN WASTEWATER											
OCTOBER 2017											
Income Statement	Actual	Forecast	Budget	Prior Year	FC Var	Bud Var	PV Var	Actual	Forecast	Budget	Prior Year
Operating Revenues	1,485,208	1,755,267	1,732,187	1,831,055	(270,059)	(246,979)	(345,847)	14,160,334	14,381,848	15,346,362	15,254,783
Operating Expenses	(1,690,362)	(1,642,270)	(1,546,447)	(1,455,338)	(48,092)	(143,915)	(235,025)	(15,038,362)	(14,927,700)	(15,464,470)	(15,448,832)
Operating Income	(205,154)	112,997	185,740	375,717	(318,151)	(390,894)	(580,871)	(878,027)	(545,851)	(118,108)	(194,050)
Non-Operating Revenues (Expenses)	(95,113)	58,010	66,083	13,467	(93,123)	(101,196)	(46,580)	995,501	910,104	660,830	1,127,223
Income Before Interest Expense	(240,267)	171,007	251,823	389,184	(411,274)	(492,090)	(629,452)	117,474	364,253	542,722	933,174
Interest Income	301	389	9,917	506	(88)	(9,616)	(205)	3,534	3,891	99,170	7,860
Interest Expense	(17,636)	(18,031)	(70,969)	(17,286)	395	53,333	(348)	(178,924)	(180,311)	(709,690)	(171,763)
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-
NET INCOME	(257,602)	153,365	190,771	372,404	(410,967)	(448,373)	(630,006)	(57,919)	187,833	(67,798)	769,271
FC Var (245,747) 9,883 (827,186)											
Bud Var (1,186,028) (1,094,448) (1,186,028)											
PV Var (410,470) (683,978) (131,722)											
MONTH - SUBURBAN WASTEWATER											
OCTOBER 2017											
Cash Flow Statement (Indirect)	Actual	Forecast	Budget	Prior Year	FC Var	Bud Var	PV Var	Actual	Forecast	Budget	Prior Year
Net Income	(257,602)	153,365	190,771	372,404	(410,967)	(448,373)	(630,006)	(57,919)	187,833	(67,798)	769,271
Add: Depreciation & Amortization	364,694	364,694	327,083	334,133	-	37,611	30,561	3,646,940	3,646,940	3,270,830	3,341,330
Add: Non-Cash Interest Expense	2,741	2,847	-	3,001	(106)	2,741	(260)	27,961	28,470	-	29,759
Add: Capex Charged to Expense	86	86	25,000	993	(86)	(25,000)	(993)	681	862	250,000	2,461
Principal Payments	(67,106)	(39,500)	(93,946)	(42,262)	(27,606)	26,840	(24,844)	(305,773)	(394,999)	(939,460)	(407,844)
Investments Converting To Cash	-	-	-	-	-	-	-	-	-	(939,460)	(407,844)
New Borrowing	-	-	-	-	-	-	-	-	-	10,875,000	-
Capital Expenditures	(272,161)	(597,147)	(551,083)	(185,693)	324,986	278,922	(86,668)	(2,031,333)	(3,271,474)	(5,510,830)	(1,196,896)
NET FUND CASH FLOWS	(229,434)	(115,655)	(102,175)	482,777	(113,779)	(127,259)	(712,211)	1,990,561	197,632	7,877,742	2,538,082
FC Var (992,929) (6,687,181) (1,347,521)											
Bud Var (1,186,028) (1,094,448) (1,186,028)											
PV Var (410,470) (683,978) (131,722)											
MONTH - SUBURBAN WASTEWATER											
OCTOBER 2017											
Cash Flow Statement (Direct)	Actual	Forecast	Budget	Prior Year	FC Var	Bud Var	PV Var	Actual	Forecast	Budget	Prior Year
Operating Revenues	1,485,208	1,755,267	1,732,187	1,831,055	(270,059)	(246,979)	(345,847)	14,160,334	14,381,848	15,346,362	15,254,783
Operating Expenses (Ex Depreciation)	(1,325,668)	(1,277,576)	(1,219,364)	(1,121,205)	(48,092)	(106,304)	(204,464)	(11,391,422)	(11,280,760)	(12,193,640)	(12,107,502)
Interest Income	301	389	9,917	506	(88)	(9,616)	(205)	3,534	3,891	99,170	7,860
Cash Available For Debt Service	159,840	478,080	522,740	710,356	(318,240)	(362,900)	(550,515)	2,772,447	3,104,980	3,251,892	3,155,141
Interest Payments	(14,895)	(15,184)	(70,969)	(14,285)	289	56,074	(610)	(150,963)	(151,841)	(709,690)	(142,004)
Principal Payments	(67,106)	(39,500)	(93,946)	(42,262)	(27,606)	26,840	(24,844)	(395,773)	(394,999)	(939,460)	(407,844)
Net Cash Available After Debt Service	77,840	423,396	357,825	653,809	(345,556)	(279,985)	(575,969)	2,225,711	2,598,140	1,602,742	2,605,293
Non-Operating Revenues (Expenses)	(95,113)	58,010	66,083	13,467	(93,123)	(101,196)	(46,580)	995,501	910,104	660,830	1,127,223
Add: Capex Charged to Expense	-	86	25,000	993	(86)	(25,000)	(993)	681	862	250,000	2,461
Less: Project Reimbursement	-	-	-	-	-	-	-	-	-	-	-
Non-Cash Working Capital Changes	-	-	-	-	-	-	-	-	-	-	-
Net Cash Available For Capital	42,727	481,492	448,908	668,270	(438,765)	(406,181)	(625,543)	3,221,894	3,469,106	2,513,572	3,734,977
Project Reimbursement	-	-	-	-	-	-	-	-	-	-	-
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-
Investments Converting To Cash	-	-	-	-	-	-	-	-	-	-	-
New Borrowing	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditures	(272,161)	(597,147)	(551,083)	(185,693)	324,986	278,922	(86,668)	(2,031,333)	(3,271,474)	(5,510,830)	(1,196,896)
NET FUND CASH FLOWS	(229,434)	(115,655)	(102,175)	482,777	(113,779)	(127,259)	(712,211)	1,990,561	197,632	7,877,742	2,538,082
FC Var (992,929) (6,687,181) (1,347,521)											
Bud Var (1,186,028) (1,094,448) (1,186,028)											
PV Var (410,470) (683,978) (131,722)											
DEBT SERVICE COVERAGE RATIO											
Total Cash Available For Debt Service	124,727	536,176	613,823	724,817	-	-	-	3,768,629	4,015,946	4,162,722	4,284,825
Debt Service	82,000	54,684	164,915	56,347	-	-	-	546,736	546,840	1,649,150	549,848
DSCR	1.52	9.80	3.72	12.82	-	-	-	6.89	7.34	2.52	7.79

LEHIGH COUNTY AUTHORITY
CITY DIVISION
MONTHLY FINANCIAL STATEMENTS

MONTH - CITY DIVISION	OCTOBER 2017				OCTOBER 2017					
	Actual	Forecast	Budget	Prior Year	FC Var	Bud Var	PY Var	FC Var	Bud Var	PY Var
Income Statement										
Operating Revenues	2,686,447	2,684,708	3,052,405	3,199,957	1,739	(365,958)	(513,510)	503,138	452,621	(4,444,600)
Operating Expenses	(1,833,029)	(1,872,693)	(1,871,840)	(1,703,260)	39,614	38,761	(129,819)	(22,189)	376,817	(1,987,844)
Operating Income	853,369	812,015	1,180,565	1,496,698	44,354	(327,196)	(643,329)	480,949	829,438	(2,565,756)
Non-Operating Revenues (Expenses)	(473,575)	(1,174,984)	(283,834)	(149,769)	701,409	(189,741)	(323,806)	4,444,263	2,132,771	2,525,816
Income Before Interest Expense	379,794	(362,969)	896,731	1,346,929	742,763	(516,937)	(967,135)	4,925,212	2,962,210	69,060
Interest Income	153,979	37,335	25,167	179,242	116,644	128,812	(25,263)	71,100	192,780	60,656
Interest Expense	(1,262,941)	(1,262,941)	(1,371,708)	(1,315,459)	-	108,767	52,517	-	1,087,670	3,156,086
Capital Contributions	-	-	-	-	-	-	-	-	-	-
NET INCOME	(729,168)	(1,988,575)	(449,810)	210,713	859,407	(279,358)	(939,881)	4,996,311	4,242,660	3,285,802
MONTH - CITY DIVISION	OCTOBER 2017				OCTOBER 2017					
Cash Flow Statement (Indirect)										
Net Income	(729,168)	(1,988,575)	(449,810)	210,713	859,407	(279,358)	(939,881)	4,996,311	4,242,660	3,285,802
Add: Depreciation & Amortization	450,000	450,000	466,667	450,000	-	(16,667)	-	-	(166,670)	(900,000)
Add: Non-Cash Interest Expense	1,262,941	1,262,941	1,371,708	1,315,458	-	(108,767)	(52,517)	-	(1,087,670)	(3,156,086)
Add: Capex Charged to Expense	485,373	1,213,324	658,667	139,230	(777,951)	(173,294)	346,143	(4,024,385)	(5,077,816)	(1,394,969)
Principal Payments	-	-	-	-	-	-	-	-	-	-
Cash Outlays on Lease & Lease Reserve Investments	(252,000)	(252,000)	(252,000)	(250,000)	-	-	(2,000)	-	-	(8,000)
New Borrowing	-	-	-	-	-	-	-	-	-	-
Capital Expenditures	(717,477)	(1,337,191)	(889,214)	(1,299,471)	619,714	171,737	581,995	3,094,920	4,315,154	7,376,054
NET FUND CASH FLOWS	499,669	(251,501)	906,018	565,990	751,170	(406,349)	(66,260)	4,066,847	2,225,658	5,202,801
MONTH - CITY DIVISION	OCTOBER 2017				OCTOBER 2017					
Cash Flow Statement (Direct)										
Operating Revenues	2,686,447	2,684,708	3,052,405	3,199,957	1,739	(365,958)	(513,510)	503,138	452,621	(4,444,600)
Operating Expenses (Ex Depreciation)	(1,383,079)	(1,422,693)	(1,405,173)	(1,253,260)	39,614	22,094	(129,819)	(22,189)	210,147	1,607,844
Interest Income	153,979	37,335	25,167	179,242	116,644	128,812	(25,263)	71,100	192,780	60,656
Cash Available For Debt Service	1,457,347	1,299,350	1,672,399	2,125,939	157,997	(215,052)	(668,592)	552,049	855,549	(3,296,100)
Interest Payments	-	-	-	-	-	-	-	-	-	-
Principal Payments	-	-	-	-	-	-	-	-	-	-
Net Cash Available For Debt Service	1,457,347	1,299,350	1,672,399	2,125,939	157,997	(215,052)	(668,592)	552,049	855,549	(3,296,100)
Non-Operating Revenues (Expenses)	(473,575)	(1,174,984)	(283,834)	(149,769)	701,409	(189,741)	(323,806)	4,444,263	2,132,771	2,525,816
Add: Capex Charged to Expense	485,373	1,213,324	658,667	139,230	(777,951)	(173,294)	346,143	(4,024,385)	(5,077,816)	(1,394,969)
Less: Project Reimbursement	-	(20,599)	(327,750)	-	20,599	327,750	(2,000)	(352,742)	2,718,764	(58,736)
Cash Outlays on Lease & Lease Reserve	(252,000)	(252,000)	(252,000)	(250,000)	-	-	(2,000)	-	-	(8,000)
Non-Cash Working Capital Changes	-	-	-	-	-	-	-	-	-	-
Net Cash Available For Capital	1,217,146	1,065,091	1,467,482	1,865,401	152,095	(250,336)	(648,255)	619,185	629,268	(2,311,989)
Project Reimbursement	-	20,599	327,750	-	(20,599)	(327,750)	-	352,742	(2,718,764)	58,736
Capital Contributions	-	-	-	-	-	-	-	-	-	-
Investments Converting To Cash	-	-	-	-	-	-	-	-	-	-
New Borrowing	-	-	-	-	-	-	-	-	-	-
Capital Expenditures	(717,477)	(1,337,191)	(889,214)	(1,299,471)	619,714	171,737	581,995	3,094,920	4,315,154	7,376,054
NET FUND CASH FLOWS	499,669	(251,501)	906,018	565,990	751,170	(406,349)	(66,260)	4,066,847	2,225,658	5,202,801
DEBT SERVICE COVERAGE RATIO										
Net Cash Available For Debt Service	1,427,146	1,275,091	1,677,482	2,128,279	152,095	(250,336)	(648,255)	619,185	629,268	(2,311,989)
Debt Service	1,087,310	1,087,310	1,087,310	1,031,060	-	-	-	-	-	-
DSCR	1.31	1.17	1.54	2.06						

Lehigh County Authority

System Operations Review - October 2017

Presented: December 11, 2017

<u>Critical Activities</u>	<u>System</u>	<u>Description</u>	<u>Oct-17</u>	<u>2017-to-Date</u>	<u>2016 Totals</u>	<u>Permit</u>
			<u>Daily Avg (MGD)</u>	<u>Daily Avg (MGD)</u>	<u>Daily Avg (MGD)</u>	<u>Daily Max (MGD)</u>
Water Production	Allentown	Total	20.81	21.33	20.41	39.0
		Schantz Spring	6.59	6.43	5.91	9.0
		Crystal Spring	3.87	3.90	3.86	4.0
		Little Lehigh Creek	10.35	10.96	10.46	30.0
		Lehigh River	0.00	0.04	0.18	28.0
	Central Lehigh	Total	9.38	9.39	9.27	19.04 MGD Avg
		Feed from Allentown	6.93	6.97	5.99	7.0 MGD Avg 10.5 MGD Max
		Well Production (CLD)	2.45	2.41	3.28	8.54 MGD Avg
		Sum of all (12) other Suburban Water Systems	0.18	0.18	0.19	1.71 Sum of all wells
Wastewater Treatment		Kline's Island	29.78	31.35	29.67	40.0
		Pretreatment Plant	4.24	4.43	4.33	5.75 (design capacity)
		Sum of all (5) other Suburban WW Systems	0.15	0.17	0.17	0.36
			<u>Oct-17</u>	<u>2017-to-Date</u>	<u>2016 Totals</u>	
Precipitation Totals (inches)			3.81	46.75	36.82	
Compliance Reports Submitted to Allentown			27	254	269	
Notices of Violation (NOVs)		(Allentown + Suburban)	0	3	3	
Sanitary Sewer Overflows (SSOs)/Bypasses		(Allentown + Suburban)	2	22	16	
Main Breaks Repaired		Allentown	0	12	19	
		Suburban	1	9	11	
Customer Service Phone Inquiries		(Allentown + Suburban)	2,623	23,043	28,099	
Water Shutoffs for Non-Payment		(Allentown + Suburban)	164	1,522	1,685	
Injury Accidents		(Allentown + Suburban)	3	8	10	
Emergency Declarations		Allentown	0	(2) @ \$51,235	(2) @ \$87,079	
		Suburban	0	(1) @ \$72,554	(1) @ \$33,495	

Significant Repairs:

Permanent abandonments are complete on (4) suburban wells and (2) more wells are in-process. Restorations are complete on the Halstead Tank and the 28th Street Standpipe. Both tanks are part of the City water system.

Description of NOVs and/or SSOs:

There was (1) SSO in the city system on 10/17/2017 that was the result of a grease blockage in an 8" line. There was (1) bypass at Heidelberg Heights on 10/30/2017 that was the result of high flows during a storm event.

Other Highlights:

Phase I (2017) of the Western Lehigh Interceptor easement clearing program has been completed. Phase I cleared 4.9 miles and now allows access to 106 manholes. Phase II (2018) will have another 1.6 miles of clearing that will allow access to an additional 33 manholes.