

LEHIGH COUNTY AUTHORITY 2018 BUDGET

Adopted - October 23, 2017

CONTENTS:

Executive Summary
Suburban Water Division
Suburban Wastewater Division
City Division
Condensed Statements



LEHIGH COUNTY AUTHORITY

1053 SPRUCE ROAD * P.O. BOX 3348 * ALLENTOWN, PA 18106-0348
610-398-2503 * FAX 610-398-8413 * www.lehighcountyauthority.org
email: service@lehighcountyauthority.org

2018 BUDGET – EXECUTIVE SUMMARY

Submitted by: Liesel M. Gross, Chief Executive Officer
October 16, 2017

Around mid-year each year, Lehigh County Authority (LCA) enters into a planning cycle in which we look forward and evaluate our financial, operational, capital and organizational needs for the year(s) ahead. Typically, this results in a budget for the following year, along with an updated 5-year or 10-year capital plan, and maybe some rate adjustments or borrowing strategies to fund all the programs we wish to implement. These are all important planning activities that must be accomplished every year.

In 2017, however, LCA followed a slightly different path due to:

1. **Leadership Transition** – Over the past two years, LCA’s leadership team has turned over due to retirements and other changes, which has affected all areas of the organization including executive/administration, finance, operations, technology, communications and capital works. As a result, this new group of “learning leaders” are working to reinvent LCA’s future based on the new ideas and perspectives each member of the team is bringing to the table. It is an exciting time to be here at LCA!
2. **Financial Challenges** – The LCA team (both the Board of Directors and staff) have been engaging in open dialog about the financial challenges we face and the need for course corrections to ensure the organization is sustainable from a long-term operational and financial perspective.

In light of these key changes in LCA’s perspective, the 2018 budget and planning cycle was adjusted to create a more integrated approach to capital planning, financial planning, budgeting and rate setting. All components are interrelated, and LCA made small but important strides in this planning cycle to weave them together. Through this process, we learned many things about the challenges that lie ahead and the strategies we can employ to overcome them.

The 2018 Budget, as proposed in the accompanying package, incorporates several key findings and recommendations that were formulated through this iterative process of planning, evaluating, discussing and adjusting. They are discussed in more detail below, and summarized on the last page of this executive summary.

Suburban Water Division

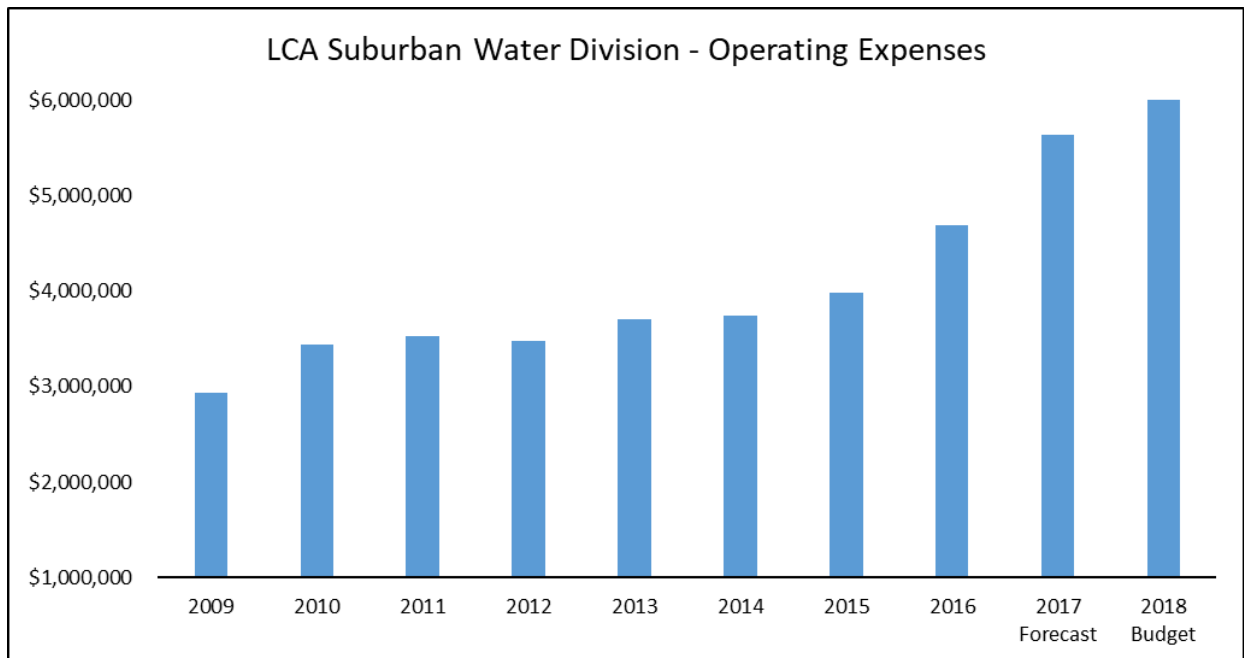
Over the past 10 years, two important trends have affected LCA’s Suburban Water Division, which serves the areas in Lehigh and Northampton counties that fall outside the City of Allentown boundaries.

Steady-but-Slow Growth: Following tremendous rapid growth in Western Lehigh County through the 1980s, 1990s and early 2000s, the pace of new housing and commercial development has slowed and become more focused on smaller subdivisions, multi-family housing (apartments and townhomes) and age-restricted communities. This growth provides an annual revenue boost for LCA’s water system, but this annual increase shrinks as growth slows.

Every drop matters. Every customer counts.

Aging Systems Need Attention: As LCA recently celebrated its 50th anniversary, this means the “new” water system that serves our suburban communities is not so new anymore. Like many systems across the nation, we face significant cost increases to maintain our systems to a high standard so that customers may continue to receive high quality, reliable service from LCA – all day, every day.

The graph below shows the 10-year operating expense trend in the LCA Suburban Water Division, which illustrates the increasing cost exposure associated with operating and maintaining our systems.



To address these increasing costs, a water rate study was conducted as part of the budget process, and the 2018 Budget proposal includes a 4.5 percent increase in water rates, while the water rate study also lays out additional scenarios for future rate increases that will help LCA address these two important trends. These scenarios, which will require additional study and discussion, include:

- Inclusion of additional annual capital improvements, such as water main replacements and pump repairs, into the rate structure to be captured annually vs. through continued borrowing.
- Allocation of fixed and variable costs through the rate structure, including an evaluation of the fixed and volume-based charges to all customers.
- Evaluation of conversion to a monthly billing frequency. This is an important consideration as most residential customers are billed quarterly, but may find monthly billing to be more affordable as rates continue to increase over time.

Additional study is required in 2018 to carefully review expense trends and develop a long-term forecast of expenses to achieve critical operational goals. This forecasting work will be essential to LCA’s future recommendations regarding water rates in the Suburban Division.

Suburban Wastewater Division

LCA's Suburban Wastewater Division is unique because most of the service we provide is regional in nature, and our primary customers are the municipalities we serve. LCA provides direct sewer service to only 2,400 residential and commercial properties in smaller outlying communities.

Through the service arrangements LCA has with the municipal customers we serve, and our small direct customer base, LCA has worked hard to incorporate financing for capital improvements into the rates so that the need to borrow for these improvements is limited. As a result, the system carries a low debt load and generates additional reserves each year.

In 2018, LCA expects to draw on these reserves for key projects to address wastewater treatment plants that require intensive repairs and maintenance, and to continue the important work of repairing systems to prevent sanitary sewer overflows throughout our service area.

While the 2018 Budget process has revealed no major challenges for the Suburban Wastewater Division, it is important to note that significant investment will continue to be made in fostering the partnership among all Western Lehigh communities. These municipalities have been working together for more than a decade to develop programs to repair and replace aging sewer systems, reduce wet-weather peak flows in the system, and eliminate sanitary sewer overflows. As we continue this work, we will need to also work with other communities including the City of Allentown and its sewer signatories to find ways to expand system capacity for the future needs of the region to address both peak flows and economic development.

City Division (Water & Wastewater)

In 2018, LCA will celebrate the fifth anniversary of the landmark lease arrangement with the City of Allentown for its water and sewer systems. Five years ago, LCA entered into a 50-year lease agreement to operate the City's systems for a \$220 million upfront payment and an ongoing \$500,000 per year payment to the City. LCA won the deal through a competitive bidding process initiated by the City to address its large unfunded pension debt and other financial concerns. LCA was among seven other firms who bid on the lease, and ours was within 5 percent of the next highest bid. LCA was motivated to be successful in this venture because we believe, and still do, that the entire region would be best served by a single organization that can manage financial, environmental and operational resources through a public, non-profit business model. We believe water and sewer services are essential for our community to thrive, and LCA is happy to meet this important need.

In the short time since 2013, LCA has learned a lot about how the City water and sewer systems operate and the large investments that are needed to maintain, repair and replace the systems so that residents can continue to receive high quality, reliable services that protect public health and the environment. These needs place considerable strain on the financial condition of the City Division, in addition to the large debt burden incurred to address the City's financial requirements in the lease.

Several key factors are considered within the 2018 Budget, as currently proposed:

Customer Rates – City ratepayers will see an overall rate increase of 4 percent in 2018 as a result of the rate adjustment factors included in the lease.

Debt Refinancing – The 2013 bond issue of \$308 million that funded the lease included a small series of about \$19 million that is due for payment in full in 2018. This will need to be refinanced in early 2018, which will change the annual debt service payment LCA must fund through the City Division revenues.

Funding for Capital Improvements – With \$12.6 million in planned capital improvements in 2018, but limited additional revenue being generated through rates, LCA will draw down on cash accumulated since 2013 to pay for these improvements and borrow a modest \$1.7 million to fund the remaining projects required for the year. Achieving this target in 2018 included some significant reductions in capital spending, and deferred projects will need to be incorporated into future years.

Operating Expense Controls – Considerable effort was put into the 2018 Budget process to ensure that the operating expenses included are necessary to achieve the requirements of the lease, meet regulatory requirements, and provide customers with the expected high level of service.

Looking Forward:

Based on the factors described above, LCA clearly has additional work to do to ensure the long-term financial sustainability of the City Division. As the life of the lease gets shorter each year, LCA’s ability to fund future system improvements also declines. Future bond principal payments place additional pressure on the City Division, as shown below.

Schedule of Principal Payments – 2013 Lease Bond Issue

Calendar Year	2018	2038	2043	2047	Totals
Lease Years Remaining	44	24	19	15	
2013 Series A		\$ 14 M	\$ 132 M	\$ 99 M	\$ 246 M
2013 Series B	Ongoing (2019 - 2038)				\$ 43 M
2013 Series C	\$ 19 M				\$ 19 M
Total Principal Payments					\$ 308 M

To address these challenges, LCA has initiated an important project to develop a financial model and strategy for the City Division. We believe there are alternatives included within the City lease agreement to increase revenues and other debt financing strategies that will be available to support LCA’s financial future in this venture.

Ultimately, we believe the lease continues to be a great deal for Allentown as it has addressed the City’s financial needs and pension debt, and it is a good deal for the City customers as well. Vital water and sewer services are being provided by a local non-profit organization that holds the customers’ needs above all else. We expect this analysis of the City Division financial conditions to reveal some hard truths as well as real solutions to ensure the customers’ expectations for high quality, reliable service can continue to be met for the foreseeable future.

2018 BUDGET – SUMMARY OF EXPECTED RESULTS

The sections above describe the breadth of issues that were evaluated and discussed through the development of the 2018 Budget. By discussing all facets of rates and revenues, operating expenses, capital improvements, long-term projections, and funding/financing strategies, a budget package has been developed that addresses next year's needs and sets the stage for additional detailed evaluation of these critical issues.

The summary below shows that the 2018 Budget is presented with positive cash flows, meeting debt service requirements, and providing alternative funding for capital improvements that limits the borrowing required to pay for these investments.

Budget Overview	Suburban Water	Suburban Wastewater	City Division	Total
Operating & Other Revenue	\$10,604,000	\$20,309,000	\$34,369,000	\$65,282,000
Operating Expenses (net of depreciation)	\$5,979,584	\$14,132,285	\$17,239,144	\$37,425,859
Revenues Available for Debt Service	\$4,624,416	\$6,176,715	\$17,129,856	\$27,856,141
Debt Service	\$3,744,000	\$690,000	\$13,748,000	\$18,182,000
Debt Service Coverage Ratio	1.24	8.95	1.25	1.53
Capital Budget Overview	Suburban Water	Suburban Wastewater	City Division	Total
Capital Expenses	\$9,296,000	\$11,718,000	\$12,592,500	\$33,606,500
Funding from Operating & Other Revenue	\$4,903,416	\$8,966,715	\$5,787,010	\$19,657,141
Funding from Existing Project Reserves	\$4,392,584	\$2,751,285	\$5,085,490	\$12,229,359
Funding from New Borrowing	\$0	\$0	\$1,720,000	\$1,720,000
Year-End Project Reserve Balance	\$783,000	\$1,297,000	\$0	\$2,080,000
Total Cash Flow	Suburban Water	Suburban Wastewater	City Division	Total
Beginning Operations Cash Balance (2017 forecast)	\$4,403,000	\$9,943,000	\$6,389,000	\$20,735,000
2018 Surplus	\$134,000	\$4,380,000	\$2,855,000	\$7,369,000
Provided From (To) Capital	(\$1,200,000)	(\$5,500,000)	(\$5,606,000)	(\$12,306,000)
Project Reserve Balance	\$783,000	\$1,297,000	\$0	\$2,080,000
Other Reserves & Investments (includes restricted)	\$15,627,000	\$2,720,000	\$46,012,000	\$64,359,000
Ending Total Fund Balance	\$19,747,000	\$12,840,000	\$49,650,000	\$82,237,000

The year ahead is forecasted to bring significant challenges as LCA continues on the transitional journey it began in 2016. The fund summaries described in this Executive Summary illustrate the organization's commitment to our community to offer a thoughtful and thorough approach to evaluating the challenges of a changing landscape in which financial health, system sustainability, environmental protection and organizational excellence are not guaranteed. The 2018 Budget is presented as a signal to our Board, employees and the communities we serve that the organization is committed to providing high-quality, affordable and reliable water and wastewater services that will meet the needs and expectations of existing and future customers.

Suburban Water

LEHIGH COUNTY AUTHORITY - SUBURBAN WATER
2018 BUDGET
CONDENSED STATEMENTS

SUBURBAN WATER

INCOME STATEMENT	2018 Budget	2017 Forecast	2017 Budget	2016 Actuals	2018 vs. 2017 FC
Operating Revenues	9,733	9,237	9,134	8,815	496
Operating Expenses	8,930	8,587	8,815	7,401	(343)
Operating Income	803	650	319	1,414	153
Non-Operating Revenues (Expenses)	769	791	794	698	(22)
Income Before Interest	1,572	1,441	1,113	2,112	131
Interest Income	125	125	200	92	-
Interest Expense	(2,003)	(1,587)	(1,348)	(1,140)	(416)
Income Before Capital Contributions	(306)	(21)	(35)	1,064	(285)
Capital Contributions	-	-	-	3,560	-
Net Income	(306)	(21)	(35)	4,624	(285)

CASH FLOWS (INDIRECT)	2018 Budget	2017 Forecast	2017 Budget	2016 Actuals	
Net Cash Provided By (Used In) Operating Activities	3,753	3,600	3,269	4,715	
Net Cash Provided By (Used In) Non-Capital Financing Activities	125	125	200	(34)	
Net Cash Provided By (Used In) Capital and Related Financing Activities	(12,271)	8,245	(3,835)	(5,827)	
Net Cash Provided By (Used In) Investing Activities	4,000	(7,625)	284	421	
Net Increase (Decrease) in Cash	(4,393)	4,345	(82)	(725)	
Cash - Beginning of Year	11,341	6,996	6,996	7,721	
Cash - End of Year	6,948	11,341	6,914	6,996	

CASH FLOW (DIRECT)	2018 Budget	2017 Forecast	2017 Budget	2016 Actuals	2018 vs. 2017 FC
Operating Revenues	9,733	9,237	9,134	8,815	496
Operating Expenses (ex D&A)	(5,980)	(5,637)	(5,865)	(4,813)	(343)
Cash From Operations	3,753	3,600	3,269	4,002	153
Interest Received	125	125	200	92	-
Cash Available for Debt Service	3,878	3,725	3,469	4,094	153
Debt Service	(3,744)	(3,224)	(3,182)	(2,691)	(520)
Net Cash Available After Debt Service	134	501	287	1,403	(367)
Non-Operating Revenues (Expenses)	746	726	560	743	20
Changes in Working Capital	-	-	-	871	-
Net Cash Available For Capital	880	1,227	847	3,017	(347)
Financing & Investment Activity	4,023	7,836	6,518	444	(3,813)
Capital Spending	(9,296)	(4,718)	(7,447)	(4,186)	(4,578)
Net Cash Flow	(4,393)	4,345	(82)	(725)	(8,738)
Beginning Balance	11,341	6,996	6,996	7,721	4,345
Ending Balance	6,948	11,341	6,914	6,996	(4,393)

DEBT SERVICE COVERAGE RATIO	1.24	1.38	1.27	1.80	(0.15)
------------------------------------	-------------	-------------	-------------	-------------	---------------

BALANCE SHEET	2018 Budget	2017 Forecast	2016 Actuals	
Assets and Deferred Outflows				
Cash and Cash Equivalents	4,120	8,513	4,168	
Investments - Unrestricted	7,089	7,089	8,249	
Other Current Assets	3,197	3,197	3,197	
Cash and Cash Equivalents - Restricted	2,828	2,828	2,828	
Investments - Restricted	5,710	9,710	925	
Other Restricted Assets	4,352	4,352	4,352	
Capital Assets, net of Accumulated Depreciation	109,998	103,652	101,988	
Other Long-Term Assets	1,295	1,295	1,295	
Deferred Outflows	775	775	775	
Total Assets and Deferred Outflows	139,364	141,411	127,777	
Liabilities and Net Position				
Current Liabilities	3,769	3,769	3,769	
Long-Term Liabilities	45,651	47,392	33,737	
Net Position	89,944	90,250	90,271	
Total Liabilities and Net Position	139,364	141,411	127,777	

LEHIGH COUNTY AUTHORITY - SUBURBAN WATER
2018 BUDGET
CASH FLOW (DIRECT)

\$000's	<u>2018 Budget</u>	<u>2017 Forecast</u>	<u>2017 Budget</u>	<u>2016 Actuals</u>	<u>2018 vs. 2017 FC</u>
OPERATING REVENUES					
Charges for Services	9,591	9,095	8,894	8,677	496
Rent	91	91	137	97	-
Other income	51	51	103	41	-
Total Operating Revenues	<u>9,733</u>	<u>9,237</u>	<u>9,134</u>	<u>8,815</u>	<u>496</u>
OPERATING EXPENSES (CASH BASED)					
Salaries and Wages	(1,064)	(1,055)	(943)	(1,028)	(9)
General and Administrative	(1,252)	(1,260)	(1,064)	(1,046)	8
Utilities	(584)	(450)	(493)	(426)	(134)
Materials and Supplies	(321)	(365)	(537)	(288)	44
Miscellaneous Services	(2,759)	(2,507)	(2,828)	(2,025)	(252)
Treatment and Transportation	-	-	-	-	-
Total Operating Expenses	<u>(5,980)</u>	<u>(5,637)</u>	<u>(5,865)</u>	<u>(4,813)</u>	<u>(343)</u>
CASH FROM OPERATIONS	<u>3,753</u>	<u>3,600</u>	<u>3,269</u>	<u>4,002</u>	<u>153</u>
Interest Received	125	125	200	92	-
CASH AVAILABLE FOR DEBT SERVICE	<u>3,878</u>	<u>3,725</u>	<u>3,469</u>	<u>4,094</u>	<u>153</u>
DEBT SERVICE					
Interest and Fees Paid	(2,003)	(1,587)	(1,348)	(1,051)	(416)
Principal Paid	(1,741)	(1,637)	(1,834)	(1,640)	(104)
Total Debt Service	<u>(3,744)</u>	<u>(3,224)</u>	<u>(3,182)</u>	<u>(2,691)</u>	<u>(520)</u>
NET CASH AVAILABLE AFTER DEBT SERVICE	<u>134</u>	<u>501</u>	<u>287</u>	<u>1,403</u>	<u>(367)</u>
	1.04	1.16	1.09	1.52	(0.12)
NON-OPERATING REVENUES (EXPENSES)					
Tapping and Capital Recovery Fees	485	472	280	426	13
Meter Sales	105	102	80	156	3
Inspection, Plan Reviews, and Project Reimbursements	156	152	200	161	4
Other Income	23	169	334	112	(146)
Less: Project Reimbursement	(23)	(169)	(334)	(112)	146
Other Expense	-	(104)	(100)	(157)	104
Less: Expensed Capex	-	104	100	157	(104)
Total Non-Operating Revenues (Expenses)	<u>746</u>	<u>726</u>	<u>560</u>	<u>743</u>	<u>20</u>
Changes in Assets and Liabilities	-	-	-	871	-
NET CASH AVAILABLE FOR CAPITAL	<u>880</u>	<u>1,227</u>	<u>847</u>	<u>3,017</u>	<u>(347)</u>
FINANCING AND INVESTMENT ACTIVITY					
Grants Received	-	-	-	-	-
New Borrowing	-	15,292	5,900	-	(15,292)
Investments Converted to Cash	4,000	1,160	284	4,852	2,840
New Investments From Cash	-	(8,785)	-	(4,520)	8,785
Annual Lease Payments	-	-	-	-	-
Project Reimbursements	23	169	334	112	(146)
Total Financing & Investment Activity	<u>4,023</u>	<u>7,836</u>	<u>6,518</u>	<u>444</u>	<u>(3,813)</u>
CAPITAL SPENDING					
Net Capital Spending	(9,296)	(4,614)	(7,347)	(4,029)	(4,682)
Add: Expensed Capex	-	(104)	(100)	(157)	104
Total Capital Spending	<u>(9,296)</u>	<u>(4,718)</u>	<u>(7,447)</u>	<u>(4,186)</u>	<u>(4,578)</u>
NET CASH FLOW TO FUND	<u>(4,393)</u>	<u>4,345</u>	<u>(82)</u>	<u>(725)</u>	<u>(8,738)</u>

LEHIGH COUNTY AUTHORITY - SUBURBAN WATER
 2018 BUDGET
 CASH FLOW (DIRECT)

\$000's	<u>2018 Budget</u>	<u>2017 Forecast</u>	<u>2017 Budget</u>	<u>2016 Actuals</u>	<u>2018 vs. 2017 FC</u>
DEBT SERVICE RATIO (INDENTURE BASED)					
Total Operating Revenues	9,733	9,237	9,134	8,815	496
Total Operating Expenses (Cash Based)	(5,980)	(5,637)	(5,865)	(4,813)	(343)
Interest Income	125	125	200	92	-
Annual Lease Payment (City)	-	-	-	-	-
Total Non-Operating Revenues (Expenses)	<u>746</u>	<u>726</u>	<u>560</u>	<u>743</u>	<u>20</u>
Cash Available For Debt Service	4,624	4,451	4,029	4,837	173
Total Debt Service	<u>3,744</u>	<u>3,224</u>	<u>3,182</u>	<u>2,691</u>	<u>520</u>
Debt Service Ratio	<u>1.24</u>	<u>1.38</u>	<u>1.27</u>	<u>1.80</u>	<u>(0.15)</u>
CAPITAL COVERAGE RATIO					
Net Available for Capital	903	1,396	1,181	3,129	(493)
Total Capex	<u>9,296</u>	<u>4,718</u>	<u>7,447</u>	<u>4,186</u>	<u>4,578</u>
Capital Coverage Ratio	<u>0.10</u>	<u>0.30</u>	<u>0.16</u>	<u>0.75</u>	<u>(0.20)</u>

**LEHIGH COUNTY AUTHORITY - SUBURBAN WATER
2018 BUDGET
CASH FLOW BRIDGE - 2018 BUDGET vs. 2017 FORECAST
\$000'S**

NET CASH FLOW PER 2017 Q3 FORECAST		<u>4,345</u>	
Revenues			
Increase in volumes of 1.50%		136	
Increase in rates of 4.50%		360	
Operating expenses			
Effect from headcount changes		49	
Wage increases of 3.0% from total wage pool		(55)	
Benefits Increase		(40)	
Cost inflation - general inflation of 1.5%		(38)	
Change in spending levels		(259)	(343)
Debt Service			
Additional interest expense		(416)	
Additional principal payments		(104)	
Non-Operating Revenues (Expenses)			
Change in Non-Operating revenues (expenses)		(22)	
Higher expensed capex		(104)	
Capital Spending/Funding			
Higher total capex		(4,578)	
Investments converting to cash		2,840	
Lower balances of cash invested		8,785	
No Borrowing		<u>(15,292)</u>	
Net Changes		<u>(8,738)</u>	
NET CASH FLOW PER 2018 BUDGET			<u>(4,393)</u>
CHANGE IN SPENDING LEVELS			
New DEP Testing requirements		(182)	
Buying Water from Northampton		(174)	
Other spending		97	
Total Spending		<u>(259)</u>	

LEHIGH COUNTY AUTHORITY - SUBURBAN WATER
2018 BUDGET
STATEMENT OF CHANGES IN NET POSITION

\$000's	2018 Budget	2017 Forecast	2017 Budget	2016 Actuals	2018 vs. 2017 FC
OPERATING REVENUES					
Charges for Services	9,591	9,095	8,894	8,677	496
Rent	91	91	137	97	-
Other income	51	51	103	41	-
Total Operating Revenues	<u>9,733</u>	<u>9,237</u>	<u>9,134</u>	<u>8,815</u>	<u>496</u>
OPERATING EXPENSES					
Salaries and Wages	1,064	1,055	943	1,028	(9)
General and Administrative	1,252	1,260	1,064	1,046	8
Utilities	584	450	493	426	(134)
Materials and Supplies	321	365	537	288	44
Miscellaneous Services	2,759	2,507	2,828	2,025	(252)
Treatment and Transportation	-	-	-	-	-
Depreciation and Amortization	2,950	2,950	2,950	2,588	-
Total Operating Expenses	<u>8,930</u>	<u>8,587</u>	<u>8,815</u>	<u>7,401</u>	<u>(343)</u>
Operating Income (Loss)	<u>803</u>	<u>650</u>	<u>319</u>	<u>1,414</u>	<u>153</u>
NON-OPERATING REVENUES (EXPENSES)					
Tapping and Capital Recovery Fees	485	472	280	426	13
Meter Sales	105	102	80	156	3
Inspection, Plan Reviews, and Project Reimbursements	156	152	200	161	4
Other Income	23	169	334	112	(146)
Other Expense	-	(104)	(100)	(157)	104
Total Non-Operating Revenues (Expenses)	<u>769</u>	<u>791</u>	<u>794</u>	<u>698</u>	<u>(22)</u>
Income Before Interest	<u>1,572</u>	<u>1,441</u>	<u>1,113</u>	<u>2,112</u>	<u>131</u>
Interest Income	125	125	200	92	-
Interest Expense	<u>(2,003)</u>	<u>(1,587)</u>	<u>(1,348)</u>	<u>(1,140)</u>	<u>(416)</u>
Increase (Decrease) in Net Position Before Capital Contributions	<u>(306)</u>	<u>(21)</u>	<u>(35)</u>	<u>1,064</u>	<u>(285)</u>
CAPITAL CONTRIBUTIONS					
Capital Grants	-	-	-	212	-
Capital Assets Provided	-	-	-	3,348	-
Total Capital Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,560</u>	<u>-</u>
INCREASE (DECREASE) IN NET POSITION	(306)	(21)	(35)	4,624	(285)
Net Position Beginning of Year	90,250	90,271	90,271	85,647	(21)
Cumulative Changes	-	-	-	-	-
NET POSITION AT END OF YEAR	<u>89,944</u>	<u>90,250</u>	<u>90,236</u>	<u>90,271</u>	<u>(306)</u>

LEHIGH COUNTY AUTHORITY
2018 BUDGET
BALANCE SHEET

	SUBURBAN WATER		
	2018	2017	2016
	Budget	Forecast	Actuals
ASSETS AND DEFERRED OUTFLOWS			
CURRENT ASSETS			
Cash and Cash Equivalents	4,120	8,513	4,168
Certificates of Deposit	7,089	7,089	8,249
Accounts Receivable - Customers	1,443	1,443	1,443
Accounts Receivable - Financing Contracts	-	-	-
Accounts Receivable - Others	178	178	178
Due From (To) Other Funds	1,428	1,428	1,428
Inventories	45	45	45
Accrued Interest Receivable	12	12	12
Prepaid Expenses	91	91	91
Total Current Assets	14,406	18,799	15,614
NON-CURRENT ASSETS			
Restricted			
Cash and Cash Equivalents	2,828	2,828	2,828
Certificates of Deposit	925	925	925
Investment - US Treasury Obligations	4,785	8,785	-
Developer Escrow Deposits	4,351	4,351	4,351
Accrued Interest Receivable	1	1	1
Total Restricted Assets	12,890	16,890	8,105
Capital Assets			
Land	1,704	1,704	1,704
Construction in Progress	5,016	5,016	5,016
Wells and Reservoirs	8,966	8,966	8,966
Transmission and Distribution Mains	68,693	68,693	68,693
Service and Hydrants	14,593	14,593	14,593
Interceptor and Collector Systems	-	-	-
Buildings and Structures	22,378	22,378	22,378
Metering System	8,485	8,485	8,485
Equipment and Furnishings	20,193	10,897	6,283
Capacity	1,208	1,208	1,208
LESS: Accumulated Depreciation	(41,238)	(38,288)	(35,338)
Total Capital Assets	109,998	103,652	101,988
Other Assets			
Long-term Portion of Receivables and Financing Contracts	-	-	-
Intangible Service Concession Arrangement	-	-	-
OPEB Asset	1,133	1,133	1,133
Other Miscellaneous Assets	-	-	-
Facilities Planning Costs, Net	162	162	162
Total Other Assets	1,295	1,295	1,295
Total Non-Current Assets	124,183	121,837	111,388
TOTAL ASSETS	138,589	140,636	127,002
Deferred Outflows			
Pensions	468	468	468
Refunding Loss on Bonds	307	307	307
Total Deferred Outflows	775	775	775
TOTAL ASSETS AND DEFERRED OUTFLOWS	139,364	141,411	127,777

LEHIGH COUNTY AUTHORITY
 2018 BUDGET
 BALANCE SHEET

SUBURBAN WATER

	2018	2017	2016
	<u>Budget</u>	<u>Forecast</u>	<u>Actuals</u>
LIABILITIES AND NET POSITION			
Current Liabilities:			
Accounts Payable - Trade	971	971	971
Accounts Payable - Capital	248	248	248
Accrued Interest Payable	160	160	160
Notes Payable	237	237	237
Revenue Bonds Payable	1,423	1,423	1,423
Developer Deposits and Other	545	545	545
Accrued Expenses	185	185	185
Total Current Liabilities	<u>3,769</u>	<u>3,769</u>	<u>3,769</u>
Non-Current Liabilities			
Developer Deposits and Other	5,156	5,156	5,156
SCA Payable	-	-	-
Notes Payable	2,970	2,970	2,970
OPEB Liability	-	-	-
Net Pension Liability	568	568	568
Revenue Bonds Payable	36,957	38,698	25,043
Total Non-Current Liabilities	<u>45,651</u>	<u>47,392</u>	<u>33,737</u>
Total Liabilities	<u>49,420</u>	<u>51,161</u>	<u>37,506</u>
Net Position:			
Net investment in Capital Assets	72,900	73,206	73,227
Restricted Debt Service	1,209	1,209	1,209
Unrestricted	15,835	15,835	15,835
Total Net Position	<u>89,944</u>	<u>90,250</u>	<u>90,271</u>
TOTAL LIABILITIES AND NET POSITION	<u>139,364</u>	<u>141,411</u>	<u>127,777</u>
<i>Check</i>	-	-	-

LEHIGH COUNTY AUTHORITY
2018 BUDGET
CASH FLOW (INDIRECT)

\$000's	<u>2018 Budget</u>	<u>2017 Forecast</u>	<u>2017 Budget</u>	<u>2016 Actuals</u>	<u>2018 vs. 2017 FC</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (Loss)	803	650	319	1,414	153
Adjustments:					
Depreciation and Amortization	2,950	2,950	2,950	2,588	-
Changes in Assets and Liabilities	-	-	-	713	-
Net Cash Provided By (Used In) Operating Activities	<u>3,753</u>	<u>3,600</u>	<u>3,269</u>	<u>4,715</u>	<u>153</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Interest Received	125	125	200		-
Facility Improvements	-	-	-		-
Annual Lease Payments	-	-	-		-
Transfers From/To	-	-	-	(34)	-
Net Cash Provided By (Used In) Non-Capital Financing Activities	<u>125</u>	<u>125</u>	<u>200</u>	<u>(34)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Non-Operating Revenues Received	769	895	894	1,050	(126)
Capital Spending	(9,296)	(4,718)	(7,447)	(4,186)	(4,578)
Borrowing Proceeds	-	15,292	5,900	-	(15,292)
Interest Payments	(2,003)	(1,587)	(1,348)	(1,051)	(416)
Principal Payments	(1,741)	(1,637)	(1,834)	(1,640)	(104)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>(12,271)</u>	<u>8,245</u>	<u>(3,835)</u>	<u>(5,827)</u>	<u>(20,516)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Maturities	4,000	1,160	284	4,852	2,840
Investment Purchases	-	(8,785)	-	(4,520)	8,785
Interest Received on Investments	-	-	-	89	-
Net Cash Provided By (Used In) Investing Activities	<u>4,000</u>	<u>(7,625)</u>	<u>284</u>	<u>421</u>	<u>11,625</u>
NET INCREASE (DECREASE) IN CASH	(4,393)	4,345	(82)	(725)	(8,738)
Cash - Beginning of Year	<u>11,341</u>	<u>6,996</u>	<u>6,996</u>	<u>7,721</u>	<u>4,345</u>
CASH - END OF YEAR	<u>6,948</u>	<u>11,341</u>	<u>6,914</u>	<u>6,996</u>	<u>(4,393)</u>

**LEHIGH COUNTY AUTHORITY - SUBURBAN WATER
2018 BUDGET
CASH FLOW (DIRECT BY ACCOUNT)**

\$000's	2018 Budget	2017 Forecast	2017 Budget
OPERATIONS - CASH			
OPERATING REVENUES			
Charges for Services	9,591	9,095	8,894
Rent	91	91	137
Other income	51	51	103
Total Operating Revenues	<u>9,733</u>	<u>9,237</u>	<u>9,134</u>
OPERATING EXPENSES (CASH BASED)			
Salaries and Wages	(1,064)	(1,055)	(943)
General and Administrative	(1,252)	(1,260)	(1,064)
Utilities	(584)	(450)	(493)
Materials and Supplies	(321)	(365)	(537)
Miscellaneous Services	(2,759)	(2,507)	(2,828)
Treatment and Transportation	-	-	-
Total Operating Expenses	<u>(5,980)</u>	<u>(5,637)</u>	<u>(5,865)</u>
CASH FROM OPERATIONS	<u>3,753</u>	<u>3,600</u>	<u>3,269</u>
Interest Received	125	125	200
CASH AVAILABLE FOR DEBT SERVICE	<u>3,878</u>	<u>3,725</u>	<u>3,469</u>
DEBT SERVICE			
Interest and Fees Paid	(2,003)	(1,587)	(1,348)
Principal Paid	(1,741)	(1,637)	(1,834)
Total Debt Service	<u>(3,744)</u>	<u>(3,224)</u>	<u>(3,182)</u>
NET CASH AVAILABLE AFTER DEBT SERVICE	<u>134</u>	<u>501</u>	<u>287</u>
Changes in Assets and Liabilities	-	-	82
NET CASH FROM OPERATIONS AVAILABLE FOR CAPITAL	134	501	369
Investments Converted Into Cash	-	-	-
Cash Converted to Investments	-	-	-
Cash from Restricted Balances	-	-	-
Cash to Restricted Balances	-	-	-
Cash provided for Capital Projects	(1,200)	-	(103)
NET FLOW - OPERATING CASH	(1,066)	501	266
Beginning Balance	4,403	3,902	3,902
OPERATING CASH - ENDING BALANCE	<u>3,337</u>	<u>4,403</u>	<u>4,168</u>

LEHIGH COUNTY AUTHORITY - SUBURBAN WATER
2018 BUDGET
CASH FLOW (DIRECT BY ACCOUNT)

\$000's	2018 Budget	2017 Forecast	2017 Budget
<u>OPERATIONS - INVESTMENTS</u>			
Cash provided to investments	-	-	-
Maturities converted to cash	-	-	-
From (To) Restricted	-	-	-
NET FLOW - OPERATING INVESTMENTS	-	-	-
Beginning Balance	<u>7,249</u>	<u>7,249</u>	<u>7,249</u>
OPERATING INVESTMENTS - ENDING BALANCE	<u>7,249</u>	<u>7,249</u>	<u>7,249</u>
<u>PROJECT RESERVES - CASH</u>			
CASH PROVIDED FROM OPERATIONS	<u>1,200</u>	-	<u>103</u>
NON-OPERATING REVENUES (EXPENSES)			
Tapping and Capital Recovery Fees	485	472	280
Meter Sales	105	102	80
Inspection, Plan Reviews, and Project Reimbursements	156	152	200
Other Income	23	169	334
Less: Project Reimbursement	(23)	(169)	(334)
Other Expense	-	(104)	(100)
Less: Expensed Capex	-	104	100
Total Non-Operating Revenues (Expenses)	<u>746</u>	<u>726</u>	<u>560</u>
FINANCING AND INVESTMENT ACTIVITY			
Grants Received	-	-	-
New Borrowing	-	15,292	5,900
Investments Converted to Cash (Source)	4,000	1,160	284
New Investments From Cash (Use)	-	(8,785)	-
Annual Lease Payments - City	-	-	-
Project Reimbursements	23	169	334
Total Financing & Investment Activity	<u>4,023</u>	<u>7,836</u>	<u>6,518</u>
Interest Income	-	-	-
CAPITAL SPENDING			
Net Capital Spending	(9,296)	(4,614)	(7,347)
Add: Expensed Capex	-	(104)	(100)
Total Capital Spending	<u>(9,296)</u>	<u>(4,718)</u>	<u>(7,447)</u>
NET FLOW - PROJECT RESERVES CASH	(3,327)	3,844	(266)
Beginning Balance	<u>4,110</u>	<u>266</u>	<u>266</u>
PROJECT RESERVES CASH - ENDING BALANCE	<u>783</u>	<u>4,110</u>	<u>-</u>

LEHIGH COUNTY AUTHORITY - SUBURBAN WATER
2018 BUDGET
CASH FLOW (DIRECT BY ACCOUNT)

\$000's	2018 Budget	2017 Forecast	2017 Budget
<u>PROJECT RESERVES - INVESTMENTS</u>			
New Investments From Cash (Source)	-	8,785	-
Investments Converted to Cash (Use)	(4,000)	(1,160)	-
Other	-	-	-
NET FLOW - PROJECT RESERVES INVESTMENTS	(4,000)	7,625	-
Beginning Balance	8,625	1,000	1,000
PROJECT RESERVES INVESTMENTS - ENDING BALANCE	4,625	8,625	1,000
<u>RESTRICTED - CASH</u>			
Sources	-	-	-
Uses	-	-	-
NET FLOW - RESTRICTED CASH	-	-	-
Beginning Balance	2,828	2,828	2,828
RESTRICTED CASH - ENDING BALANCE	2,828	2,828	2,828
<u>RESTRICTED - INVESTMENTS</u>			
Sources	-	-	-
Uses	-	-	-
NET FLOW - RESTRICTED INVESTMENTS	-	-	-
Beginning Balance	925	925	925
RESTRICTED INVESTMENTS - ENDING BALANCE	925	925	925
<u>SUMMARY OF ACCOUNT FLOWS</u>			
Cash - Operations	(1,066)	501	266
Cash - Project Reserves	(3,327)	3,844	(266)
Cash - Restricted	-	-	-
Total Cash Accounts	(4,393)	4,345	-
Investments - Operations	-	-	-
Investments - Project Reserves	(4,000)	7,625	-
Investments - Restricted	-	-	-
Total Investments	(4,000)	7,625	-
TOTAL FLOWS	(8,393)	11,970	-

LEHIGH COUNTY AUTHORITY - SUBURBAN WATER
 2018 BUDGET
 CASH FLOW (DIRECT BY ACCOUNT)

\$000's	2018 Budget	2017 Forecast	2017 Budget
<u>SUMMARY OF ACCOUNT BALANCES</u>			
Cash - Operations	3,337	4,403	4,168
Cash - Project Reserves	783	4,110	-
Cash - Restricted	<u>2,828</u>	<u>2,828</u>	<u>2,828</u>
Total Cash Accounts	<u>6,948</u>	<u>11,341</u>	<u>6,996</u>
Investments - Operations	7,249	7,249	7,249
Investments - Project Reserves	4,625	8,625	1,000
Investments - Restricted	<u>925</u>	<u>925</u>	<u>925</u>
Total Investments	<u>12,799</u>	<u>16,799</u>	<u>9,174</u>
TOTAL BALANCES	<u>19,747</u>	<u>28,140</u>	<u>16,170</u>
	<i>Cash Check</i>	6,948	11,341
	<i>Diff</i>	-	-
	<i>Investment Check</i>	12,799	16,799
	<i>Diff</i>	-	-

**LEHIGH COUNTY AUTHORITY
2018 BUDGET
SUBURBAN WATER**

STATEMENT OF CHANGES IN NET POSITION	2016 Actual	2017 Budget	2017 Forecast	2018 Budget
OPERATING REVENUES				
Service Charges				
Large Industrial	1,101,016	1,116,000	1,059,497	1,123,000
Other Industrial/Commercial	2,968,699	2,933,000	3,078,111	3,265,000
Residential	3,377,843	3,476,000	3,475,015	3,908,000
Penalties	70,936	50,000	63,876	68,000
Private Fire Service	757,650	746,000	785,860	798,000
Public Fire Service	<u>354,805</u>	<u>373,000</u>	<u>423,180</u>	<u>429,000</u>
Total Service Charges	8,630,949	8,694,000	8,885,539	9,591,000
Rental Income	97,011	137,000	90,959	91,000
Miscellaneous	<u>87,047</u>	<u>303,000</u>	<u>260,487</u>	<u>51,000</u>
Total Operating Revenues	<u>8,815,007</u>	<u>9,134,000</u>	<u>9,236,985</u>	<u>9,733,000</u>
OPERATING EXPENSES				
Personnel				
Permanent	795,487	861,508	988,893	945,178
Overtime	232,517	81,121	65,573	119,180
Employee Benefits	<u>436,093</u>	<u>297,803</u>	<u>470,056</u>	<u>362,624</u>
Total Personnel	<u>1,464,097</u>	<u>1,240,432</u>	<u>1,524,522</u>	<u>1,426,982</u>
Purchase of Services				
Internal Services - Overhead & Support	609,541	765,840	790,439	889,232
Utilities	426,230	493,000	449,950	584,346
Engineering	17,721	48,000	63,373	36,500
Analyses (External)	44,750	51,785	46,929	191,300
Contract Operating Svcs	35,430	38,270	30,370	38,270
Compliance Expense	-	-	-	41,700
Maintenance Services	99,754	534,380	322,605	278,100
Fleet Management Services	49,749	30,000	26,835	29,000
Extraordinary Expenditures	33,495	100,000	-	-
Industrial Meter Testing & Repair	12,571	8,600	-	8,600
Miscellaneous Services	142,624	94,310	93,178	35,500
Water Purchases	<u>1,588,746</u>	<u>1,923,000</u>	<u>1,924,704</u>	<u>2,099,400</u>
Total Purchases of Services	<u>3,060,611</u>	<u>4,087,185</u>	<u>3,748,383</u>	<u>4,231,948</u>
Materials and Supplies				
Pump Supplies	22,895	67,300	17,098	1,504
Purification Supplies	59,100	101,450	50,099	100,150
Distribution & Transmission Supplies	49,290	102,750	78,565	55,800
Fleet Management Supplies	-	2,500	2,974	2,500
Misc. Materials & Supplies	88,570	60,695	49,619	39,000
Fuel & Mileage	<u>28,074</u>	<u>65,100</u>	<u>27,687</u>	<u>65,900</u>
Total Materials and Supplies	<u>247,929</u>	<u>399,795</u>	<u>226,042</u>	<u>264,854</u>
Equipment	<u>40,621</u>	<u>137,000</u>	<u>137,802</u>	<u>55,800</u>
Depreciation & Amortization	<u>2,587,430</u>	<u>2,950,000</u>	<u>2,949,984</u>	<u>2,950,000</u>
Total Operating Expenses	<u>7,400,688</u>	<u>8,814,412</u>	<u>8,586,733</u>	<u>8,929,584</u>
OPERATING INCOME	<u>1,414,319</u>	<u>319,588</u>	<u>650,252</u>	<u>803,416</u>

**LEHIGH COUNTY AUTHORITY
2018 BUDGET
SUBURBAN WATER**

STATEMENT OF CHANGES IN NET POSITION	2016 Actual	2017 Budget	2017 Forecast	2018 Budget
NON-OPERATING REVENUES				
Supply/Tapping Fees	387,057	255,000	391,058	400,000
Distribution Tapping Fees	39,120	25,000	81,398	85,000
Meter Sales	156,365	80,000	101,577	105,000
Inspection & Planning Review Fees	160,751	200,000	151,630	156,000
Project Reimbursement	-	334,000	145,795	23,000
Other	112,426	-	23,193	-
Total Non-Operating Revenues	<u>855,719</u>	<u>894,000</u>	<u>894,651</u>	<u>769,000</u>
NON-OPERATING (EXPENSES)				
Capital Charged to Expenses	(157,016)	(100,000)	(103,765)	-
Other Miscellaneous Expenses	-	-	-	-
Total Non-Operating Expenses	<u>(157,016)</u>	<u>(100,000)</u>	<u>(103,765)</u>	<u>-</u>
INCOME BEFORE INTEREST AND CONTRIBUTED CAPITAL	2,113,022	1,113,588	1,441,138	1,572,416
Interest Income	91,619	200,000	124,715	125,000
Interest (Expense)	<u>(1,140,565)</u>	<u>(1,348,261)</u>	<u>(1,586,870)</u>	<u>(2,003,000)</u>
INCOME BEFORE CONTRIBUTED CAPITAL	1,064,076	(34,673)	(21,017)	(305,584)
CONTRIBUTED CAPITAL	<u>3,559,618</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCOME	<u>4,623,694</u>	<u>(34,673)</u>	<u>(21,017)</u>	<u>(305,584)</u>

**LEHIGH COUNTY AUTHORITY
2018 BUDGET
SUBURBAN WATER**

CASH FLOWS	2016 Actual	2017 Budget	2017 Forecast	2018 Budget
Operating Revenues	8,815,007	9,134,000	9,236,985	9,733,000
Operating Expenses	(7,400,688)	(8,814,412)	(8,586,733)	(8,929,584)
Add: Depreciation Expense	2,587,430	2,950,000	2,949,984	2,950,000
Net Operating Cash	4,001,749	3,269,588	3,600,236	3,753,416
Interest Income	88,756	200,000	124,715	125,000
Net Cash Available For Debt Service	4,090,505	3,469,588	3,724,951	3,878,416
Debt Service				
Interest Paid	(1,050,935)	(1,341,386)	(1,289,973)	(2,003,000)
Financing Fees Paid	-	(6,875)	(297,897)	-
Princial Paid	(1,639,996)	(1,833,796)	(1,636,596)	(1,741,000)
Total Debt Service	(2,690,931)	(3,182,057)	(3,224,466)	(3,744,000)
NET CASH AVAILABLE AFTER DEBT SERVICE	1,399,574	287,531	500,485	134,416
Non-Operating Revenues	855,719	894,000	894,651	769,000
Less: Project Reimbursement	-	(334,000)	(168,988)	(23,000)
Non-Operating Expenses	(157,016)	(100,000)	(103,765)	-
Less: Capital Charged to Expenses	157,016	100,000	103,765	-
Working Capital Changes	873,542	-	-	-
NET CASH AVAILABLE FOR CAPITAL	3,128,835	847,531	1,226,148	880,416
Financing & Investment Activity				
Project Reimbursements	-	334,000	168,988	23,000
Investments converting to Cash	4,851,706	284,000	1,159,937	4,000,000
New Borrowing	-	5,900,000	15,292,006	-
Cash Investments	(4,520,000)	-	(8,785,000)	-
Capital Spending	(4,185,957)	(7,447,000)	(4,717,598)	(9,296,000)
NET CASH FLOW TO FUND	(725,416)	(81,469)	4,344,481	(4,392,584)
	ok	ok	ok	ok

**2018 BUDGET
SUBURBAN DIVISION
WATER FUND
CAPITAL EXPENDITURES**

Project	Primary Project Category	Estimated Project Cost	Estimated Costs Through 2017	2018 Budget	Estimated Costs 2019- 2022
Annual Projects	AM - Varies	\$ 8,535,750	\$ 730,000	\$ 1,878,750	5,927,000
Water Main Replacement Projects	AM - Varies	10,500,000	-	2,100,000	8,400,000
Pine Lakes of Lynn Pump Station Improvements	AM - High	725,000	510,000	215,000	-
Crestwood- New Alternate Water Supply	Sys Imp	510,000	330,000	180,000	-
CLD Auxiliary Pump Station & Main Extension	Sys Imp	1,877,000	95,000	1,464,000	318,000
Upper Milford Central Division Improvements	AM - High	1,370,000	-	500,000	870,000
Arcadia West Division Total Dissolved Solids Removal System	Sys Imp	280,000	-	80,000	200,000
Additional Water Supply - Small Satellite Divisions	Sys Imp	300,000	-	200,000	100,000
Water Meter Replacement Project	AM - Med	1,640,000	500,000	1,140,000	-
Well Abandonments	Regulatory	150,000	60,000	40,000	50,000
Central Lehigh to Upper Milford Division Interconnection	New Cust	1,485,000	165,000	1,320,000	-
Total Suburban Divisions Water Capital Expenditures:			\$ 2,390,000	\$ 9,117,750	
Allocated Administration Capital				\$ 178,250	
TOTAL CAPITAL				\$ 9,296,000	

Suburban Wastewater

**LEHIGH COUNTY AUTHORITY - SUBURBAN WASTEWATER
2018 BUDGET
CONDENSED STATEMENTS**

	SUBURBAN WASTEWATER				
INCOME STATEMENT (\$000)	2018 Budget	2017 Forecast	2017 Budget	2016 Actuals	2018 vs. 2017 FC
Operating Revenues	19,197	18,189	18,259	18,498	1,008
Operating Expenses	18,908	18,457	18,557	21,687	(451)
Operating Income	289	(268)	(298)	(3,189)	557
Non-Operating Revenues (Expenses)	806	806	793	1,144	-
Income Before Interest	1,095	538	495	(2,045)	557
Interest Income	5	5	119	119	-
Interest Expense	(216)	(216)	(852)	(195)	-
Income Before Capital Contributions	884	327	(238)	(2,121)	557
Capital Contributions	-	-	-	986	-
Net Income	884	327	(238)	(1,135)	557
	2018 Budget	2017 Forecast	2017 Budget	2016 Actuals	
CASH FLOWS (INDIRECT) (\$000)					
Net Cash Provided By (Used In) Operating Activities	5,065	4,108	3,627	910	
Net Cash Provided By (Used In) Non-Capital Financing Activities	5	5	119	77	
Net Cash Provided By (Used In) Capital and Related Financing Activities	(11,301)	(4,649)	3,376	(1,638)	
Net Cash Provided By (Used In) Investing Activities	3,480	2,470	-	(510)	
Net Increase (Decrease) in Cash	(2,751)	1,934	7,122	(1,161)	
Cash - Beginning of Year	13,208	11,274	11,274	12,435	
Cash - End of Year	10,457	13,208	18,396	11,274	
	2018 Budget	2017 Forecast	2017 Budget	2016 Actuals	2018 vs. 2017 FC
CASH FLOW (DIRECT) (\$000)					
Operating Revenues	19,197	18,189	18,259	18,498	1,008
Operating Expenses (ex D&A)	(14,132)	(14,081)	(14,632)	(17,186)	(51)
Cash From Operations	5,065	4,108	3,627	1,312	957
Interest Received	5	5	119	119	-
Cash Available for Debt Service	5,070	4,113	3,746	1,431	957
Debt Service	(690)	(690)	(1,979)	(813)	-
Net Cash Available After Debt Service	4,380	3,423	1,767	618	957
Non-Operating Revenues (Expenses)	1,107	1,107	1,093	1,209	-
Changes in Working Capital	-	-	-	(334)	-
Net Cash Available For Capital Financing & Investment Activity	5,487	4,530	2,860	1,493	957
Capital Spending	(11,718)	(5,066)	(6,613)	(2,425)	(6,652)
Net Cash Flow	(2,751)	1,934	7,122	(1,161)	(4,685)
Beginning Balance	13,208	11,274	11,274	12,435	1,934
Ending Balance	10,457	13,208	18,396	11,274	(2,751)
DEBT SERVICE COVERAGE RATIO	8.95	7.57	2.45	3.25	1.39
	2018 Budget	2017 Forecast	2016 Actuals		
BALANCE SHEET (\$000)					
Assets and Deferred Outflows					
Cash and Cash Equivalents	10,120	12,871	10,937		
Investments - Unrestricted	2,383	5,863	8,333		
Other Current Assets	2,070	2,070	2,070		
Cash and Cash Equivalents - Restricted	337	337	337		
Investments - Restricted	-	-	-		
Other Restricted Assets	-	-	-		
Capital Assets, net of Accumulated Depreciation	94,195	87,554	87,165		
Other Long-Term Assets	2,853	2,853	2,853		
Deferred Outflows	236	236	236		
Total Assets and Deferred Outflows	112,194	111,784	111,931		
Liabilities and Net Position					
Current Liabilities	1,999	1,999	1,999		
Long-Term Liabilities	7,840	8,314	8,788		
Net Position	102,355	101,471	101,144		
Total Liabilities and Net Position	112,194	111,784	111,931		

LEHIGH COUNTY AUTHORITY - SUBURBAN WASTEWATER
2018 BUDGET
CASH FLOW (DIRECT)

\$000's	2018 Budget	2017 Forecast	2017 Budget	2016 Actuals	2018 vs. 2017 FC
OPERATING REVENUES					
Charges for Services	18,997	17,989	18,059	18,296	1,008
Rent	-	-	-	-	-
Other income	200	200	200	202	-
Total Operating Revenues	<u>19,197</u>	<u>18,189</u>	<u>18,259</u>	<u>18,498</u>	<u>1,008</u>
OPERATING EXPENSES (CASH BASED)					
Salaries and Wages	(462)	(427)	(392)	(441)	(35)
General and Administrative	(464)	(423)	(370)	(565)	(41)
Utilities	(285)	(229)	(280)	(205)	(56)
Materials and Supplies	(372)	(108)	(395)	(189)	(264)
Miscellaneous Services	(8,579)	(8,444)	(9,295)	(7,140)	(135)
Treatment and Transportation	(3,970)	(4,450)	(3,900)	(8,646)	480
Total Operating Expenses	<u>(14,132)</u>	<u>(14,081)</u>	<u>(14,632)</u>	<u>(17,186)</u>	<u>(51)</u>
CASH FROM OPERATIONS	<u>5,065</u>	<u>4,108</u>	<u>3,627</u>	<u>1,312</u>	<u>957</u>
Interest Received	5	5	119	119	-
CASH AVAILABLE FOR DEBT SERVICE	<u>5,070</u>	<u>4,113</u>	<u>3,746</u>	<u>1,431</u>	<u>957</u>
DEBT SERVICE					
Interest and Fees Paid	(216)	(216)	(852)	(195)	-
Principal Paid	(474)	(474)	(1,127)	(618)	-
Total Debt Service	<u>(690)</u>	<u>(690)</u>	<u>(1,979)</u>	<u>(813)</u>	<u>-</u>
NET CASH AVAILABLE AFTER DEBT SERVICE	<u>4,380</u>	<u>3,423</u>	<u>1,767</u>	<u>618</u>	<u>957</u>
	7.35	5.96	1.89	1.76	1.39
NON-OPERATING REVENUES (EXPENSES)					
Tapping and Capital Recovery Fees	1,015	1,015	1,000	1,165	-
Meter Sales	-	-	-	12	-
Inspection, Plan Reviews, and Project Reimbursements	92	92	93	31	-
Other Income	-	-	-	1	-
Less: Project Reimbursement	-	-	-	-	-
Other Expense	(301)	(301)	(300)	(65)	-
Less: Expensed Capex	301	301	300	65	-
Total Non-Operating Revenues (Expenses)	<u>1,107</u>	<u>1,107</u>	<u>1,093</u>	<u>1,209</u>	<u>-</u>
Changes in Assets and Liabilities	-	-	-	(334)	-
NET CASH AVAILABLE FOR CAPITAL	<u>5,487</u>	<u>4,530</u>	<u>2,860</u>	<u>1,493</u>	<u>957</u>
FINANCING AND INVESTMENT ACTIVITY					
Grants Received	-	-	-	-	-
New Borrowing	-	-	10,875	395	-
Investments Converted to Cash	3,480	2,470	-	5,476	1,010
New Investments From Cash	-	-	-	(6,100)	-
Annual Lease Payments	-	-	-	-	-
Project Reimbursements	-	-	-	-	-
Total Financing & Investment Activity	<u>3,480</u>	<u>2,470</u>	<u>10,875</u>	<u>(229)</u>	<u>1,010</u>
CAPITAL SPENDING					
Net Capital Spending	(11,417)	(4,765)	(6,313)	(2,360)	(6,652)
Add: Expensed Capex	(301)	(301)	(300)	(65)	-
Total Capital Spending	<u>(11,718)</u>	<u>(5,066)</u>	<u>(6,613)</u>	<u>(2,425)</u>	<u>(6,652)</u>
NET CASH FLOW TO FUND	<u>(2,751)</u>	<u>1,934</u>	<u>7,122</u>	<u>(1,161)</u>	<u>(4,685)</u>
DEBT SERVICE RATIO (INDENTURE BASED)					

LEHIGH COUNTY AUTHORITY - SUBURBAN WASTEWATER
 2018 BUDGET
 CASH FLOW (DIRECT)

\$000's	2018	2017	2017	2016	2018 vs. 2017 FC
	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>	<u>Actuals</u>	
Total Operating Revenues	19,197	18,189	18,259	18,498	1,008
Total Operating Expenses (Cash Based)	(14,132)	(14,081)	(14,632)	(17,186)	(51)
Interest Income	5	5	119	119	-
Annual Lease Payment (City)	-	-	-	-	-
Total Non-Operating Revenues (Expenses)	<u>1,107</u>	<u>1,107</u>	<u>1,093</u>	<u>1,209</u>	<u>-</u>
Cash Available For Debt Service	6,177	5,220	4,839	2,640	957
Total Debt Service	<u>690</u>	<u>690</u>	<u>1,979</u>	<u>813</u>	<u>-</u>
Debt Service Ratio	<u>8.95</u>	<u>7.57</u>	<u>2.45</u>	<u>3.25</u>	<u>1.39</u>
CAPITAL COVERAGE RATIO					
Net Available for Capital	5,487	4,530	2,860	1,493	957
Total Capex	<u>11,718</u>	<u>5,066</u>	<u>6,613</u>	<u>2,425</u>	<u>6,652</u>
Capital Coverage Ratio	<u>0.47</u>	<u>0.89</u>	<u>0.43</u>	<u>0.62</u>	<u>(0.43)</u>

**LEHIGH COUNTY AUTHORITY - SUBURBAN WASTEWATER
2018 BUDGET
CASH FLOW BRIDGE - 2018 BUDGET vs. 2017 FORECAST
\$000'S**

NET CASH FLOW PER 2017 Q3 FORECAST	<u>1,934</u>	
Revenues		
Increase in volumes of 0.0%	-	
Increase in rates of 2.80%	1,008	
Operating expenses		
Effect from headcount changes	(40)	
Wage increases of 3.0% from total wage pool	(14)	
Benefits Increase 5.0%	(8)	
Cost inflation - general inflation of 1.5%	(160)	
Change in spending levels	171	(51)
Debt Service		
Additional interest expense	-	
Additional principal payments	-	
Non-Operating Revenues (Expenses)		
Change in Non-Operating revenues (expenses)	-	
Higher expensed capex	-	
Capital Spending/Funding		
Higher total capex	(6,652)	
Investments converting to cash	1,010	
Lower balances of cash invested	-	
No Borrowing	<u>-</u>	
Net Changes	<u>(4,685)</u>	
NET CASH FLOW PER 2018 BUDGET	<u>(2,751)</u>	

LEHIGH COUNTY AUTHORITY - SUBURBAN WASTEWATER
2018 BUDGET
STATEMENT OF CHANGES IN NET POSITION

\$000's	<u>2018 Budget</u>	<u>2017 Forecast</u>	<u>2017 Budget</u>	<u>2016 Actuals</u>	<u>2018 vs. 2017 FC</u>
OPERATING REVENUES					
Charges for Services	18,997	17,989	18,059	18,296	1,008
Rent	-	-	-	-	-
Other income	200	200	200	202	-
Total Operating Revenues	<u>19,197</u>	<u>18,189</u>	<u>18,259</u>	<u>18,498</u>	<u>1,008</u>
OPERATING EXPENSES					
Salaries and Wages	462	427	392	441	(35)
General and Administrative	464	423	370	565	(41)
Utilities	285	229	280	205	(56)
Materials and Supplies	372	108	395	189	(264)
Miscellaneous Services	8,579	8,444	9,295	7,140	(135)
Treatment and Transportation	3,970	4,450	3,900	8,646	480
Depreciation and Amortization	4,776	4,376	3,925	4,501	(400)
Total Operating Expenses	<u>18,908</u>	<u>18,457</u>	<u>18,557</u>	<u>21,687</u>	<u>(451)</u>
Operating Income (Loss)	<u>289</u>	<u>(268)</u>	<u>(298)</u>	<u>(3,189)</u>	<u>557</u>
NON-OPERATING REVENUES (EXPENSES)					
Tapping and Capital Recovery Fees	1,015	1,015	1,000	1,165	-
Meter Sales	-	-	-	12	-
Inspection, Plan Reviews, and Project Reimbursements	92	92	93	31	-
Other Income	-	-	-	1	-
Other Expense	(301)	(301)	(300)	(65)	-
Total Non-Operating Revenues (Expenses)	<u>806</u>	<u>806</u>	<u>793</u>	<u>1,144</u>	<u>-</u>
Income Before Interest	1,095	538	495	(2,045)	557
Interest Income	5	5	119	119	-
Interest Expense	<u>(216)</u>	<u>(216)</u>	<u>(852)</u>	<u>(195)</u>	<u>-</u>
Increase (Decrease) in Net Position Before Capital Contributions	<u>884</u>	<u>327</u>	<u>(238)</u>	<u>(2,121)</u>	<u>557</u>
CAPITAL CONTRIBUTIONS					
Capital Grants	-	-	-	-	-
Capital Assets Provided	-	-	-	986	-
Total Capital Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>986</u>	<u>-</u>
INCREASE (DECREASE) IN NET POSITION	884	327	(238)	(1,135)	557
Net Position Beginning of Year	101,471	101,144	101,144	102,279	327
Cumulative Changes	-	-	-	-	-
NET POSITION AT END OF YEAR	<u><u>102,355</u></u>	<u><u>101,471</u></u>	<u><u>100,906</u></u>	<u><u>101,144</u></u>	<u><u>884</u></u>

LEHIGH COUNTY AUTHORITY
 2018 BUDGET
 BALANCE SHEET

	SUBURBAN WASTEWATER		
	2018	2017	2016
	Budget	Forecast	Actuals
ASSETS AND DEFERRED OUTFLOWS			
CURRENT ASSETS			
Cash and Cash Equivalents	10,120	12,871	10,937
Certificates of Deposit	2,383	5,863	8,333
Accounts Receivable - Customers	3,057	3,057	3,057
Accounts Receivable - Financing Contracts	303	303	303
Accounts Receivable - Others	67	67	67
Due From (To) Other Funds	(1,449)	(1,449)	(1,449)
Inventories	-	-	-
Accrued Interest Receivable	10	10	10
Prepaid Expenses	82	82	82
Total Current Assets	14,573	20,804	21,340
NON-CURRENT ASSETS			
Restricted			
Cash and Cash Equivalents	337	337	337
Certificates of Deposit	-	-	-
Investment - US Treasury Obligations	-	-	-
Developer Escrow Deposits	-	-	-
Accrued Interest Receivable	-	-	-
Total Restricted Assets	337	337	337
Capital Assets			
Land	1,734	1,734	1,734
Construction in Progress	6,645	6,645	6,645
Wells and Reservoirs	-	-	-
Transmission and Distribution Mains	-	-	-
Service and Hydrants	-	-	-
Interceptor and Collector Systems	37,724	37,724	37,724
Buildings and Structures	56,534	56,534	56,534
Metering System	421	421	421
Equipment and Furnishings	38,067	26,650	21,885
Capacity	1,116	1,116	1,116
LESS: Accumulated Depreciation	(48,046)	(43,270)	(38,894)
Total Capital Assets	94,195	87,554	87,165
Other Assets			
Long-term Portion of Receivables and Financing Contracts	2,483	2,483	2,483
Intangible Service Concession Arrangement	-	-	-
OPEB Asset	-	-	-
Other Miscellaneous Assets	-	-	-
Facilities Planning Costs, Net	370	370	370
Total Other Assets	2,853	2,853	2,853
Total Non-Current Assets	97,385	90,744	90,355
TOTAL ASSETS	111,958	111,548	111,695
Deferred Outflows			
Pensions	236	236	236
Refunding Loss on Bonds	-	-	-
Total Deferred Outflows	236	236	236
TOTAL ASSETS AND DEFERRED OUTFLOWS	112,194	111,784	111,931

LEHIGH COUNTY AUTHORITY
 2018 BUDGET
 BALANCE SHEET

SUBURBAN WASTEWATER

	2018	2017	2016
	<u>Budget</u>	<u>Forecast</u>	<u>Actuals</u>
LIABILITIES AND NET POSITION			
Current Liabilities:			
Accounts Payable - Trade	1,299	1,299	1,299
Accounts Payable - Capital	58	58	58
Accrued Interest Payable	3	3	3
Notes Payable	409	409	409
Revenue Bonds Payable	61	61	61
Developer Deposits and Other	6	6	6
Accrued Expenses	<u>163</u>	<u>163</u>	<u>163</u>
Total Current Liabilities	<u>1,999</u>	<u>1,999</u>	<u>1,999</u>
Non-Current Liabilities			
Developer Deposits and Other	-	-	-
SCA Payable	-	-	-
Notes Payable	6,866	6,866	6,866
OPEB Liability	-	-	-
Net Pension Liability	286	286	286
Revenue Bonds Payable	<u>688</u>	<u>1,162</u>	<u>1,636</u>
Total Non-Current Liabilities	<u>7,840</u>	<u>8,314</u>	<u>8,788</u>
Total Liabilities	<u>9,839</u>	<u>10,313</u>	<u>10,787</u>
Net Position:			
Net investment in Capital Assets	79,404	78,520	78,193
Restricted Debt Service	-	-	-
Unrestricted	<u>22,951</u>	<u>22,951</u>	<u>22,951</u>
Total Net Position	<u>102,355</u>	<u>101,471</u>	<u>101,144</u>
TOTAL LIABILITIES AND NET POSITION	<u>112,194</u>	<u>111,784</u>	<u>111,931</u>
<i>Check</i>	-	-	-

LEHIGH COUNTY AUTHORITY - SUBURBAN WASTEWATER
2018 BUDGET
CASH FLOW (INDIRECT)

\$000's	<u>2018 Budget</u>	<u>2017 Forecast</u>	<u>2017 Budget</u>	<u>2016 Actuals</u>	<u>2018 vs. 2017 FC</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (Loss)	289	(268)	(298)	(3,189)	557
Adjustments:					
Depreciation and Amortization	4,776	4,376	3,925	4,501	400
Changes in Assets and Liabilities	-	-	-	(402)	-
Net Cash Provided By (Used In) Operating Activities	<u>5,065</u>	<u>4,108</u>	<u>3,627</u>	<u>910</u>	<u>957</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Interest Received	5	5	119	-	-
Facility Improvements	-	-	-	-	-
Annual Lease Payments	-	-	-	-	-
Transfers From/To	-	-	-	77	-
Net Cash Provided By (Used In) Non-Capital Financing Activities	<u>5</u>	<u>5</u>	<u>119</u>	<u>77</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Non-Operating Revenues Received	1,107	1,107	1,093	1,205	-
Capital Spending	(11,718)	(5,066)	(6,613)	(2,425)	(6,652)
Borrowing Proceeds	-	-	10,875	395	-
Interest Payments	(216)	(216)	(852)	(195)	-
Principal Payments	(474)	(474)	(1,127)	(618)	-
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>(11,301)</u>	<u>(4,649)</u>	<u>3,376</u>	<u>(1,638)</u>	<u>(6,652)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Maturities	3,480	2,470	-	5,476	1,010
Investment Purchases	-	-	-	(6,100)	-
Interest Received on Investments	-	-	-	114	-
Net Cash Provided By (Used In) Investing Activities	<u>3,480</u>	<u>2,470</u>	<u>-</u>	<u>(510)</u>	<u>1,010</u>
NET INCREASE (DECREASE) IN CASH	(2,751)	1,934	7,122	(1,161)	(4,685)
Cash - Beginning of Year	<u>13,208</u>	<u>11,274</u>	<u>11,274</u>	<u>12,435</u>	<u>1,934</u>
CASH - END OF YEAR	<u>10,457</u>	<u>13,208</u>	<u>18,396</u>	<u>11,274</u>	<u>(2,751)</u>

LEHIGH COUNTY AUTHORITY - SUBURBAN WASTEWATER
2018 BUDGET
CASH FLOW (DIRECT BY ACCOUNT)

\$000's	<u>2018 Budget</u>	<u>2017 Forecast</u>	<u>2017 Budget</u>
OPERATIONS - CASH			
OPERATING REVENUES			
Charges for Services	18,997	17,989	18,059
Rent	-	-	-
Other income	<u>200</u>	<u>200</u>	<u>200</u>
Total Operating Revenues	<u>19,197</u>	<u>18,189</u>	<u>18,259</u>
OPERATING EXPENSES (CASH BASED)			
Salaries and Wages	(462)	(427)	(392)
General and Administrative	(464)	(423)	(370)
Utilities	(285)	(229)	(280)
Materials and Supplies	(372)	(108)	(395)
Miscellaneous Services	(8,579)	(8,444)	(9,295)
Treatment and Transportation	<u>(3,970)</u>	<u>(4,450)</u>	<u>(3,900)</u>
Total Operating Expenses	<u>(14,132)</u>	<u>(14,081)</u>	<u>(14,632)</u>
CASH FROM OPERATIONS	<u>5,065</u>	<u>4,108</u>	<u>3,627</u>
Interest Received	<u>5</u>	<u>5</u>	<u>119</u>
CASH AVAILABLE FOR DEBT SERVICE	<u>5,070</u>	<u>4,113</u>	<u>3,746</u>
DEBT SERVICE			
Interest and Fees Paid	(216)	(216)	(852)
Principal Paid	<u>(474)</u>	<u>(474)</u>	<u>(1,127)</u>
Total Debt Service	<u>(690)</u>	<u>(690)</u>	<u>(1,979)</u>
NET CASH AVAILABLE AFTER DEBT SERVICE	<u>4,380</u>	<u>3,423</u>	<u>1,767</u>
Changes in Assets and Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
NET CASH FROM OPERATIONS AVAILABLE FOR CAPITAL	4,380	3,423	1,767
Investments Converted Into Cash	-	-	-
Cash Converted to Investments	-	-	-
Cash from Restricted Balances	-	-	-
Cash to Restricted Balances	-	-	-
Cash provided for Capital Projects	<u>(5,500)</u>	<u>(65)</u>	<u>-</u>
NET FLOW - OPERATING CASH	(1,120)	3,358	1,767
Beginning Balance	<u>9,943</u>	<u>6,585</u>	<u>6,585</u>
OPERATING CASH - ENDING BALANCE	<u>8,823</u>	<u>9,943</u>	<u>8,352</u>

**LEHIGH COUNTY AUTHORITY - SUBURBAN WASTEWATER
2018 BUDGET
CASH FLOW (DIRECT BY ACCOUNT)**

\$000's	2018 Budget	2017 Forecast	2017 Budget
<u>OPERATIONS - INVESTMENTS</u>			
Cash provided to investments	-	-	-
Maturities converted to cash	-	-	-
From (To) Restricted	-	-	-
NET FLOW - OPERATING INVESTMENTS	-	-	-
Beginning Balance	-	-	-
OPERATING INVESTMENTS - ENDING BALANCE	-	-	-
<u>PROJECT RESERVES - CASH</u>			
CASH PROVIDED FROM OPERATIONS	5,500	65	-
NON-OPERATING REVENUES (EXPENSES)			
Tapping and Capital Recovery Fees	1,015	1,015	1,000
Meter Sales	-	-	-
Inspection, Plan Reviews, and Project Reimbursements	92	92	93
Other Income	-	-	-
Less: Project Reimbursement	-	-	-
Other Expense	(301)	(301)	(300)
Less: Expensed Capex	301	301	300
Total Non-Operating Revenues (Expenses)	1,107	1,107	1,093
FINANCING AND INVESTMENT ACTIVITY			
Grants Received	-	-	-
New Borrowing	-	-	10,875
Investments Converted to Cash (Source)	3,480	2,470	-
New Investments From Cash (Use)	-	-	-
Annual Lease Payments - City	-	-	-
Project Reimbursements	-	-	-
Total Financing & Investment Activity	3,480	2,470	10,875
Interest Income	-	-	-
CAPITAL SPENDING			
Net Capital Spending	(11,417)	(4,765)	(6,313)
Add: Expensed Capex	(301)	(301)	(300)
Total Capital Spending	(11,718)	(5,066)	(6,613)
NET FLOW - PROJECT RESERVES CASH	(1,631)	(1,424)	5,355
Beginning Balance	2,928	4,352	4,352
PROJECT RESERVES CASH - ENDING BALANCE	1,297	2,928	9,707

LEHIGH COUNTY AUTHORITY - SUBURBAN WASTEWATER
 2018 BUDGET
 CASH FLOW (DIRECT BY ACCOUNT)

\$000's	2018 Budget	2017 Forecast	2017 Budget
<u>PROJECT RESERVES - INVESTMENTS</u>			
New Investments From Cash (Source)	-	-	-
Investments Converted to Cash (Use)	(3,480)	(2,470)	-
Other	-	-	-
NET FLOW - PROJECT RESERVES INVESTMENTS	(3,480)	(2,470)	-
Beginning Balance	5,863	8,333	8,333
PROJECT RESERVES INVESTMENTS - ENDING BALANCE	2,383	5,863	8,333
<u>RESTRICTED - CASH</u>			
Sources	-	-	-
Uses	-	-	-
NET FLOW - RESTRICTED CASH	-	-	-
Beginning Balance	337	337	337
RESTRICTED CASH - ENDING BALANCE	337	337	337
<u>RESTRICTED - INVESTMENTS</u>			
Sources	-	-	-
Uses	-	-	-
NET FLOW - RESTRICTED INVESTMENTS	-	-	-
Beginning Balance	-	-	-
RESTRICTED INVESTMENTS - ENDING BALANCE	-	-	-
<u>SUMMARY OF ACCOUNT FLOWS</u>			
Cash - Operations	(1,120)	3,358	1,767
Cash - Project Reserves	(1,631)	(1,424)	5,355
Cash - Restricted	-	-	-
Total Cash Accounts	(2,751)	1,934	7,122
Investments - Operations	-	-	-
Investments - Project Reserves	(3,480)	(2,470)	-
Investments - Restricted	-	-	-
Total Investments	(3,480)	(2,470)	-
TOTAL FLOWS	(6,231)	(536)	7,122

LEHIGH COUNTY AUTHORITY - SUBURBAN WASTEWATER
 2018 BUDGET
 CASH FLOW (DIRECT BY ACCOUNT)

\$000's	2018 Budget	2017 Forecast	2017 Budget
<u>SUMMARY OF ACCOUNT BALANCES</u>			
Cash - Operations	8,823	9,943	8,352
Cash - Project Reserves	1,297	2,928	9,707
Cash - Restricted	<u>337</u>	<u>337</u>	<u>337</u>
Total Cash Accounts	<u>10,457</u>	<u>13,208</u>	<u>18,396</u>
Investments - Operations	-	-	-
Investments - Project Reserves	2,383	5,863	8,333
Investments - Restricted	<u>-</u>	<u>-</u>	<u>-</u>
Total Investments	<u>2,383</u>	<u>5,863</u>	<u>8,333</u>
TOTAL BALANCES	<u>12,840</u>	<u>19,071</u>	<u>26,729</u>
	<i>Cash Check</i>	10,457	13,208
	<i>Diff</i>	-	-
	<i>Investment Check</i>	2,383	5,863
	<i>Diff</i>	-	-

**LEHIGH COUNTY AUTHORITY
2018 BUDGET
SUBURBAN WASTEWATER**

STATEMENT OF CHANGES IN NET POSITION	2016 Actual	2017 Budget	2017 Forecast	2018 Budget
OPERATING REVENUES				
Service Charges				
WLI	8,355,407	6,729,300	7,463,401	7,411,000
LLRI 1	235,071	474,665	414,181	757,000
LLRI 2	32,303	86,860	50,390	65,000
CRCS	154,706	725,000	777,017	777,000
W WEINBERG	195,694	250,000	311,318	311,000
WASHINGTON TWP	400,362	430,000	416,411	416,000
LYNN TWP	270,103	365,000	368,256	368,000
WTP				
Hauler Fees	1,871,387	2,250,000	2,035,752	2,093,000
Industrial Charges	4,282,177	4,591,000	4,358,664	4,481,000
Penalties	162,535	205,000	14,542	15,000
Excess Removal Credits	2,335,793	1,952,175	1,779,392	2,303,000
Total Service Charges	18,295,538	18,059,000	17,989,324	18,997,000
Rental Income	-	-	-	-
Miscellaneous	202,421	200,000	200,000	200,000
Total Operating Revenues	18,497,959	18,259,000	18,189,324	19,197,000
OPERATING EXPENSES				
Personnel				
Permanent	408,676	372,329	387,507	439,802
Overtime	31,938	19,606	38,546	21,680
Employee Benefits	233,815	148,432	180,241	176,332
Total Personnel	674,429	540,367	606,294	637,814
Purchase of Services				
Internal Services - Overhead & Support	255,412	222,028	243,179	287,725
Utilities	204,648	279,635	228,795	285,486
Engineering	144,557	140,000	90,790	70,000
Exceptional Strength Analyses	1,976	37,115	-	43,000
General Analyses	65,644	33,920	52,046	37,250
Maintenance Services	253,620	797,070	693,635	597,250
Fleet Management Services	18,971	18,000	23,158	21,000
Fuel Spill Remediation	-	-	-	-
Contract Operator	5,966,721	6,066,660	5,443,767	5,305,743
Compliance Expense	-	-	-	-
Treatment & Transportation	6,310,353	3,900,000	4,450,235	3,969,993
Extraordinary Expenditures	-	-	-	-
LCA WWTP Treatment/Removals	2,335,793	2,000,000	1,974,782	2,303,471
Miscellaneous Services	607,134	119,745	101,750	137,590
Rental Charges	75,353	55,458	64,233	60,163
System Planning/Capital Management	48,382	8,150	-	3,550
I/I Rehabilitation Program	32,668	20,000	-	-
Total Purchases of Services	16,321,232	13,697,781	13,366,370	13,122,221
Materials and Supplies				
Fuel	12,614	27,600	10,140	27,400
Fleet Management Supplies	406	2,250	949	1,500
Miscellaneous Materials & Supplies	122,793	177,100	87,838	187,750
Fuel & Mileage	-	-	-	-
Total Materials and Supplies	135,813	206,950	98,927	216,650

**LEHIGH COUNTY AUTHORITY
2018 BUDGET
SUBURBAN WASTEWATER**

STATEMENT OF CHANGES IN NET POSITION	2016 Actual	2017 Budget	2017 Forecast	2018 Budget
Equipment				
Equipment Purchases	53,605	147,500	9,322	155,600
Amortized Equipment	-	39,750	-	-
Total Equipment	<u>53,605</u>	<u>187,250</u>	<u>9,322</u>	<u>155,600</u>
Depreciation & Amortization	<u>4,501,469</u>	<u>3,925,000</u>	<u>4,376,328</u>	<u>4,776,000</u>
Total Operating Expenses	<u>21,686,548</u>	<u>18,557,348</u>	<u>18,457,241</u>	<u>18,908,285</u>
OPERATING INCOME	<u>(3,188,589)</u>	<u>(298,348)</u>	<u>(267,917)</u>	<u>288,715</u>
NON-OPERATING REVENUES				
Supply/Tapping Fees	1,165,372	1,000,000	1,014,519	1,015,000
Distribution Tapping Fees	-	-	-	-
Meter Sales	12,000	-	-	-
Inspection & Planning Review Fees	31,181	93,000	91,799	92,000
Project Reimbursement	-	-	-	-
Other	990	-	840	-
Total Non-Operating Revenues	<u>1,209,543</u>	<u>1,093,000</u>	<u>1,107,158</u>	<u>1,107,000</u>
NON-OPERATING (EXPENSES)				
Capital Charged to Expenses	(65,320)	(300,000)	(301,034)	(301,000)
Other Miscellaneous Expenses	-	-	-	-
Total Non-Operating Expenses	<u>(65,320)</u>	<u>(300,000)</u>	<u>(301,034)</u>	<u>(301,000)</u>
INCOME BEFORE INTEREST AND CONTRIBUTED CAPITAL	<u>(2,044,366)</u>	<u>494,652</u>	<u>538,207</u>	<u>1,094,715</u>
Interest Income	118,512	119,000	4,669	5,000
Interest (Expense)	<u>(195,081)</u>	<u>(851,628)</u>	<u>(216,373)</u>	<u>(216,000)</u>
INCOME BEFORE CONTRIBUTED CAPITAL	<u>(2,120,935)</u>	<u>(237,976)</u>	<u>326,503</u>	<u>883,715</u>
CONTRIBUTED CAPITAL	<u>986,079</u>	-	-	-
NET INCOME	<u><u>(1,134,856)</u></u>	<u><u>(237,976)</u></u>	<u><u>326,503</u></u>	<u><u>883,715</u></u>

**LEHIGH COUNTY AUTHORITY
2018 BUDGET
SUBURBAN WASTEWATER**

CASH FLOWS	2016 Actual	2017 Budget	2017 Forecast	2018 Budget
Operating Revenues	18,497,959	18,259,000	18,189,324	19,197,000
Operating Expenses	(21,686,548)	(18,557,348)	(18,457,241)	(18,908,285)
Add: Depreciation Expense	4,501,469	3,925,000	4,376,328	4,776,000
Net Operating Cash	1,312,880	3,626,652	4,108,411	5,064,715
Interest Income	114,456	119,000	4,669	5,000
Net Cash Available For Debt Service	1,427,336	3,745,652	4,113,080	5,069,715
Debt Service				
Interest Paid	(195,081)	(851,628)	(216,000)	(216,000)
Financing Fees Paid	-	-	-	-
Princial Paid	(618,498)	(1,127,348)	(474,000)	(474,000)
Total Debt Service	(813,579)	(1,978,976)	(690,000)	(690,000)
NET CASH AVAILABLE AFTER DEBT SERVICE	613,757	1,766,676	3,423,080	4,379,715
Non-Operating Revenues	1,209,543	1,093,000	1,107,158	1,107,000
Less: Project Reimbursement	-	-	-	-
Non-Operating Expenses	(65,320)	(300,000)	(301,034)	(301,000)
Less: Capital Charged to Expenses	65,320	300,000	301,034	301,000
Working Capital Changes	64,481	-	-	-
NET CASH AVAILABLE FOR CAPITAL	1,887,781	2,859,676	4,530,238	5,486,715
Financing & Investment Activity				
Project Reimbursements	-	-	-	-
Investments converting to Cash	5,476,064	-	2,470,000	3,480,000
New Borrowing	-	10,875,000	-	-
Cash Investments	(6,100,000)	-	-	-
Capital Spending	(2,425,410)	(6,613,000)	(5,065,768)	(11,718,000)
NET CASH FLOW TO FUND	(1,161,565)	7,121,676	1,934,470	(2,751,285)
	ok	ok	ok	ok

**2018 BUDGET
SUBURBAN DIVISION
WASTEWATER FUND
CAPITAL EXPENDITURES**

Project	Primary Project Category	Estimated Project Cost	Estimated Costs Through 2017	2018 Budget	Estimated Costs 2019 - 2022
General:					
Annual Projects	AM - Varies	\$ 2,671,750	\$ 525,000	\$ 865,750	\$ 1,281,000
Subtotal			-	865,750	1,281,000
LCA Wastewater Treatment Plant					
General Improvements	AM - Varies	4,000,000	-	800,000	3,200,000
Subtotal			-	800,000	3,200,000
Western Lehigh Interceptor System:					
Central Lehigh County WW Capacity Planning & Expansion	New Cust	1,715,000	1,100,000	315,000	300,000
Signatory I/I Investigation & Remediation Program	Regulatory	8,255,000	4,500,000	1,585,000	2,170,000
Spring Creek Force Main A/V Valve Replacements	Sys Imp	180,000	10,000	170,000	-
Spring Creek Pump Station Upgrades	Sys Imp	581,000	359,000	222,000	-
Interceptor Access Easement Acquisitions	Efficiency	330,000	-	60,000	270,000
WLI-Trexlerstown Area Interceptor Upgrade	Sys Imp	12,300,000	-	300,000	12,000,000
Subtotal			5,969,000	2,652,000	14,740,000
Little Lehigh Relief Interceptor System:					
Park Pump Station Rehabilitation & Improvements	AM - High	4,760,000	300,000	3,000,000	1,460,000
Park Pump Station - Sister Station	Regulatory	180,000	-	-	180,000
Park Pump Station Force Main Rehabilitation	AM - High	2,550,000	50,000	1,500,000	1,000,000
Subtotal			350,000	4,500,000	2,640,000
Northern Lehigh Service Area:					
Wynnewood Terrace WWTP Remediation & Replacement	AM - High	1,510,000	110,000	1,000,000	400,000
Wynnewood I/I Investigation and Remediation Program	AM - Varies	500,000	250,000	20,000	230,000
Sand Spring WWTP Remediation & Replacement	AM - High	1,510,000	110,000	800,000	600,000
Heidelberg Heights I/I Investigation and Remediation Program	AM - Varies	390,000	25,000	200,000	165,000
Heidelberg Heights WWTP Mechanical Screen	Efficiency	340,000	-	-	340,000
Heidelberg Heights WWTP Rehabilitation	AM - High	505,000	75,000	30,000	400,000
Subtotal			570,000	2,050,000	2,135,000
Weisenberg Township:					
Western Weisenberg WWTP Mechanical Screen	Efficiency	340,000	-	-	340,000
Subtotal			-	-	340,000
Lynn Township					
Lynn Township WWTP Improvements & Expansion	AM - High	5,083,755	615,755	606,000	3,862,000
Lynn Township I/I Investigation and Remediation Program	AM - High	320,000	30,000	125,000	165,000
			645,755	731,000	4,027,000
Total Wastewater Suburban Division Capital Expenditures			\$ 7,534,755	\$ 11,598,750	\$ 28,363,000
Allocated Administration				\$ 119,250	
				\$ 11,718,000	

City Division

**LEHIGH COUNTY AUTHORITY - CITY DIVISION
2018 BUDGET
CONDENSED STATEMENTS**

	CITY DIVISION				
	2018	2017	2017	2016	2018 vs.
	Budget	Forecast	Budget	Actuals	2017 FC
INCOME STATEMENT (\$000)					
Operating Revenues	33,569	32,031	31,809	31,673	1,538
Operating Expenses	22,402	22,122	22,462	21,665	(280)
Operating Income	11,167	9,909	9,347	10,008	1,258
Non-Operating Revenues (Expenses)	(2,048)	(3,520)	(3,406)	(625)	1,472
Income Before Interest	9,119	6,389	5,941	9,383	2,730
Interest Income	348	448	302	387	(100)
Interest Expense	(16,735)	(16,461)	(16,461)	(18,280)	(274)
Income Before Capital Contributions	(7,268)	(9,624)	(10,218)	(8,510)	2,356
Capital Contributions	-	-	-	-	-
Net Income	(7,268)	(9,624)	(10,218)	(8,510)	2,356
CASH FLOWS - INDIRECT (\$000)					
Net Cash Provided By (Used In) Operating Activities	16,767	15,309	14,947	14,847	
Net Cash Provided By (Used In) Non-Capital Financing Activities	(164)	(60)	(206)	(157)	
Net Cash Provided By (Used In) Capital and Related Financing Activities	(21,689)	(18,954)	(19,221)	(23,475)	
Net Cash Provided By (Used In) Investing Activities	-	6,000	6,000	10,000	
Net Increase (Decrease) in Cash	(5,086)	2,295	1,520	1,215	
Cash - Beginning of Year	42,596	40,301	40,301	39,086	
Cash - End of Year	37,510	42,596	41,821	40,301	
CASH FLOW - DIRECT (\$000)					
	2018	2017	2017	2016	2018 vs.
	Budget	Forecast	Budget	Actuals	2017 FC
Operating Revenues	33,569	32,031	31,809	31,673	1,538
Operating Expenses (ex D&A)	(16,802)	(16,722)	(16,862)	(15,831)	(80)
Cash From Operations	16,767	15,309	14,947	15,842	1,458
Interest Received	348	448	302	387	(100)
Cash Available for Debt Service	17,115	15,757	15,249	16,229	1,358
Debt Service	(13,748)	(13,048)	(13,048)	(13,048)	(700)
Net Cash Available After Debt Service	3,367	2,709	2,201	3,181	658
Non-Operating Revenues (Expenses)	452	493	850	2,974	(41)
Changes in Working Capital	-	-	-	(963)	-
Net Cash Available For Capital	3,819	3,202	3,051	5,192	617
Financing & Investment Activity	3,688	9,439	9,140	9,900	(5,751)
Capital Spending	(12,593)	(10,346)	(10,671)	(13,877)	(2,247)
Net Cash Flow	(5,086)	2,295	1,520	1,215	(7,381)
Beginning Balance	42,596	40,301	40,301	39,086	2,295
Ending Balance	37,510	42,596	41,821	40,301	(5,086)
DEBT SERVICE COVERAGE RATIO	1.2460	1.22	1.21	1.43	0.03
BALANCE SHEET (\$000)					
	2018	2017	2016		
	Budget	Forecast	Actuals		
Assets and Deferred Outflows					
Cash and Cash Equivalents	3,638	8,724	6,429		
Investments - Unrestricted	-	-	-		
Other Current Assets	8,766	8,766	8,766		
Cash and Cash Equivalents - Restricted	33,872	33,872	33,872		
Investments - Restricted	12,140	12,140	18,140		
Other Restricted Assets	-	-	-		
Capital Assets, net of Accumulated Depreciation	435	(1,578)	1,436		
Other Long-Term Assets	248,921	248,921	248,921		
Deferred Outflows	1,739	1,739	1,739		
Total Assets and Deferred Outflows	309,511	312,584	319,303		
Liabilities and Net Position					
Current Liabilities	9,580	6,167	2,754		
Long-Term Liabilities	352,650	351,868	352,376		
Net Position	(52,719)	(45,451)	(35,827)		
Total Liabilities and Net Position	309,511	312,584	319,303		

LEHIGH COUNTY AUTHORITY - CITY DIVISION
2018 BUDGET
CASH FLOW (DIRECT)

\$000's	<u>2018 Budget</u>	<u>2017 Forecast</u>	<u>2017 Budget</u>	<u>2016 Actuals</u>	<u>2018 vs. 2017 FC</u>
OPERATING REVENUES					
Charges for Services	33,494	31,956	31,734	31,599	1,538
Rent	-	-	-	-	-
Other income	75	75	75	74	-
Total Operating Revenues	<u>33,569</u>	<u>32,031</u>	<u>31,809</u>	<u>31,673</u>	<u>1,538</u>
OPERATING EXPENSES (CASH BASED)					
Salaries and Wages	(5,483)	(5,089)	(5,470)	(3,665)	(394)
General and Administrative	(5,989)	(6,385)	(5,568)	(6,361)	396
Utilities	(1,983)	(1,739)	(2,048)	(1,864)	(244)
Materials and Supplies	(1,489)	(1,560)	(1,709)	(1,333)	71
Miscellaneous Services	(1,846)	(1,939)	(2,055)	(2,597)	93
Treatment and Transportation	(12)	(10)	(12)	(11)	(2)
Total Operating Expenses	<u>(16,802)</u>	<u>(16,722)</u>	<u>(16,862)</u>	<u>(15,831)</u>	<u>(80)</u>
CASH FROM OPERATIONS	<u>16,767</u>	<u>15,309</u>	<u>14,947</u>	<u>15,842</u>	<u>1,458</u>
Interest Received	348	448	302	387	(100)
CASH AVAILABLE FOR DEBT SERVICE	<u>17,115</u>	<u>15,757</u>	<u>15,249</u>	<u>16,229</u>	<u>1,358</u>
DEBT SERVICE					
Interest and Fees Paid	(13,322)	(13,048)	(13,048)	(13,048)	(274)
Principal Paid	(426)	-	-	-	(426)
Total Debt Service	<u>(13,748)</u>	<u>(13,048)</u>	<u>(13,048)</u>	<u>(13,048)</u>	<u>(700)</u>
NET CASH AVAILABLE AFTER DEBT SERVICE	<u>3,367</u>	<u>2,709</u>	<u>2,201</u>	<u>3,181</u>	<u>658</u>
	1.24491	1.21	1.17	1.24	0.04
NON-OPERATING REVENUES (EXPENSES)					
Tapping and Capital Recovery Fees	144	144	250	1,171	-
Meter Sales	15	15	15	13	-
Inspection, Plan Reviews, and Project Reimbursements	293	293	300	1,396	-
Other Income	2,480	3,988	3,933	821	(1,508)
Less: Project Reimbursement	(2,480)	(3,947)	(3,648)	(400)	1,467
Other Expense	(4,980)	(7,960)	(7,904)	(4,026)	2,980
Less: Expensed Capex	4,980	7,960	7,904	3,999	(2,980)
Total Non-Operating Revenues (Expenses)	<u>452</u>	<u>493</u>	<u>850</u>	<u>2,974</u>	<u>(41)</u>
Changes in Assets and Liabilities	-	-	-	(963)	-
NET CASH AVAILABLE FOR CAPITAL	<u>3,819</u>	<u>3,202</u>	<u>3,051</u>	<u>5,192</u>	<u>617</u>
FINANCING AND INVESTMENT ACTIVITY					
Grants Received	-	-	-	-	-
New Borrowing	1,720	-	-	-	1,720
Investments Converted to Cash	-	6,000	6,000	10,000	(6,000)
New Investments From Cash	-	-	-	-	-
Annual Lease Payments	(512)	(508)	(508)	(500)	(4)
Project Reimbursements	2,480	3,947	3,648	400	(1,467)
Total Financing & Investment Activity	<u>3,688</u>	<u>9,439</u>	<u>9,140</u>	<u>9,900</u>	<u>(5,751)</u>
CAPITAL SPENDING					
Net Capital Spending	(7,613)	(2,386)	(2,767)	(9,878)	(5,227)
Add: Expensed Capex	(4,980)	(7,960)	(7,904)	(3,999)	2,980
Total Capital Spending	<u>(12,593)</u>	<u>(10,346)</u>	<u>(10,671)</u>	<u>(13,877)</u>	<u>(2,247)</u>
NET CASH FLOW TO FUND	<u>(5,086)</u>	<u>2,295</u>	<u>1,520</u>	<u>1,215</u>	<u>(7,381)</u>

LEHIGH COUNTY AUTHORITY - CITY DIVISION
 2018 BUDGET
 CASH FLOW (DIRECT)

\$000's	<u>2018 Budget</u>	<u>2017 Forecast</u>	<u>2017 Budget</u>	<u>2016 Actuals</u>	<u>2018 vs. 2017 FC</u>
DEBT SERVICE RATIO (INDENTURE BASED)					
Total Operating Revenues	33,569	32,031	31,809	31,673	1,538
Total Operating Expenses (Cash Based)	(16,802)	(16,722)	(16,862)	(15,831)	(80)
Interest Income	348	448	302	387	(100)
Annual Lease Payment (City)	(512)	(508)	(508)	(500)	(4)
Total Non-Operating Revenues (Expenses)	<u>527</u>	<u>647</u>	<u>1,029</u>	<u>2,974</u>	<u>(120)</u>
Cash Available For Debt Service	17,130	15,896	15,770	18,703	1,234
Total Debt Service	<u>13,748</u>	<u>13,048</u>	<u>13,048</u>	<u>13,048</u>	<u>700</u>
Debt Service Ratio	<u>1.24600</u>	<u>1.22</u>	<u>1.21</u>	<u>1.43</u>	<u>0.03</u>
CAPITAL COVERAGE RATIO					
Net Available for Capital	6,299	7,149	6,699	5,592	(850)
Total Capex	<u>12,593</u>	<u>10,346</u>	<u>10,671</u>	<u>13,877</u>	<u>2,247</u>
Capital Coverage Ratio	<u>0.50</u>	<u>0.69</u>	<u>0.63</u>	<u>0.40</u>	<u>(0.19)</u>

**LEHIGH COUNTY AUTHORITY - CITY DIVISION
2018 BUDGET
CASH FLOW BRIDGE - 2018 BUDGET vs. 2017 FORECAST
\$000'S**

NET CASH FLOW PER 2017 Q3 FORECAST	<u>2,295</u>	
Revenues		
Increase in volumes of 0.0%	-	
Increase in rates of 4.0%	1,538	
Operating expenses		
Effect from headcount changes	(235)	
Wage increases of 3.0% from total wage pool	(159)	
Benefit Increase 5.0%	(75)	
Cost inflation - general inflation of 1.5%	(140)	
Change in spending levels	525	(84)
Debt Service		
Additional interest expense	(274)	
Additional principal payments	(426)	
Non-Operating Revenues (Expenses)		
Change in Non-Operating revenues (expenses)	(1,508)	
Higher expensed capex	-	
Interest income	(100)	
Capital Spending/Funding		
Higher total capex	(2,247)	
Investments converting to cash	(6,000)	
Lower balances of cash invested	-	
Borrowing	<u>1,720</u>	
Net Changes	<u>(7,381)</u>	
NET CASH FLOW PER 2018 BUDGET	<u>(5,086)</u>	

LEHIGH COUNTY AUTHORITY - CITY DIVISION
2018 BUDGET
STATEMENT OF CHANGES IN NET POSITION

\$000's	2018 Budget	2017 Forecast	2017 Budget	2016 Actuals	2018 vs. 2017 FC
OPERATING REVENUES					
Charges for Services	33,494	31,956	31,734	31,599	1,538
Rent	-	-	-	-	-
Other Operating Income	75	75	75	74	-
Total Operating Revenues	<u>33,569</u>	<u>32,031</u>	<u>31,809</u>	<u>31,673</u>	<u>1,538</u>
OPERATING EXPENSES					
Salaries and Wages	5,483	5,089	5,470	3,665	(394)
General and Administrative	5,989	6,385	5,568	6,361	396
Utilities	1,983	1,739	2,048	1,864	(244)
Materials and Supplies	1,489	1,560	1,709	1,333	71
Miscellaneous Services	1,846	1,939	2,055	2,597	93
Treatment and Transportation	12	10	12	11	(2)
Depreciation and Amortization	5,600	5,400	5,600	5,834	(200)
Total Operating Expenses	<u>22,402</u>	<u>22,122</u>	<u>22,462</u>	<u>21,665</u>	<u>(280)</u>
Operating Income (Loss)	<u>11,167</u>	<u>9,909</u>	<u>9,347</u>	<u>10,008</u>	<u>1,258</u>
NON-OPERATING REVENUES (EXPENSES)					
Tapping and Capital Recovery Fees	144	144	250	1,171	-
Meter Sales	15	15	15	13	-
Inspection, Plan Reviews, and Project Reimbursements	293	293	300	1,396	-
Other Income	2,480	3,988	3,933	821	(1,508)
Other Expense	(4,980)	(7,960)	(7,904)	(4,026)	2,980
Total Non-Operating Revenues (Expenses)	<u>(2,048)</u>	<u>(3,520)</u>	<u>(3,406)</u>	<u>(625)</u>	<u>1,472</u>
Income Before Interest	9,119	6,389	5,941	9,383	2,730
Interest Income	348	448	302	387	(100)
Interest Expense	<u>(16,735)</u>	<u>(16,461)</u>	<u>(16,461)</u>	<u>(18,280)</u>	<u>(274)</u>
Increase (Decrease) in Net Position Before Capital Contributions	<u>(7,268)</u>	<u>(9,624)</u>	<u>(10,218)</u>	<u>(8,510)</u>	<u>2,356</u>
CAPITAL CONTRIBUTIONS					
Capital Grants	-	-	-	-	-
Capital Assets Provided	-	-	-	-	-
Total Capital Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
INCREASE (DECREASE) IN NET POSITION	(7,268)	(9,624)	(10,218)	(8,510)	2,356
Net Position Beginning of Year	(45,451)	(35,827)	(35,827)	(27,317)	(9,624)
Cumulative Changes	-	-	-	-	-
NET POSITION AT END OF YEAR	<u><u>(52,719)</u></u>	<u><u>(45,451)</u></u>	<u><u>(46,045)</u></u>	<u><u>(35,827)</u></u>	<u><u>(7,268)</u></u>

LEHIGH COUNTY AUTHORITY - CITY DIVISION
 2018 BUDGET
 BALANCE SHEET (\$000)

	CITY DIVISION		
	2018 Budget	2017 Forecast	2016 Actuals
ASSETS AND DEFERRED OUTFLOWS			
CURRENT ASSETS			
Cash and Cash Equivalents	3,638	8,724	6,429
Certificates of Deposit	-	-	-
Accounts Receivable - Customers	5,724	5,724	5,724
Accounts Receivable - Financing Contracts	-	-	-
Accounts Receivable - Others	2,640	2,640	2,640
Due From (To) Other Funds	21	21	21
Inventories	-	-	-
Accrued Interest Receivable	2	2	2
Prepaid Expenses	379	379	379
Total Current Assets	<u>12,404</u>	<u>17,490</u>	<u>15,195</u>
NON-CURRENT ASSETS			
Restricted			
Cash and Cash Equivalents	33,872	33,872	33,872
Certificates of Deposit	-	-	-
Investment - US Treasury Obligations	12,140	12,140	18,140
Developer Escrow Deposits	-	-	-
Accrued Interest Receivable	-	-	-
Total Restricted Assets	<u>46,012</u>	<u>46,012</u>	<u>52,012</u>
Capital Assets			
Land	-	-	-
Construction in Progress	-	-	-
Wells and Reservoirs	-	-	-
Transmission and Distribution Mains	-	-	-
Service and Hydrants	-	-	-
Interceptor and Collector Systems	-	-	-
Buildings and Structures	-	-	-
Metering System	-	-	-
Equipment and Furnishings	12,745	5,132	2,746
Capacity	-	-	-
LESS: Accumulated Depreciation	(12,310)	(6,710)	(1,310)
Total Capital Assets	<u>435</u>	<u>(1,578)</u>	<u>1,436</u>
Other Assets			
Long-term Portion of Receivables and Financing Contracts	-	-	-
Intangible Service Concession Arrangement	247,290	247,290	247,290
OPEB Asset	-	-	-
Other Miscellaneous Assets	1,631	1,631	1,631
Facilities Planning Costs, Net	-	-	-
Total Other Assets	<u>248,921</u>	<u>248,921</u>	<u>248,921</u>
Total Non-Current Assets	<u>295,368</u>	<u>293,355</u>	<u>302,369</u>
TOTAL ASSETS	<u>307,772</u>	<u>310,845</u>	<u>317,564</u>
Deferred Outflows			
Pensions	1,739	1,739	1,739
Refunding Loss on Bonds	-	-	-
Total Deferred Outflows	<u>1,739</u>	<u>1,739</u>	<u>1,739</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>309,511</u>	<u>312,584</u>	<u>319,303</u>

LEHIGH COUNTY AUTHORITY - CITY DIVISION
 2018 BUDGET
 BALANCE SHEET (\$000)

	<u>CITY DIVISION</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	<u>Budget</u>	<u>Forecast</u>	<u>Actuals</u>
LIABILITIES AND NET POSITION			
Current Liabilities:			
Accounts Payable - Trade	1,148	1,148	1,148
Accounts Payable - Capital	81	81	81
Accrued Interest Payable	7,913	4,500	1,087
Notes Payable	-	-	-
Revenue Bonds Payable	-	-	-
Developer Deposits and Other	22	22	22
Accrued Expenses	416	416	416
Total Current Liabilities	<u>9,580</u>	<u>6,167</u>	<u>2,754</u>
Non-Current Liabilities			
Developer Deposits and Other	-	-	-
SCA Payable	41,610	42,122	42,630
Notes Payable	-	-	-
OPEB Liability	662	662	662
Net Pension Liability	2,109	2,109	2,109
Revenue Bonds Payable	308,269	306,975	306,975
Total Non-Current Liabilities	<u>352,650</u>	<u>351,868</u>	<u>352,376</u>
Total Liabilities	<u>362,230</u>	<u>358,035</u>	<u>355,130</u>
Net Position:			
Net investment in Capital Assets	(15,877)	(8,609)	1,015
Restricted Debt Service	(36,842)	(36,842)	(36,842)
Unrestricted	-	-	-
Total Net Position	<u>(52,719)</u>	<u>(45,451)</u>	<u>(35,827)</u>
TOTAL LIABILITIES AND NET POSITION	<u>309,511</u>	<u>312,584</u>	<u>319,303</u>
<i>Check</i>	-	-	-

LEHIGH COUNTY AUTHORITY - CITY DIVISION
2018 BUDGET
CASH FLOW (INDIRECT)

\$000's	<u>2018 Budget</u>	<u>2017 Forecast</u>	<u>2017 Budget</u>	<u>2016 Actuals</u>	<u>2018 vs. 2017 FC</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (Loss)	11,167	9,909	9,347	10,008	1,258
Adjustments:					
Depreciation and Amortization	5,600	5,400	5,600	5,834	200
Changes in Assets and Liabilities	-	-	-	(995)	-
Net Cash Provided By (Used In) Operating Activities	<u>16,767</u>	<u>15,309</u>	<u>14,947</u>	<u>14,847</u>	<u>1,458</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Interest Received	348	448	302	385	(100)
Facility Improvements	-	-	-	-	-
Annual Lease Payments	(512)	(508)	(508)	(500)	(4)
Transfers From/To	-	-	-	(42)	-
Net Cash Provided By (Used In) Non-Capital Financing Activities	<u>(164)</u>	<u>(60)</u>	<u>(206)</u>	<u>(157)</u>	<u>(104)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Non-Operating Revenues Received	2,932	4,440	4,498	3,450	(1,508)
Capital Spending	(12,593)	(10,346)	(10,671)	(13,877)	(2,247)
Borrowing Proceeds	1,720	-	-	-	1,720
Interest Payments	(13,322)	(13,048)	(13,048)	(13,048)	(274)
Principal Payments	(426)	-	-	-	(426)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>(21,689)</u>	<u>(18,954)</u>	<u>(19,221)</u>	<u>(23,475)</u>	<u>(2,735)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Maturities	-	6,000	6,000	10,000	(6,000)
Investment Purchases	-	-	-	-	-
Interest Received on Investments	-	-	-	-	-
Net Cash Provided By (Used In) Investing Activities	<u>-</u>	<u>6,000</u>	<u>6,000</u>	<u>10,000</u>	<u>(6,000)</u>
NET INCREASE (DECREASE) IN CASH	(5,086)	2,295	1,520	1,215	(7,381)
Cash - Beginning of Year	<u>42,596</u>	<u>40,301</u>	<u>40,301</u>	<u>39,086</u>	<u>2,295</u>
CASH - END OF YEAR	<u><u>37,510</u></u>	<u><u>42,596</u></u>	<u><u>41,821</u></u>	<u><u>40,301</u></u>	<u><u>(5,086)</u></u>

LEHIGH COUNTY AUTHORITY - CITY DIVISION
2018 BUDGET
CASH FLOW (DIRECT BY ACCOUNT)

\$000's	<u>2018 Budget</u>	<u>2017 Forecast</u>	<u>2017 Budget</u>
OPERATIONS - CASH			
OPERATING REVENUES			
Charges for Services	33,494	31,956	31,734
Rent	-	-	-
Other income	<u>75</u>	<u>75</u>	<u>75</u>
Total Operating Revenues	<u>33,569</u>	<u>32,031</u>	<u>31,809</u>
OPERATING EXPENSES (CASH BASED)			
Salaries and Wages	(5,483)	(5,089)	(5,470)
General and Administrative	(5,989)	(6,385)	(5,568)
Utilities	(1,983)	(1,739)	(2,048)
Materials and Supplies	(1,489)	(1,560)	(1,709)
Miscellaneous Services	(1,846)	(1,939)	(2,055)
Treatment and Transportation	<u>(12)</u>	<u>(10)</u>	<u>(12)</u>
Total Operating Expenses	<u>(16,802)</u>	<u>(16,722)</u>	<u>(16,862)</u>
CASH FROM OPERATIONS	<u>16,767</u>	<u>15,309</u>	<u>14,947</u>
Interest Received	348	448	302
Annual City Payment	<u>(512)</u>	<u>(508)</u>	<u>(508)</u>
CASH AVAILABLE FOR DEBT SERVICE	<u>16,603</u>	<u>15,249</u>	<u>14,741</u>
DEBT SERVICE			
Interest and Fees Paid	(13,322)	(13,048)	(13,048)
Principal Paid	<u>(426)</u>	<u>-</u>	<u>-</u>
Total Debt Service	<u>(13,748)</u>	<u>(13,048)</u>	<u>(13,048)</u>
NET CASH AVAILABLE AFTER DEBT SERVICE	<u>2,855</u>	<u>2,201</u>	<u>1,693</u>
Changes in Assets and Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
NET CASH FROM OPERATIONS AVAILABLE FOR CAPITAL	2,855	2,201	1,693
Investments Converted Into Cash	-	-	-
Cash Converted to Investments	-	-	-
Cash from Restricted Balances	-	-	-
Cash to Restricted Balances	-	-	-
Cash provided for Capital Projects	<u>(5,606)</u>	<u>(1,216)</u>	<u>-</u>
NET FLOW - OPERATING CASH	(2,751)	985	1,693
Beginning Balance	<u>6,389</u>	<u>5,404</u>	<u>5,404</u>
OPERATING CASH - ENDING BALANCE	<u>3,638</u>	<u>6,389</u>	<u>7,097</u>

LEHIGH COUNTY AUTHORITY - CITY DIVISION
2018 BUDGET
CASH FLOW (DIRECT BY ACCOUNT)

\$000's	2018 Budget	2017 Forecast	2017 Budget
<u>OPERATIONS - INVESTMENTS</u>			
Cash provided to investments	-	-	-
Maturities converted to cash	-	-	-
From (To) Restricted	-	-	-
NET FLOW - OPERATING INVESTMENTS	-	-	-
Beginning Balance	-	-	-
OPERATING INVESTMENTS - ENDING BALANCE	-	-	-
<u>PROJECT RESERVES - CASH</u>			
CASH PROVIDED FROM OPERATIONS	5,606	1,216	-
NON-OPERATING REVENUES (EXPENSES)			
Tapping and Capital Recovery Fees	144	144	250
Meter Sales	15	15	15
Inspection, Plan Reviews, and Project Reimbursements	293	293	300
Other Income	2,480	3,988	3,933
Less: Project Reimbursement	(2,480)	(3,988)	(3,933)
Other Expense	(4,980)	(7,960)	(7,904)
Less: Expensed Capex	4,980	7,960	7,904
Total Non-Operating Revenues (Expenses)	452	452	565
FINANCING AND INVESTMENT ACTIVITY			
Grants Received	-	-	-
New Borrowing	1,720	-	-
Investments Converted to Cash (Source)	-	6,000	6,000
New Investments From Cash (Use)	-	-	-
Annual Lease Payments - City	-	-	-
Project Reimbursements	2,480	3,988	3,933
Total Financing & Investment Activity	4,200	9,988	9,933
Interest Income	-	-	-
CAPITAL SPENDING			
Net Capital Spending	(7,613)	(2,386)	(2,767)
Add: Expensed Capex	(4,980)	(7,960)	(7,904)
Total Capital Spending	(12,593)	(10,346)	(10,671)
NET FLOW - PROJECT RESERVES CASH	(2,335)	1,310	(173)
Beginning Balance	2,335	1,025	1,025
PROJECT RESERVES CASH - ENDING BALANCE	-	2,335	852

LEHIGH COUNTY AUTHORITY - CITY DIVISION
2018 BUDGET
CASH FLOW (DIRECT BY ACCOUNT)

\$000's	2018 Budget	2017 Forecast	2017 Budget
<u>PROJECT RESERVES - INVESTMENTS</u>			
New Investments From Cash (Source)	-	-	-
Investments Converted to Cash (Use)	-	(6,000)	(6,000)
Other	-	-	-
NET FLOW - PROJECT RESERVES INVESTMENTS	-	(6,000)	(6,000)
Beginning Balance	-	6,000	6,000
PROJECT RESERVES INVESTMENTS - ENDING BALANCE	-	-	-
<u>RESTRICTED - CASH</u>			
Sources	-	-	-
Uses	-	-	-
NET FLOW - RESTRICTED CASH	-	-	-
Beginning Balance	33,872	33,872	33,872
RESTRICTED CASH - ENDING BALANCE	33,872	33,872	33,872
<u>RESTRICTED - INVESTMENTS</u>			
Sources	-	-	-
Uses	-	-	-
NET FLOW - RESTRICTED INVESTMENTS	-	-	-
Beginning Balance	12,140	12,140	12,140
RESTRICTED INVESTMENTS - ENDING BALANCE	12,140	12,140	12,140
<u>SUMMARY OF ACCOUNT FLOWS</u>			
Cash - Operations	(2,751)	985	1,693
Cash - Project Reserves	(2,335)	1,310	(173)
Cash - Restricted	-	-	-
Total Cash Accounts	(5,086)	2,295	1,520
Investments - Operations	-	-	-
Investments - Project Reserves	-	(6,000)	(6,000)
Investments - Restricted	-	-	-
Total Investments	-	(6,000)	(6,000)
TOTAL FLOWS	(5,086)	(3,705)	(4,480)

LEHIGH COUNTY AUTHORITY - CITY DIVISION
 2018 BUDGET
 CASH FLOW (DIRECT BY ACCOUNT)

\$000's	2018 Budget	2017 Forecast	2017 Budget
<u>SUMMARY OF ACCOUNT BALANCES</u>			
Cash - Operations	3,638	6,389	7,097
Cash - Project Reserves	-	2,335	852
Cash - Restricted	<u>33,872</u>	<u>33,872</u>	<u>33,872</u>
Total Cash Accounts	<u>37,510</u>	<u>42,596</u>	<u>41,821</u>
Investments - Operations	-	-	-
Investments - Project Reserves	-	-	-
Investments - Restricted	<u>12,140</u>	<u>12,140</u>	<u>12,140</u>
Total Investments	<u>12,140</u>	<u>12,140</u>	<u>12,140</u>
TOTAL BALANCES	<u>49,650</u>	<u>54,736</u>	<u>53,961</u>
	<i>Cash Check</i>	37,510	42,596
	<i>Diff</i>	-	-
	<i>Investment Check</i>	12,140	12,140
	<i>Diff</i>	-	-

**LEHIGH COUNTY AUTHORITY
2018 BUDGET
CITY DIVISION**

STATEMENT OF CHANGES IN NET POSITION	2016 Actual	2017 Budget	2017 Forecast	2018 Budget
OPERATING REVENUES				
CITY WATER				
Residential/Industrial/Commercial	13,570,263	13,289,000	13,296,087	13,623,000
Penalties	268,421	268,000	278,737	289,000
Capital Cost Recovery	-	-	276,405	342,000
Fire Service	64,029	61,000	65,054	68,000
Other Water Sales	3,010,209	3,232,000	3,018,506	3,019,000
Other Income	-	123,000	355,043	355,000
Total City Water	<u>16,912,922</u>	<u>16,973,000</u>	<u>17,289,832</u>	<u>17,696,000</u>
CITY WASTEWATER				
User Charges - Municipal	6,182,409	5,768,000	5,506,648	6,522,000
User Charges - Residential & Commercial	8,234,699	8,471,000	8,390,124	8,497,000
User Charges - Hauler	115,165	31,500	68,793	71,000
Capital Cost Recovery	-	-	147,022	147,000
Penalties	154,017	-	165,035	172,000
Industrial Pretreatment Revenues	-	172,000	89,123	89,000
Leachate Program Revenues	-	180,000	199,596	200,000
Other Income	-	138,500	100,321	100,000
Total City Wastewater	<u>14,686,290</u>	<u>14,761,000</u>	<u>14,666,662</u>	<u>15,798,000</u>
Total Service Charges	<u>31,599,212</u>	<u>31,734,000</u>	<u>31,956,494</u>	<u>33,494,000</u>
Rental Income	-	-	-	-
Miscellaneous	<u>74,245</u>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>
TOTAL OPERATING REVENUES	<u>31,673,457</u>	<u>31,809,000</u>	<u>32,031,494</u>	<u>33,569,000</u>
OPERATING EXPENSES				
PERSONNEL				
Permanent	4,195,011	4,582,203	4,408,111	4,751,312
Overtime	646,758	888,154	680,928	731,771
Employee Benefits	1,683,061	2,119,319	2,099,439	2,158,796
Total Personnel	<u>6,524,830</u>	<u>7,589,676</u>	<u>7,188,478</u>	<u>7,641,879</u>
PURCHASE OF SERVICES				
Internal Services - Overhead & Support	2,764,374	2,657,341	3,495,465	2,987,773
Internal Services - Lab Costs	806,265	792,186	790,956	841,860
Utilities	1,863,839	2,048,490	1,738,547	1,983,202
Engineering	57,235	85,500	29,423	10,000
Contract Operating Services	133,659	134,500	4,431	96,500
Residuals Services	354,154	418,500	421,632	417,500
General Analyses	34,695	20,000	5,413	20,000
Maintenance Services	925,450	867,780	435,603	690,435
Fleet Management Services	161,656	150,000	118,824	150,000
Extraordinay Expenditures	66,814	40,000	10,858	25,000
Industrial Meter Testing & Repair	4,050	12,000	-	8,000
Miscellaneous Services	859,152	325,245	913,462	428,295
Treatment & Transportation	11,011	12,000	9,873	12,000
I/I Rehabilitation Program	-	-	-	-
Total Purchases of Services	<u>8,042,354</u>	<u>7,563,542</u>	<u>7,974,487</u>	<u>7,670,565</u>

**LEHIGH COUNTY AUTHORITY
2018 BUDGET
CITY DIVISION**

STATEMENT OF CHANGES IN NET POSITION	2016 Actual	2017 Budget	2017 Forecast	2018 Budget
MATERIALS & SUPPLIES				
Pump Supplies	14,213	37,500	30,873	26,750
Fuel	59,776	90,000	55,308	84,000
Purification Chemicals & Supplies	600,492	739,000	736,219	712,200
Distribution & Transmission Supplies	82,866	97,500	89,695	97,500
Collection System Supplies	101,744	119,000	103,212	90,500
Fleet Management Supplies	6,978	18,050	3,887	6,050
Miscellaneous Materials & Supplies	278,493	376,900	360,585	361,700
Fuel & Mileage	24,712	52,000	25,669	36,000
Total Materials and Supplies	<u>1,169,274</u>	<u>1,529,950</u>	<u>1,405,448</u>	<u>1,414,700</u>
EQUIPMENT				
Equipment Purchases	95,018	178,900	154,366	74,846
Amortized Equipment	-	-	-	-
Total Equipment	<u>95,018</u>	<u>178,900</u>	<u>154,366</u>	<u>74,846</u>
DEPRECIATION & AMORTIZATION	<u>5,834,285</u>	<u>5,600,000</u>	<u>5,400,000</u>	<u>5,600,000</u>
TOTAL OPERATING EXPENSES	<u>21,665,761</u>	<u>22,462,068</u>	<u>22,122,779</u>	<u>22,401,990</u>
OPERATING INCOME	<u>10,007,696</u>	<u>9,346,932</u>	<u>9,908,715</u>	<u>11,167,010</u>
NON-OPERATING REVENUES				
CITY WATER				
Supply/Tapping Fees	475,018	160,000	5,953	129,000
Distribution Tapping Fees	132	15,000	14,698	15,000
Meter Sales	13,319	15,000	77,977	15,000
Inspection & Planning Review Fees	15,290	100,000	99,998	100,000
Project Reimbursement	1,325,715	200,000	212,449	140,000
Other	821,530	-	41,520	-
Total City Water	<u>2,651,004</u>	<u>490,000</u>	<u>452,595</u>	<u>399,000</u>
CITY WASTEWATER				
Allocation Fees	695,765	75,000	59,750	-
Inspection & Planning Review Fees	12,884	200,000	193,000	193,000
Project Reimbursement	42,699	3,448,200	3,734,743	2,340,000
Other	-	284,800	-	-
Total City Wastewater	<u>751,348</u>	<u>4,008,000</u>	<u>3,987,493</u>	<u>2,533,000</u>
TOTAL NON-OPERATING REVENUES	<u>3,402,352</u>	<u>4,498,000</u>	<u>4,440,088</u>	<u>2,932,000</u>
NON-OPERATING (EXPENSES)				
Capital Charged to Expenses	(4,026,159)	(7,904,000)	(7,959,887)	(4,980,000)
Other Miscellaneous Expenses	-	-	-	-
TOTAL NON-OPERATING (EXPENSES)	<u>(4,026,159)</u>	<u>(7,904,000)</u>	<u>(7,959,887)</u>	<u>(4,980,000)</u>
INCOME BEFORE INTEREST AND CONTRIBUTED CAPITAL	<u>9,383,889</u>	<u>5,940,932</u>	<u>6,388,916</u>	<u>9,119,010</u>
Interest Income	386,754	302,000	448,021	348,000
Interest (Expense)	<u>(18,280,300)</u>	<u>(16,460,500)</u>	<u>(16,460,500)</u>	<u>(16,735,000)</u>
INCOME BEFORE CONTRIBUTED CAPITAL	<u>(8,509,657)</u>	<u>(10,217,568)</u>	<u>(9,623,563)</u>	<u>(7,267,990)</u>
CONTRIBUTED CAPITAL	-	-	-	-
NET INCOME	<u>(8,509,657)</u>	<u>(10,217,568)</u>	<u>(9,623,563)</u>	<u>(7,267,990)</u>

**LEHIGH COUNTY AUTHORITY
2018 BUDGET
CITY DIVISION**

CASH FLOWS	2016 Actual	2017 Budget	2017 Forecast	2018 Budget
Operating Revenues	31,673,457	31,809,000	32,031,494	33,569,000
Operating Expenses	(21,665,761)	(22,462,068)	(22,122,779)	(22,401,990)
Add: Depreciation Expense	5,834,285	5,600,000	5,400,000	5,600,000
Net Operating Cash	15,841,981	14,946,932	15,308,715	16,767,010
Interest Income	384,948	302,000	448,021	348,000
City Annual Payment	(500,000)	(508,000)	(508,000)	(512,000)
Net Cash Available For Debt Service	15,726,929	14,740,932	15,248,736	16,603,010
Debt Service				
Interest Paid	(13,047,722)	(13,047,722)	(13,047,722)	(13,748,000)
Financing Fees Paid	-	-	-	-
Princial Paid	-	-	-	-
Total Debt Service	(13,047,722)	(13,047,722)	(13,047,722)	(13,748,000)
NET CASH AVAILABLE AFTER DEBT SERVICE	2,679,207	1,693,210	2,201,014	2,855,010
Non-Operating Revenues	3,402,352	4,498,000	4,440,088	2,932,000
Less: Project Reimbursement	(1,368,414)	(3,648,200)	(3,947,192)	(2,480,000)
Non-Operating Expenses	(4,026,159)	(7,904,000)	(301,034)	(4,980,000)
Less: Capital Charged to Expenses	4,026,159	7,904,000	301,034	4,980,000
Working Capital Changes	(1,172,447)	-	-	-
NET CASH AVAILABLE FOR CAPITAL	3,540,698	2,543,010	2,693,910	3,307,010
Financing & Investment Activity				
Project Reimbursements	1,368,414	3,648,200	3,947,192	2,480,000
Investments converting to Cash	10,000,000	6,000,000	6,000,000	-
New Borrowing	-	-	-	1,720,000
Cash Investments	-	-	-	-
Capital Spending	(13,694,222)	(10,670,570)	(10,346,288)	(12,592,500)
NET CASH FLOW TO FUND	1,214,890	1,520,640	2,294,814	(5,085,490)
	OK	OK	OK	OK

**2018 BUDGET
CITY DIVISION
WATER FUND
CAPITAL EXPENDITURES**

Project	Priority	Estimated Project Cost	Estimated Costs Through 2017	2018 Budget	Estimated Costs 2019 - 2022
<u>LCA Funded Projects</u>					
Annual Projects	AM - Varies	7,289,000	29,000	1,531,000	5,729,000
Various Water System Related Studies	CA/OS	121,000	-	40,000	81,000
Water Main Replacements	CA/OS	16,000,000	-	3,200,000	12,800,000
Emergency Power at WFP - Crystal & Schantz Springs Pumps	Sys Imp	1,790,000	-	-	1,790,000
Fixed-Base Meter Reading System	Efficiency	1,705,000	-	-	1,705,000
Filter Upgrades	Sys Imp	12,340,000	-	-	12,340,000
Intake Upgrades	Sys Imp	11,120,000	-	-	11,120,000
Schantz Spring Main Replacement & Leak Rehabilitation ⁽¹⁾	CA/OS	2,290,000	1,955,000	335,000	-
Sub-total Allentown Division Water Capital Funded by LCA			1,984,000	5,106,000	45,565,000
<u>City Funded Projects</u>					
Iron/AMR Meter Project ⁽²⁾	CA/OS	300,000	-	140,000	160,000
Sub-total Allentown Division Water Capital Funded by the City			-	140,000	160,000
Total Allentown Division Water Capital Expenditures:			\$ 1,984,000	\$ 5,246,000	\$ 45,725,000
Administration Allocation				\$ 148,750	
				\$ 5,394,750	

(1) Required Capital Improvement Projects as shown on Schedule 7 of the Agreement and will be funded by the LCA Allentown Division.

(2) "Uncompleted Work" City Projects that were supposed to be complete by the time of settlement or executed by City personnel after settlement. The City will fund these projects but has requested that LCA execute them.

**2018 BUDGET
CITY DIVISION
WASTEWATER SYSTEM
CAPITAL EXPENDITURES**

Project	Priority	Estimated Project Cost	Estimated Costs Through 2017	2018 Budget	Estimated Costs 2019 - 2022
<u>LCA Funded Projects</u>					
Annual Projects	AM - High	5,988,000	-	1,049,000	4,939,000
WWTP Electrical Substation Replacements	AM - High	3,665,000	180,000	3,360,000	125,000
Various Wastewater System Related Studies	CA/OS	445,000	65,000	300,000	80,000
WWTP Disinfection Upgrade	Efficiency	1,740,000	-	-	1,740,000
Indenture Report Improvements	AM - Varies	-	-	-	-
Sub-total Allentown Division Wastewater Capital Funded by LCA			\$ 245,000	\$ 4,709,000	\$ 6,884,000
<u>City Funded Projects</u>					
Administrative Order Phase 1A Improvements ⁽³⁾	Regulatory	19,000,000	-	1,000,000	18,000,000
WWTP Interim Blending Pumping System ⁽³⁾	Regulatory	1,340,000	-	1,340,000	-
Sub-total Allentown Division Wastewater Capital Funded by the City			\$ -	\$ 2,340,000	\$ 18,000,000
Total Wastewater Allentown Division Capital Expenditures:			\$ 245,000	\$ 7,049,000	\$ 24,884,000
Administration Allocation				\$ 148,750	
				\$ 7,197,750	

(1) Required Capital Improvement Projects as shown on Schedule 7 of the Agreement and will be funded by the LCA Allentown Division.

(2) "Uncompleted Work" City Projects that were supposed to be complete by the time of settlement or executed by City personnel after settlement. The City will fund these projects but has requested that LCA execute them.

(3) "Administrative Order" Projects as per the Agreement are to be Funded by the City and executed by LCA.

Consolidated Statements

LEHIGH COUNTY AUTHORITY
2018 BUDGET
CONDENSED

	SUBURBAN WATER				SUBURBAN WASTEWATER				CITY DIVISION				TOTAL LCA			
	2018 Budget	2017 Fcst	2017 Budget	2016 Actuals	2018 Budget	2017 Fcst	2017 Budget	2016 Actuals	2018 Budget	2017 Fcst	2017 Budget	2016 Actuals	2018 Budget	2017 Fcst	2017 Budget	2016 Actuals
INCOME STATEMENT (\$000)																
Operating Revenues	9,733	9,237	9,134	8,815	19,197	18,189	18,259	18,498	33,569	32,031	31,809	31,673	62,499	59,457	59,202	58,986
Operating Expenses	8,930	8,587	8,815	7,401	18,908	18,457	18,557	21,687	22,402	22,122	22,462	21,665	50,240	49,166	49,834	50,753
Operating Income	803	650	319	1,414	289	(268)	(298)	(3,189)	11,167	9,909	9,347	10,008	12,259	10,291	9,368	8,233
Non-Operating Revenues (Expenses)	769	791	794	698	806	806	793	1,144	(2,048)	(3,520)	(3,406)	(625)	(473)	(1,923)	(1,819)	1,217
Income Before Interest	1,572	1,441	1,113	2,112	1,095	538	495	(2,045)	9,119	6,389	5,941	9,383	11,786	8,368	7,549	9,450
Interest Income	125	125	200	92	5	5	119	119	348	448	302	387	478	578	621	598
Interest Expense	(2,003)	(1,587)	(1,348)	(1,140)	(216)	(216)	(852)	(195)	(16,735)	(16,461)	(16,461)	(18,280)	(18,954)	(18,264)	(18,661)	(19,615)
Income Before Capital Contributions	(306)	(21)	(35)	1,064	884	327	(238)	(2,121)	(7,268)	(9,624)	(10,218)	(8,510)	(6,690)	(9,318)	(10,491)	(9,567)
Capital Contributions	-	-	-	3,560	-	-	-	986	-	-	-	-	-	-	-	4,546
Net Income	(306)	(21)	(35)	4,624	884	327	(238)	(1,135)	(7,268)	(9,624)	(10,218)	(8,510)	(6,690)	(9,318)	(10,491)	(5,021)
CASH FLOWS - INDIRECT (\$000)																
Net Cash Provided By (Used In) Operating Activities	3,753	3,600	3,269	4,715	5,065	4,108	3,627	910	16,767	15,309	14,947	14,847	25,585	23,017	21,843	20,472
Net Cash Provided By (Used In) Non-Capital Financing Activities	125	125	200	(34)	5	5	119	77	(164)	(60)	(206)	(157)	(34)	70	113	(114)
Net Cash Provided By (Used In) Capital and Related Financing Activities	(12,271)	8,245	(3,835)	(5,827)	(11,301)	(4,649)	3,376	(1,638)	(21,689)	(18,954)	(19,221)	(23,475)	(45,261)	(15,358)	(19,680)	(30,940)
Net Cash Provided By (Used In) Investing Activities	4,000	(7,625)	284	421	3,480	2,470	-	(510)	-	6,000	6,000	10,000	7,480	845	6,284	9,911
Net Increase (Decrease) in Cash	(4,393)	4,345	(82)	(725)	(2,751)	1,934	7,122	(1,161)	(5,086)	2,295	1,520	1,215	(12,230)	8,574	8,560	(671)
Cash - Beginning of Year	11,341	6,996	6,996	7,721	13,208	11,274	11,274	12,435	42,596	40,301	40,301	39,086	67,145	58,571	58,571	59,242
Cash - End of Year	6,948	11,341	6,914	6,996	10,457	13,208	18,396	11,274	37,510	42,596	41,821	40,301	54,915	67,145	67,131	58,571
CASH FLOW - DIRECT (\$000)																
Operating Revenues	9,733	9,237	9,134	8,815	19,197	18,189	18,259	18,498	33,569	32,031	31,809	31,673	62,499	59,457	59,202	58,986
Operating Expenses (ex D&A)	(5,980)	(5,637)	(5,865)	(4,813)	(14,132)	(14,081)	(14,632)	(17,186)	(16,802)	(16,722)	(16,862)	(15,831)	(36,914)	(36,440)	(37,359)	(37,830)
Cash From Operations	3,753	3,600	3,269	4,002	5,065	4,108	3,627	1,312	16,767	15,309	14,947	15,842	25,585	23,017	21,843	21,156
Interest Received	125	125	200	92	5	5	119	119	348	448	302	387	478	578	621	598
Cash Available for Debt Service	3,878	3,725	3,469	4,094	5,070	4,113	3,746	1,431	17,115	15,757	15,249	16,229	26,063	23,595	22,464	21,754
Debt Service	(3,744)	(3,224)	(3,182)	(2,691)	(690)	(690)	(1,979)	(813)	(13,748)	(13,048)	(13,048)	(13,048)	(18,182)	(16,962)	(18,209)	(16,552)
Net Cash Available After Debt Service	134	501	287	1,403	4,380	3,423	1,767	618	3,367	2,709	2,201	3,181	7,881	6,633	4,255	5,202
Non-Operating Revenues (Expenses)	746	726	560	743	1,107	1,107	1,093	1,209	452	493	850	2,974	2,305	2,326	2,503	4,926
Changes in Working Capital	-	-	-	871	-	-	-	(334)	-	-	-	(963)	-	-	-	(426)
Net Cash Available For Capital Financing & Investment Activity	880	1,227	847	3,017	5,487	4,530	2,860	1,493	3,819	3,202	3,051	5,192	10,186	8,959	6,758	9,702
Capital Spending	(9,296)	(4,718)	(7,447)	(4,186)	(11,718)	(5,066)	(6,613)	(2,425)	(12,593)	(10,346)	(10,671)	(13,877)	(33,607)	(20,130)	(24,731)	(20,488)
Net Cash Flow	(4,393)	4,345	(82)	(725)	(2,751)	1,934	7,122	(1,161)	(5,086)	2,295	1,520	1,215	(12,230)	8,574	8,560	(671)
Beginning Balance	11,341	6,996	6,996	7,721	13,208	11,274	11,274	12,435	42,596	40,301	40,301	39,086	67,145	58,571	58,571	59,242
Ending Balance	6,948	11,341	6,914	6,996	10,457	13,208	18,396	11,274	37,510	42,596	41,821	40,301	54,915	67,145	67,131	58,571
DEBT SERVICE COVERAGE RATIO	1.24	1.38	1.27	1.80	8.95	7.57	2.45	3.25	1.25	1.22	1.21	1.43	1.53	1.50	1.34	1.58
BALANCE SHEET (\$000)																
Assets and Deferred Outflows																
Cash and Cash Equivalents	4,120	8,513	4,168		10,120	12,871	10,937		3,638	8,724	6,429		17,878	30,108	21,534	
Investments - Unrestricted	7,089	7,089	8,249		2,383	5,863	8,333		-	-	-		9,472	12,952	16,582	
Other Current Assets	3,197	3,197	3,197		2,070	2,070	2,070		8,766	8,766	8,766		14,033	14,033	14,033	
Cash and Cash Equivalents - Restricted	2,828	2,828	2,828		337	337	337		33,872	33,872	33,872		37,037	37,037	37,037	
Investments - Restricted	5,710	9,710	925		-	-	-		12,140	12,140	18,140		17,850	21,850	19,065	
Other Restricted Assets	4,352	4,352	4,352		-	-	-		-	-	-		4,352	4,352	4,352	
Capital Assets, net of Accumulated Depreciation	109,998	103,652	101,988		94,195	87,554	87,165		435	(1,578)	1,436		204,628	189,628	190,589	
Other Long-Term Assets	1,295	1,295	1,295		2,853	2,853	2,853		248,921	248,921	248,921		253,069	253,069	253,069	
Deferred Outflows	775	775	775		236	236	236		1,739	1,739	1,739		2,750	2,750	2,750	
Total Assets and Deferred Outflows	139,364	141,411	127,777		112,194	111,784	111,931		309,511	312,584	319,303		561,069	565,779	559,011	
Liabilities and Net Position																
Current Liabilities	3,769	3,769	3,769		1,999	1,999	1,999		9,580	6,167	2,754		15,348	11,935	8,522	
Long-Term Liabilities	45,651	47,392	33,737		7,840	8,314	8,788		352,650	351,868	352,376		406,141	407,574	394,901	
Net Position	89,944	90,250	90,271		102,355	101,471	101,144		(62,719)	(45,451)	(35,827)		139,580	146,270	155,588	
Total Liabilities and Net Position	139,364	141,411	127,777		112,194	111,784	111,931		309,511	312,584	319,303		561,069	565,779	559,011	

LEHIGH COUNTY AUTHORITY
2018 BUDGET
CASH FLOW (DIRECT)
\$000

	SUBURBAN WATER				SUBURBAN WASTEWATER				CITY DIVISION				TOTAL LCA			
	2018 Budget	2017 Fcst	2017 Budget	2016 Actual	2018 Budget	2017 Fcst	2017 Budget	2016 Actual	2018 Budget	2017 Fcst	2017 Budget	2016 Actual	2018 Budget	2017 Fcst	2017 Budget	2016 Actual
OPERATING REVENUES																
Charges for Services	9,591	9,095	8,894	8,677	18,997	17,989	18,059	18,296	33,494	31,956	31,734	31,599	62,082	59,040	58,687	58,572
Rent	91	91	137	97	-	-	-	-	-	-	-	-	91	91	137	97
Other income	51	51	103	41	200	200	200	202	75	75	75	74	326	326	378	317
Total Operating Revenues	9,733	9,237	9,134	8,815	19,197	18,189	18,259	18,498	33,569	32,031	31,809	31,673	62,499	59,457	59,202	58,986
OPERATING EXPENSES (CASH BASED)																
Salaries and Wages	(1,064)	(1,055)	(943)	(1,028)	(462)	(427)	(392)	(441)	(5,483)	(5,089)	(5,470)	(3,665)	(7,009)	(6,571)	(6,805)	(5,134)
General and Administrative	(1,252)	(1,260)	(1,064)	(1,046)	(464)	(423)	(370)	(565)	(5,989)	(6,385)	(5,568)	(6,361)	(7,705)	(8,068)	(7,002)	(7,972)
Utilities	(584)	(450)	(493)	(426)	(285)	(229)	(280)	(205)	(1,983)	(1,739)	(2,048)	(1,864)	(2,852)	(2,418)	(2,821)	(2,495)
Materials and Supplies	(321)	(365)	(537)	(288)	(372)	(108)	(395)	(189)	(1,489)	(1,560)	(1,709)	(1,333)	(2,182)	(2,033)	(2,641)	(1,810)
Miscellaneous Services	(2,759)	(2,507)	(2,828)	(2,025)	(8,579)	(8,444)	(9,295)	(7,140)	(1,846)	(1,939)	(2,055)	(2,597)	(13,184)	(12,890)	(14,178)	(11,762)
Treatment and Transportation	-	-	-	-	(3,970)	(4,450)	(3,900)	(8,646)	(12)	(10)	(12)	(11)	(3,982)	(4,460)	(3,912)	(8,657)
Total Operating Expenses	(5,980)	(5,637)	(5,865)	(4,813)	(14,132)	(14,081)	(14,632)	(17,186)	(16,802)	(16,722)	(16,862)	(15,831)	(36,914)	(36,440)	(37,359)	(37,830)
CASH FROM OPERATIONS	3,753	3,600	3,269	4,002	5,065	4,108	3,627	1,312	16,767	15,309	14,947	15,842	25,585	23,017	21,843	21,156
Interest Received	125	125	200	92	5	5	119	119	348	448	302	387	478	578	621	598
CASH AVAILABLE FOR DEBT SERVICE	3,878	3,725	3,469	4,094	5,070	4,113	3,746	1,431	17,115	15,757	15,249	16,229	26,063	23,595	22,464	21,754
DEBT SERVICE																
Interest and Fees Paid	(2,003)	(1,587)	(1,348)	(1,051)	(216)	(216)	(852)	(195)	(13,322)	(13,048)	(13,048)	(13,048)	(15,541)	(14,851)	(15,248)	(14,294)
Principal Paid	(1,741)	(1,637)	(1,834)	(1,640)	(474)	(474)	(1,127)	(618)	(426)	-	-	-	(2,641)	(2,111)	(2,961)	(2,258)
Total Debt Service	(3,744)	(3,224)	(3,182)	(2,691)	(690)	(690)	(1,979)	(813)	(13,748)	(13,048)	(13,048)	(13,048)	(18,182)	(16,962)	(18,209)	(16,552)
NET CASH AVAILABLE AFTER DEBT SERVICE	134	501	287	1,403	4,380	3,423	1,767	618	3,367	2,709	2,201	3,181	7,881	6,633	4,255	5,202
NON-OPERATING REVENUES (EXPENSES)																
Tapping and Capital Recovery Fees	485	472	280	426	1,015	1,015	1,000	1,165	144	144	250	1,171	1,644	1,631	1,530	2,762
Meter Sales	105	102	80	156	-	-	-	12	15	15	15	13	120	117	95	181
Inspection, Plan Reviews, and Project Reimbursements	156	152	200	161	92	92	93	31	293	293	300	1,396	541	537	593	1,588
Other Income	23	169	334	112	-	-	-	1	2,480	3,988	3,933	821	2,503	4,157	4,267	934
Less: Project Reimbursement	(23)	(169)	(334)	(112)	-	-	-	-	(2,480)	(3,947)	(3,648)	(400)	(2,503)	(4,116)	(3,982)	(512)
Other Expense	-	(104)	(100)	(157)	(301)	(301)	(300)	(65)	(4,980)	(7,960)	(7,904)	(4,026)	(5,281)	(8,365)	(8,304)	(4,248)
Less: Expended Capex	-	104	100	157	301	301	300	65	4,980	7,960	7,904	3,999	5,281	8,365	8,304	4,221
Total Non-Operating Revenues (Expenses)	746	726	560	743	1,107	1,107	1,093	1,209	452	493	850	2,974	2,305	2,326	2,503	4,926
Changes in Assets and Liabilities	-	-	-	871	-	-	-	(334)	-	-	-	(963)	-	-	-	(426)
NET CASH AVAILABLE FOR CAPITAL	880	1,227	847	3,017	5,487	4,530	2,860	1,493	3,819	3,202	3,051	5,192	10,186	8,959	6,758	9,702
FINANCING AND INVESTMENT ACTIVITY																
Grants Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New Borrowing	-	15,292	5,900	-	-	-	10,875	395	1,720	-	-	-	1,720	15,292	16,775	395
Investments Converted to Cash	4,000	1,160	284	4,852	3,480	2,470	-	5,476	-	6,000	6,000	10,000	7,480	9,630	6,284	20,328
New Investments From Cash	-	(8,785)	-	(4,520)	-	-	-	(6,100)	-	-	-	-	-	(8,785)	-	(10,620)
Annual Lease Payments	-	-	-	-	-	-	-	-	(512)	(508)	(508)	(500)	(512)	(508)	(508)	(500)
Project Reimbursements	23	169	334	112	-	-	-	-	2,480	3,947	3,648	400	2,503	4,116	3,982	512
Total Financing & Investment Activity	4,023	7,836	6,518	444	3,480	2,470	10,875	(229)	3,688	9,439	9,140	9,900	11,191	19,745	26,533	10,115

LEHIGH COUNTY AUTHORITY
2018 BUDGET
CASH FLOW (DIRECT)
\$000

	SUBURBAN WATER				SUBURBAN WASTEWATER				CITY DIVISION				TOTAL LCA			
	2018 Budget	2017 Fcst	2017 Budget	2016 Actual	2018 Budget	2017 Fcst	2017 Budget	2016 Actual	2018 Budget	2017 Fcst	2017 Budget	2016 Actual	2018 Budget	2017 Fcst	2017 Budget	2016 Actual
CAPITAL SPENDING																
Net Capital Spending	(9,296)	(4,614)	(7,347)	(4,029)	(11,417)	(4,765)	(6,313)	(2,360)	(7,613)	(2,386)	(2,767)	(9,878)	(28,326)	(11,765)	(16,427)	(16,267)
Add: Expensed Capex	-	(104)	(100)	(157)	(301)	(301)	(300)	(65)	(4,980)	(7,960)	(7,904)	(3,999)	(5,281)	(8,365)	(8,304)	(4,221)
Total Capital Spending	(9,296)	(4,718)	(7,447)	(4,186)	(11,718)	(5,066)	(6,613)	(2,425)	(12,593)	(10,346)	(10,671)	(13,877)	(33,607)	(20,130)	(24,731)	(20,488)
NET CASH FLOW TO FUND	(4,393)	4,345	(82)	(725)	(2,751)	1,934	7,122	(1,161)	(5,086)	2,295	1,520	1,215	(12,230)	8,574	8,560	(671)
DEBT SERVICE RATIO (INDENTURE BASED)																
Total Operating Revenues	9,733	9,237	9,134	8,815	19,197	18,189	18,259	18,498	33,569	32,031	31,809	31,673	62,499	59,457	59,202	58,986
Total Operating Expenses (Cash Based)	(5,980)	(5,637)	(5,865)	(4,813)	(14,132)	(14,081)	(14,632)	(17,186)	(16,802)	(16,722)	(16,862)	(15,831)	(36,914)	(36,440)	(37,359)	(37,830)
Interest Income	125	125	200	92	5	5	119	119	348	448	302	387	478	578	621	598
Annual Lease Payment (City)	-	-	-	-	-	-	-	-	(512)	(508)	(508)	(500)	(512)	(508)	(508)	(500)
Total Non-Operating Revenues (Expenses)	746	726	560	743	1,107	1,107	1,093	1,209	527	647	1,029	2,974	2,305	2,326	2,503	4,926
Cash Available For Debt Service	4,624	4,451	4,029	4,837	6,177	5,220	4,839	2,640	17,130	15,896	15,770	18,703	27,856	25,413	24,459	26,180
Total Debt Service	3,744	3,224	3,182	2,691	690	690	1,979	813	13,748	13,048	13,048	13,048	18,182	16,962	18,209	16,552
Debt Service Ratio	1.24	1.38	1.27	1.80	8.95	7.57	2.45	3.25	1.25	1.22	1.21	1.43	1.53	1.50	1.34	1.58
CAPITAL COVERAGE RATIO																
Adjusted Net Available for Capital	903	1,396	1,181	3,129	5,487	4,530	2,860	1,493	6,299	7,149	6,699	5,592	12,689	13,075	10,740	10,214
Total Capex	9,296	4,718	7,447	4,186	11,718	5,066	6,613	2,425	12,593	10,346	10,671	13,877	33,607	20,130	24,731	20,488
Capital Coverage Ratio	0.10	0.30	0.16	0.75	0.47	0.89	0.43	0.62	0.50	0.69	0.63	0.40	0.38	0.65	0.43	0.50

LEHIGH COUNTY AUTHORITY
2018 BUDGET
STATEMENT OF CHANGES IN NET POSITION
\$000

	SUBURBAN WATER				SUBURBAN WASTEWATER				CITY DIVISION				TOTAL LCA			
	2018 Budget	2017 Fcst	2017 Budget	2016 Actual	2018 Budget	2017 Fcst	2017 Budget	2016 Actual	2018 Budget	2017 Fcst	2017 Budget	2016 Actual	2018 Budget	2017 Fcst	2017 Budget	2016 Actual
OPERATING REVENUES																
Charges for Services	9,591	9,095	8,894	8,677	18,997	17,989	18,059	18,296	33,494	31,956	31,734	31,599	62,082	59,040	58,687	58,572
Rent	91	91	137	97	-	-	-	-	-	-	-	-	91	91	137	97
Other income	51	51	103	41	200	200	200	202	75	75	75	74	326	326	378	317
Total Operating Revenues	9,733	9,237	9,134	8,815	19,197	18,189	18,259	18,498	33,569	32,031	31,809	31,673	62,499	59,457	59,202	58,986
OPERATING EXPENSES																
Salaries and Wages	1,064	1,055	943	1,028	462	427	392	441	5,483	5,089	5,470	3,665	7,009	6,571	6,805	5,134
General and Administrative	1,252	1,260	1,064	1,046	464	423	370	565	5,989	6,385	5,568	6,361	7,705	8,068	7,002	7,972
Utilities	584	450	493	426	285	229	280	205	1,983	1,739	2,048	1,864	2,852	2,418	2,821	2,495
Materials and Supplies	321	365	537	288	372	108	395	189	1,489	1,560	1,709	1,333	2,182	2,033	2,641	1,810
Miscellaneous Services	2,759	2,507	2,828	2,025	8,579	8,444	9,295	7,140	1,846	1,939	2,055	2,597	13,184	12,890	14,178	11,762
Treatment and Transportation	-	-	-	-	3,970	4,450	3,900	8,646	12	10	12	11	3,982	4,460	3,912	8,657
Depreciation and Amortization	2,950	2,950	2,950	2,588	4,776	4,376	3,925	4,501	5,600	5,400	5,600	5,834	13,326	12,726	12,475	12,923
Total Operating Expenses	8,930	8,587	8,815	7,401	18,908	18,457	18,557	21,687	22,402	22,122	22,462	21,665	50,240	49,166	49,834	50,753
Operating Income (Loss)	803	650	319	1,414	289	(268)	(298)	(3,189)	11,167	9,909	9,347	10,008	12,259	10,291	9,368	8,233
NON-OPERATING REVENUES (EXPENSES)																
Tapping and Capital Recovery Fees	485	472	280	426	1,015	1,015	1,000	1,165	144	144	250	1,171	1,644	1,631	1,530	2,762
Meter Sales	105	102	80	156	-	-	-	12	15	15	15	13	120	117	95	181
Inspection, Plan Reviews, and Project Reimbursements	156	152	200	161	92	92	93	31	293	293	300	1,396	541	537	593	1,588
Other Income	23	169	334	112	-	-	-	1	2,480	3,988	3,933	821	2,503	4,157	4,267	934
Other Expense	-	(104)	(100)	(157)	(301)	(301)	(300)	(65)	(4,980)	(7,960)	(7,904)	(4,026)	(5,281)	(8,365)	(8,304)	(4,248)
Total Non-Operating Revenues (Expenses)	769	791	794	698	806	806	793	1,144	(2,048)	(3,520)	(3,406)	(625)	(473)	(1,923)	(1,819)	1,217
Income Before Interest	1,572	1,441	1,113	2,112	1,095	538	495	(2,045)	9,119	6,389	5,941	9,383	11,786	8,368	7,549	9,450
Interest Income	125	125	200	92	5	5	119	119	348	448	302	387	478	578	621	598
Interest Expense	(2,003)	(1,587)	(1,348)	(1,140)	(216)	(216)	(852)	(195)	(16,735)	(16,461)	(16,461)	(18,280)	(18,954)	(18,264)	(18,661)	(19,615)
Increase (Decrease) in Net Position Before Capital Contributions	(306)	(21)	(35)	1,064	884	327	(238)	(2,121)	(7,268)	(9,624)	(10,218)	(8,510)	(6,690)	(9,318)	(10,491)	(9,567)
CAPITAL CONTRIBUTIONS																
Capital Grants	-	-	-	212	-	-	-	-	-	-	-	-	-	-	-	212
Capital Assets Provided	-	-	-	3,348	-	-	-	986	-	-	-	-	-	-	-	4,334
Total Capital Contributions	-	-	-	3,560	-	-	-	986	-	-	-	-	-	-	-	4,546
INCREASE (DECREASE) IN NET POSITION	(306)	(21)	(35)	4,624	884	327	(238)	(1,135)	(7,268)	(9,624)	(10,218)	(8,510)	(6,690)	(9,318)	(10,491)	(5,021)
Net Position Beginning of Year	90,250	90,271	90,271	85,647	101,471	101,144	101,144	102,279	(45,451)	(35,827)	(35,827)	(27,317)	146,270	155,588	155,588	160,609
Cumulative Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET POSITION AT END OF YEAR	89,944	90,250	90,236	90,271	102,355	101,471	100,906	101,144	(52,719)	(45,451)	(46,045)	(35,827)	139,580	146,270	145,097	155,588

LEHIGH COUNTY AUTHORITY
2018 BUDGET
BALANCE SHEET
\$000

	SUBURBAN WATER			SUBURBAN WASTEWATER			CITY DIVISION			TOTAL LCA		
	2018 Budget	2017 Fcst	2016 Actuals	2018 Budget	2017 Fcst	2016 Actuals	2018 Budget	2017 Fcst	2016 Actuals	2018 Budget	2017 Fcst	2016 Actuals
ASSETS AND DEFERRED OUTFLOWS												
CURRENT ASSETS												
Cash and Cash Equivalents	4,120	8,513	4,168	10,120	12,871	10,937	3,638	8,724	6,429	17,878	30,108	21,534
Certificates of Deposit	7,089	7,089	8,249	2,383	5,863	8,333	-	-	-	9,472	12,952	16,582
Accounts Receivable - Customers	1,443	1,443	1,443	3,057	3,057	3,057	5,724	5,724	5,724	10,224	10,224	10,224
Accounts Receivable - Financing Contracts	-	-	-	303	303	303	-	-	-	303	303	303
Accounts Receivable - Others	178	178	178	67	67	67	2,640	2,640	2,640	2,885	2,885	2,885
Due From (To) Other Funds	1,428	1,428	1,428	(1,449)	(1,449)	(1,449)	21	21	21	-	-	-
Inventories	45	45	45	-	-	-	-	-	-	45	45	45
Accrued Interest Receivable	12	12	12	10	10	10	2	2	2	24	24	24
Prepaid Expenses	91	91	91	82	82	82	379	379	379	552	552	552
Total Current Assets	14,406	18,799	15,614	14,573	20,804	21,340	12,404	17,490	15,195	41,383	57,093	52,149
NON-CURRENT ASSETS												
Restricted												
Cash and Cash Equivalents	2,828	2,828	2,828	337	337	337	33,872	33,872	33,872	37,037	37,037	37,037
Certificates of Deposit	925	925	925	-	-	-	-	-	-	925	925	925
Investment - US Treasury Obligations	4,785	8,785	-	-	-	-	12,140	12,140	18,140	16,925	20,925	18,140
Developer Escrow Deposits	4,351	4,351	4,351	-	-	-	-	-	-	4,351	4,351	4,351
Accrued Interest Receivable	1	1	1	-	-	-	-	-	-	1	1	1
Total Restricted Assets	12,890	16,890	8,105	337	337	337	46,012	46,012	52,012	59,239	63,239	60,454
Capital Assets												
Land	1,704	1,704	1,704	1,734	1,734	1,734	-	-	-	3,438	3,438	3,438
Construction in Progress	5,016	5,016	5,016	6,645	6,645	6,645	-	-	-	11,661	11,661	11,661
Wells and Reservoirs	8,966	8,966	8,966	-	-	-	-	-	-	8,966	8,966	8,966
Transmission and Distribution Mains	68,693	68,693	68,693	-	-	-	-	-	-	68,693	68,693	68,693
Service and Hydrants	14,593	14,593	14,593	-	-	-	-	-	-	14,593	14,593	14,593
Interceptor and Collector Systems	-	-	-	37,724	37,724	37,724	-	-	-	37,724	37,724	37,724
Buildings and Structures	22,378	22,378	22,378	56,534	56,534	56,534	-	-	-	78,912	78,912	78,912
Metering System	8,485	8,485	8,485	421	421	421	-	-	-	8,906	8,906	8,906
Equipment and Furnishings	20,193	10,897	6,283	38,067	26,650	21,885	12,745	5,132	2,746	71,005	42,679	30,914
Capacity	1,208	1,208	1,208	1,116	1,116	1,116	-	-	-	2,324	2,324	2,324
LESS: Accumulated Depreciation	(41,238)	(38,288)	(35,338)	(48,046)	(43,270)	(38,894)	(12,310)	(6,710)	(1,310)	(101,594)	(88,268)	(75,542)
Total Capital Assets	109,998	103,652	101,988	94,195	87,554	87,165	435	(1,578)	1,436	204,628	189,628	190,589
Other Assets												
Long-term Portion of Receivables and Financing Contracts	-	-	-	2,483	2,483	2,483	-	-	-	2,483	2,483	2,483
Intangible Service Concession Arrangement	-	-	-	-	-	-	247,290	247,290	247,290	247,290	247,290	247,290
OPEB Asset	1,133	1,133	1,133	-	-	-	-	-	-	1,133	1,133	1,133
Other Miscellaneous Assets	-	-	-	-	-	-	1,631	1,631	1,631	1,631	1,631	1,631
Facilities Planning Costs, Net	162	162	162	370	370	370	-	-	-	532	532	532
Total Other Assets	1,295	1,295	1,295	2,853	2,853	2,853	248,921	248,921	248,921	253,069	253,069	253,069
Total Non-Current Assets	124,183	121,837	111,388	97,385	90,744	90,355	295,368	293,355	302,369	516,936	505,936	504,112
TOTAL ASSETS	138,589	140,636	127,002	111,958	111,548	111,695	307,772	310,845	317,564	558,319	563,029	556,261
Deferred Outflows												
Pensions	468	468	468	236	236	236	1,739	1,739	1,739	2,443	2,443	2,443
Refunding Loss on Bonds	307	307	307	-	-	-	-	-	-	307	307	307
Total Deferred Outflows	775	775	775	236	236	236	1,739	1,739	1,739	2,750	2,750	2,750
TOTAL ASSETS AND DEFERRED OUTFLOWS	139,364	141,411	127,777	112,194	111,784	111,931	309,511	312,584	319,303	561,069	565,779	559,011

LEHIGH COUNTY AUTHORITY
2018 BUDGET
CASH FLOW (INDIRECT)
\$000

	SUBURBAN WATER				SUBURBAN WASTEWATER				CITY DIVISION				TOTAL LCA			
	2018 Budget	2017 Fcst	2017 Budget	2016 Actual	2018 Budget	2017 Fcst	2017 Budget	2016 Actual	2018 Budget	2017 Fcst	2017 Budget	2016 Actual	2018 Budget	2017 Fcst	2017 Budget	2016 Actual
CASH FLOWS FROM OPERATING ACTIVITIES																
Operating Income (Loss)	803	650	319	1,414	289	(268)	(298)	(3,189)	11,167	9,909	9,347	10,008	12,259	10,291	9,368	8,233
Adjustments:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and Amortization	2,950	2,950	2,950	2,588	4,776	4,376	3,925	4,501	5,600	5,400	5,600	5,834	13,326	12,726	12,475	12,923
Changes in Assets and Liabilities	-	-	-	713	-	-	-	(402)	-	-	-	(995)	-	-	-	(684)
Net Cash Provided By (Used In) Operating Activities	3,753	3,600	3,269	4,715	5,065	4,108	3,627	910	16,767	15,309	14,947	14,847	25,585	23,017	21,843	20,472
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES																
Interest Received	125	125	200	-	5	5	119	-	348	448	302	385	478	578	621	385
Facility Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Annual Lease Payments	-	-	-	-	-	-	-	-	(512)	(508)	(508)	(500)	(512)	(508)	(508)	(500)
Transfers From/To	-	-	-	(34)	-	-	-	77	-	-	-	(42)	-	-	-	1
Net Cash Provided By (Used In) Non-Capital Financing Activities	125	125	200	(34)	5	5	119	77	(164)	(60)	(206)	(157)	(34)	70	113	(114)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES																
Non-Operating Revenues Received	769	895	894	1,050	1,107	1,107	1,093	1,205	2,932	4,440	4,498	3,450	4,808	6,442	6,485	5,705
Capital Spending	(9,296)	(4,718)	(7,447)	(4,186)	(11,718)	(5,066)	(6,613)	(2,425)	(12,593)	(10,346)	(10,671)	(13,877)	(33,607)	(20,130)	(24,731)	(20,488)
Borrowing Proceeds	-	15,292	5,900	-	-	-	10,875	395	1,720	-	-	-	1,720	15,292	16,775	395
Interest Payments	(2,003)	(1,587)	(1,348)	(1,051)	(216)	(216)	(852)	(195)	(13,322)	(13,048)	(13,048)	(13,048)	(15,541)	(14,851)	(15,248)	(14,294)
Principal Payments	(1,741)	(1,637)	(1,834)	(1,640)	(474)	(474)	(1,127)	(618)	(426)	-	-	-	(2,641)	(2,111)	(2,961)	(2,258)
Net Cash Provided By (Used In) Capital and Related Financing Activities	(12,271)	8,245	(3,835)	(5,827)	(11,301)	(4,649)	3,376	(1,638)	(21,689)	(18,954)	(19,221)	(23,475)	(45,261)	(15,358)	(19,680)	(30,940)
CASH FLOWS FROM INVESTING ACTIVITIES																
Investment Maturities	4,000	1,160	284	4,852	3,480	2,470	-	5,476	-	6,000	6,000	10,000	7,480	9,630	6,284	20,328
Investment Purchases	-	(8,785)	-	(4,520)	-	-	-	(6,100)	-	-	-	-	-	(8,785)	-	(10,620)
Interest Received on Investments	-	-	-	89	-	-	-	114	-	-	-	-	-	-	-	203
Net Cash Provided By (Used In) Investing Activities	4,000	(7,625)	284	421	3,480	2,470	-	(510)	-	6,000	6,000	10,000	7,480	845	6,284	9,911
NET INCREASE (DECREASE) IN CASH	(4,393)	4,345	(82)	(725)	(2,751)	1,934	7,122	(1,161)	(5,086)	2,295	1,520	1,215	(12,230)	8,574	8,560	(671)
Cash - Beginning of Year	11,341	6,996	6,996	7,721	13,208	11,274	11,274	12,435	42,596	40,301	40,301	39,086	67,145	58,571	58,571	59,242
CASH - END OF YEAR	6,948	11,341	6,914	6,996	10,457	13,208	18,396	11,274	37,510	42,596	41,821	40,301	54,915	67,145	67,131	58,571

LEHIGH COUNTY AUTHORITY
2018 BUDGET
CASH FLOW DETAILS

	SUBURBAN WATER		SUBURBAN WASTEWATER		CITY DIVISION		TOTAL LCA	
	2018 Budget	2017 Fcst	2018 Budget	2017 Fcst	2018 Budget	2017 Fcst	2018 Budget	2017 Fcst
SUMMARY OF ACCOUNT FLOWS								
Cash - Operations	(1,066)	501	(1,120)	3,358	(2,751)	985	(4,937)	4,844
Cash - Project Reserves	(3,327)	3,844	(1,631)	(1,424)	(2,335)	1,310	(7,293)	3,730
Cash - Restricted	-	-	-	-	-	-	-	-
Total Cash Accounts	<u>(4,393)</u>	<u>4,345</u>	<u>(2,751)</u>	<u>1,934</u>	<u>(5,086)</u>	<u>2,295</u>	<u>(12,230)</u>	<u>8,574</u>
Investments - Operations	-	-	-	-	-	-	-	-
Investments - Project Reserves	(4,000)	7,625	(3,480)	(2,470)	-	(6,000)	(7,480)	(845)
Investments - Restricted	-	-	-	-	-	-	-	-
Total Investments	<u>(4,000)</u>	<u>7,625</u>	<u>(3,480)</u>	<u>(2,470)</u>	<u>-</u>	<u>(6,000)</u>	<u>(7,480)</u>	<u>(845)</u>
TOTAL FLOWS	<u>(8,393)</u>	<u>11,970</u>	<u>(6,231)</u>	<u>(536)</u>	<u>(5,086)</u>	<u>(3,705)</u>	<u>(19,710)</u>	<u>7,729</u>
SUMMARY OF ACCOUNT BALANCES								
Cash - Operations	3,337	4,403	8,823	9,943	3,638	6,389	15,798	20,735
Cash - Project Reserves	783	4,110	1,297	2,928	-	2,335	2,080	9,373
Cash - Restricted	2,828	2,828	337	337	33,872	33,872	37,037	37,037
Total Cash Accounts	<u>6,948</u>	<u>11,341</u>	<u>10,457</u>	<u>13,208</u>	<u>37,510</u>	<u>42,596</u>	<u>54,915</u>	<u>67,145</u>
Investments - Operations	7,249	7,249	-	-	-	-	7,249	7,249
Investments - Project Reserves	4,625	8,625	2,383	5,863	-	-	7,008	14,488
Investments - Restricted	925	925	-	-	12,140	12,140	13,065	13,065
Total Investments	<u>12,799</u>	<u>16,799</u>	<u>2,383</u>	<u>5,863</u>	<u>12,140</u>	<u>12,140</u>	<u>27,322</u>	<u>34,802</u>
TOTAL BALANCES	<u>19,747</u>	<u>28,140</u>	<u>12,840</u>	<u>19,071</u>	<u>49,650</u>	<u>54,736</u>	<u>82,237</u>	<u>101,947</u>
CASH & INVESTMENTS								
Operations	10,586	11,652	8,823	9,943	3,638	6,389	23,047	27,984
Capital Project Reserves	5,408	12,735	3,680	8,791	-	2,335	9,088	23,861
Restricted	3,753	3,753	337	337	46,012	46,012	50,102	50,102
TOTAL	<u>19,747</u>	<u>28,140</u>	<u>12,840</u>	<u>19,071</u>	<u>49,650</u>	<u>54,736</u>	<u>82,237</u>	<u>101,947</u>