



LEHIGH COUNTY AUTHORITY

FINANCIAL REPORT – NOVEMBER 2017

SUMMARY

MONTH			NOVEMBER 2017			YEAR-TO-DATE			FULL YEAR		
Actual	Forecast	Variance				Actual	Budget	Variance	Forecast	Budget	Variance
Income Statement											
(60,723)	(68,146)	7,423	Suburban Water			83,852	26,543	57,309	3,283	(34,673)	37,956
(253,555)	(265,512)	11,957	Suburban Wastewater			(311,470)	(47,507)	(263,963)	(533,939)	(237,977)	(295,962)
(49,334)	(54,788)	5,454	City Division			(4,288,618)	(9,191,164)	4,902,547	(7,485,469)	(10,217,568)	2,732,099
(363,611)	(388,446)	24,835	Total LCA			(4,516,235)	(9,212,128)	4,695,893	(8,016,125)	(10,490,218)	2,474,093
Cash Flow Statement (Indirect)											
(760,182)	(811,636)	51,454	Suburban Water			12,999,520	214,980	12,784,540	13,291,366	(81,469)	13,372,835
(499,328)	(487,599)	(11,729)	Suburban Wastewater			691,233	7,605,087	(6,913,854)	70,363	7,121,675	(7,051,312)
1,355,631	1,351,340	4,291	City Division			4,318,157	1,463,083	2,855,074	(2,567,657)	(4,479,360)	1,911,703
96,122	52,105	44,017	Total LCA			18,008,909	9,283,150	8,725,759	10,794,072	2,560,846	8,233,226
Cash Flow Statement (Adjusted)											
(760,182)	(811,636)	51,454	Suburban Water			(2,292,486)	(5,685,020)	3,392,534	(2,000,640)	(5,981,469)	3,980,829
(499,328)	(487,599)	(11,729)	Suburban Wastewater			691,233	(3,269,913)	3,961,146	70,363	(3,753,325)	3,823,688
1,355,631	1,351,340	4,291	City Division			4,318,157	1,463,083	2,855,074	(2,567,657)	(4,479,360)	1,911,703
96,122	52,105	44,017	Total LCA			2,716,903	(7,491,850)	10,208,753	(4,497,934)	(14,214,154)	9,716,220
Debt Service Coverage Ratio											
1.28	1.25	0.04	Suburban Water			1.39	1.29	0.11	1.38	1.27	0.11
2.36	2.15	0.21	Suburban Wastewater			6.48	2.54	3.94	6.19	2.45	3.74
2.03	2.00	0.03	City Division			1.32	1.19	0.13	1.23	1.21	0.02

NET INCOME

Month

All three of the funds had net losses for the month. However, the reported losses for all three funds are favorable to forecast.

Year-to-Date

Suburban Water is the lone fund with a positive YTD income and that income is better than budget. Suburban Wastewater had negative income and is unfavorable to budget. City Division is negative as well, but is favorable to budget by a significant amount.

Full Year

The updated forecast for the full year Suburban Water as a positive while Suburban Wastewater and City Division are expected to come in negative. Compared to budget for the entire year, Suburban Water and City Division are forecasted better than budget while Suburban Wastewater is forecasted to be down to budget.

CASH FLOWS

Month

Suburban Water and Suburban Wastewater had negative cash flows for the month while the City Division was on the positive side. Compared to forecast, Suburban Water and City Division were favorable while Suburban Wastewater was unfavorable.

Year-to-Date

All three funds are on the positive side and Suburban Water and City Division look good with respect to budget. Suburban Wastewater is unfavorable to budget.

Full Year

Looking at the full year forecast, Suburban Water and City Division are expected to finish favorable to budget while Suburban Wastewater will be unfavorable.

DEBT SERVICE COVERAGE RATIO

Year-to-Date

All three funds are above target and better than budget.

Full Year

Full year forecast ratios are above target for all three funds and better than budget across all three.

SUBURBAN WATER

MONTH			NOVEMBER 2017	YEAR-TO-DATE			FULL YEAR		
Actual	Forecast	Variance	Income Statement	Actual	Budget	Variance	Forecast	Budget	Variance
709,681	711,758	(2,077)	Operating Revenues	8,215,421	8,431,137	(215,716)	8,929,256	9,134,000	(204,744)
(727,289)	(736,509)	9,220	Operating (Expenses)	(7,467,171)	(8,079,863)	612,692	(8,217,899)	(8,814,412)	596,513
(17,608)	(24,751)	7,143	Operating Income	748,250	351,274	396,976	711,357	319,588	391,769
34,563	35,477	(914)	Non-Operating Revenues (Expenses)	649,614	727,837	(78,223)	686,005	794,000	(107,995)
16,955	10,726	6,229	Income Before Interest	1,397,864	1,079,111	318,753	1,397,362	1,113,588	283,774
7,495	7,128	367	Interest Income	78,772	183,337	(104,565)	85,532	200,000	(114,468)
(85,173)	(86,000)	827	Interest Expense	(1,392,783)	(1,235,905)	(156,878)	(1,479,611)	(1,348,261)	(131,350)
-	-	-	Capital Contributions	-	-	-	-	-	-
(60,723)	(68,146)	7,423	NET INCOME	83,852	26,543	57,309	3,283	(34,673)	37,956

MONTH			NOVEMBER 2017	YEAR-TO-DATE			FULL YEAR		
Actual	Forecast	Variance	Cash Flow Statement (Indirect)	Actual	Budget	Variance	Forecast	Budget	Variance
(60,723)	(68,146)	7,423	Net Income	83,852	26,543	57,309	3,283	(34,673)	37,956
260,759	265,000	(4,241)	Add: Depreciation & Amortization	2,733,481	2,704,163	29,318	3,002,722	2,950,000	52,722
0	(1,000)	1,000	Add: Non-Cash Interest Expense	(105,776)	-	(105,776)	(107,776)	-	(107,776)
346	561	(215)	Add: Capex Charged to Expense	5,958	91,663	(85,705)	6,733	100,000	(93,267)
(139,038)	(139,000)	(38)	Principal Payments	(1,497,963)	(1,680,976)	183,013	(1,636,924)	(1,833,796)	196,872
-	-	-	Investments Converting To Cash	-	-	-	1,159,937	284,000	875,937
-	-	-	New Borrowing	15,292,006	5,900,000	9,392,006	15,292,006	5,900,000	9,392,006
(821,526)	(869,051)	47,525	Capital Expenditures	(3,512,039)	(6,826,413)	3,314,374	(4,428,615)	(7,447,000)	3,018,385
(760,182)	(811,636)	51,454	NET FUND CASH FLOWS	12,999,520	214,980	12,784,540	13,291,366	(81,469)	13,372,835

NET INCOME

Month

Even though income is negative, we were favorable to forecast on lower operating expenses from lower purchased services.

Year-to-Date

Income YTD is positive and better than budget due to lower operating expenses with some offset from lower operating revenues and interest.

Full Year

Full year forecast is better than budget due to lower operating expenses.

CASH FLOWS

Month

Cash flows for the month were negative but better than forecast due to lower capital spending.

Year-to-Date

Adjusting for borrowing, cash flows are negative but better than budget due to lower capital spending.

Full Year

Full year forecast is better than budget due to lower capital spending.

SUBURBAN WASTEWATER

MONTH			NOVEMBER 2017	YEAR-TO-DATE			FULL YEAR		
Actual	Forecast	Variance	Income Statement	Actual	Budget	Variance	Forecast	Budget	Variance
1,424,399	1,419,000	5,399	Operating Revenues	15,584,734	16,908,069	(1,323,335)	17,028,334	18,259,000	(1,230,666)
(1,726,176)	(1,732,282)	6,106	Operating (Expenses)	(16,764,538)	(17,010,917)	246,379	(18,502,925)	(18,557,349)	54,424
(301,777)	(313,282)	11,505	Operating Income	(1,179,804)	(102,848)	(1,076,956)	(1,474,591)	(298,349)	(1,176,242)
65,272	65,362	(90)	Non-Operating Revenues (Expenses)	1,060,773	726,913	333,860	1,151,225	793,000	358,225
(236,505)	(247,920)	11,415	Income Before Interest Expense	(119,031)	624,065	(743,095)	(323,366)	494,651	(818,016)
300	300	(0)	Interest Income	3,834	109,087	(105,253)	4,135	119,000	(114,865)
(17,349)	(17,892)	543	Interest Expense	(196,273)	(780,659)	584,386	(214,708)	(851,628)	636,920
-	-	-	Capital Contributions	-	-	-	-	-	-
(253,555)	(265,512)	11,957	NET INCOME	(311,470)	(47,507)	(263,962)	(533,939)	(237,977)	(295,961)

MONTH			NOVEMBER 2017	YEAR-TO-DATE			FULL YEAR		
Actual	Forecast	Variance	Cash Flow Statement (Indirect)	Actual	Budget	Variance	Actual	Forecast	Variance
(253,555)	(265,512)	11,957	Net Income	(311,470)	(47,507)	(263,963)	(533,939)	(237,977)	(295,962)
364,694	364,694	-	Add: Depreciation & Amortization	4,011,634	3,597,913	413,721	4,376,328	3,925,000	451,328
2,658	2,796	(138)	Add: Non-Cash Interest Expense	30,619	-	30,619	33,553	-	33,553
289	300	(11)	Add: Capex Charged to Expense	970	275,000	(274,030)	1,281	300,000	(298,719)
(39,869)	(39,577)	(292)	Principal Payments	(435,642)	(1,033,406)	597,764	(474,927)	(1,127,348)	652,421
-	-	-	Investments Converting To Cash	-	-	-	-	-	-
-	-	-	New Borrowing	-	10,875,000	(10,875,000)	-	10,875,000	(10,875,000)
(573,545)	(550,300)	(23,245)	Capital Expenditures	(2,604,878)	(6,061,913)	3,457,035	(3,331,933)	(6,613,000)	3,281,067
(499,328)	(487,599)	(11,729)	NET FUND CASH FLOWS	691,233	7,605,087	(6,913,854)	70,363	7,121,675	(7,051,312)

NET INCOME

Month

Negative net income is favorable to forecast on higher operating revenues and lower operating expenses.

Year-to-Date

Negative income is unfavorable to budget due to lower operating revenues, particularly lower industrial revenues, and slightly lower operating expenses.

Full Year

Full year forecast is negative and unfavorable to budget due to lower operating revenues.

CASH FLOWS

Month

Negative cash flow for the month was unfavorable to forecast due to higher capital spending that more than offset higher funds generated by operations.

Year-to-Date

Positive cash flows were better than budget adjusted for borrowing due to lower capital spending.

Full Year

Full year forecast cash flows are positive and better than budget due to lower capital spending.

CITY DIVISION

MONTH			NOVEMBER 2017	YEAR-TO-DATE			FULL YEAR		
Actual	Forecast	Variance	Income Statement	Actual	Budget	Variance	Forecast	Budget	Variance
3,661,812	3,650,524	11,288	Operating Revenues	30,827,030	29,333,201	1,493,829	33,457,266	31,809,000	1,648,266
(1,966,787)	(1,971,260)	4,473	Operating (Expenses)	(20,308,370)	(20,590,240)	281,870	(22,284,103)	(22,462,068)	177,965
1,695,025	1,679,264	15,761	Operating Income	10,518,660	8,742,961	1,775,699	11,173,163	9,346,932	1,826,231
(508,911)	(515,556)	6,645	Non-Operating Revenues (Expenses)	(1,386,870)	(3,122,174)	1,735,304	(2,736,680)	(3,406,000)	669,320
1,186,114	1,163,708	22,406	Income Before Interest Expense	9,131,790	5,620,787	3,511,003	8,436,483	5,940,932	2,495,551
27,493	44,445	(16,952)	Interest Income	471,944	276,837	195,107	533,340	302,000	231,340
(1,262,941)	(1,262,941)	-	Interest Expense	(13,892,351)	(15,088,788)	1,196,437	(16,455,292)	(16,460,500)	5,208
-	-	-	Capital Contributions	-	-	-	-	-	-
<u>(49,334)</u>	<u>(54,788)</u>	<u>5,454</u>	NET INCOME	<u>(4,288,618)</u>	<u>(9,191,164)</u>	<u>4,902,547</u>	<u>(7,485,469)</u>	<u>(10,217,568)</u>	<u>2,732,099</u>

MONTH			NOVEMBER 2017	YEAR-TO-DATE			FULL YEAR		
Actual	Forecast	Variance	Cash Flow Statement (Indirect)	Actual	Budget	Variance	Forecast	Budget	Variance
(49,334)	(54,788)	5,454	Net Income	(4,288,618)	(9,191,164)	4,902,547	(7,485,469)	(10,217,568)	2,732,099
450,000	450,000	-	Add: Depreciation & Amortization	4,950,000	5,133,337	(183,337)	5,400,000	5,600,000	(200,000)
1,262,941	1,262,941	-	Add: Non-Cash Interest Expense	7,368,490	8,564,927	(1,196,437)	3,407,570	3,412,778	(5,208)
711,671	710,885	786	Add: Capex Charged to Expense	2,392,916	7,245,337	(4,852,421)	3,930,624	7,904,000	(3,973,376)
-	-	-	Principal Payments	-	-	-	-	-	-
-	-	-	Cash Outlays on Lease & Lease Reserve	(508,000)	(508,000)	-	(508,000)	(508,000)	-
-	-	-	Investments Converting To Cash	-	-	-	-	-	-
-	-	-	New Borrowing	-	-	-	-	-	-
<u>(1,019,647)</u>	<u>(1,017,698)</u>	<u>(1,949)</u>	Capital Expenditures	<u>(5,596,632)</u>	<u>(9,781,354)</u>	<u>4,184,722</u>	<u>(7,312,382)</u>	<u>(10,670,570)</u>	<u>3,358,188</u>
<u>1,355,631</u>	<u>1,351,340</u>	<u>4,291</u>	NET FUND CASH FLOWS	<u>4,318,157</u>	<u>1,463,083</u>	<u>2,855,074</u>	<u>(2,567,657)</u>	<u>(4,479,360)</u>	<u>1,911,703</u>

NET INCOME

Month

Negative income was just slightly favorable to forecast as higher operating revenues and lower operating expenses were eroded by lower interest income.

Year-to-Date

Negative net income is significantly favorable to budget due to higher operating revenues, lower operating expenses, and lower expensed capital.

Full Year

Full year forecast has a negative net income that is favorable to budget with favorable variances across the board.

CASH FLOWS

Month

Positive cash flow was slightly better than forecast on higher cash generated by operations.

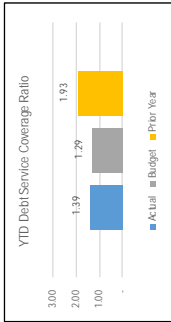
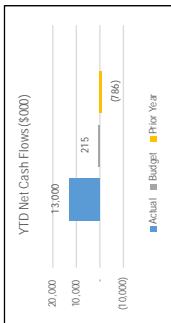
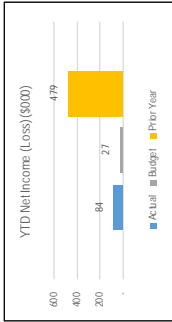
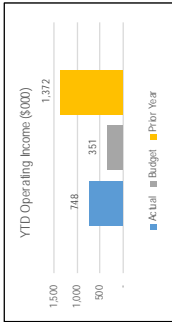
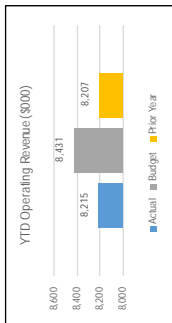
Year-to-Date

Positive cash flow is better than budget due to lower capital spending.

Full Year

Full year forecast is negative but is favorable to budget due to lower capital spending with partial offset from lower cash generated by operations.

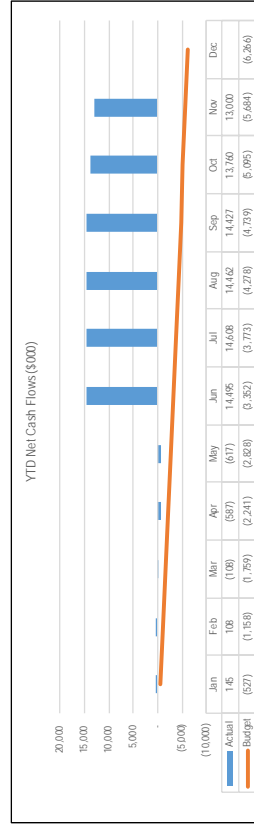
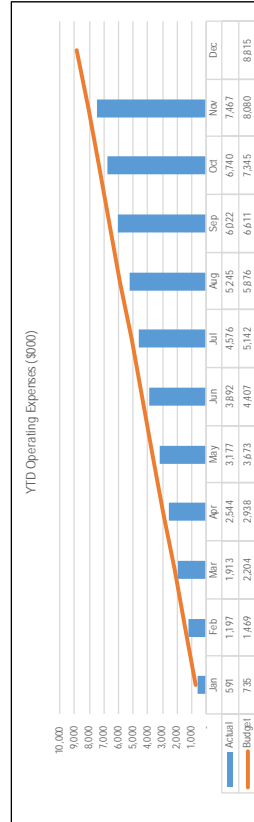
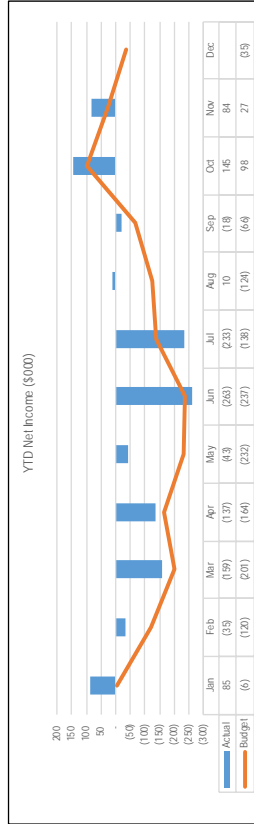
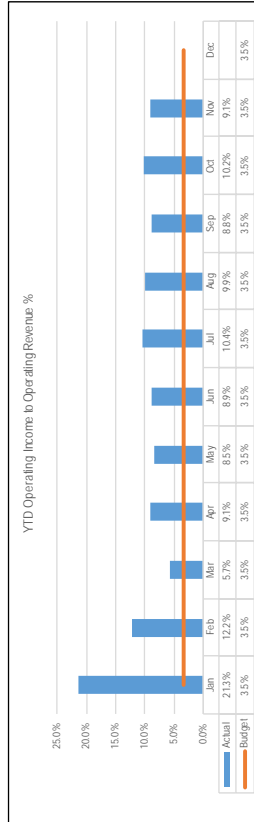
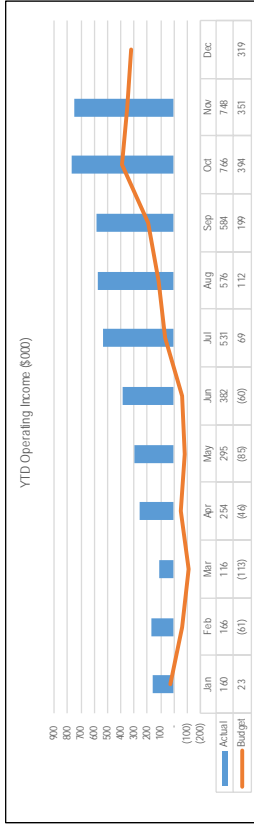
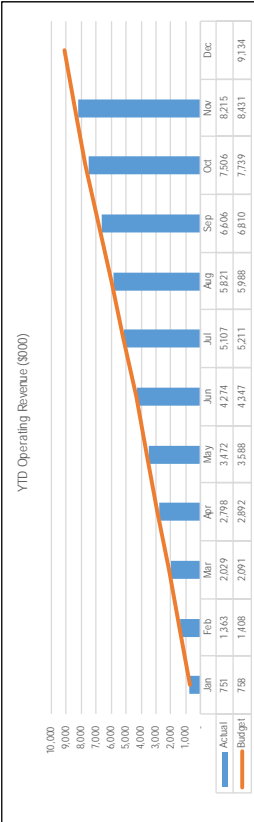
**DASHBOARD - SUBURBAN WATER
NOVEMBER 2017**



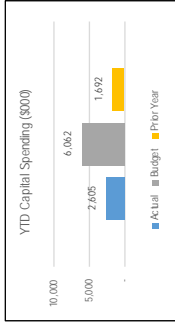
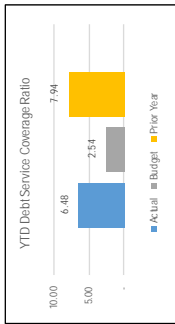
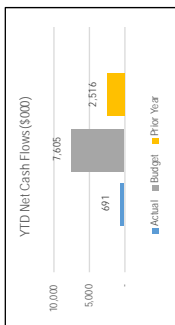
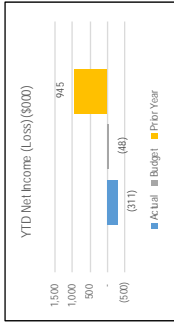
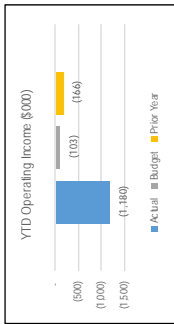
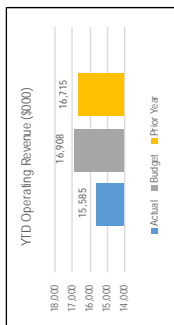
YTD COMPARATIVE (\$000)
 Operating Revenues
 Less: Operating Expenses

Operating Income
 Other income (expenses)
Net Income
 Debt Service Coverage Ratio
Net Cash Flows

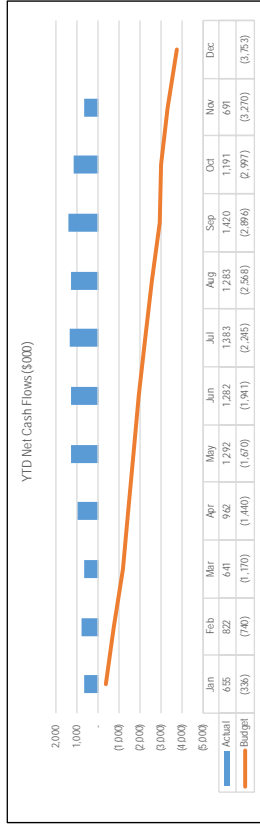
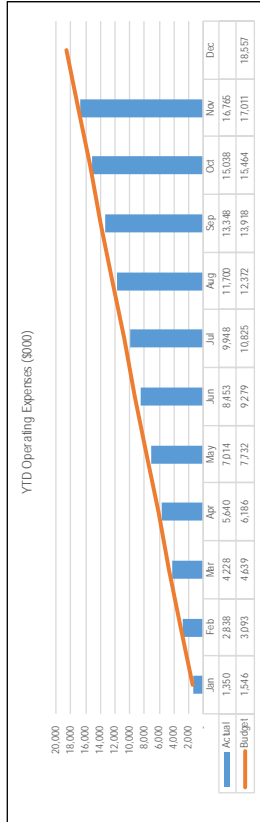
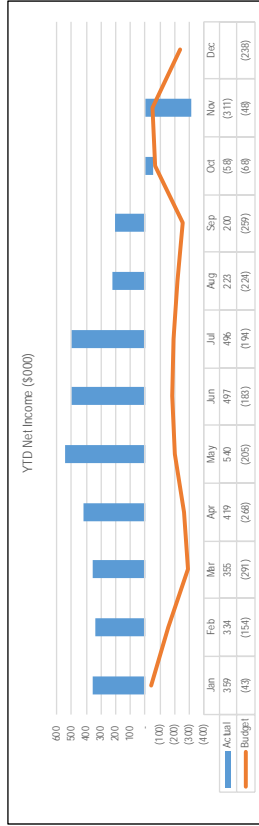
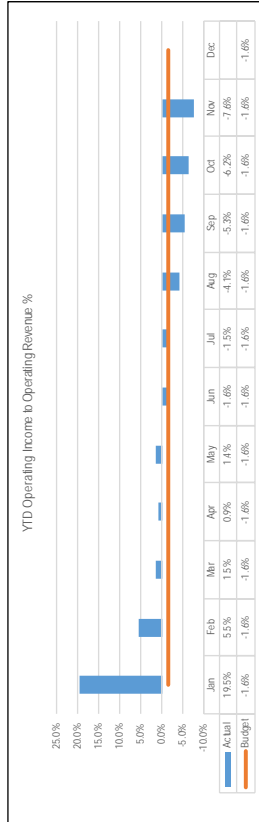
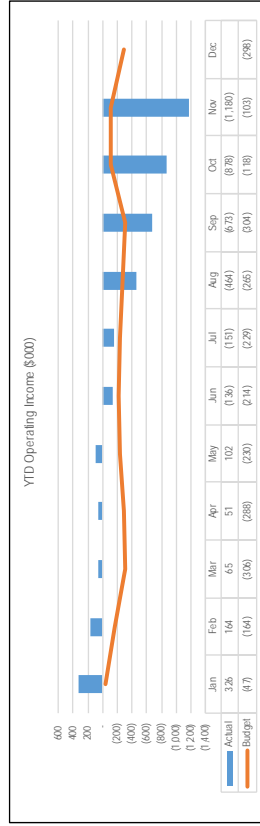
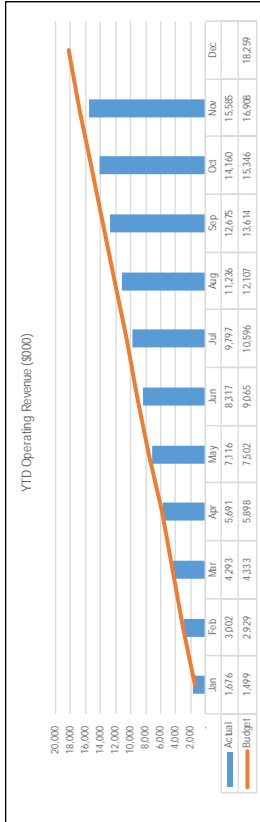
	Actual	Budget	Prior Yr	Variance to Budget	Prior Yr
Operating Revenues	8,215	8,431	8,207	(216)	8
Less: Operating Expenses	7,467	8,080	6,835	613	(632)
Operating Income	748	351	1,372	397	(624)
Other income (expenses)	(664)	(324)	(893)	(340)	229
Net Income	84	27	479	57	(395)
Debt Service Coverage Ratio	1.39	1.29	1.93	0.10	(0.54)
Net Cash Flows	13,000	215	(786)	12,785	13,786



**DASHBOARD - SUBURBAN WASTEWATER
NOVEMBER 2017**

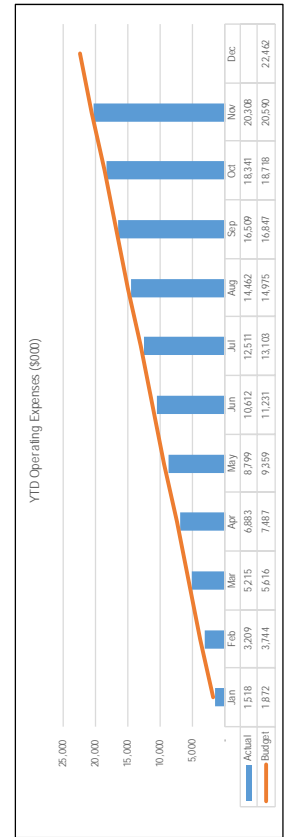
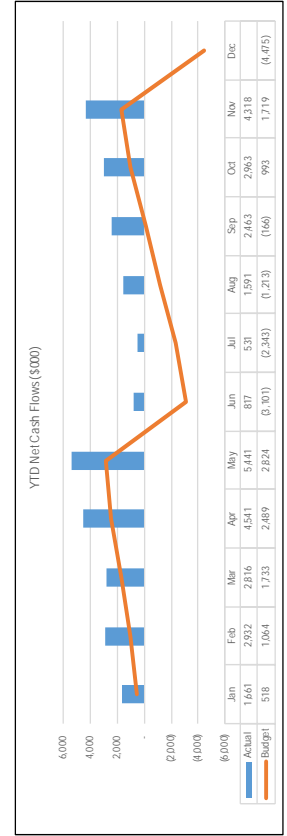
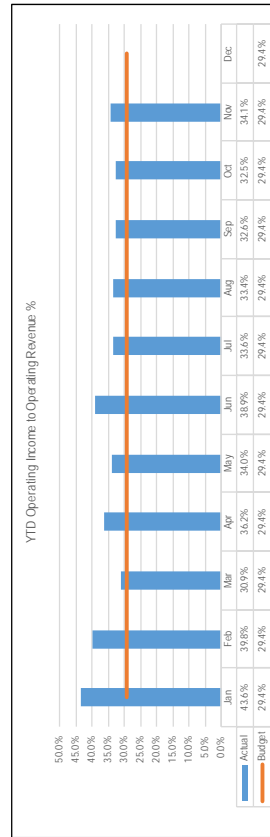
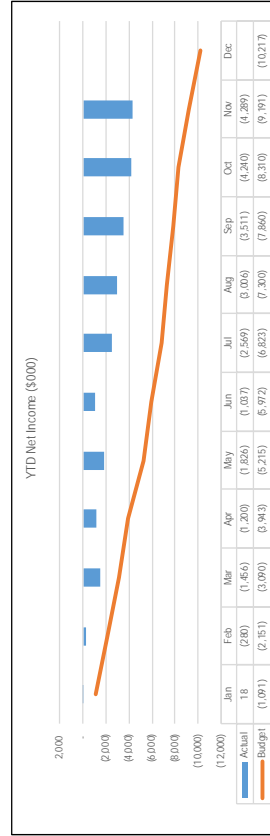
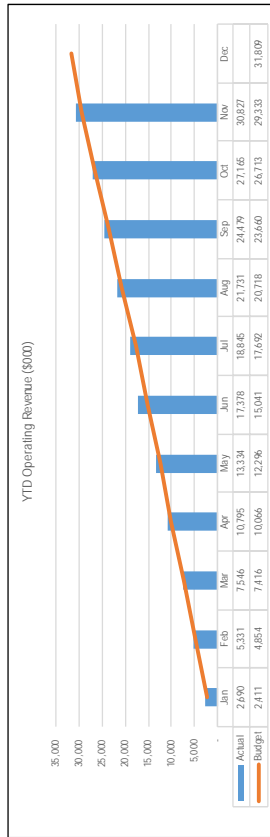
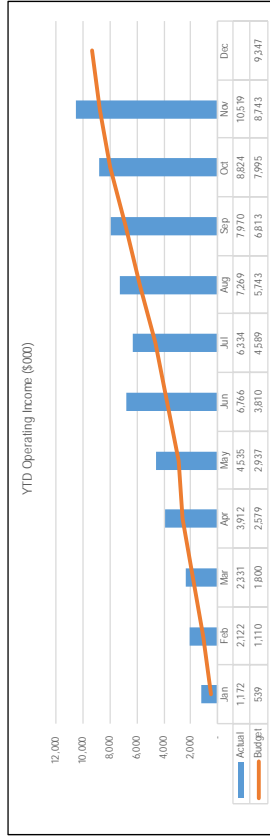
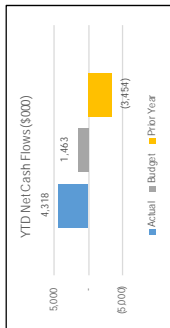
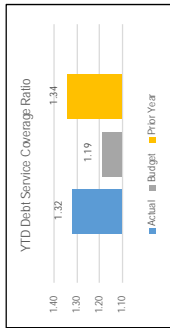
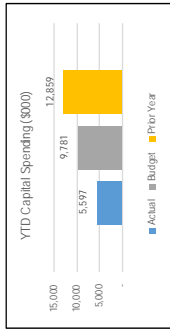
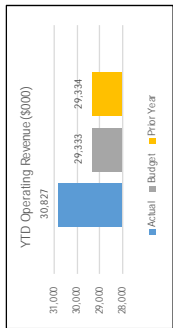
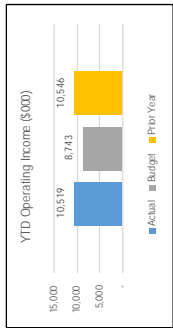
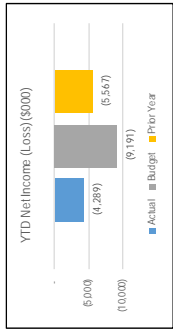


	Actual	Budget	Pr Yr	Variance to Budget	Pr Yr
Operating Revenues	15,585	16,908	16,715	(1,323)	(1,130)
Less: Operating Expenses	16,765	17,011	16,881	246	116
Operating Income	(1,180)	(103)	(166)	(1,077)	(1,014)
Other income (expenses)	869	55	1,111	814	(242)
Net Income	(311)	(48)	945	(263)	(1,256)
Debt Service Coverage	6.48	2.54	7.94	3.94	(1.46)
Net Cash Flows	691	7,605	2,516	(6,914)	(1,825)



**DASHBOARD - CITY DIVISION
NOVEMBER 2017**

	Actual	Budget	PY	Variance to
YTD (\$'000)				
Operating Revenues	30,827	29,334	29,334	1,494
Less: Operating Expenses	20,508	20,590	18,788	282
Operating Income	10,519	8,743	10,546	1,776
Other income (expenses)	(14,808)	(17,934)	(16,113)	3,126
Net Income	(4,289)	(9,191)	(5,567)	4,902
Debt Service Coverage	1.32	1.19	1.34	0.13
Net Cash Flows	4,318	1,463	(3,454)	2,855
				7,772



LEHIGH COUNTY AUTHORITY
FINANCIAL STATEMENTS - SUBURBAN WATER
NOVEMBER 2017

MONTH			NOVEMBER 2017			YEAR-TO-DATE			FULL YEAR		
Actual	Forecast	Variance	Income Statement	Actual	Budget	Variance	Forecast	Budget	Variance		
709,681	711,758	(2,077)	Operating Revenues	8,215,421	8,431,137	(215,716)	8,929,256	9,134,000	(204,744)		
(727,289)	(736,509)	9,220	Operating (Expenses)	(7,467,171)	(8,079,863)	612,692	(8,217,899)	(8,814,412)	596,513		
(17,608)	(24,751)	7,143	Operating Income	748,250	351,274	396,976	711,357	319,588	391,769		
34,563	35,477	(914)	Non-Operating Revenues (Expenses)	649,614	727,837	(78,223)	686,005	794,000	(107,995)		
16,955	10,726	6,229	Income Before Interest	1,397,864	1,079,111	318,753	1,397,362	1,113,588	283,774		
7,495	7,128	367	Interest Income	78,772	183,337	(104,565)	85,532	200,000	(114,468)		
(85,173)	(86,000)	827	Interest Expense	(1,392,783)	(1,235,905)	(156,878)	(1,479,611)	(1,348,261)	(131,350)		
-	-	-	Capital Contributions	-	-	-	-	-	-		
(60,723)	(68,146)	7,423	NET INCOME	83,852	26,543	57,309	3,283	(34,673)	37,956		

MONTH			NOVEMBER 2017			YEAR-TO-DATE			FULL YEAR		
Actual	Forecast	Variance	Cash Flow Statement (Indirect)	Actual	Budget	Variance	Forecast	Budget	Variance		
(60,723)	(68,146)	7,423	Net Income	83,852	26,543	57,309	3,283	(34,673)	37,956		
260,759	265,000	(4,241)	Add: Depreciation & Amortization	2,733,481	2,704,163	29,318	3,002,722	2,950,000	52,722		
0	(1,000)	1,000	Add: Non-Cash Interest Expense	(105,776)	-	(105,776)	(107,776)	-	(107,776)		
346	561	(215)	Add: Capex Charged to Expense	5,958	91,663	(85,705)	6,733	100,000	(93,267)		
(139,038)	(139,000)	(38)	Principal Payments	(1,497,963)	(1,680,976)	183,013	(1,636,924)	(1,833,796)	196,872		
-	-	-	Investments Converting To Cash	-	-	-	1,159,937	284,000	875,937		
-	-	-	New Borrowing	15,292,006	5,900,000	9,392,006	15,292,006	5,900,000	9,392,006		
(821,526)	(869,051)	47,525	Capital Expenditures	(3,512,039)	(6,826,413)	3,314,374	(4,428,615)	(7,447,000)	3,018,385		
(760,182)	(811,636)	51,454	NET FUND CASH FLOWS	12,999,520	214,980	12,784,540	13,291,366	(81,469)	13,372,835		

MONTH			NOVEMBER 2017			YEAR-TO-DATE			FULL YEAR		
Actual	Forecast	Variance	Cash Flow Statement (Direct)	Actual	Budget	Variance	Forecast	Budget	Variance		
709,681	711,758	(2,077)	Operating Revenues	8,215,421	8,431,137	(215,716)	8,929,256	9,134,000	(204,744)		
(466,530)	(471,509)	4,979	Operating Expenses (Ex Depreciation)	(4,733,690)	(5,375,700)	642,010	(5,215,177)	(5,864,412)	649,235		
7,495	7,128	367	Interest Income	78,772	183,337	(104,565)	85,532	200,000	(114,468)		
250,646	247,377	3,269	Cash Available For Debt Service	3,560,503	3,238,774	321,729	3,799,611	3,469,588	330,023		
(85,173)	(87,000)	1,827	Interest Payments	(1,498,559)	(1,235,905)	(262,654)	(1,587,387)	(1,348,261)	(239,126)		
(139,038)	(139,000)	(38)	Principal Payments	(1,497,963)	(1,680,976)	183,013	(1,636,924)	(1,833,796)	196,872		
26,435	21,377	5,058	Net Cash Available After Debt Service	563,981	321,893	242,088	575,300	287,531	287,769		
34,563	35,477	(914)	Non-Operating Revenues (Expenses)	649,614	727,837	(78,223)	686,005	794,000	(107,995)		
346	561	(215)	Add: Capex Charged to Expense	5,958	91,663	(85,705)	6,733	100,000	(93,267)		
1,518	(2,000)	3,518	Less: Project Reimbursement	(45,296)	(306,163)	260,867	(50,814)	(334,000)	283,186		
-	-	-	Non-Cash Working Capital Changes	-	-	-	-	-	-		
62,863	55,415	7,448	Net Cash Available For Capital	1,174,257	835,230	339,027	1,217,224	847,531	369,693		
(1,518)	2,000	(3,518)	Project Reimbursement	45,296	306,163	(260,867)	50,814	334,000	(283,186)		
-	-	-	Capital Contributions	-	-	-	-	-	-		
-	-	-	Investments Converting To Cash	-	-	-	1,159,937	284,000	875,937		
-	-	-	New Borrowing	15,292,006	5,900,000	9,392,006	15,292,006	5,900,000	9,392,006		
(821,526)	(869,051)	47,525	Capital Expenditures	(3,512,039)	(6,826,413)	3,314,374	(4,428,615)	(7,447,000)	3,018,385		
(760,182)	(811,636)	51,454	NET FUND CASH FLOWS	12,999,520	214,980	12,784,540	13,291,366	(81,469)	13,372,835		

DEBT SERVICE COVERAGE RATIO		
287,074	281,415	T total Cash Available For Debt Service
224,211	226,000	Debt Service
1.28	1.25	DSCR

LEHIGH COUNTY AUTHORITY
FINANCIAL STATEMENTS - SUBURBAN WASTEWATER
NOVEMBER 2017

MONTH			NOVEMBER 2017	YEAR-TO-DATE			FULL YEAR		
Actual	Forecast	Variance	Income Statement	Actual	Budget	Variance	Forecast	Budget	Variance
1,424,399	1,419,000	5,399	Operating Revenues	15,584,734	16,908,069	(1,323,335)	17,028,334	18,259,000	(1,230,666)
(1,726,176)	(1,732,282)	6,106	Operating (Expenses)	(16,764,538)	(17,010,917)	246,379	(18,502,925)	(18,557,349)	54,424
(301,777)	(313,282)	11,505	Operating Income	(1,179,804)	(102,848)	(1,076,956)	(1,474,591)	(298,349)	(1,176,242)
65,272	65,362	(90)	Non-Operating Revenues (Expenses)	1,060,773	726,913	333,860	1,151,225	793,000	358,225
(236,505)	(247,920)	11,415	Income Before Interest Expense	(119,031)	624,065	(743,095)	(323,366)	494,651	(818,016)
300	300	(0)	Interest Income	3,834	109,087	(105,253)	4,135	119,000	(114,865)
(17,349)	(17,892)	543	Interest Expense	(196,273)	(780,659)	584,386	(214,708)	(851,628)	636,920
-	-	-	Capital Contributions	-	-	-	-	-	-
(253,555)	(265,512)	11,957	NET INCOME	(311,470)	(47,507)	(263,962)	(533,939)	(237,977)	(295,961)
MONTH			NOVEMBER 2017	YEAR-TO-DATE			FULL YEAR		
Actual	Forecast	Variance	Cash Flow Statement (Indirect)	Actual	Budget	Variance	Actual	Forecast	Variance
(253,555)	(265,512)	11,957	Net Income	(311,470)	(47,507)	(263,963)	(533,939)	(237,977)	(295,962)
364,694	364,694	-	Add: Depreciation & Amortization	4,011,634	3,597,913	413,721	4,376,328	3,925,000	451,328
2,658	2,796	(138)	Add: Non-Cash Interest Expense	30,619	-	30,619	33,553	-	33,553
289	300	(11)	Add: Capex Charged to Expense	970	275,000	(274,030)	1,281	300,000	(298,719)
(39,869)	(39,577)	(292)	Principal Payments	(435,642)	(1,033,406)	597,764	(474,927)	(1,127,348)	652,421
-	-	-	Investments Converting To Cash	-	-	-	-	-	-
-	-	-	New Borrowing	-	10,875,000	(10,875,000)	-	10,875,000	(10,875,000)
(573,545)	(550,300)	(23,245)	Capital Expenditures	(2,604,878)	(6,061,913)	3,457,035	(3,331,933)	(6,613,000)	3,281,067
(499,328)	(487,599)	(11,729)	NET FUND CASH FLOWS	691,233	7,605,087	(6,913,854)	70,363	7,121,675	(7,051,312)
MONTH			NOVEMBER 2017	YEAR-TO-DATE			FULL YEAR		
Actual	Forecast	Variance	Cash Flow Statement (Direct)	Actual	Budget	Variance	Actual	Forecast	Variance
1,424,399	1,419,000	5,399	Operating Revenues	15,584,734	16,908,069	(1,323,335)	17,028,334	18,259,000	(1,230,666)
(1,361,482)	(1,367,588)	6,106	Operating Expenses (Ex Depreciation)	(12,752,904)	(13,413,004)	660,100	(14,126,597)	(14,632,349)	505,752
300	300	(0)	Interest Income	3,834	109,087	(105,253)	4,135	119,000	(114,865)
63,217	51,712	11,505	Cash Available For Debt Service	2,835,664	3,604,152	(768,488)	2,905,872	3,745,651	(839,779)
(14,691)	(15,096)	405	Interest Payments	(165,654)	(780,659)	615,005	(181,155)	(851,628)	670,473
(39,869)	(39,577)	(292)	Principal Payments	(435,642)	(1,033,406)	597,764	(474,927)	(1,127,348)	652,421
8,657	(2,961)	11,618	Net Cash Available After Debt Service	2,234,368	1,790,087	444,281	2,249,790	1,766,675	483,115
65,272	65,362	(90)	Non-Operating Revenues (Expenses)	1,060,773	726,913	333,860	1,151,225	793,000	358,225
289	300	(11)	Add: Capex Charged to Expense	970	275,000	(274,030)	1,281	300,000	(298,719)
-	-	-	Less: Project Reimbursement	-	-	-	-	-	-
-	-	-	Non-Cash Working Capital Changes	-	-	-	-	-	-
74,217	62,701	11,516	Net Cash Available For Capital	3,296,111	2,792,000	504,111	3,402,296	2,859,675	542,621
-	-	-	Project Reimbursement	-	-	-	-	-	-
-	-	-	Capital Contributions	-	-	-	-	-	-
-	-	-	Investments Converting To Cash	-	-	-	-	-	-
-	-	-	New Borrowing	-	10,875,000	(10,875,000)	-	10,875,000	(10,875,000)
(573,545)	(550,300)	(23,245)	Capital Expenditures	(2,604,878)	(6,061,913)	3,457,035	(3,331,933)	(6,613,000)	3,281,067
(499,328)	(487,599)	(11,729)	NET FUND CASH FLOWS	691,233	7,605,087	(6,913,854)	70,363	7,121,675	(7,051,312)
			DEBT SERVICE COVERAGE RATIO						
128,778	117,374		Total Cash Available For Debt Service	3,897,407	4,606,065		4,058,378	4,838,651	
54,560	54,673		Debt Service	601,296	1,814,065		656,082	1,978,976	
2.36	2.15		DSCR	6.48	2.54		6.19	2.45	

LEHIGH COUNTY AUTHORITY
FINANCIAL STATEMENTS - CITY DIVISION
NOVEMBER 2017

MONTH			NOVEMBER 2017			YEAR-TO-DATE			FULL YEAR		
Actual	Forecast	Variance	Income Statement	Actual	Budget	Variance	Forecast	Budget	Variance		
3,661,812	3,650,524	11,288	Operating Revenues	30,827,030	29,333,201	1,493,829	33,457,266	31,809,000	1,648,266		
(1,966,787)	(1,971,260)	4,473	Operating (Expenses)	(20,308,370)	(20,590,240)	281,870	(22,284,103)	(22,462,068)	177,965		
1,695,025	1,679,264	15,761	Operating Income	10,518,660	8,742,961	1,775,699	11,173,163	9,346,932	1,826,231		
(508,911)	(515,556)	6,645	Non-Operating Revenues (Expenses)	(1,386,870)	(3,122,174)	1,735,304	(2,736,680)	(3,406,000)	669,320		
1,186,114	1,163,708	22,406	Income Before Interest Expense	9,131,790	5,620,787	3,511,003	8,436,483	5,940,932	2,495,551		
27,493	44,445	(16,952)	Interest Income	471,944	276,837	195,107	533,340	302,000	231,340		
(1,262,941)	(1,262,941)	-	Interest Expense	(13,892,351)	(15,088,788)	1,196,437	(16,455,292)	(16,460,500)	5,208		
-	-	-	Capital Contributions	-	-	-	-	-	-		
(49,334)	(54,788)	5,454	NET INCOME	(4,288,618)	(9,191,164)	4,902,547	(7,485,469)	(10,217,568)	2,732,099		
MONTH			NOVEMBER 2017			YEAR-TO-DATE			FULL YEAR		
Actual	Forecast	Variance	Cash Flow Statement (Indirect)	Actual	Budget	Variance	Forecast	Budget	Variance		
(49,334)	(54,788)	5,454	Net Income	(4,288,618)	(9,191,164)	4,902,547	(7,485,469)	(10,217,568)	2,732,099		
450,000	450,000	-	Add: Depreciation & Amortization	4,950,000	5,133,337	(183,337)	5,400,000	5,600,000	(200,000)		
1,262,941	1,262,941	-	Add: Non-Cash Interest Expense	7,368,490	8,564,927	(1,196,437)	3,407,570	3,412,778	(5,208)		
711,671	710,885	786	Add: Capex Charged to Expense	2,392,916	7,245,337	(4,852,421)	3,930,624	7,904,000	(3,973,376)		
-	-	-	Principal Payments	-	-	-	-	-	-		
-	-	-	Cash Outlays on Lease & Lease Reserve	(508,000)	(508,000)	-	(508,000)	(508,000)	-		
-	-	-	Investments Converting To Cash	-	-	-	-	-	-		
-	-	-	New Borrowing	-	-	-	-	-	-		
(1,019,647)	(1,017,698)	(1,949)	Capital Expenditures	(5,596,632)	(9,781,354)	4,184,722	(7,312,382)	(10,670,570)	3,358,188		
1,355,631	1,351,340	4,291	NET FUND CASH FLOWS	4,318,157	1,463,083	2,855,074	(2,567,657)	(4,479,360)	1,911,703		
MONTH			NOVEMBER 2017			YEAR-TO-DATE			FULL YEAR		
Actual	Forecast	Variance	Cash Flow Statement (Direct)	Actual	Budget	Variance	Forecast	Budget	Variance		
3,661,812	3,650,524	11,288	Operating Revenues	30,827,030	29,333,201	1,493,829	33,457,266	31,809,000	1,648,266		
(1,516,787)	(1,521,260)	4,473	Operating Expenses (Ex Depreciation)	(15,358,370)	(15,456,903)	98,533	(16,884,103)	(16,862,068)	(22,035)		
27,493	44,445	(16,952)	Interest Income	471,944	276,837	195,107	533,340	302,000	231,340		
2,172,518	2,173,709	(1,191)	Cash Available For Debt Service	15,940,604	14,153,135	1,787,469	17,106,503	15,248,932	1,857,571		
-	-	-	Interest Payments	(6,523,861)	(6,523,861)	-	(13,047,722)	(13,047,722)	-		
-	-	-	Principal Payments	-	-	-	-	-	-		
2,172,518	2,173,709	(1,191)	Net Cash Available For Debt Service	9,416,743	7,629,274	1,787,469	4,058,781	2,201,210	1,857,571		
(508,911)	(515,556)	6,645	Non-Operating Revenues (Expenses)	(1,386,870)	(3,122,174)	1,735,304	(2,736,680)	(3,406,000)	669,320		
711,671	710,885	786	Add: Capex Charged to Expense	2,392,916	7,245,337	(4,852,421)	3,930,624	7,904,000	(3,973,376)		
(125,925)	(150,874)	24,949	Less: Project Reimbursement	(684,661)	(3,605,250)	2,920,589	(860,684)	(3,933,000)	3,072,316		
-	-	-	Cash Outlays on Lease & Lease Reserve	(508,000)	(508,000)	-	(508,000)	(508,000)	-		
-	-	-	Non-Cash Working Capital Changes	-	-	-	-	-	-		
2,249,354	2,218,164	31,190	Net Cash Available For Capital	9,230,128	7,639,187	1,590,941	3,884,041	2,258,210	1,625,831		
125,925	150,874	(24,949)	Project Reimbursement	684,661	3,605,250	(2,920,589)	860,684	3,933,000	(3,072,316)		
-	-	-	Capital Contributions	-	-	-	-	-	-		
-	-	-	Investments Converting To Cash	-	-	-	-	-	-		
-	-	-	New Borrowing	-	-	-	-	-	-		
(1,019,647)	(1,017,698)	(1,949)	Capital Expenditures	(5,596,632)	(9,781,354)	4,184,722	(7,312,382)	(10,670,570)	3,358,188		
1,355,631	1,351,340	4,291	NET FUND CASH FLOWS	4,318,157	1,463,083	2,855,074	(2,567,657)	(4,479,360)	1,911,703		
			DEBT SERVICE COVERAGE RATIO								
2,207,354	2,176,164		Net Cash Available For Debt Service	15,799,989	14,209,048		16,081,572	15,769,632			
1,087,310	1,087,310		Debt Service	11,960,410	11,960,410		13,047,722	13,047,722			
2.03	2.00		DSCR	1.32	1.19		1.23	1.21			

Lehigh County Authority

System Operations Review - November 2017

Presented: December 20, 2017

<u>Critical Activities</u>	<u>System</u>	<u>Description</u>	<u>Nov-17</u>	<u>2017-to-Date</u>	<u>2016 Totals</u>	<u>Permit</u>
			<u>Daily Avg (MGD)</u>	<u>Daily Avg (MGD)</u>	<u>Daily Avg (MGD)</u>	<u>Daily Max (MGD)</u>
Water Production	Allentown	Total	20.48	21.25	20.41	39.0
		Schantz Spring	6.18	6.41	5.91	9.0
		Crystal Spring	3.85	3.89	3.86	4.0
		Little Lehigh Creek	10.45	10.92	10.46	30.0
		Lehigh River	0.00	0.04	0.18	28.0
	Central Lehigh	Total	8.59	9.31	9.27	19.04 MGD Avg
		Feed from Allentown	6.68	6.95	5.99	7.0 MGD Avg 10.5 MGD Max
		Well Production (CLD)	1.91	2.37	3.28	8.54 MGD Avg
		Sum of all (12) other Suburban Water Systems	0.18	0.18	0.19	1.71 Sum of all wells
Wastewater Treatment	Kline's Island	28.50	31.09	29.67	40.0	
	Pretreatment Plant	4.00	4.39	4.33	5.75 (design capacity)	
	Sum of all (5) other Suburban WW Systems	0.14	0.17	0.17	0.36	
			<u>Nov-17</u>	<u>2017-to-Date</u>	<u>2016 Totals</u>	
Precipitation Totals (inches)			1.55	48.3	36.82	
Compliance Reports Submitted to Allentown			19	273	269	
Notices of Violation (NOVs)	(Allentown + Suburban)		0	3	3	
Sanitary Sewer Overflows (SSOs)/Bypasses	(Allentown + Suburban)		0	22	16	
Main Breaks Repaired	Allentown		1	13	19	
	Suburban		2	11	11	
Customer Service Phone Inquiries	(Allentown + Suburban)		2,140	25,183	28,099	
Water Shutoffs for Non-Payment	(Allentown + Suburban)		46	1,568	1,685	
Injury Accidents	(Allentown + Suburban)		0	8	10	
Emergency Declarations	Allentown		0	(2) @ \$51,235	(2) @ \$87,079	
	Suburban		0	(1) @ \$72,554	(1) @ \$33,495	

Significant Repairs:

Permanent abandonments are complete on (4) suburban wells and (2) other wells are in-process. A Telog failure at Crestwood Water System resulted in very low pressure. SCADA continues to be upgraded at many stations but it will continue to take time and effort to bring the entire suburban water and wastewater systems up to where they need to be. Operations, Capital and IT continue to make the SCADA upgrades a top priority.

Description of NOVs and/or SSOs:

There were no SSOs, bypasses, or NOVs for either of the Suburban or Allentown systems during November 2017.

Other Highlights:

Operations faces decisions on whether to rebuild or upgrade old pumps and motors. i.e. KIWWTP replaced two sludge pumps from 1968. Various equipment has been rebuilt multiple times. CMMS, when fully utilized, will allow for LCA to review maintenance histories. Subsequent cost analyses will be done to judge whether rebuilds or upgrades are appropriate.