

Lehigh County Authority
2018 Preliminary Budget
25 September 2017

Suburban Water

SUBURBAN WATER

	2018	2017	2017	2016	2018 vs.
CASH FLOW (DIRECT)	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>	<u>Actuals</u>	<u>2017 FC</u>
Operating Revenues	9,574	9,237	9,134	8,815	337
Operating Expenses (ex D&A)	<u>(5,922)</u>	<u>(5,637)</u>	<u>(5,865)</u>	<u>(4,813)</u>	<u>(285)</u>
Cash From Operations	3,652	3,600	3,269	4,002	52
Interest Received	<u>125</u>	<u>125</u>	<u>200</u>	<u>92</u>	<u>-</u>
Cash Available for Debt Service	3,777	3,725	3,469	4,094	52
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	33	501	287	1,403	(468)
Non-Operating Revenues (Expenses)	746	726	560	743	20
Changes in Working Capital	<u>-</u>	<u>-</u>	<u>-</u>	<u>871</u>	<u>-</u>
Net Cash Available For Capital	779	1,227	847	3,017	(448)
Financing & Investment Activity	4,023	7,836	6,518	444	(3,813)
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	(4,494)	4,345	(82)	(725)	(8,839)
Beginning Balance	<u>11,341</u>	<u>6,996</u>	<u>6,996</u>	<u>7,721</u>	<u>4,345</u>
Ending Balance	<u>6,847</u>	<u>11,341</u>	<u>6,914</u>	<u>6,996</u>	<u>(4,494)</u>
DEBT SERVICE COVERAGE RATIO	<u>1.21</u>	<u>1.38</u>	<u>1.27</u>	<u>1.80</u>	<u>(0.17)</u>

SUBURBAN WATER

NET CASH FLOW PER 2017 Q3 FORECAST	<u>4,345</u>
Revenues	
Increase in volumes of 1.50%	136
Increase in rates of 2.50%	201
Operating expenses	
Effect from headcount changes	(28)
Wage increases of 3.0% from total wage pool	(32)
Higher G&A	(24)
Cost inflation - general inflation of 1.5%	(34)
Change in spending levels	(167)
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>(8,839)</u>
NET CASH FLOW PER 2018 BUDGET	<u>(4,494)</u>

SUBURBAN WATER

	2018	2017	2017	2016	2018 vs.
INCOME STATEMENT	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>	<u>Actuals</u>	<u>2017 FC</u>
Operating Revenues	9,574	9,237	9,134	8,815	337
Operating Expenses	<u>8,872</u>	<u>8,587</u>	<u>8,815</u>	<u>7,401</u>	<u>(285)</u>
Operating Income	702	650	319	1,414	52
Non-Operating Revenues (Expenses)	<u>769</u>	<u>791</u>	<u>794</u>	<u>698</u>	<u>(22)</u>
Income Before Interest	1,471	1,441	1,113	2,112	30
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>
Income Before Capital Contributions	(407)	(21)	(35)	1,064	(386)
Capital Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,560</u>	<u>-</u>
Net Income	<u>(407)</u>	<u>(21)</u>	<u>(35)</u>	<u>4,624</u>	<u>(386)</u>

SUBURBAN WATER

	2018	2017	2016
BALANCE SHEET	Budget	Forecast	Actuals
Assets and Deferred Outflows			
Cash and Cash Equivalents	4,019	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	<u>775</u>	<u>775</u>	<u>775</u>
Total Assets and Deferred Outflows	<u>139,263</u>	<u>141,411</u>	<u>127,777</u>
Liabilities and Net Position			
Current Liabilities	3,769	3,769	3,769
Long-Term Liabilities	45,651	47,392	33,737
Net Position	<u>89,843</u>	<u>90,250</u>	<u>90,271</u>
Total Liabilities and Net Position	<u>139,263</u>	<u>141,411</u>	<u>127,777</u>

SUBURBAN WATER

\$000's	2018	2017	2017	2016	2018 vs.
	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>	<u>Actuals</u>	<u>2017 FC</u>
OPERATING REVENUES					
Charges for Services	9,432	9,095	8,894	8,677	337
Rent	91	91	137	97	-
Other income	<u>51</u>	<u>51</u>	<u>103</u>	<u>41</u>	<u>-</u>
Total Operating Revenues	<u>9,574</u>	<u>9,237</u>	<u>9,134</u>	<u>8,815</u>	<u>337</u>
OPERATING EXPENSES (CASH BASED)					
Salaries and Wages	(1,115)	(1,055)	(943)	(1,028)	(60)
General and Administrative	(1,318)	(1,260)	(1,064)	(1,046)	(58)
Utilities	(457)	(450)	(493)	(426)	(7)
Materials and Supplies	(371)	(365)	(537)	(288)	(6)
Miscellaneous Services	(2,661)	(2,507)	(2,828)	(2,025)	(154)
Treatment and Transportation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Expenses	<u>(5,922)</u>	<u>(5,637)</u>	<u>(5,865)</u>	<u>(4,813)</u>	<u>(285)</u>
CASH FROM OPERATIONS	<u>3,652</u>	<u>3,600</u>	<u>3,269</u>	<u>4,002</u>	<u>52</u>
Interest Received	<u>125</u>	<u>125</u>	<u>200</u>	<u>92</u>	<u>-</u>
CASH AVAILABLE FOR DEBT SERVICE	<u>3,777</u>	<u>3,725</u>	<u>3,469</u>	<u>4,094</u>	<u>52</u>
DEBT SERVICE					
Interest and Fees Paid	(2,003)	(1,587)	(1,348)	(1,051)	(416)
Principal Paid	<u>(1,741)</u>	<u>(1,637)</u>	<u>(1,834)</u>	<u>(1,640)</u>	<u>(104)</u>
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>33</u>	<u>501</u>	<u>287</u>	<u>1,403</u>	<u>(468)</u>
	1.01	1.16	1.09	1.52	(0.15)

SUBURBAN WATER

\$000's	2018 Budget	2017 Forecast	2017 Budget	2016 Actuals	2018 vs. 2017 FC
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)	746	726	560	743	20
Changes in Assets and Liabilities	-	-	-	871	-
					-
NET CASH AVAILABLE FOR CAPITAL	779	1,227	847	3,017	(448)
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	4,023	7,836	6,518	444	(3,813)
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	(9,296)	(4,718)	(7,447)	(4,186)	(4,578)
NET CASH FLOW TO FUND	(4,494)	4,345	(82)	(725)	(8,839)

SUBURBAN WATER

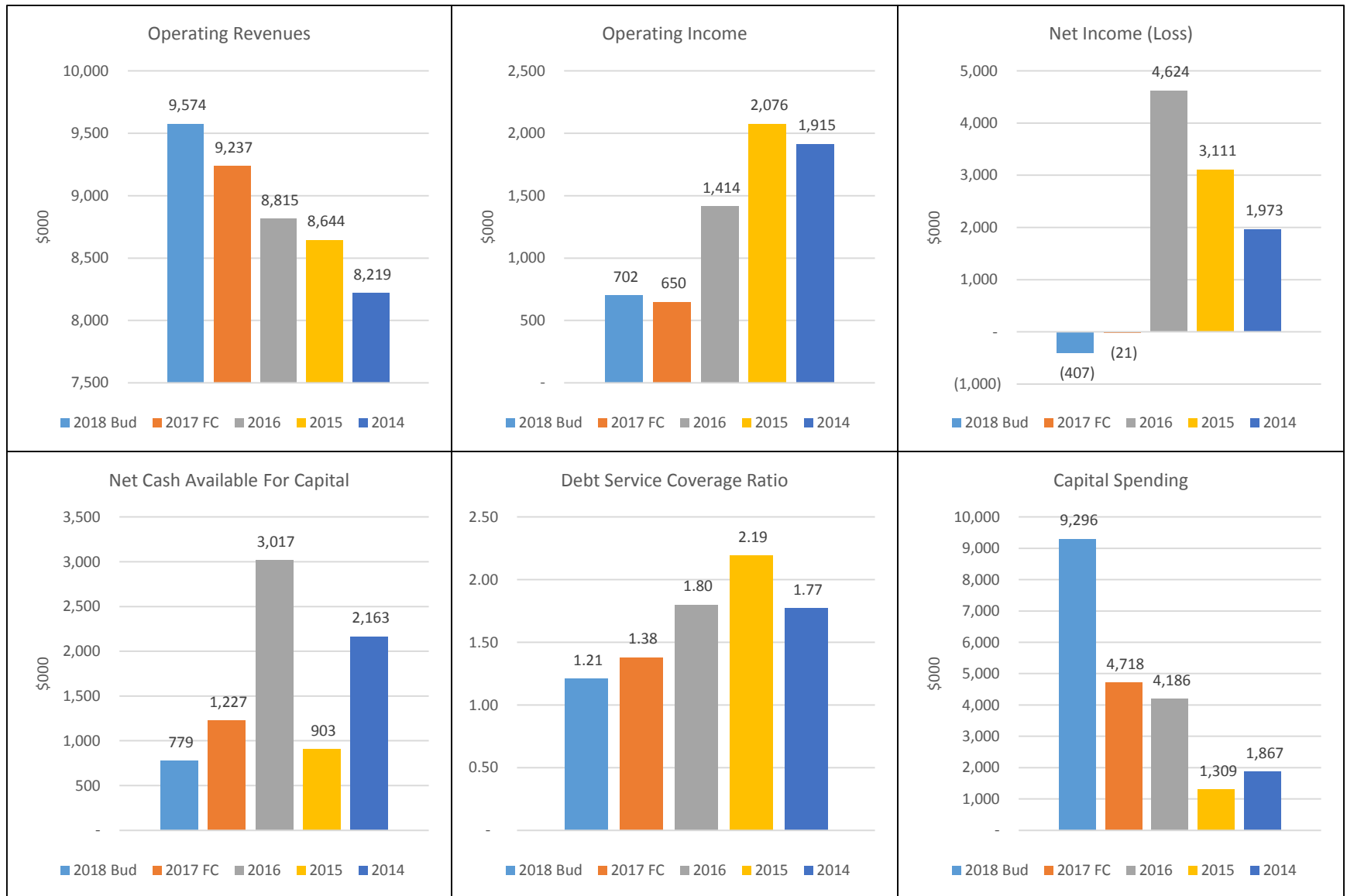
	2018	2017	2017	2016	2018 vs.
\$000's	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>	<u>Actuals</u>	<u>2017 FC</u>
DEBT SERVICE RATIO (INDENTURE BASED)					
Total Operating Revenues	9,574	9,237	9,134	8,815	337
Total Operating Expenses (Cash Based)	(5,922)	(5,637)	(5,865)	(4,813)	(285)
Interest Income	125	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	4,523	4,451	4,029	4,837	72
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>1.21</u>	<u>1.38</u>	<u>1.27</u>	<u>1.80</u>	<u>(0.17)</u>

SUBURBAN WATER

CAPITAL EXPENDITURES

	Primary	Estimated	Estimated	2018	Estimated
	Project	Project	Costs	Budget	Costs
Project	Category	Cost	Through 2017		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	

Dashboard – Suburban Water



Suburban Wastewater

SUBURBAN WASTEWATER

	2018	2017	2017	2016	2018 vs.
CASH FLOW (DIRECT) (\$000)	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>	<u>Actuals</u>	<u>2017 FC</u>
Operating Revenues	18,646	18,189	18,259	18,498	457
Operating Expenses (ex D&A)	<u>(14,359)</u>	<u>(14,081)</u>	<u>(14,632)</u>	<u>(17,186)</u>	<u>(278)</u>
Cash From Operations	4,287	4,108	3,627	1,312	179
Interest Received	<u>5</u>	<u>5</u>	<u>119</u>	<u>119</u>	<u>-</u>
Cash Available for Debt Service	4,292	4,113	3,746	1,431	179
Debt Service	<u>(690)</u>	<u>(690)</u>	<u>(1,979)</u>	<u>(813)</u>	<u>-</u>
Net Cash Available After Debt Service	3,602	3,423	1,767	618	179
Non-Operating Revenues (Expenses)	1,107	1,107	1,093	1,209	-
Changes in Working Capital	<u>-</u>	<u>-</u>	<u>-</u>	<u>(334)</u>	<u>-</u>
Net Cash Available For Capital	4,709	4,530	2,860	1,493	179
Financing & Investment Activity	3,480	2,470	10,875	(229)	1,010
Capital Spending	<u>(11,818)</u>	<u>(5,066)</u>	<u>(6,613)</u>	<u>(2,425)</u>	<u>(6,752)</u>
Net Cash Flow	(3,629)	1,934	7,122	(1,161)	(5,563)
Beginning Balance	<u>13,208</u>	<u>11,274</u>	<u>11,274</u>	<u>12,435</u>	<u>1,934</u>
Ending Balance	<u>9,579</u>	<u>13,208</u>	<u>18,396</u>	<u>11,274</u>	<u>(3,629)</u>
DEBT SERVICE COVERAGE RATIO	<u>7.82</u>	<u>7.57</u>	<u>2.45</u>	<u>3.25</u>	<u>0.26</u>

SUBURBAN WASTEWATER

NET CASH FLOW PER 2017 Q3 FORECAST	<u>1,934</u>
Revenues	
Increase in volumes of 0.0%	-
Increase in rates of 2.80%	457
Operating expenses	
Effect from headcount changes	(22)
Wage increases of 3.0% from total wage pool	(15)
Higher G&A	(11)
Cost inflation - general inflation of 1.5%	(152)
Change in spending levels	(78)
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	(6,752)
Investments converting to cash	1,010
Lower balances of cash invested	-
No Borrowing	<u>-</u>
Net Changes	<u>(5,563)</u>
NET CASH FLOW PER 2018 BUDGET	<u>(3,629)</u>

SUBURBAN WASTEWATER

	2018	2017	2017	2016	2018 vs.
<u>INCOME STATEMENT (\$000)</u>	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>	<u>Actuals</u>	<u>2017 FC</u>
Operating Revenues	18,646	18,189	18,259	18,498	457
Operating Expenses	<u>19,135</u>	<u>18,457</u>	<u>18,557</u>	<u>21,687</u>	<u>(678)</u>
Operating Income	(489)	(268)	(298)	(3,189)	(221)
Non-Operating Revenues (Expenses)	<u>806</u>	<u>806</u>	<u>793</u>	<u>1,144</u>	<u>-</u>
Income Before Interest	317	538	495	(2,045)	(221)
Interest Income	5	5	119	119	-
Interest Expense	<u>(216)</u>	<u>(216)</u>	<u>(852)</u>	<u>(195)</u>	<u>-</u>
Income Before Capital Contributions	106	327	(238)	(2,121)	(221)
Capital Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>986</u>	<u>-</u>
Net Income	<u><u>106</u></u>	<u><u>327</u></u>	<u><u>(238)</u></u>	<u><u>(1,135)</u></u>	<u><u>(221)</u></u>

SUBURBAN WASTEWATER

	2018	2017	2016
BALANCE SHEET (\$000)	Budget	Forecast	Actuals
Assets and Deferred Outflows			
Cash and Cash Equivalents	9,242	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	94,295	87,554	87,165
Other Long-Term Assets	2,853	2,853	2,853
Deferred Outflows	236	236	236
Total Assets and Deferred Outflows	111,416	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	101,577	101,471	101,144
Total Liabilities and Net Position	111,416	111,784	111,931

SUBURBAN WASTEWATER

\$000's	2018 <u>Budget</u>	2017 <u>Forecast</u>	2017 <u>Budget</u>	2016 <u>Actuals</u>	2018 vs. <u>2017 FC</u>
OPERATING REVENUES					
Charges for Services	18,446	17,989	18,059	18,296	457
Rent	-	-	-	-	-
Other income	200	200	200	202	-
Total Operating Revenues	<u>18,646</u>	<u>18,189</u>	<u>18,259</u>	<u>18,498</u>	<u>457</u>
OPERATING EXPENSES (CASH BASED)					
Salaries and Wages	(449)	(427)	(392)	(441)	(22)
General and Administrative	(463)	(423)	(370)	(565)	(40)
Utilities	(240)	(229)	(280)	(205)	(11)
Materials and Supplies	(354)	(108)	(395)	(189)	(246)
Miscellaneous Services	(8,225)	(8,444)	(9,295)	(7,140)	219
Treatment and Transportation	(4,628)	(4,450)	(3,900)	(8,646)	(178)
Total Operating Expenses	<u>(14,359)</u>	<u>(14,081)</u>	<u>(14,632)</u>	<u>(17,186)</u>	<u>(278)</u>
CASH FROM OPERATIONS	<u>4,287</u>	<u>4,108</u>	<u>3,627</u>	<u>1,312</u>	<u>179</u>
Interest Received	5	5	119	119	-
CASH AVAILABLE FOR DEBT SERVICE	<u>4,292</u>	<u>4,113</u>	<u>3,746</u>	<u>1,431</u>	<u>179</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>3,602</u>	<u>3,423</u>	<u>1,767</u>	<u>618</u>	<u>179</u>
	6.22	5.96	1.89	1.76	0.26

SUBURBAN WASTEWATER

\$000's	2018 <u>Budget</u>	2017 <u>Forecast</u>	2017 <u>Budget</u>	2016 <u>Actuals</u>	2018 vs. <u>2017 FC</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	-
Less: Project Reimbursement	-	-	-	-	-
Other Expense	(301)	(301)	(300)	(65)	-
Less: Expensed Capex	<u>301</u>	<u>301</u>	<u>300</u>	<u>65</u>	<u>-</u>
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>(334)</u>	<u>-</u>
NET CASH AVAILABLE FOR CAPITAL	<u>4,709</u>	<u>4,530</u>	<u>2,860</u>	<u>1,493</u>	<u>179</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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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	(11,517)	(4,765)	(6,313)	(2,360)	(6,752)
Add: Expensed Capex	<u>(301)</u>	<u>(301)</u>	<u>(300)</u>	<u>(65)</u>	<u>-</u>
Total Capital Spending	<u>(11,818)</u>	<u>(5,066)</u>	<u>(6,613)</u>	<u>(2,425)</u>	<u>(6,752)</u>
NET CASH FLOW TO FUND	<u>(3,629)</u>	<u>1,934</u>	<u>7,122</u>	<u>(1,161)</u>	<u>(5,563)</u>

SUBURBAN WASTEWATER

	2018	2017	2017	2016	2018 vs.
\$000's	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>	<u>Actuals</u>	<u>2017 FC</u>
DEBT SERVICE RATIO (INDENTURE BASED)					
Total Operating Revenues	18,646	18,189	18,259	18,498	457
Total Operating Expenses (Cash Based)	(14,359)	(14,081)	(14,632)	(17,186)	(278)
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	5,399	5,220	4,839	2,640	179
Total Debt Service	<u>690</u>	<u>690</u>	<u>1,979</u>	<u>813</u>	<u>-</u>
Debt Service Ratio	<u><u>7.82</u></u>	<u><u>7.57</u></u>	<u><u>2.45</u></u>	<u><u>3.25</u></u>	<u><u>0.26</u></u>

SUBURBAN WASTEWATER

CAPITAL EXPENDITURES					
	Primary	Estimated	Estimated	2018	Estimated
Project	Project	Project	Costs	Budget	Costs
	Category	Cost	Through 2017		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	4,100,000	-	900,000	3,200,000
Subtotal			-	900,000	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	Regulatory	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	\$ 11,698,750	\$ 28,363,000

Dashboard – Suburban Wastewater



City Division

CITY DIVISION

	2018	2017	2017	2016
CASH FLOW - DIRECT (\$000)	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>	<u>Actuals</u>
Operating Revenues	33,545	32,031	31,809	31,673
Operating Expenses (ex D&A)	<u>(16,703)</u>	<u>(16,722)</u>	<u>(16,862)</u>	<u>(15,831)</u>
Cash From Operations	16,842	15,309	14,947	15,842
Interest Received	<u>348</u>	<u>448</u>	<u>302</u>	<u>387</u>
Cash Available for Debt Service	17,190	15,757	15,249	16,229
Debt Service	<u>(13,878)</u>	<u>(13,048)</u>	<u>(13,048)</u>	<u>(13,048)</u>
Net Cash Available After Debt Service	3,312	2,709	2,201	3,181
Non-Operating Revenues (Expenses)	452	493	850	2,974
Changes in Working Capital	<u>-</u>	<u>-</u>	<u>-</u>	<u>(963)</u>
Net Cash Available For Capital	3,764	3,202	3,051	5,192
Financing & Investment Activity	5,568	9,439	9,140	9,900
Capital Spending	<u>(14,473)</u>	<u>(10,346)</u>	<u>(10,671)</u>	<u>(13,877)</u>
Net Cash Flow	(5,141)	2,295	1,520	1,215
Beginning Balance	<u>42,596</u>	<u>40,301</u>	<u>40,301</u>	<u>39,086</u>
Ending Balance	<u><u>37,455</u></u>	<u><u>42,596</u></u>	<u><u>41,821</u></u>	<u><u>40,301</u></u>
DEBT SERVICE COVERAGE RATIO	<u>1.2456</u>	<u>1.22</u>	<u>1.21</u>	<u>1.43</u>

CITY DIVISION

NET CASH FLOW PER 2017 Q3 FORECAST	<u>2,295</u>
Revenues	
Increase in volumes of 0.0%	-
Increase in rates of 4.0%	1,514
Operating expenses	
Effect from headcount changes	(140)
Wage increases of 3.0% from total wage pool	(160)
Lower G &A	118
Cost inflation - general inflation of 1.5%	(139)
Change in spending levels	336
Debt Service	
Additional interest expense	(377)
Additional principal payments	(453)
Non-Operating Revenues (Expenses)	
Change in Non-Operating revenues (expenses)	(1,508)
Higher expensed capex	-
Interest income	(100)
Capital Spending/Funding	
Higher total capex	(4,127)
Investments converting to cash	(6,000)
Lower balances of cash invested	-
Borrowing	<u>3,600</u>
Net Changes	<u>(7,436)</u>
NET CASH FLOW PER 2018 BUDGET	<u>(5,141)</u>

CITY DIVISION

	2018	2017	2017	2016
INCOME STATEMENT (\$000)	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>	<u>Actuals</u>
Operating Revenues	33,545	32,031	31,809	31,673
Operating Expenses	<u>22,303</u>	<u>22,122</u>	<u>22,462</u>	<u>21,665</u>
Operating Income	11,242	9,909	9,347	10,008
Non-Operating Revenues (Expenses)	<u>(2,048)</u>	<u>(3,520)</u>	<u>(3,406)</u>	<u>(625)</u>
Income Before Interest	9,194	6,389	5,941	9,383
Interest Income	348	448	302	387
Interest Expense	<u>(16,838)</u>	<u>(16,461)</u>	<u>(16,461)</u>	<u>(18,280)</u>
Income Before Capital Contributions	(7,296)	(9,624)	(10,218)	(8,510)
Capital Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income	<u>(7,296)</u>	<u>(9,624)</u>	<u>(10,218)</u>	<u>(8,510)</u>

CITY DIVISION

	2018	2017	2016
BALANCE SHEET (\$000)	<u>Budget</u>	<u>Forecast</u>	<u>Actuals</u>
Assets and Deferred Outflows			
Cash and Cash Equivalents	3,583	8,724	6,429
Investments - Unrestricted	(6,000)	(6,000)	-
Other Current Assets	8,766	8,766	8,766
Cash and Cash Equivalents - Restricted	33,872	33,872	33,872
Investments - Restricted	18,140	18,140	18,140
Other Restricted Assets	-	-	-
Capital Assets, net of Accumulated Depreciation	2,315	(1,578)	1,436
Other Long-Term Assets	248,921	248,921	248,921
Deferred Outflows	<u>1,739</u>	<u>1,739</u>	<u>1,739</u>
Total Assets and Deferred Outflows	<u><u>311,336</u></u>	<u><u>312,584</u></u>	<u><u>319,303</u></u>
Liabilities and Net Position			
Current Liabilities	9,580	6,167	2,754
Long-Term Liabilities	354,503	351,868	352,376
Net Position	<u>(52,747)</u>	<u>(45,451)</u>	<u>(35,827)</u>
Total Liabilities and Net Position	<u><u>311,336</u></u>	<u><u>312,584</u></u>	<u><u>319,303</u></u>

CITY DIVISION

\$000's	2018 <u>Budget</u>	2017 <u>Forecast</u>	2017 <u>Budget</u>	2016 <u>Actuals</u>	2018 vs. <u>2017 FC</u>
OPERATING REVENUES					
Charges for Services	33,470	31,956	31,734	31,599	1,514
Rent	-	-	-	-	-
Other income	<u>75</u>	<u>75</u>	<u>75</u>	<u>74</u>	<u>-</u>
Total Operating Revenues	<u>33,545</u>	<u>32,031</u>	<u>31,809</u>	<u>31,673</u>	<u>1,514</u>
OPERATING EXPENSES (CASH BASED)					
Salaries and Wages	(5,162)	(5,089)	(5,470)	(3,665)	(73)
General and Administrative	(6,494)	(6,385)	(5,568)	(6,361)	(109)
Utilities	(1,983)	(1,739)	(2,048)	(1,864)	(244)
Materials and Supplies	(1,343)	(1,560)	(1,709)	(1,333)	217
Miscellaneous Services	(1,711)	(1,939)	(2,055)	(2,597)	228
Treatment and Transportation	<u>(10)</u>	<u>(10)</u>	<u>(12)</u>	<u>(11)</u>	<u>-</u>
Total Operating Expenses	<u>(16,703)</u>	<u>(16,722)</u>	<u>(16,862)</u>	<u>(15,831)</u>	<u>19</u>
CASH FROM OPERATIONS	<u>16,842</u>	<u>15,309</u>	<u>14,947</u>	<u>15,842</u>	<u>1,533</u>
Interest Received	<u>348</u>	<u>448</u>	<u>302</u>	<u>387</u>	<u>(100)</u>
CASH AVAILABLE FOR DEBT SERVICE	<u>17,190</u>	<u>15,757</u>	<u>15,249</u>	<u>16,229</u>	<u>1,433</u>
DEBT SERVICE					
Interest and Fees Paid	(13,425)	(13,048)	(13,048)	(13,048)	(377)
Principal Paid	<u>(453)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(453)</u>
Total Debt Service	<u>(13,878)</u>	<u>(13,048)</u>	<u>(13,048)</u>	<u>(13,048)</u>	<u>(830)</u>
NET CASH AVAILABLE AFTER DEBT SERVICE	<u>3,312</u>	<u>2,709</u>	<u>2,201</u>	<u>3,181</u>	<u>603</u>
	1.23865	1.21	1.17	1.24	0.03

CITY DIVISION

\$000's	2018	2017	2017	2016	2018 vs.
	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>	<u>Actuals</u>	<u>2017 FC</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)
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	<u>4,980</u>	<u>7,960</u>	<u>7,904</u>	<u>3,999</u>	<u>(2,980)</u>
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>(963)</u>	<u>-</u>
					-
NET CASH AVAILABLE FOR CAPITAL	<u>3,764</u>	<u>3,202</u>	<u>3,051</u>	<u>5,192</u>	<u>562</u>
FINANCING AND INVESTMENT ACTIVITY					
Grants Received	-	-	-	-	-
New Borrowing	3,600	-	-	-	3,600
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	<u>2,480</u>	<u>3,947</u>	<u>3,648</u>	<u>400</u>	<u>(1,467)</u>
Total Financing & Investment Activity	<u>5,568</u>	<u>9,439</u>	<u>9,140</u>	<u>9,900</u>	<u>(3,871)</u>
CAPITAL SPENDING					
Net Capital Spending	(9,493)	(2,386)	(2,767)	(9,878)	(7,107)
Add: Expensed Capex	<u>(4,980)</u>	<u>(7,960)</u>	<u>(7,904)</u>	<u>(3,999)</u>	<u>2,980</u>
Total Capital Spending	<u>(14,473)</u>	<u>(10,346)</u>	<u>(10,671)</u>	<u>(13,877)</u>	<u>(4,127)</u>
NET CASH FLOW TO FUND	<u>(5,141)</u>	<u>2,295</u>	<u>1,520</u>	<u>1,215</u>	<u>(7,436)</u>

CITY DIVISION

	2018	2017	2017	2016	2018 vs.
\$000's	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>	<u>Actuals</u>	<u>2017 FC</u>
DEBT SERVICE RATIO (INDENTURE BASED)					
Total Operating Revenues	33,545	32,031	31,809	31,673	1,514
Total Operating Expenses (Cash Based)	(16,703)	(16,722)	(16,862)	(15,831)	19
Interest Income	348	448	302	387	(100)
Annual Lease Payment (City)	(512)	(508)	(508)	(500)	(4)
Total Non-Operating Revenues (Expenses)	<u>609</u>	<u>647</u>	<u>1,029</u>	<u>2,974</u>	<u>(38)</u>
Cash Available For Debt Service	17,287	15,896	15,770	18,703	1,391
Total Debt Service	<u>13,878</u>	<u>13,048</u>	<u>13,048</u>	<u>13,048</u>	<u>830</u>
Debt Service Ratio	<u>1.24564</u>	<u>1.22</u>	<u>1.21</u>	<u>1.43</u>	<u>0.03</u>

CITY DIVISION

WASTEWATER SYSTEM CAPITAL EXPENDITURES

		Estimated Project Cost	Estimated Costs Through 2017	2018 Budget	Estimated Costs 2019 - 2022
Project	Priority				
<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

(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.

Dashboard – City Division

