

# LEHIGH COUNTY AUTHORITY



**FINANCIAL RESULTS**



**SEPTEMBER 2021**

## SUMMARY FIGURES

**SEPTEMBER 2021**

**Income Statement**

Suburban Water

Suburban Wastewater

City Division

Total LCA

**Cash Flow Statement**

Suburban Water

Suburban Wastewater

City Division

Total LCA

**Debt Service Coverage Ratio**

Suburban Water

Suburban Wastewater

City Division

				<b>MONTH</b>		
				Actual	Q3 FC	FC Var
<b>Income Statement</b>						
	Suburban Water			59,102	(191)	59,293
	Suburban Wastewater			(179,575)	(171,500)	(8,076)
	City Division			1,442,619	1,322,401	120,218
	Total LCA			1,322,145	1,150,710	171,435
<b>Cash Flow Statement</b>						
	Suburban Water			(91,670)	(501,502)	409,832
	Suburban Wastewater			(565,261)	(625,500)	60,239
	City Division			3,088,191	2,825,851	262,340
	Total LCA			2,431,260	1,698,849	732,411
<b>Debt Service Coverage Ratio</b>						
	Suburban Water			1.43	1.17	0.26
	Suburban Wastewater			3.62	3.74	(0.12)
	City Division			2.80	2.72	0.08

## SUMMARY FIGURES

**SEPTEMBER 2021**

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**Suburban Water**

**Suburban Wastewater**

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**Debt Service Coverage Ratio**

**Suburban Water**

**Suburban Wastewater**

**City Division**

<b>YEAR TO DATE</b>		
Actual	Q3 FC	FC Var
614,304	828,641	(214,337)
1,522,473	2,285,180	(762,707)
4,776,804	4,492,557	284,247
6,913,580	7,606,378	(692,798)
373,007	(36,825)	409,832
291,541	126,192	165,349
11,305,771	11,043,431	262,340
11,970,319	11,132,798	837,521
1.49	1.55	(0.06)
9.35	10.74	(1.39)
2.03	2.01	0.02

# YTD Major Factors – Suburban Water

## NET INCOME

- Net Income >\$0
- Lower than FC
  - Operating revenues - slightly higher
  - Operating expenses –slightly higher on higher labor cost charged in & higher spending on services
  - Net operating profit – operating revenue variance was better than expense variance
  - Higher financial expenses – primary driver on net income variance to FC

## CASH FLOWS

- Surplus
- Better than FC
  - Lower net operating profit
  - Favorable working capital effect
  - Lower debt service
  - Lower capex
  - Higher financial expenses

# YTD Major Factors – Suburban WW

## NET INCOME

- Net Income >\$0
- Lower than FC
  - Operating revenues – lower on lower municipal charges
  - Operating expenses – higher on higher treatment & transportation volumes
  - Net operating profit – lower on combination of unfavorable variance on operating revenues and operating expenses
  - Higher financial expenses – primary driver on net income variance to FC

## CASH FLOWS

- Surplus
- Better than FC
  - Lower net operating profit
  - Favorable working capital effect
  - Slightly higher debt service
  - Lower capex
  - Lower interest income

# YTD Major Factors – City Division

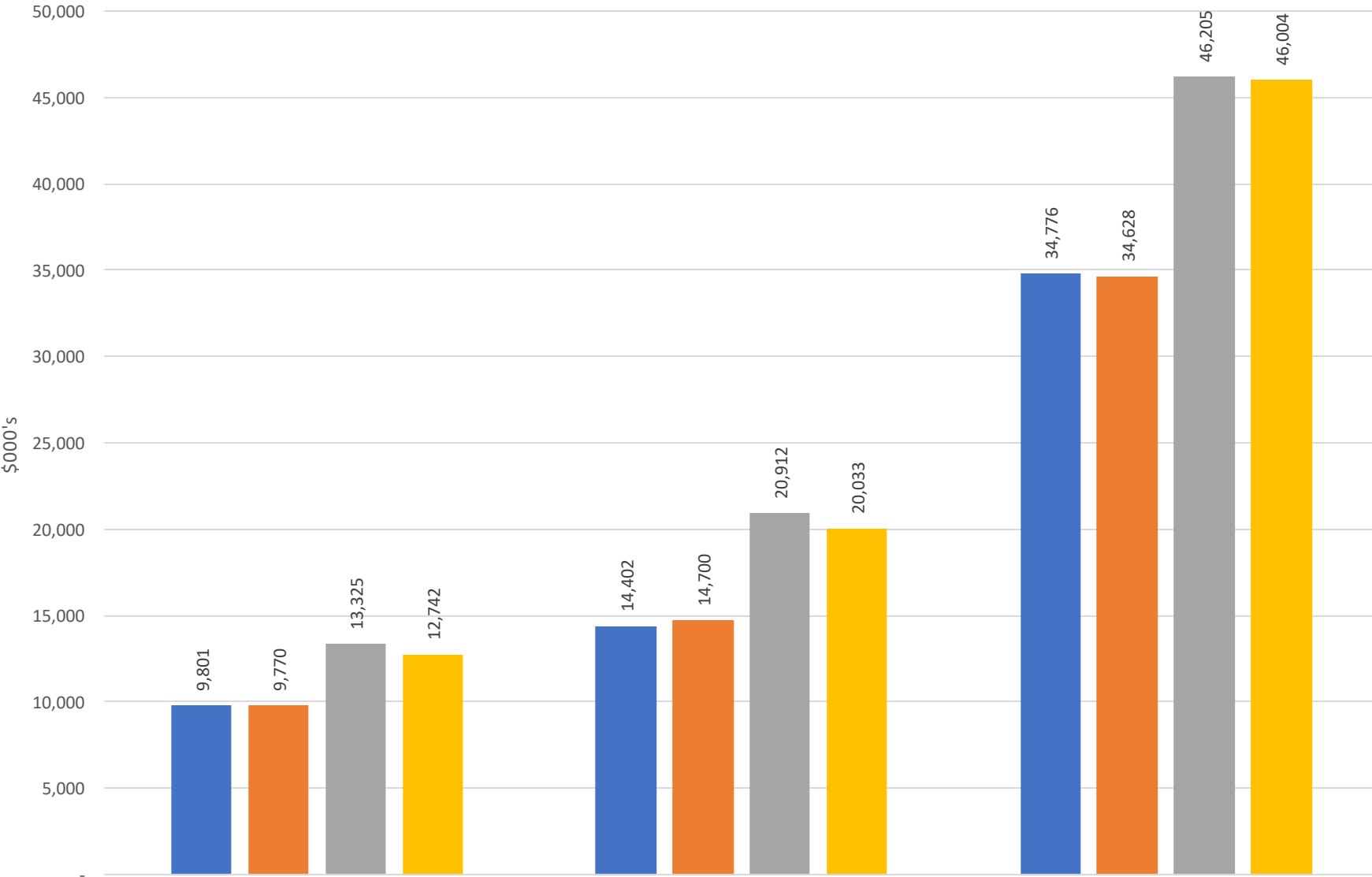
## NET INCOME

- Net Income >\$0
- Better than FC
  - Operating revenues – higher on higher user charges and tapping fees
  - Operating expenses – lower on lower personnel costs
  - Net operating profit – higher from combination of higher operating revenues along with lower operating expenses
  - Lower financial expenses

## CASH FLOWS

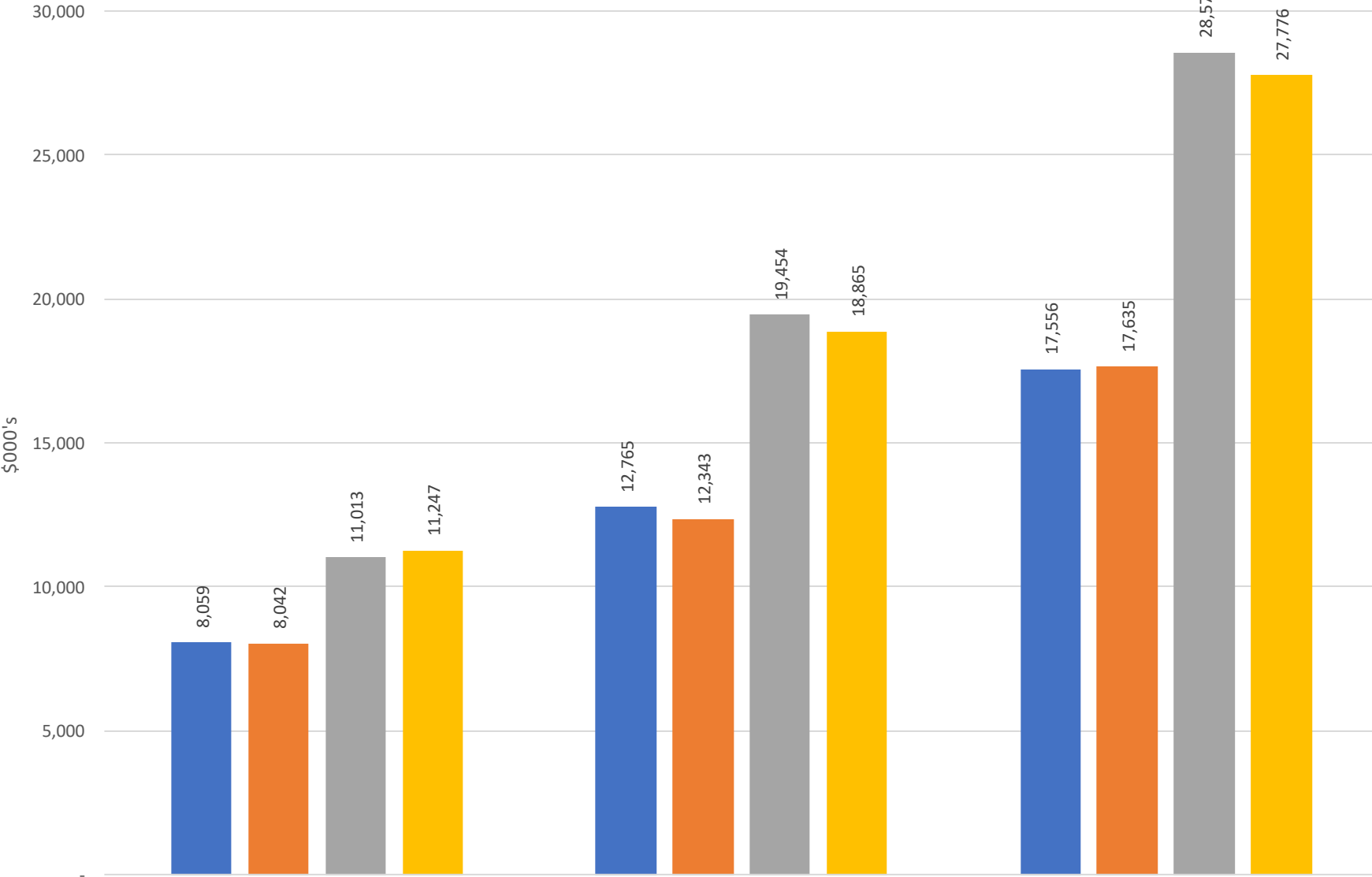
- Surplus
- Better than FC
  - Higher net operating profit
  - Small favorable working capital effect
  - Lower capex
  - Lower interest income

# Operating Revenues



■ YTD Actual ■ YTD FC ■ FY FC ■ FY Bud

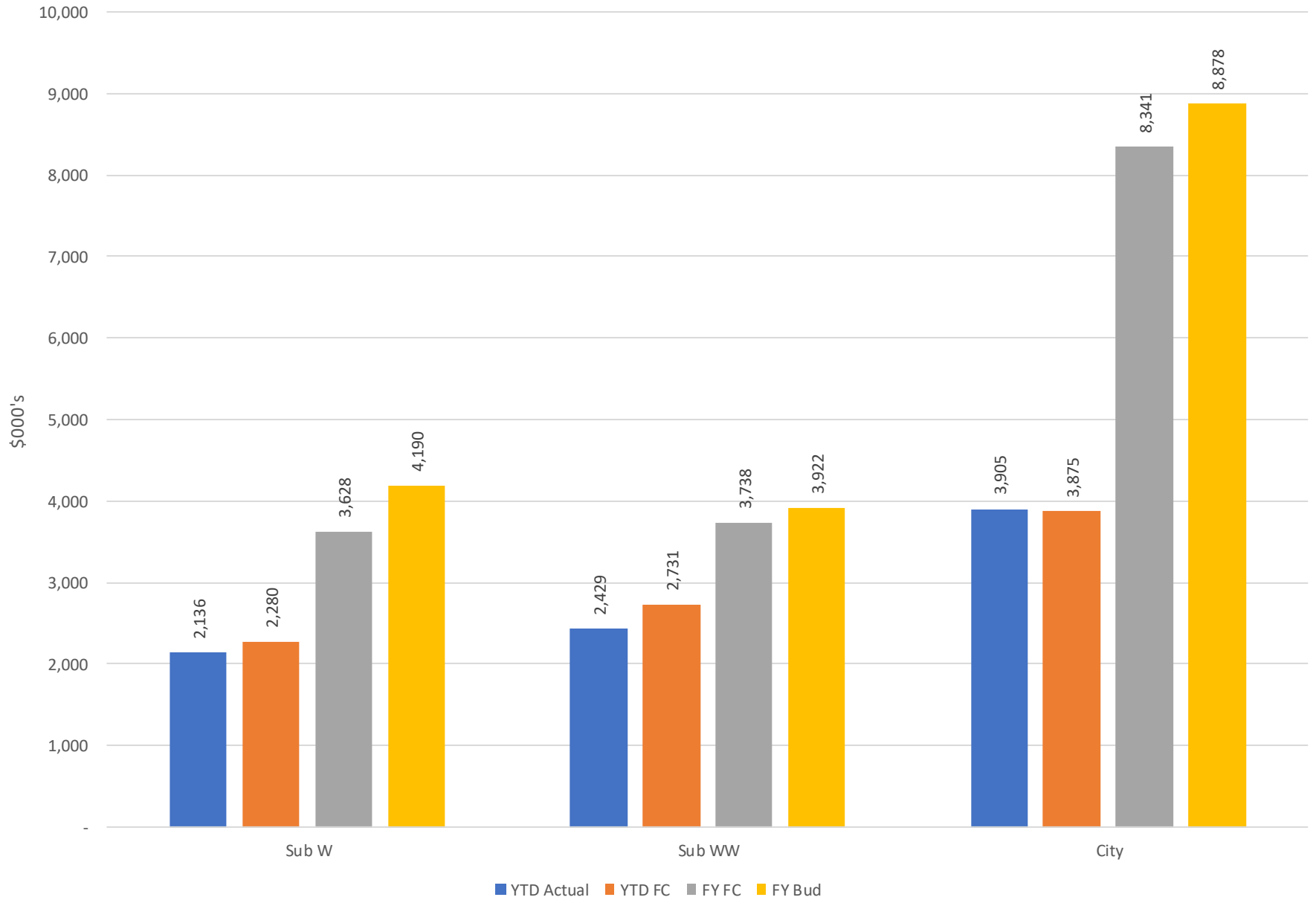
### Operating Expenses



■ YTD Actual ■ YTD FC ■ FY FC ■ FY Bud



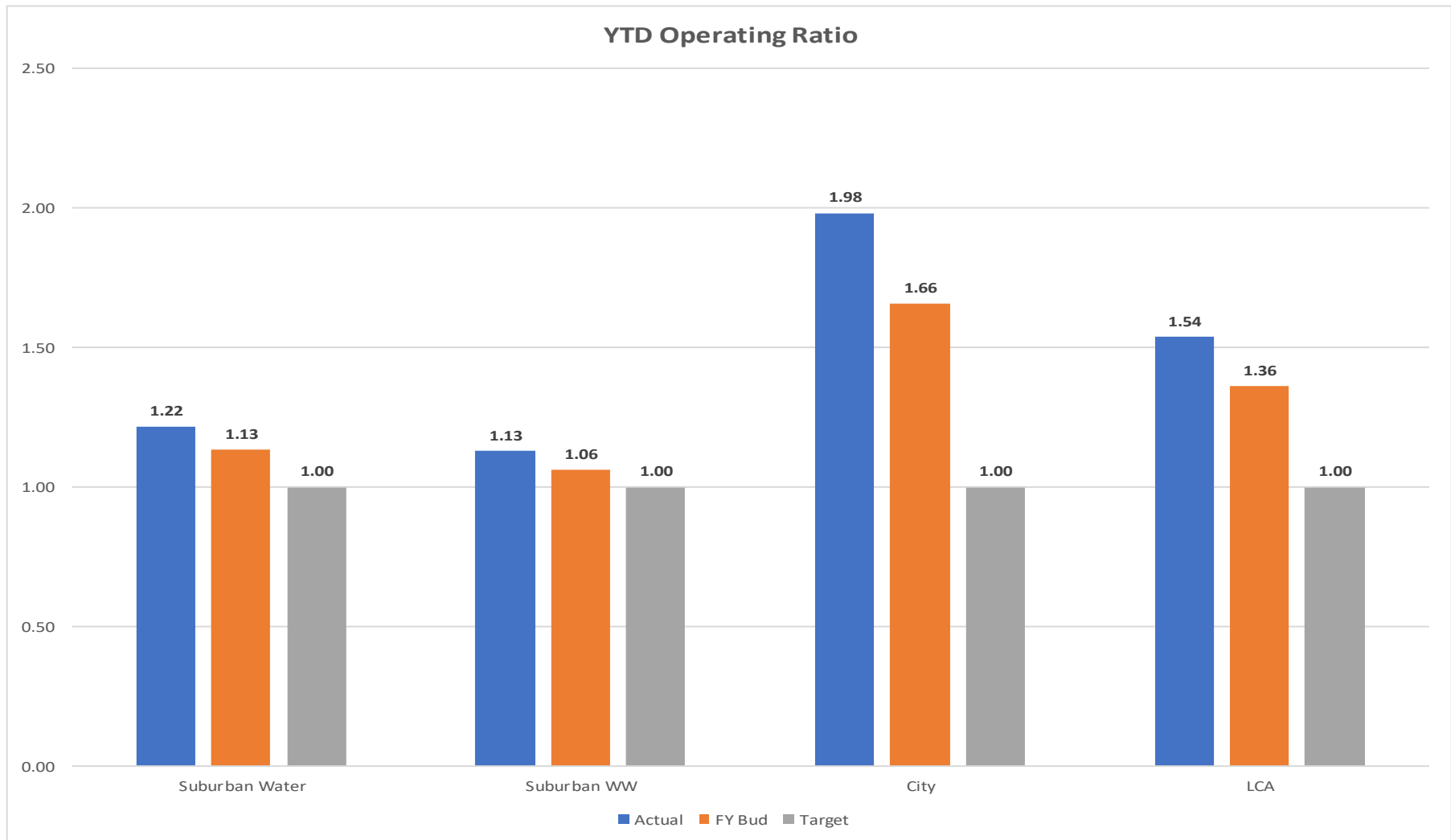
# Capex



# FORECAST VARIANCE SUMMARY

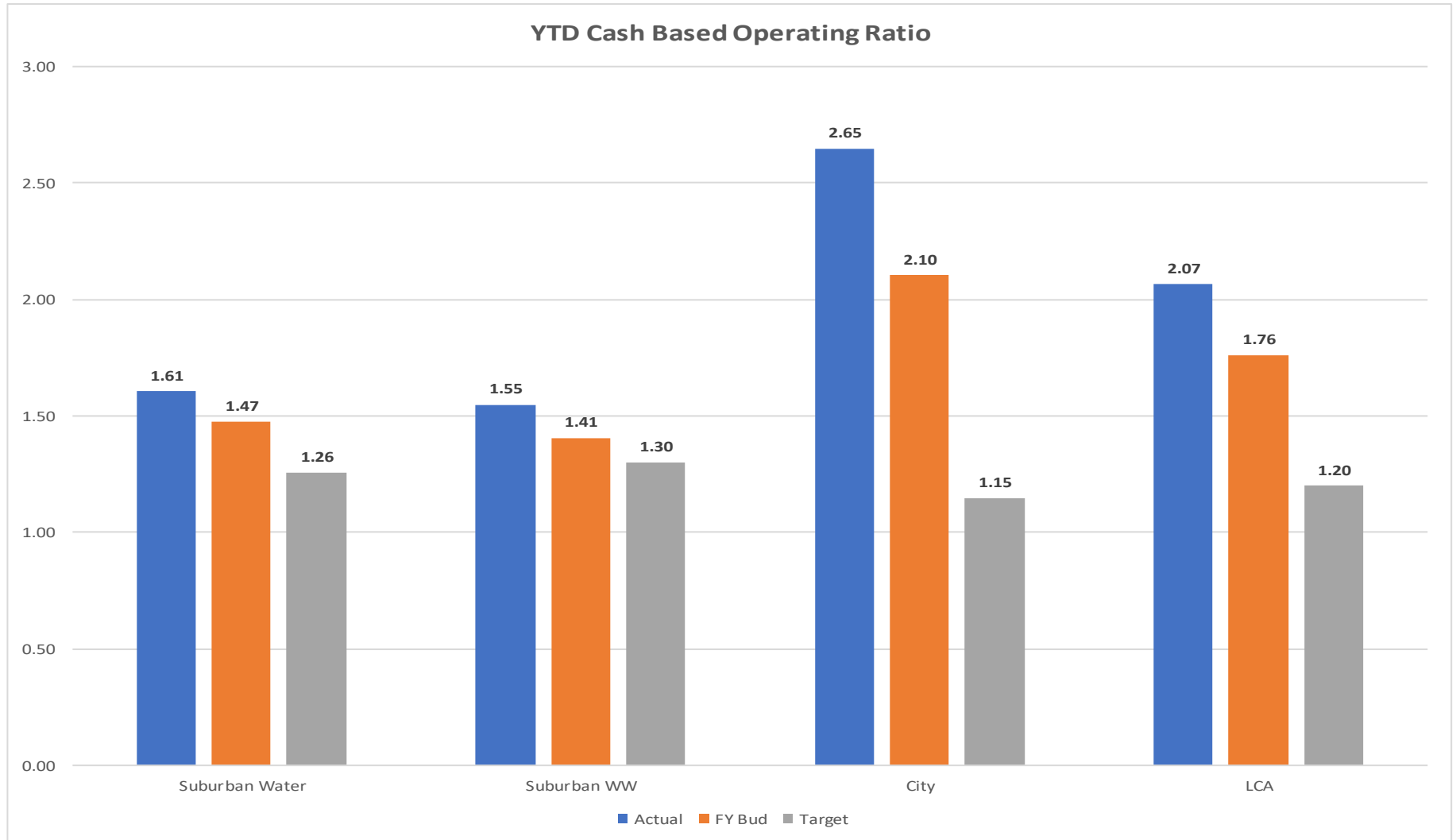
	Sub W	Sub WW	City	LCA
<b>Net Income</b>				
Operating Revenues	100.3%	98.0%	100.4%	99.8%
Operating Expenses	100.2%	103.4%	99.6%	100.9%
Non-Operating Inc/Exp	-307.0%	38.1%	40.9%	-78.9%
Interest Expense	108.3%	101.3%	99.5%	100.1%
<b>Cash Flows</b>				
Cash From Operations	114.5%	97.9%	101.1%	101.7%
Debt Service & Financing	-494.9%	100.0%	100.0%	101.5%
Capex	93.6%	88.9%	98.8%	94.2%
Investing & Other	-310.3%	105.2%	100.2%	109.7%

# MAJOR KPIs



Measures the profitability of the system. It shows whether the revenues are sufficient to cover the Operating Expenses including Depreciation  
FORMULA:  $\text{Operating Revenues} / \text{Operating Expenses (including Depreciation)}$

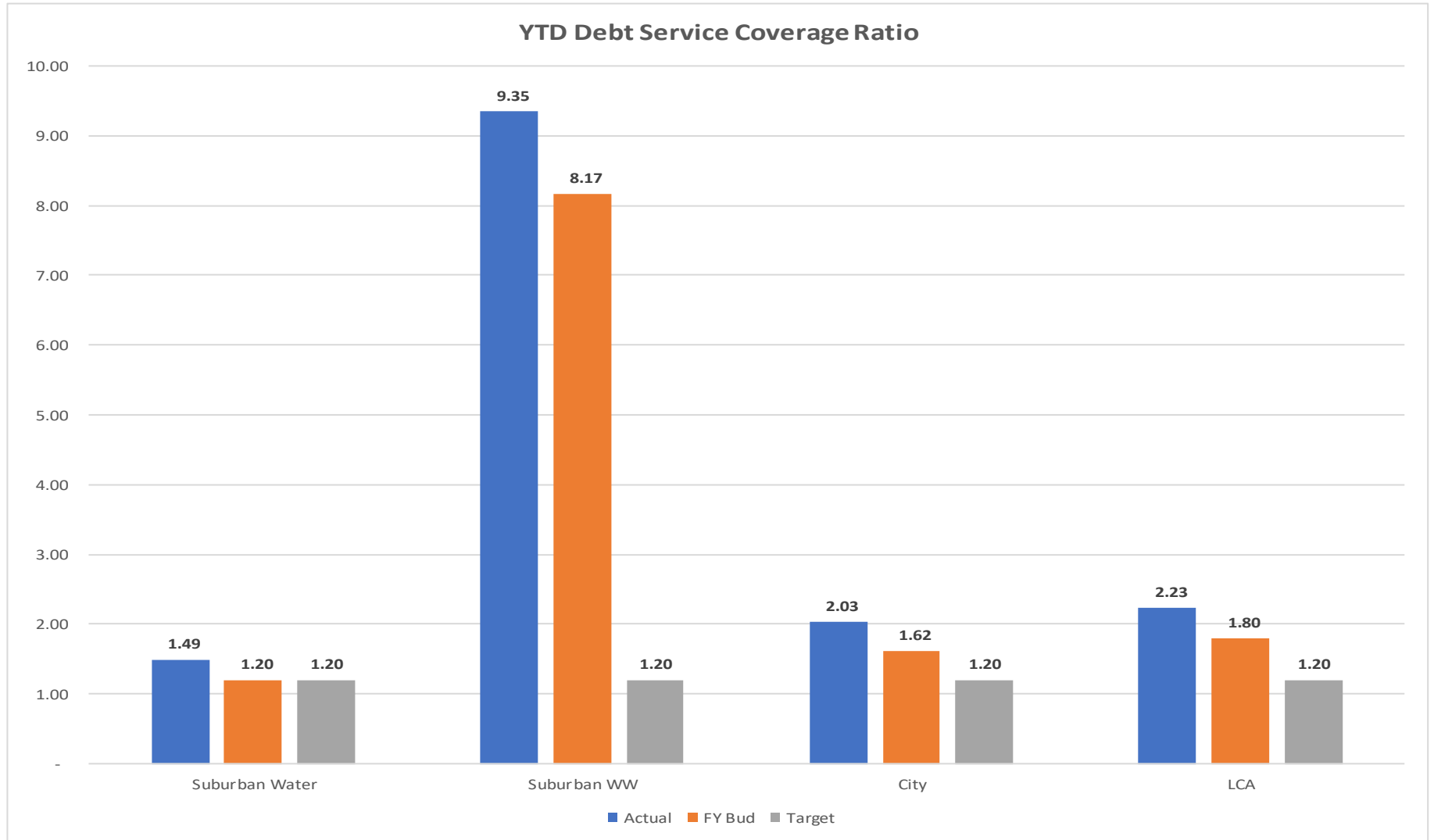
## MAJOR KPIS



This measures whether the revenues are sufficient to cover the Operating Expenses excluding Depreciation

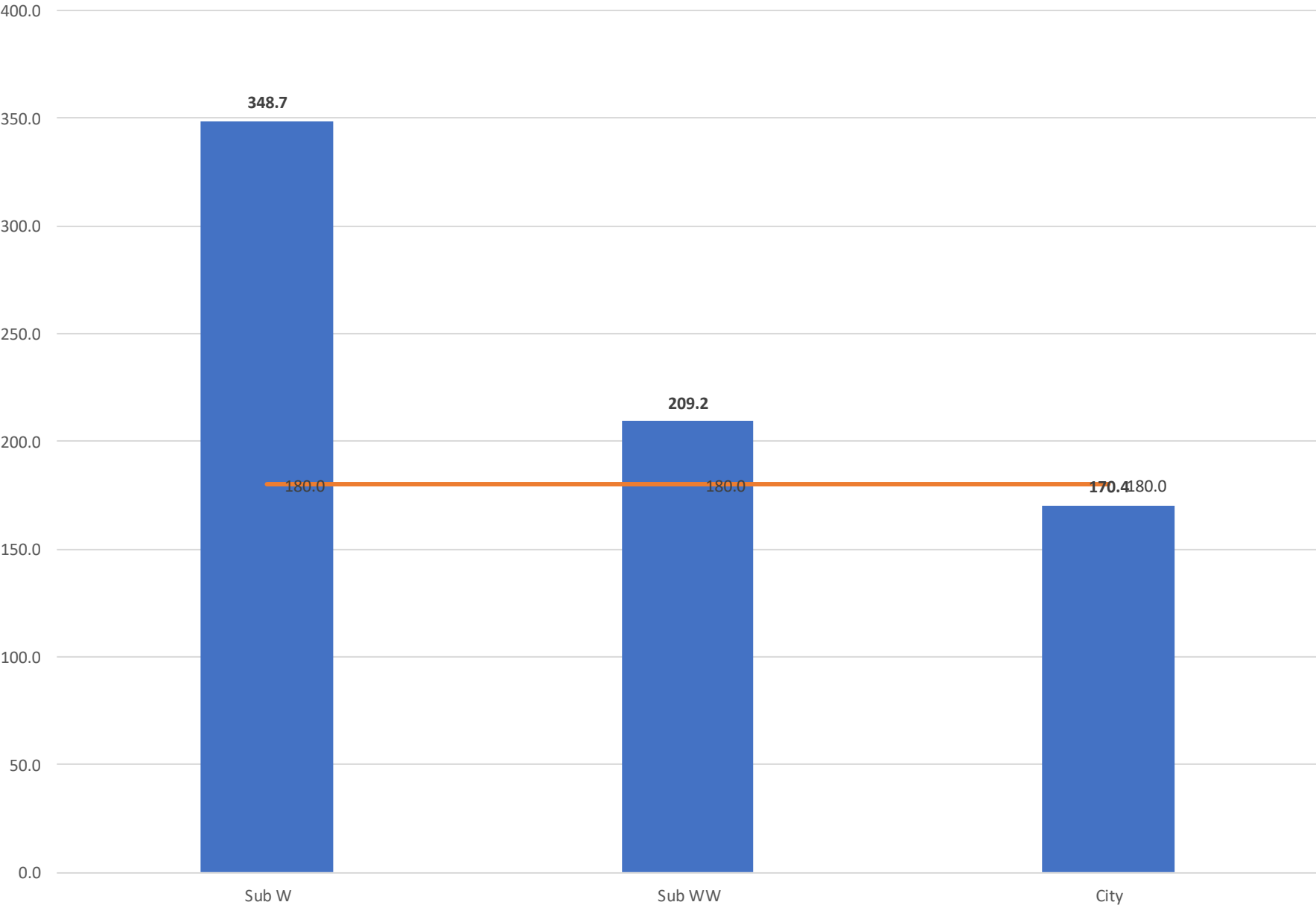
FORMULA: Operating Revenues / Operating Expenses (excluding Depreciation)

# MAJOR KPIs



This measures the ability to pay debt service  
FORMULA:  $\text{Net Cash Before Debt Service} / \text{Debt Service}$

# Unrestricted Days Cash On Hand



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**Debt Service Coverage Ratio**

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<b>FULL YEAR</b>			
	Q3 FC	Budget	Bud Var
	1,139,599	183,548	956,051
	1,361,874	1,175,879	185,995
	1,063,156	865,692	197,464
	3,564,629	2,225,119	1,339,510
	(1,325,787)	(3,490,153)	2,164,366
	4,011,491	2,321,828	1,689,663
	3,017,494	4,663,547	(1,646,053)
	5,703,198	3,495,222	2,207,976
	1.66	1.20	0.46
	10.23	8.17	2.06
	1.60	1.62	(0.03)