

LEHIGH COUNTY AUTHORITY
2020 BUDGET
BOARD PACK PRELIMINARY
September 23, 2019

Summary

**LEHIGH COUNTY AUTHORITY
2020 BUDGET
SUMMARY**

	<u>2020 Budget</u>	<u>2019 Forecast</u>	<u>2018 Actuals</u>	<u>2020 Bud vs 2019 FC</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS				
Suburban Water	15,778	155,033	19,266	(139,255)
Suburban Wastewater	(1,152,613)	(2,171,702)	(778,027)	1,019,089
City Division	<u>(4,436,001)</u>	<u>(4,037,684)</u>	<u>(6,134,152)</u>	<u>(398,317)</u>
Total LCA	<u>(5,572,836)</u>	<u>(6,054,353)</u>	<u>(6,892,913)</u>	<u>481,517</u>
NET CASH FLOWS				
Suburban Water	(2,053,268)	3,092,647	(287,896)	(5,145,915)
Suburban Wastewater	12,574,064	(1,213,144)	2,533,964	13,787,208
City Division	<u>1,417,766</u>	<u>2,035,568</u>	<u>(20,950,090)</u>	<u>(617,802)</u>
Total LCA	<u>11,938,562</u>	<u>3,915,071</u>	<u>(18,704,022)</u>	<u>8,023,491</u>
DEBT SERVICE COVERAGE RATIO				
Suburban Water	1.24	1.37	1.37	(0.13)
Suburban Wastewater	3.19	7.02	5.78	(3.83)
City Division	<u>1.24</u>	<u>1.58</u>	<u>1.66</u>	<u>(0.34)</u>
Total LCA	<u>1.39</u>	<u>1.76</u>	<u>1.77</u>	<u>(0.37)</u>
CAPITAL SPENDING				
Suburban Water	(8,010,000)	(8,249,662)	(5,348,970)	239,662
Suburban Wastewater	(8,670,500)	(11,452,292)	(2,687,185)	2,781,792
City Division	<u>(4,815,000)</u>	<u>(3,724,885)</u>	<u>(7,853,989)</u>	<u>(1,090,115)</u>
Total LCA	<u>(21,495,500)</u>	<u>(23,426,839)</u>	<u>(15,890,144)</u>	<u>1,931,339</u>

Internal Services

**LEHIGH COUNTY AUTHORITY
2020 BUDGET
INTERNAL SERVICES CONSOLIDATED**

	2020 BUDGET	2019 FORECAST	2019 BUDGET	2020 Budget vs. 2019 FC
CONSOLIDATED				
Labor	3,940,074.00	3,470,462.00	2,976,514.00	(469,612.00)
Services	2,441,778.00	2,342,234.00	2,429,246.00	(99,544.00)
Materials & Supplies	123,950.00	107,533.00	124,270.00	(16,417.00)
Financing Costs	-	-	8,840.00	-
Allocations	-	-	-	-
TOTAL	6,505,802.00	5,920,229.00	5,538,870.00	(585,573.00)
CHANGE %				-9.89%

**LEHIGH COUNTY AUTHORITY
2020 BUDGET
INTERNAL SERVICES CONSOLIDATED**

MAJOR VARIANCES

Labor		
Labor pool increase	3.00%	(75,792)
Employee Insurance Increase	18.00%	(149,536)
Headcount Changes		<u>(244,284)</u> Headcount changes
Total Labor		<u><u>(469,612)</u></u>
 Services		
		Additional expenses added for enhancements in public outreach on infrastructure and associated rate impacts, including direct mail, social media, public meetings, and website upgrades
Public Relations	(19,449)	
Education & Training	(24,986)	Management team training and individual employee training
Computer services	(35,350)	Additional spending on GIS, MUNIS, and Citiworks
		Items budgeted for 2020:
		Strategic Planning Consulting - \$40,000
		Process Improvement Projects - \$40,000
		Compensation Study - \$25,000
Special Studies	(105,000)	Customer Survey - \$25,000 (deferred from 2019)
Legal fees	104,881	Solicitor in personnel costs for 2020 pending decision from selection process
Risk Management	(46,842)	Increase in insurance premiums
Other miscellaneous net	<u>27,202</u>	Favorable other net
Total Services		<u><u>(99,544)</u></u>
 Materials & Supplies		
Other miscellaneous net	<u>(16,417)</u>	
Total Materials & Supplies		<u><u>(16,417)</u></u>
 Finance Expenses		
		<u>-</u>
TOTAL		<u><u>(585,573)</u></u>

LEHIGH COUNTY AUTHORITY
 2020 BUDGET
 CONSOLIDATED INTERNAL SERVICES

Acct#	Description	CONSOLIDATED			
		2020 Budget	2019 Forecast	2019 Budget	2020 BUD vs. 2019 FC
5000	SALARIES INT SVC	2,303,616.00	1,994,798.00	2,021,589.00	(308,818.00)
5001	SALARIES - BONUS	-	4,286.00	-	4,286.00
5002	OVERTIME INT SVC	8,280.00	9,613.00	6,257.00	1,333.00
5003	TEMPORARY CONTRACT SVC INT SVC	-	50,876.00	-	50,876.00
5204	OFFTIME COA	65,087.00	-	-	(65,087.00)
6210	OFFTIME INT SVC	224,413.00	303,950.00	191,737.00	79,537.00
5005	MINIMUM CALLOUT CONSOL IS	809.00	1,540.00	810.00	731.00
5100	FICA INTERNAL SERVICE	198,853.00	263,748.00	157,696.00	64,895.00
5101	FICA BONUS INTERNAL SERVICE	-	-	-	-
5102	BENEFITS	1,139,016.00	841,050.00	598,425.00	(297,966.00)
6211	BENEFITS INT SVC	-	-	-	-
5105	PENSION ASSET EXPENSE	-	-	-	-
5107	OPEB EXPENSE	-	-	-	-
5108	PPACA HEALTH CARE FEES EXP	-	601.00	-	601.00
6201	OFFTIME REIMB ALLOCATION	-	-	-	-
6202	BENEFITS REIMB ALLOCATION	-	-	-	-
6212	ADMIN SVC INTERFUND	-	-	-	-
6214	OFFTIME ALLOCATION	-	-	-	-
6215	BENEFITS ALLOCATION	-	-	-	-
5113	PENSION FUNDING EXPENSE	-	-	-	-
5114	FRINGE BENEFITS	-	-	-	-
	Subtotal - Labor & Benefits	3,940,074.00	3,470,462.00	2,976,514.00	(469,612.00)
5103	INTERNAL SERVICE EXP	-	118,322.00	-	118,322.00
5109	CONSOLIDATED INT EXP ALLOC	-	-	-	-
5200	SEWER CHARGE INT SVC	1,375.00	519.00	1,250.00	(856.00)
5201	GARBAGE HAULING SVC	2,800.00	1,872.00	2,100.00	(928.00)
5202	POWER & ELECTRIC INT SVC	42,000.00	43,395.00	49,500.00	1,395.00
5203	TELEPHONE INT SVC	29,490.00	45,848.00	49,058.00	16,358.00
5205	CABLE	5,640.00	34,085.00	41,220.00	28,445.00
5300	COMPUTER SERVICES & MAINT	318,505.00	314,578.00	320,000.00	(3,927.00)
5301	OFFICE CLEANING	16,000.00	13,884.00	16,000.00	(2,116.00)
5302	SITE & BLDG MAINT INT SVC	53,150.00	49,724.00	57,000.00	(3,426.00)
5303	EQUIPMENT MAINT/RENTAL INT SVC	23,736.00	26,049.00	21,315.00	2,313.00
5309	OTHER MAINTENANCE SVCS INT SVC	-	803.00	500.00	803.00
5314	FLEET MAINTENANCE INT SVC	500.00	-	-	(500.00)
5600	PLANNING EXPENSE	-	-	-	-
5602	POSTAGE	126,500.00	113,834.00	126,000.00	(12,666.00)
5603	ADVERTISING INT SVC	2,750.00	6,348.00	1,500.00	3,598.00
5604	AUDIT FEES	52,000.00	51,941.00	50,000.00	(59.00)
5605	DUES & SUBSCRIPTIONS	48,000.00	47,822.00	44,500.00	(178.00)
5606	E&T TRAVEL	19,270.00	8,052.00	10,265.00	(11,218.00)
5607	GENERAL MILEAGE	825.00	624.00	1,175.00	(201.00)
5608	WORKER'S COMPENSATION INS	240,000.00	238,417.00	225,000.00	(1,583.00)
5609	PROPERTY INSURANCE	156,937.00	139,564.00	135,445.00	(17,373.00)
5610	LIABILITY INSURANCE	293,821.00	285,000.00	285,849.00	(8,821.00)
5611	BONDING INSURANCE	3,200.00	5,143.00	3,200.00	1,943.00
5612	UNEMPLOYMENT COMPENSATION EXP	-	-	-	-
5613	LEGAL FEES INT SVC	21,000.00	125,881.00	144,000.00	104,881.00
5614	LITIGATION FEES INT SVC	-	-	-	-
5615	PUBLIC RELATIONS	119,449.00	100,000.00	141,699.00	(19,449.00)
5616	MEAL EXPENSE INT SVC	10,950.00	7,694.00	12,400.00	(3,256.00)
5617	PRINTING EXPENSE	4,050.00	2,643.00	4,750.00	(1,407.00)
5618	LONGEVITY BONUS	-	-	-	-
5619	CONTRIBUTIONS & SPONSORSHIPS	3,000.00	436.00	3,300.00	(2,564.00)
5620	BANK FEES	41,170.00	38,948.00	48,150.00	(2,222.00)
5621	ACCOUNT DEBIT FEES	5,650.00	5,472.00	5,000.00	(178.00)
5622	ACTIVITY COMMITTEE	4,800.00	1,146.00	6,000.00	(3,654.00)
5623	OUTSOURCING	50,600.00	33,892.00	43,000.00	(16,708.00)
5624	MISCELLANEOUS EXPENSE INT SVC	25,250.00	11,693.00	22,200.00	(13,557.00)
5625	RISK MANAGEMENT	137,100.00	90,258.00	137,600.00	(46,842.00)
5626	PERSONNEL STUDY	-	-	-	-
5627	ACTUARIAL BENEFITS STUDY	-	-	-	-
5628	UNCOLLECTIBLE ACCOUNTS INT SVC	-	-	-	-
5630	ENGINEER CONSULT SVCS INT SVC	75,255.00	59,100.00	54,000.00	(16,155.00)

LEHIGH COUNTY AUTHORITY
 2020 BUDGET
 CONSOLIDATED INTERNAL SERVICES

Acct#	Description	CONSOLIDATED			
		2020 Budget	2019 Forecast	2019 Budget	2020 BUD vs. 2019 FC
5631	CONTRACT OPERATING SVCS	-	-	-	-
5633	ECONOMIC FEASIBLTY STUDY	-	-	-	-
5635	INVENTORY WRITE OFF	-	-	-	-
5645	EDUCATION & TRAINING	168,255.00	143,269.00	159,220.00	(24,986.00)
5649	AWWA RF REG STUDY	-	-	-	-
5654	SPECIAL STUDIES	130,000.00	25,000.00	35,000.00	(105,000.00)
5655	CREDIT CARD PROGRAM FEE	129,000.00	125,367.00	121,000.00	(3,633.00)
5662	COMPLIANCE EXPENSE	22,750.00	707.00	17,750.00	(22,043.00)
5668	HUMAN RESOURCES EXPENSE	47,000.00	24,904.00	33,300.00	(22,096.00)
5672	EMPLOYEE ENGAGEMENT	10,000.00	-	-	(10,000.00)
5908	TRANSFER TO INT SVC PAYROLL AD	-	-	-	-
	Subtotal - Purchased Services	2,441,778.00	2,342,234.00	2,429,246.00	(99,544.00)
5204	GAS	13,000.00	5,206.00	8,000.00	(7,794.00)
5700	OFFICE SUPPLIES	22,500.00	15,788.00	24,650.00	(6,712.00)
5701	COMPUTER SUPPLIES	13,500.00	9,803.00	15,000.00	(3,697.00)
5702	BUILDING SUPPLIES INT SVC	1,800.00	600.00	2,000.00	(1,200.00)
5703	EQUIPMENT EXP INT SVC	57,700.00	53,104.00	62,000.00	(4,596.00)
5712	MOBILE EQUIP SUPPLIES INT SVC	50.00	47.00	-	(3.00)
5713	FUEL	750.00	4,620.00	5,370.00	3,870.00
5714	MISCELLANEOUS SUPPLIES INT SVC	10,150.00	9,265.00	2,750.00	(885.00)
5400	DEPRECIATION	4,500.00	4,500.00	-	-
5719	AMORTIZATION OF VEHICLE	-	-	-	-
5720	AMORTIZATION OF EQUIPMENT	-	4,600.00	4,500.00	4,600.00
	Subtotal - Equipment, Materials, & Supplies	123,950.00	107,533.00	124,270.00	(16,417.00)
5601	Financing Expense	-	-	8,840.00	-
	Total - NonLabor				
	GRAND TOTAL	6,505,802.00	5,920,229.00	5,538,870.00	(585,573.00)

Suburban Water

**LEHIGH COUNTY AUTHORITY - SUBURBAN WATER
2020 BUDGET
CONDENSED STATEMENTS**

SUBURBAN WATER

INCOME STATEMENT	2020 Budget	2019 Forecast	2019 Budget	2018 Actuals	2020 vs. 2019 FC
Operating Revenues	10,582,010	9,997,745	9,989,588	9,348,885	584,265
Operating Expenses	9,926,549	9,278,301	9,173,554	8,503,040	(648,248)
Operating Income	655,461	719,444	816,034	845,845	(63,983)
Non-Operating Revenues (Expenses)	773,100	772,723	743,000	494,641	377
Income Before Interest	1,428,561	1,492,167	1,559,034	1,340,486	(63,606)
Interest Income	160,000	158,937	144,000	255,439	1,063
Interest Expense	(1,572,783)	(1,496,071)	(1,466,582)	(1,576,659)	(76,712)
Income Before Capital Contributions	15,778	155,033	236,452	19,266	(139,255)
Capital Contributions	-	-	-	1,793,798	-
Net Income	15,778	155,033	236,452	1,813,064	(139,255)

CASH FLOWS (INDIRECT)	2020 Budget	2019 Forecast	2019 Budget	2018 Actuals	2020 vs. 2019 FC
Net Cash Provided By (Used In) Operating Activities	3,405,461	11,056,615	3,566,034	2,657,301	(7,651,154)
Net Cash Provided By (Used In) Non-Capital Financing Activities	-	-	-	(4,492,791)	-
Net Cash Provided By (Used In) Capital and Related Financing Activities	(5,618,729)	(10,694,163)	(12,659,242)	(8,047,342)	5,075,434
Net Cash Provided By (Used In) Investing Activities	160,000	2,730,195	6,714,850	9,594,936	(2,570,195)
Net Increase (Decrease) in Cash	(2,053,268)	3,092,647	(2,378,358)	(287,896)	(5,145,915)
Cash - Beginning of Year	13,228,626	10,135,979	10,135,979	10,423,875	3,092,647
Cash - End of Year	11,175,358	13,228,626	7,757,621	10,135,979	(2,053,268)

CASH FLOW (DIRECT)	2020 Budget	2019 Forecast	2019 Budget	2018 Actuals	2020 vs. 2019 FC
Operating Revenues	10,582,010	9,997,745	9,989,588	9,348,885	584,265
Operating Expenses (ex D&A)	(7,176,549)	(6,528,307)	(6,423,554)	(5,734,907)	(648,242)
Cash From Operations	3,405,461	3,469,438	3,566,034	3,613,978	(63,977)
Interest Received	160,000	158,937	144,000	255,439	1,063
Cash Available for Debt Service	3,565,461	3,628,375	3,710,034	3,869,417	(62,914)
Debt Service	(3,504,729)	(3,220,615)	(3,191,702)	(3,193,013)	(284,114)
Net Cash Available After Debt Service	60,732	407,760	518,332	676,404	(347,028)
Non-Operating Revenues (Expenses)	776,500	776,114	719,000	489,812	386
Changes in Working Capital	-	7,587,177	-	(5,444,639)	(7,587,177)
Net Cash Available For Capital	837,232	8,771,051	1,237,332	(4,278,423)	(7,933,819)
Financing & Investment Activity	5,119,500	2,571,258	6,594,850	9,339,497	2,548,242
Capital Spending	(8,010,000)	(8,249,662)	(10,210,540)	(5,348,970)	239,662
Net Cash Flow	(2,053,268)	3,092,647	(2,378,358)	(287,896)	(5,145,915)
Beginning Balance	13,228,626	10,135,979	10,135,979	10,423,875	3,092,647
Ending Balance	11,175,358	13,228,626	7,757,621	10,135,979	(2,053,268)

DEBT SERVICE COVERAGE RATIO	1.24	1.37	1.39	1.37	(0.13)
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BALANCE SHEET	2020 Budget	2019 Forecast	2018 Actuals
Assets and Deferred Outflows			
Cash and Cash Equivalents	3,525,460	5,578,728	2,486,081
Investments - Unrestricted	1,785,733	1,785,733	4,356,991
Other Current Assets	2,085,077	2,085,077	9,672,254
Cash and Cash Equivalents - Restricted	7,649,898	7,649,898	7,649,898
Investments - Restricted	2,239,789	2,239,789	2,239,789
Other Restricted Assets	4,386,200	4,386,200	4,386,200
Capital Assets, net of Accumulated Depreciation	125,668,825	120,412,225	114,915,948
Other Long-Term Assets	761,457	761,457	761,457
Deferred Outflows	1,002,128	1,002,128	1,002,128
Total Assets and Deferred Outflows	149,104,567	145,901,235	147,470,746
Liabilities and Net Position			
Current Liabilities	3,490,189	3,490,189	3,490,189
Long-Term Liabilities & Deferred Inflows	47,003,120	43,815,566	45,540,110
Net Position	98,611,258	98,595,480	98,440,447
Total Liabilities and Net Position	149,104,567	145,901,235	147,470,746

**LEHIGH COUNTY AUTHORITY - SUBURBAN WATER
2019 BUDGET
CASH FLOW (DIRECT)**

\$'s	<u>2020 Budget</u>	<u>2019 Forecast</u>	<u>2019 Budget</u>	<u>2018 Actuals</u>	<u>2020 vs. 2019 FC</u>
OPERATING REVENUES					
Charges for Services	10,370,176	9,785,911	9,772,570	9,209,531	584,265
Rent	111,213	111,213	87,860	98,405	-
Other income	<u>100,621</u>	<u>100,621</u>	<u>129,158</u>	<u>40,949</u>	<u>-</u>
Total Operating Revenues	<u>10,582,010</u>	<u>9,997,745</u>	<u>9,989,588</u>	<u>9,348,885</u>	<u>584,265</u>
OPERATING EXPENSES (CASH BASED)					
Salaries and Wages	(1,245,079)	(1,022,669)	(1,020,940)	(1,037,882)	(222,410)
General and Administrative	(1,796,801)	(1,527,328)	(1,399,959)	(1,261,241)	(269,473)
Utilities	(596,540)	(601,683)	(592,750)	(437,253)	5,143
Materials and Supplies	(638,005)	(492,663)	(504,580)	(294,937)	(145,342)
Miscellaneous Services	(2,900,124)	(2,883,964)	(2,905,325)	(2,703,594)	(16,160)
Treatment and Transportation	-	-	-	-	-
Total Operating Expenses	<u>(7,176,549)</u>	<u>(6,528,307)</u>	<u>(6,423,554)</u>	<u>(5,734,907)</u>	<u>(648,242)</u>
CASH FROM OPERATIONS	<u>3,405,461</u>	<u>3,469,438</u>	<u>3,566,034</u>	<u>3,613,978</u>	<u>(63,977)</u>
Interest Received	<u>160,000</u>	<u>158,937</u>	<u>144,000</u>	<u>255,439</u>	<u>1,063</u>
CASH AVAILABLE FOR DEBT SERVICE	<u>3,565,461</u>	<u>3,628,375</u>	<u>3,710,034</u>	<u>3,869,417</u>	<u>(62,914)</u>
DEBT SERVICE					
Interest and Fees Paid	(1,572,783)	(1,496,071)	(1,466,582)	(1,499,805)	(76,712)
Principal Paid	<u>(1,931,946)</u>	<u>(1,724,544)</u>	<u>(1,725,120)</u>	<u>(1,693,208)</u>	<u>(207,402)</u>
Total Debt Service	<u>(3,504,729)</u>	<u>(3,220,615)</u>	<u>(3,191,702)</u>	<u>(3,193,013)</u>	<u>(284,114)</u>
NET CASH AVAILABLE AFTER DEBT SERVICE	<u>60,732</u>	<u>407,760</u>	<u>518,332</u>	<u>676,404</u>	<u>(347,028)</u>
	1.02	1.13	1.16	1.21	(0.11)
NON-OPERATING REVENUES (EXPENSES)					
Tapping and Capital Recovery Fees	472,000	471,990	467,000	221,405	10
Meter Sales	108,000	107,907	108,000	85,259	93
Inspection, Plan Reviews, and Project Reimbursements	161,000	160,772	144,000	183,148	228
Other Income	35,500	35,445	24,000	86,971	55
Less: Project Reimbursement	-	-	(24,000)	(86,971)	-
Other Expense	(3,400)	(3,391)	-	(82,142)	(9)
Less: Expensed Capex	<u>3,400</u>	<u>3,391</u>	<u>-</u>	<u>82,142</u>	<u>9</u>
Total Non-Operating Revenues (Expenses)	<u>776,500</u>	<u>776,114</u>	<u>719,000</u>	<u>489,812</u>	<u>386</u>
Changes in Assets and Liabilities	<u>-</u>	<u>7,587,177</u>	<u>-</u>	<u>(5,444,639)</u>	<u>(7,587,177)</u>
NET CASH AVAILABLE FOR CAPITAL	<u>837,232</u>	<u>8,771,051</u>	<u>1,237,332</u>	<u>(4,278,423)</u>	<u>(7,933,819)</u>
FINANCING AND INVESTMENT ACTIVITY					
Grants Received	-	-	-	-	-
New Borrowing	5,119,500	-	-	-	5,119,500
Investments Converted to Cash	-	2,571,258	6,570,850	11,501,487	(2,571,258)
New Investments From Cash	-	-	-	(2,161,990)	-
Annual Lease Payments	-	-	-	-	-
Project Reimbursements	-	-	24,000	-	-
Total Financing & Investment Activity	<u>5,119,500</u>	<u>2,571,258</u>	<u>6,594,850</u>	<u>9,339,497</u>	<u>2,548,242</u>
CAPITAL SPENDING					
Net Capital Spending	(8,006,600)	(8,246,271)	(10,210,540)	(5,266,828)	239,671
Add: Expensed Capex	<u>(3,400)</u>	<u>(3,391)</u>	<u>-</u>	<u>(82,142)</u>	<u>(9)</u>
Total Capital Spending	<u>(8,010,000)</u>	<u>(8,249,662)</u>	<u>(10,210,540)</u>	<u>(5,348,970)</u>	<u>239,662</u>
NET CASH FLOW TO FUND	<u>(2,053,268)</u>	<u>3,092,647</u>	<u>(2,378,358)</u>	<u>(287,896)</u>	<u>(5,145,915)</u>

**LEHIGH COUNTY AUTHORITY - SUBURBAN WATER
2019 BUDGET
CASH FLOW (DIRECT)**

\$'s	<u>2020 Budget</u>	<u>2019 Forecast</u>	<u>2019 Budget</u>	<u>2018 Actuals</u>	<u>2020 vs. 2019 FC</u>
DEBT SERVICE RATIO (INDENTURE BASED)					
Total Operating Revenues	10,582,010	9,997,745	9,989,588	9,348,885	584,265
Total Operating Expenses (Cash Based)	(7,176,549)	(6,528,307)	(6,423,554)	(5,734,907)	(648,242)
Interest Income	160,000	158,937	144,000	255,439	1,063
Annual Lease Payment (City)	-	-	-	-	-
Total Non-Operating Revenues (Expenses)	<u>776,500</u>	<u>776,114</u>	<u>719,000</u>	<u>489,812</u>	<u>386</u>
Cash Available For Debt Service	4,341,961	4,404,489	4,429,034	4,359,229	(62,528)
Total Debt Service	<u>3,504,729</u>	<u>3,220,615</u>	<u>3,191,702</u>	<u>3,193,013</u>	<u>284,114</u>
Debt Service Ratio	<u>1.24</u>	<u>1.37</u>	<u>1.39</u>	<u>1.37</u>	<u>(0.13)</u>
CAPITAL COVERAGE RATIO					
Net Available for Capital	837,232	1,183,874	1,261,332	1,166,216	(346,642)
Total Capex	<u>8,010,000</u>	<u>8,249,662</u>	<u>10,210,540</u>	<u>5,348,970</u>	<u>(239,662)</u>
Capital Coverage Ratio	<u>0.10</u>	<u>0.14</u>	<u>0.12</u>	<u>0.22</u>	<u>(0.04)</u>

**LEHIGH COUNTY AUTHORITY - SUBURBAN WATER
2020 BUDGET
CASH FLOW BRIDGE - 2020 BUDGET vs. 2019 FORECAST
\$USD**

NET CASH FLOW PER 2019 FORECAST

3,092,647

Revenues

Increase in revenues from rate payers	584,265	6.9% increase in revenue dollars without any volume adjustment
Rental & Miscellaneous	-	0.0% increase budgeted, budgeting at 2019 FC amount
Total Operating Revenues	<u>584,265</u>	

Operating expenses

Personnel Costs

Addition of new headcount	(260,604)	(3) New positions budgeted impacting this
Salary & Wage increase effect	(36,264)	3.0% increase pool budgeted
Increase in employee benefits	(41,950)	18.0% increase budgeted with increases in Health care and pension
Labor charging changes	-	No labor charging adjustments
Total personnel costs	<u>(338,818)</u>	

Other Discretionary spending

Inflation effects	(81,070)	Budgeting 2.0% inflation across discretionary spending areas
Decrease (Increase) in real spending levels		
Utilities	16,840	Lower utility usage
Materials & Supplies	(132,833)	26.9% increase due to higher equipment Budgeting a decrease in overall spending with most of that reduction
Purchased services	40,704	coming from lower analysis costs

Total Discretionary Spending (156,359)

Internal Services

	(153,065)	Higher charges coming into the fund from Suburban Internal Services
Total Operating Expenses	<u>(648,242)</u>	

Interest Income

1,063 Small increase in interest income

Debt Service

Interest Expense	(76,712)	Additional debt service from new borrowing
Loan Principal Payments	(207,402)	Additional debt service from new borrowing
Net increase	<u>(284,114)</u>	New borrowing of \$5,119,500

Non-Operating Revenues (Expenses)

Change in Non-Operating revenues (expenses)	377	No major change
Higher expensed capex	9	No major change
Net NOR (NOE)	<u>386</u>	

Capital Spending/Funding

Higher total capex 239,662 Lower capex spending

Net Investments	(2,571,258)	Had \$2.6m of investments convert to cash in 2019, not budgeting any in 2020, will still have \$1.8m of investments remaining at the end of 2020
New Borrowing	5,119,500	New Borrowing to fund capex
Net Changes	<u>2,787,904</u>	

Working Capital Changes (7,587,177) Large receivables at year-end 2018 converted to cash in 2019 but will not repeat in 2020

Net Increase (Decrease) in Cash Flows

(5,145,915)

NET CASH FLOW PER 2020 BUDGET

(2,053,268)

**LEHIGH COUNTY AUTHORITY - SUBURBAN WATER
2019 BUDGET
STATEMENT OF CHANGES IN NET POSITION**

\$'s	<u>2020 Budget</u>	<u>2019 Forecast</u>	<u>2019 Budget</u>	<u>2018 Actuals</u>	<u>2020 vs. 2019 FC</u>
OPERATING REVENUES					
Charges for Services	10,370,176	9,785,911	9,772,570	9,209,531	584,265
Rent	111,213	111,213	87,860	98,405	-
Other income	<u>100,621</u>	<u>100,621</u>	<u>129,158</u>	<u>40,949</u>	<u>-</u>
Total Operating Revenues	<u>10,582,010</u>	<u>9,997,745</u>	<u>9,989,588</u>	<u>9,348,885</u>	<u>584,265</u>
OPERATING EXPENSES					
Salaries and Wages	1,245,079	1,022,669	1,020,940	1,037,882	(222,410)
General and Administrative	1,796,801	1,527,328	1,399,959	1,261,241	(269,473)
Utilities	596,540	601,683	592,750	437,253	5,143
Materials and Supplies	638,005	492,663	504,580	294,937	(145,342)
Miscellaneous Services	2,900,124	2,883,964	2,905,325	2,703,594	(16,160)
Treatment and Transportation	-	-	-	-	-
Depreciation and Amortization	<u>2,750,000</u>	<u>2,749,994</u>	<u>2,750,000</u>	<u>2,768,133</u>	<u>(6)</u>
Total Operating Expenses	<u>9,926,549</u>	<u>9,278,301</u>	<u>9,173,554</u>	<u>8,503,040</u>	<u>(648,248)</u>
Operating Income (Loss)	<u>655,461</u>	<u>719,444</u>	<u>816,034</u>	<u>845,845</u>	<u>(63,983)</u>
NON-OPERATING REVENUES (EXPENSES)					
Tapping and Capital Recovery Fees	472,000	471,990	467,000	221,405	10
Meter Sales	108,000	107,907	108,000	85,259	93
Inspection, Plan Reviews, and Project Reimbursements	161,000	160,772	144,000	183,148	228
Other Income	35,500	35,445	24,000	86,971	55
Other Expense	<u>(3,400)</u>	<u>(3,391)</u>	<u>-</u>	<u>(82,142)</u>	<u>(9)</u>
Total Non-Operating Revenues (Expenses)	<u>773,100</u>	<u>772,723</u>	<u>743,000</u>	<u>494,641</u>	<u>377</u>
Income Before Interest	1,428,561	1,492,167	1,559,034	1,340,486	(63,606)
Interest Income	160,000	158,937	144,000	255,439	1,063
Interest Expense	<u>(1,572,783)</u>	<u>(1,496,071)</u>	<u>(1,466,582)</u>	<u>(1,576,659)</u>	<u>(76,712)</u>
Increase (Decrease) in Net Position Before Capital Contributions	<u>15,778</u>	<u>155,033</u>	<u>236,452</u>	<u>19,266</u>	<u>(139,255)</u>
CAPITAL CONTRIBUTIONS					
Capital Grants	-	-	-	212,688	-
Capital Assets Provided	-	-	-	1,581,110	-
Total Capital Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,793,798</u>	<u>-</u>
INCREASE (DECREASE) IN NET POSITION	15,778	155,033	236,452	1,813,064	(139,255)
Net Position Beginning of Year	98,595,480	98,440,447	98,440,447	96,627,383	155,033
Cumulative Changes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION AT END OF YEAR	<u>98,611,258</u>	<u>98,595,480</u>	<u>98,676,899</u>	<u>98,440,447</u>	<u>15,778</u>

**LEHIGH COUNTY AUTHORITY - SUBURBAN WATER
2019 BUDGET
CASH FLOW (INDIRECT)**

\$'s	<u>2020 Budget</u>	<u>2019 Forecast</u>	<u>2019 Budget</u>	<u>2018 Actuals</u>	<u>2020 vs. 2019 FC</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (Loss)	655,461	719,444	816,034	845,845	(63,983)
Adjustments:					
Depreciation and Amortization	2,750,000	2,749,994	2,750,000	2,768,133	6
Changes in Assets and Liabilities	-	<u>7,587,177</u>	-	<u>(956,677)</u>	<u>(7,587,177)</u>
Net Cash Provided By (Used In) Operating Activities	<u>3,405,461</u>	<u>11,056,615</u>	<u>3,566,034</u>	<u>2,657,301</u>	<u>(7,651,154)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Interest Paid	-	-	-	-	-
Facility Improvements	-	-	-	-	-
Annual Lease Payments	-	-	-	-	-
Transfers From/To	-	-	-	<u>(4,492,791)</u>	-
Net Cash Provided By (Used In) Non-Capital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,492,791)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Non-Operating Revenues Received	776,500	776,114	743,000	494,641	386
Capital Spending	(8,010,000)	(8,249,662)	(10,210,540)	(5,348,970)	239,662
Borrowing Proceeds	5,119,500	-	-	-	5,119,500
Interest Payments	(1,572,783)	(1,496,071)	(1,466,582)	(1,499,805)	(76,712)
Principal Payments	<u>(1,931,946)</u>	<u>(1,724,544)</u>	<u>(1,725,120)</u>	<u>(1,693,208)</u>	<u>(207,402)</u>
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>(5,618,729)</u>	<u>(10,694,163)</u>	<u>(12,659,242)</u>	<u>(8,047,342)</u>	<u>5,075,434</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Maturities	-	2,571,258	6,570,850	11,501,487	(2,571,258)
Investment Purchases	-	-	-	(2,161,990)	-
Interest Received on Investments	<u>160,000</u>	<u>158,937</u>	<u>144,000</u>	<u>255,439</u>	<u>1,063</u>
Net Cash Provided By (Used In) Investing Activities	<u>160,000</u>	<u>2,730,195</u>	<u>6,714,850</u>	<u>9,594,936</u>	<u>(2,570,195)</u>
NET INCREASE (DECREASE) IN CASH	(2,053,268)	3,092,647	(2,378,358)	(287,896)	(5,145,915)
Cash - Beginning of Year	<u>13,228,626</u>	<u>10,135,979</u>	<u>10,135,979</u>	<u>10,423,875</u>	<u>3,092,647</u>
CASH - END OF YEAR	<u>11,175,358</u>	<u>13,228,626</u>	<u>7,757,621</u>	<u>10,135,979</u>	<u>(2,053,268)</u>

**LEHIGH COUNTY AUTHORITY
2019 BUDGET
BALANCE SHEET**

	SUBURBAN WATER		
	2020	2019	2018
ASSETS AND DEFERRED OUTFLOWS	Budget	Forecast	Actuals
CURRENT ASSETS			
Cash and Cash Equivalents	3,525,460	5,578,728	2,486,081
Certificates of Deposit	1,785,733	1,785,733	4,356,991
Accounts Receivable - Customers	1,652,884	1,652,884	1,663,830
Accounts Receivable - Financing Contracts	-	-	-
Accounts Receivable - Others	203,148	203,148	203,148
Due From (To) Other Funds	-	-	7,576,231
Inventories	16,190	16,190	16,190
Accrued Interest Receivable	14,724	14,724	14,724
Prepaid Expenses	198,131	198,131	198,131
Total Current Assets	7,396,270	9,449,538	16,515,326
NON-CURRENT ASSETS			
Restricted			
Cash and Cash Equivalents	7,649,898	7,649,898	7,649,898
Certificates of Deposit	25,522	25,522	25,522
Investment - US Treasury Obligations	2,214,267	2,214,267	2,214,267
Developer Escrow Deposits	4,386,200	4,386,200	4,386,200
Accrued Interest Receivable	-	-	-
Total Restricted Assets	14,275,887	14,275,887	14,275,887
Capital Assets			
Land	2,043,265	2,043,265	2,043,265
Construction in Progress	5,023,631	5,023,631	5,023,631
Wells and Reservoirs	9,554,770	9,554,770	9,554,770
Transmission and Distribution Mains	78,963,688	78,963,688	78,963,688
Service and Hydrants	17,144,642	17,144,642	17,144,642
Interceptor and Collector Systems	-	-	-
Buildings and Structures	23,632,286	23,632,286	23,632,286
Metering System	10,539,291	10,539,291	10,539,291
Equipment and Furnishings	23,535,963	15,529,363	7,283,092
Capacity	1,207,901	1,207,901	1,207,901
LESS: Accumulated Depreciation	(45,976,612)	(43,226,612)	(40,476,618)
Total Capital Assets	125,668,825	120,412,225	114,915,948
Other Assets			
Long-term Portion of Receivables and Financing Contracts	-	-	-
Intangible Service Concession Arrangement	-	-	-
OPEB Asset	736,708	736,708	736,708
Other Miscellaneous Assets	-	-	-
Facilities Planning Costs, Net	24,749	24,749	24,749
Total Other Assets	761,457	761,457	761,457
Total Non-Current Assets	140,706,169	135,449,569	129,953,292
TOTAL ASSETS	148,102,439	144,899,107	146,468,618
Deferred Outflows			
Pensions & OPEB	883,237	883,237	883,237
Refunding Loss on Bonds	118,891	118,891	118,891
Total Deferred Outflows	1,002,128	1,002,128	1,002,128
TOTAL ASSETS AND DEFERRED OUTFLOWS	149,104,567	145,901,235	147,470,746

**LEHIGH COUNTY AUTHORITY
2019 BUDGET
BALANCE SHEET**

	SUBURBAN WATER		
	2019	2018	2018
LIABILITIES AND NET POSITION	Budget	Forecast	Actuals
Current Liabilities:			
Accounts Payable - Trade	1,048,854	1,048,854	1,048,854
Accounts Payable - Capital	70,921	70,921	70,921
Accrued Interest Payable	237,699	237,699	237,699
Notes Payable	243,812	243,812	243,812
Revenue Bonds Payable	1,473,132	1,473,132	1,473,132
Developer Deposits and Other	195,273	195,273	195,273
Accrued Expenses	220,498	220,498	220,498
Total Current Liabilities	3,490,189	3,490,189	3,490,189
Non-Current Liabilities			
Developer Deposits and Other	4,974,553	4,974,553	4,974,553
SCA Payable	-	-	-
Notes Payable	2,486,487	2,486,487	2,486,487
OPEB Liability	-	-	-
Net Pension Liability	336,866	336,866	336,866
Revenue Bonds Payable	38,843,853	35,656,299	37,380,843
Total Non-Current Liabilities	46,641,759	43,454,205	45,178,749
Total Liabilities	50,131,948	46,944,394	48,668,938
Deferred Inflows			
Pensions	361,361	361,361	361,361
Net Position:			
Net investment in Capital Assets	81,288,020	81,272,242	81,117,209
Restricted Debt Service	1,380,654	1,380,654	1,380,654
Unrestricted	15,942,584	15,942,584	15,942,584
Total Net Position	98,611,258	98,595,480	98,440,447
TOTAL LIABILITIES AND NET POSITION	149,104,567	145,901,235	147,470,746
<i>Check</i>	-	-	-

**LEHIGH COUNTY AUTHORITY
2020 BUDGET
SUBURBAN WATER**

STATEMENT OF CHANGES IN NET POSITION	2020 Budget	2019 Forecast	2019 Budget
OPERATING REVENUES			
Service Charges			
Large Industrial	1,191,187	1,114,300	1,126,975
Other Industrial/Commercial	3,697,016	3,458,387	3,433,906
Residential	4,067,530	3,804,986	3,809,007
Penalties	96,138	89,933	77,294
Private Fire Service	881,402	881,402	878,685
Public Fire Service	436,903	436,903	446,703
Total Service Charges	<u>10,370,176</u>	<u>9,785,911</u>	<u>9,772,570</u>
Rental Income	111,213	111,213	87,860
Miscellaneous	100,621	100,621	129,158
Total Operating Revenues	<u>10,582,010</u>	<u>9,997,745</u>	<u>9,989,588</u>
OPERATING EXPENSES			
Personnel			
Permanent	1,128,913	920,933	907,056
Overtime	116,166	101,736	113,884
Employee Benefits	608,337	491,929	382,119
Total Personnel	<u>1,853,416</u>	<u>1,514,598</u>	<u>1,403,059</u>
Purchase of Services			
Internal Services - Overhead & Support	1,188,464	1,035,399	1,017,840
Utilities	596,540	601,683	592,750
Engineering	42,000	33,254	39,000
Analyses (External)	83,856	190,000	198,300
Contract Operating Svcs	38,270	39,385	38,270
Compliance Expense	44,995	57,876	41,805
Maintenance Services	401,803	369,737	365,100
Fleet Management Services	24,000	23,212	25,000
Extraordinary Expenditures	25,000	-	-
Industrial Meter Testing & Repair	7,500	4,298	8,600
Miscellaneous Services	83,300	60,030	64,850
Water Purchases	2,149,400	2,106,172	2,124,400
Total Purchases of Services	<u>4,685,128</u>	<u>4,521,046</u>	<u>4,515,915</u>
Materials and Supplies			
Pump Supplies	42,900	44,911	38,500
Purification Supplies	124,600	111,815	113,100
Distribution & Transmission Supplies	124,460	80,568	79,330
Fleet Management Supplies	2,500	1,839	2,500
Misc. Materials & Supplies	57,525	53,349	54,600
Fuel & Mileage	66,300	50,003	66,150
Total Materials and Supplies	<u>418,285</u>	<u>342,485</u>	<u>354,180</u>
Equipment	219,720	150,178	150,400
Depreciation & Amortization	2,750,000	2,749,994	2,750,000
Total Operating Expenses	<u>9,926,549</u>	<u>9,278,301</u>	<u>9,173,554</u>
OPERATING INCOME	<u>655,461</u>	<u>719,444</u>	<u>816,034</u>

**LEHIGH COUNTY AUTHORITY
2020 BUDGET
SUBURBAN WATER**

STATEMENT OF CHANGES IN NET POSITION	2020 Budget	2019 Forecast	2019 Budget
NON-OPERATING REVENUES			
Supply/Tapping Fees	387,000	387,730	387,000
Distribution Tapping Fees	85,000	84,260	80,000
Meter Sales	108,000	107,907	108,000
Inspection & Planning Review Fees	161,000	160,772	144,000
Project Reimbursement	-	-	-
Other	35,500	35,445	24,000
Total Non-Operating Revenues	<u>776,500</u>	<u>776,114</u>	<u>743,000</u>
NON-OPERATING (EXPENSES)			
Capital Charged to Expenses	(3,400)	(3,391)	-
Other Miscellaneous Expenses	-	-	-
Total Non-Operating Expenses	<u>(3,400)</u>	<u>(3,391)</u>	<u>-</u>
INCOME BEFORE INTEREST AND CONTRIBUTED CAPITAL	1,428,561	1,492,167	1,559,034
Interest Income	160,000	158,937	144,000
Interest (Expense)	<u>(1,572,783)</u>	<u>(1,496,071)</u>	<u>(1,466,582)</u>
INCOME BEFORE CONTRIBUTED CAPITAL	15,778	155,033	236,452
CONTRIBUTED CAPITAL	<u>-</u>	<u>-</u>	<u>-</u>
NET INCOME	<u>15,778</u>	<u>155,033</u>	<u>236,452</u>

**LEHIGH COUNTY AUTHORITY
2019 BUDGET
SUBURBAN WATER**

CASH FLOWS	2020 Budget	2019 Forecast	2019 Budget
Operating Revenues	10,582,010	9,997,745	9,989,588
Operating Expenses	(9,926,549)	(9,278,301)	(9,173,554)
Add: Depreciation Expense	2,750,000	2,749,994	2,750,000
Net Operating Cash	<u>3,405,461</u>	<u>3,469,438</u>	<u>3,566,034</u>
Interest Income	160,000	158,937	144,000
Net Cash Available For Debt Service	<u>3,565,461</u>	<u>3,628,375</u>	<u>3,710,034</u>
Debt Service			
Interest Paid	(1,572,783)	(1,496,071)	(1,466,582)
Financing Fees Paid	-	-	-
Princial Paid	<u>(1,931,946)</u>	<u>(1,724,544)</u>	<u>(1,725,120)</u>
Total Debt Service	<u>(3,504,729)</u>	<u>(3,220,615)</u>	<u>(3,191,702)</u>
NET CASH AVAILABLE AFTER DEBT SERVICE	60,732	407,760	518,332
Non-Operating Revenues	776,500	776,114	743,000
Less: Project Reimbursement	-	-	-
Non-Operating Expenses	(3,400)	(3,391)	-
Less: Capital Charged to Expenses	3,400	3,391	-
Working Capital Changes	<u>-</u>	<u>7,587,177</u>	<u>-</u>
NET CASH AVAILABLE FOR CAPITAL	837,232	8,771,051	1,261,332
Financing & Investment Activity			
Project Reimbursements	-	-	-
Investments converting to Cash	-	2,571,258	6,570,850
New Borrowing	5,119,500	-	-
Cash Investments	-	-	-
Capital Spending	<u>(8,010,000)</u>	<u>(8,249,662)</u>	<u>(10,210,540)</u>
NET CASH FLOW TO FUND	<u>(2,053,268)</u>	<u>3,092,647</u>	<u>(2,378,358)</u>

**2020 BUDGET
SUBURBAN DIVISION
WATER FUND
CAPITAL EXPENDITURES**

Project	Primary Project Category	Estimated Project Cost	Estimated Costs Through 2019	2020 Budget	Estimated Costs 2021 - 2024
<u>LCA Funded Projects</u>					
Annual Projects	AM - Varies	\$ 8,042,500	-	\$ 1,672,500	6,370,000
Water Main Replacement Projects	AM - Varies	\$ 9,600,000	-	-	9,600,000
CLD Auxiliary Pump Station & Main Extension	Sys Imp	\$ 1,900,000	1,700,000	200,000	-
Water Meter Reading Equipment Upgrade	AM - Med	\$ 4,000,000	2,500,000	1,500,000	-
Upper Milford Central Division Improvements (Buss Acres)	AM - High	\$ 2,500,000	200,000	2,300,000	-
Additional (Redundant) Water Supply - Small Satellite Divisions	Sys Imp	\$ 930,000	60,000	300,000	570,000
North Whitehall Division System Improvements	Sys Imp	N/A	-	50,000	N/A
Fixed Base Metering Reading System	Sys Imp	N/A	-	50,000	N/A
Arcadia Water Tank Replacement	Sys Imp	N/A	-	100,000	N/A
Central Lehigh to Upper Milford Division Interconnection	New Cust	\$ 1,800,000	480,000	1,320,000	-
CLD Well Improvements	AM - Med	\$ 150,000	40,000	60,000	50,000
CLD Distribution System Improvements	Sys Imp	\$ 130,000	40,000	60,000	30,000
Total Suburban Division Water Capital Expenditures (Funded):			\$ 5,020,000	\$ 7,612,500	\$ 16,620,000
Allocated Admin				\$ 397,500	
				\$ 8,010,000	

Suburban Wastewater

LEHIGH COUNTY AUTHORITY - SUBURBAN WASTEWATER
2020 BUDGET
CONDENSED STATEMENTS

	SUBURBAN WASTEWATER				
	2020	2019	2019	2018	2020 vs.
	Budget	Forecast	Budget	Actuals	2019 FC
INCOME STATEMENT (\$)					
Operating Revenues	16,446,154	14,425,933	13,676,460	14,014,429	2,020,221
Operating Expenses	16,819,436	16,238,321	15,340,845	15,348,875	(581,115)
Operating Income	(373,282)	(1,812,388)	(1,664,385)	(1,334,446)	1,439,106
Non-Operating Revenues (Expenses)	(153,718)	(416,487)	(1,385,510)	531,113	262,769
Income Before Interest	(527,000)	(2,228,875)	(3,049,895)	(803,333)	1,701,875
Interest Income	200,000	266,086	75,000	222,306	(66,086)
Interest Expense	(825,613)	(208,913)	(206,346)	(197,000)	(616,700)
Income Before Capital Contributions	(1,152,613)	(2,171,702)	(3,181,241)	(778,027)	1,019,089
Capital Contributions	-	-	-	34,894	-
Net Income	(1,152,613)	(2,171,702)	(3,181,241)	(743,133)	1,019,089
CASH FLOWS (INDIRECT) (\$)					
Net Cash Provided By (Used In) Operating Activities	4,229,718	2,398,708	2,876,380	3,067,234	1,831,010
Net Cash Provided By (Used In) Non-Capital Financing Activities	200,000	266,086	75,000	222,306	(66,086)
Net Cash Provided By (Used In) Capital and Related Financing Activities	8,144,346	(10,333,642)	(11,689,486)	(2,807,035)	18,477,988
Net Cash Provided By (Used In) Investing Activities	-	6,455,704	3,500,000	2,051,459	(6,455,704)
Net Increase (Decrease) in Cash	12,574,064	(1,213,144)	(5,238,106)	2,533,964	13,787,208
Cash - Beginning of Year	7,867,470	9,080,614	9,080,614	6,546,650	(1,213,144)
Cash - End of Year	20,441,534	7,867,470	3,842,508	9,080,614	12,574,064
CASH FLOW (DIRECT) (\$)					
Operating Revenues	16,446,154	14,425,933	13,676,460	14,014,429	2,020,221
Operating Expenses (ex D&A)	(12,216,436)	(11,635,997)	(10,800,080)	(10,858,478)	(580,439)
Cash From Operations	4,229,718	2,789,936	2,876,380	3,155,951	1,439,782
Interest Received	200,000	266,086	75,000	222,306	(66,086)
Cash Available for Debt Service	4,429,718	3,056,022	2,951,380	3,378,257	1,373,696
Debt Service	(1,651,436)	(693,413)	(684,476)	(681,839)	(958,023)
Net Cash Available After Debt Service	2,778,282	2,362,609	2,266,904	2,696,418	415,673
Non-Operating Revenues (Expenses)	846,282	1,812,063	825,000	561,989	(965,781)
Changes in Working Capital	-	(391,228)	-	(88,717)	391,228
Net Cash Available For Capital	3,624,564	3,783,444	3,091,904	3,169,690	(158,880)
Financing & Investment Activity	17,620,000	6,455,704	3,501,000	2,051,459	11,164,296
Capital Spending	(8,670,500)	(11,452,292)	(11,831,010)	(2,687,185)	2,781,792
Net Cash Flow	12,574,064	(1,213,144)	(5,238,106)	2,533,964	13,787,208
Beginning Balance	7,867,470	9,080,614	9,080,614	6,546,650	(1,213,144)
Ending Balance	20,441,534	7,867,470	3,842,508	9,080,614	12,574,064
DEBT SERVICE COVERAGE RATIO	3.19	7.02	5.52	5.78	(3.83)
BALANCE SHEET (\$)					
	2020	2019	2018		
	Budget	Forecast	Actuals		
Assets and Deferred Outflows					
Cash and Cash Equivalents	20,103,972	7,529,908	8,743,052		
Investments - Unrestricted	-	-	6,455,704		
Other Current Assets	7,908,990	7,908,990	7,517,762		
Cash and Cash Equivalents - Restricted	337,562	337,562	337,562		
Investments - Restricted	-	-	-		
Other Restricted Assets	-	-	-		
Capital Assets, net of Accumulated Depreciation	93,163,701	90,307,711	85,686,293		
Other Long-Term Assets	1,959,110	1,959,110	1,959,110		
Deferred Outflows	256,424	256,424	256,424		
Total Assets and Deferred Outflows	123,729,759	108,299,705	110,955,907		
Liabilities and Net Position					
Current Liabilities	3,216,808	3,216,808	3,216,808		
Long-Term Liabilities	24,186,104	7,391,927	7,876,427		
Net Position	96,538,357	97,690,970	99,862,672		
Total Liabilities and Net Position	123,941,269	108,299,705	110,955,907		

LEHIGH COUNTY AUTHORITY - SUBURBAN WASTEWATER
2020 BUDGET
CASH FLOW (DIRECT)

\$'s	2020 Budget	2019 Forecast	2019 Budget	2018 Actuals	2020 vs. 2019 FC
OPERATING REVENUES					
Charges for Services	16,446,154	14,425,933	13,676,460	14,014,429	2,020,221
Rent	-	-	-	-	-
Other income	-	-	-	-	-
Total Operating Revenues	<u>16,446,154</u>	<u>14,425,933</u>	<u>13,676,460</u>	<u>14,014,429</u>	<u>2,020,221</u>
OPERATING EXPENSES (CASH BASED)					
Salaries and Wages	(574,986)	(556,785)	(420,095)	(462,145)	(18,201)
General and Administrative	(781,323)	(659,594)	(474,363)	(580,467)	(121,729)
Utilities	(464,325)	(422,393)	(338,035)	(290,201)	(41,932)
Materials and Supplies	(460,139)	(405,914)	(459,324)	(264,744)	(54,225)
Miscellaneous Services	(6,958,264)	(6,645,866)	(6,458,708)	(5,717,168)	(312,398)
Treatment and Transportation	(2,977,399)	(2,945,445)	(2,649,555)	(3,543,753)	(31,954)
Total Operating Expenses	<u>(12,216,436)</u>	<u>(11,635,997)</u>	<u>(10,800,080)</u>	<u>(10,858,478)</u>	<u>(580,439)</u>
CASH FROM OPERATIONS	<u>4,229,718</u>	<u>2,789,936</u>	<u>2,876,380</u>	<u>3,155,951</u>	<u>1,439,782</u>
Interest Received	<u>200,000</u>	<u>266,086</u>	<u>75,000</u>	<u>222,306</u>	<u>(66,086)</u>
CASH AVAILABLE FOR DEBT SERVICE	<u>4,429,718</u>	<u>3,056,022</u>	<u>2,951,380</u>	<u>3,378,257</u>	<u>1,373,696</u>
DEBT SERVICE					
Interest and Fees Paid	(825,613)	(208,913)	(206,346)	(197,000)	(616,700)
Principal Paid	(825,823)	(484,500)	(478,130)	(484,839)	(341,323)
Total Debt Service	<u>(1,651,436)</u>	<u>(693,413)</u>	<u>(684,476)</u>	<u>(681,839)</u>	<u>(958,023)</u>
NET CASH AVAILABLE AFTER DEBT SERVICE	<u>2,778,282</u>	<u>2,362,609</u>	<u>2,266,904</u>	<u>2,696,418</u>	<u>415,673</u>
	2.68	4.41	4.31	4.95	(1.72)
NON-OPERATING REVENUES (EXPENSES)					
Tapping and Capital Recovery Fees	800,000	1,744,841	800,000	523,526	(944,841)
Meter Sales	-	-	-	-	-
Inspection, Plan Reviews, and Project Reimbursements	45,282	20,282	25,000	37,773	25,000
Other Income	1,000	46,940	1,000	690	(45,940)
Less: Project Reimbursement	-	-	(1,000)	-	-
Other Expense	(1,000,000)	(2,228,550)	(2,211,510)	(30,876)	1,228,550
Less: Expensed Capex	1,000,000	2,228,550	2,211,510	30,876	(1,228,550)
Total Non-Operating Revenues (Expenses)	<u>846,282</u>	<u>1,812,063</u>	<u>825,000</u>	<u>561,989</u>	<u>(965,781)</u>
Changes in Assets and Liabilities	-	(391,228)	-	(88,717)	391,228
NET CASH AVAILABLE FOR CAPITAL	<u>3,624,564</u>	<u>3,783,444</u>	<u>3,091,904</u>	<u>3,169,690</u>	<u>(158,880)</u>
FINANCING AND INVESTMENT ACTIVITY					
Grants Received	-	-	-	-	-
New Borrowing	17,620,000	-	-	-	17,620,000
Investments Converted to Cash	-	6,455,704	3,500,000	5,206,318	(6,455,704)
New Investments From Cash	-	-	-	(3,154,859)	-
Annual Lease Payments	-	-	-	-	-
Project Reimbursements	-	-	1,000	-	-
Total Financing & Investment Activity	<u>17,620,000</u>	<u>6,455,704</u>	<u>3,501,000</u>	<u>2,051,459</u>	<u>11,164,296</u>
CAPITAL SPENDING					
Net Capital Spending	(7,670,500)	(9,223,742)	(9,619,500)	(2,656,309)	1,553,242
Add: Expensed Capex	(1,000,000)	(2,228,550)	(2,211,510)	(30,876)	1,228,550
Total Capital Spending	<u>(8,670,500)</u>	<u>(11,452,292)</u>	<u>(11,831,010)</u>	<u>(2,687,185)</u>	<u>2,781,792</u>
NET CASH FLOW TO FUND	<u>12,574,064</u>	<u>(1,213,144)</u>	<u>(5,238,106)</u>	<u>2,533,964</u>	<u>13,787,208</u>

LEHIGH COUNTY AUTHORITY - SUBURBAN WASTEWATER
 2020 BUDGET
 CASH FLOW (DIRECT)

\$'s	<u>2020 Budget</u>	<u>2019 Forecast</u>	<u>2019 Budget</u>	<u>2018 Actuals</u>	<u>2020 vs. 2019 FC</u>
DEBT SERVICE RATIO (INDENTURE BASED)					
Total Operating Revenues	16,446,154	14,425,933	13,676,460	14,014,429	2,020,221
Total Operating Expenses (Cash Based)	(12,216,436)	(11,635,997)	(10,800,080)	(10,858,478)	(580,439)
Interest Income	200,000	266,086	75,000	222,306	(66,086)
Annual Lease Payment (City)	-	-	-	-	-
Total Non-Operating Revenues (Expenses)	<u>846,282</u>	<u>1,812,063</u>	<u>825,000</u>	<u>561,989</u>	<u>(965,781)</u>
Cash Available For Debt Service	5,276,000	4,868,085	3,776,380	3,940,246	407,915
Total Debt Service	<u>1,651,436</u>	<u>693,413</u>	<u>684,476</u>	<u>681,839</u>	<u>958,023</u>
Debt Service Ratio	<u>3.19</u>	<u>7.02</u>	<u>5.52</u>	<u>5.78</u>	<u>(3.83)</u>
CAPITAL COVERAGE RATIO					
Net Available for Capital	3,624,564	3,783,444	3,092,904	3,169,690	(158,880)
Total Capex	<u>8,670,500</u>	<u>11,452,292</u>	<u>11,831,010</u>	<u>2,687,185</u>	<u>(2,781,792)</u>
Capital Coverage Ratio	<u>0.42</u>	<u>0.33</u>	<u>0.26</u>	<u>1.18</u>	<u>0.09</u>

**LEHIGH COUNTY AUTHORITY - SUBURBAN WASTEWATER
2020 BUDGET
CASH FLOW BRIDGE - 2020 BUDGET vs. 2019 FORECAST
\$USD**

NET CASH FLOW PER 2019 FORECAST	<u>(1,213,144)</u>	
Revenues		
Signatory Revenues	2,020,221	Higher signatory flows and loads with operating expenses inflated by 3.0%
WWTP Revenues	-	No increase budgeted
Total Revenues	<u>2,020,221</u>	
Operating expenses		
Salaries & Wages	(18,201)	3.0% wage pool increase
Benefits	(50,000)	18.0% increase in benefits for health care and pension
General inflation	(154,563)	2.0% general inflation
Other Spending levels	(325,721)	Increase in spending levels with increased spending for purchased services, materials & supplies, and equipment
Treatment & Transportation	(31,954)	Higher T&T costs from higher flows & loads
Total Operating expenses	<u>(580,439)</u>	
Interest Income	<u>(66,086)</u>	Lower investment balances and lower interest rates
Debt Service	<u>(958,023)</u>	Higher due to new borrowing
Non-Operating Revenues (Expenses)		
Change in Non-Operating revenues (expenses)	<u>(965,781)</u>	Higher allocation sales in 2019 not repeating
Financing activity		
Investments converting to cash	<u>11,164,296</u>	No maturities for 2020, new borrowing of \$17.6m
Working capital Changes	<u>391,228</u>	Some reduction in receivables balances
Capital Spending/Funding	<u>2,781,792</u>	Decrease in capex
Net Changes	<u>13,787,208</u>	
NET CASH FLOW PER 2020 BUDGET	<u>12,574,064</u>	

LEHIGH COUNTY AUTHORITY - SUBURBAN WASTEWATER
2020 BUDGET
STATEMENT OF CHANGES IN NET POSITION

\$'s	2020 Budget	2019 Forecast	2019 Budget	2018 Actuals	2020 vs. 2019 FC
OPERATING REVENUES					
Charges for Services	16,446,154	14,425,933	13,676,460	14,014,429	2,020,221
Rent	-	-	-	-	-
Other income	-	-	-	-	-
Total Operating Revenues	<u>16,446,154</u>	<u>14,425,933</u>	<u>13,676,460</u>	<u>14,014,429</u>	<u>2,020,221</u>
OPERATING EXPENSES					
Salaries and Wages	574,986	556,785	420,095	462,145	(18,201)
General and Administrative	781,323	659,594	474,363	580,467	(121,729)
Utilities	464,325	422,393	338,035	290,201	(41,932)
Materials and Supplies	460,139	405,914	459,324	264,744	(54,225)
Miscellaneous Services	6,958,264	6,645,866	6,458,708	5,717,168	(312,398)
Treatment and Transportation	2,977,399	2,945,445	2,649,555	3,543,753	(31,954)
Depreciation and Amortization	4,603,000	4,602,324	4,540,765	4,490,397	(676)
Total Operating Expenses	<u>16,819,436</u>	<u>16,238,321</u>	<u>15,340,845</u>	<u>15,348,875</u>	<u>(581,115)</u>
Operating Income (Loss)	<u>(373,282)</u>	<u>(1,812,388)</u>	<u>(1,664,385)</u>	<u>(1,334,446)</u>	<u>1,439,106</u>
NON-OPERATING REVENUES (EXPENSES)					
Tapping and Capital Recovery Fees	800,000	1,744,841	800,000	523,526	(944,841)
Meter Sales	-	-	-	-	-
Inspection, Plan Reviews, and Project Reimbursements	45,282	20,282	25,000	37,773	25,000
Other Income	1,000	46,940	1,000	690	(45,940)
Other Expense	(1,000,000)	(2,228,550)	(2,211,510)	(30,876)	1,228,550
Total Non-Operating Revenues (Expenses)	<u>(153,718)</u>	<u>(416,487)</u>	<u>(1,385,510)</u>	<u>531,113</u>	<u>262,769</u>
Income Before Interest	<u>(527,000)</u>	<u>(2,228,875)</u>	<u>(3,049,895)</u>	<u>(803,333)</u>	<u>1,701,875</u>
Interest Income	200,000	266,086	75,000	222,306	(66,086)
Interest Expense	<u>(825,613)</u>	<u>(208,913)</u>	<u>(206,346)</u>	<u>(197,000)</u>	<u>(616,700)</u>
Increase (Decrease) in Net Position Before Capital Contributions	<u>(1,152,613)</u>	<u>(2,171,702)</u>	<u>(3,181,241)</u>	<u>(778,027)</u>	<u>1,019,089</u>
CAPITAL CONTRIBUTIONS					
Capital Grants	-	-	-	-	-
Capital Assets Provided	-	-	-	34,894	-
Total Capital Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,894</u>	<u>-</u>
INCREASE (DECREASE) IN NET POSITION	<u>(1,152,613)</u>	<u>(2,171,702)</u>	<u>(3,181,241)</u>	<u>(743,133)</u>	<u>1,019,089</u>
Net Position Beginning of Year	97,690,970	99,862,672	99,862,672	100,605,805	(2,171,702)
Cumulative Changes	-	-	-	-	-
NET POSITION AT END OF YEAR	<u>96,538,357</u>	<u>97,690,970</u>	<u>96,681,431</u>	<u>99,862,672</u>	<u>(1,152,613)</u>

LEHIGH COUNTY AUTHORITY - SUBURBAN WASTEWATER
2020 BUDGET
CASH FLOW (INDIRECT)

\$'s	<u>2020 Budget</u>	<u>2019 Forecast</u>	<u>2019 Budget</u>	<u>2018 Actuals</u>	<u>2020 vs. 2019 FC</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (Loss)	(373,282)	(1,812,388)	(1,664,385)	(1,334,446)	1,439,106
Adjustments:					
Depreciation and Amortization	4,603,000	4,602,324	4,540,765	4,490,397	676
Changes in Assets and Liabilities	-	(391,228)	-	(88,717)	391,228
Net Cash Provided By (Used In) Operating Activities	<u>4,229,718</u>	<u>2,398,708</u>	<u>2,876,380</u>	<u>3,067,234</u>	<u>1,831,010</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Interest Received	200,000	266,086	75,000	222,306	(66,086)
Facility Improvements	-	-	-	-	-
Annual Lease Payments	-	-	-	-	-
Transfers From/To	-	-	-	-	-
Net Cash Provided By (Used In) Non-Capital Financing Activities	<u>200,000</u>	<u>266,086</u>	<u>75,000</u>	<u>222,306</u>	<u>(66,086)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Non-Operating Revenues Received	846,282	1,812,063	826,000	561,989	(965,781)
Capital Spending	(8,670,500)	(11,452,292)	(11,831,010)	(2,687,185)	2,781,792
Borrowing Proceeds	17,620,000	-	-	-	17,620,000
Interest Payments	(825,613)	(208,913)	(206,346)	(197,000)	(616,700)
Principal Payments	(825,823)	(484,500)	(478,130)	(484,839)	(341,323)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>8,144,346</u>	<u>(10,333,642)</u>	<u>(11,689,486)</u>	<u>(2,807,035)</u>	<u>18,477,988</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Maturities	-	6,455,704	3,500,000	5,206,318	(6,455,704)
Investment Purchases	-	-	-	(3,154,859)	-
Interest Received on Investments	-	-	-	-	-
Net Cash Provided By (Used In) Investing Activities	<u>-</u>	<u>6,455,704</u>	<u>3,500,000</u>	<u>2,051,459</u>	<u>(6,455,704)</u>
NET INCREASE (DECREASE) IN CASH	12,574,064	(1,213,144)	(5,238,106)	2,533,964	13,787,208
Cash - Beginning of Year	<u>7,867,470</u>	<u>9,080,614</u>	<u>9,080,614</u>	<u>6,546,650</u>	<u>(1,213,144)</u>
CASH - END OF YEAR	<u>20,441,534</u>	<u>7,867,470</u>	<u>3,842,508</u>	<u>9,080,614</u>	<u>12,574,064</u>

LEHIGH COUNTY AUTHORITY
2020 BUDGET
BALANCE SHEET

	SUBURBAN WASTEWATER		
	2020	2019	2018
	Budget	Forecast	Actuals
ASSETS AND DEFERRED OUTFLOWS			
CURRENT ASSETS			
Cash and Cash Equivalents	20,103,972	7,529,908	8,743,052
Certificates of Deposit	-	-	6,455,704
Accounts Receivable - Customers	4,118,091	4,118,091	3,726,863
Accounts Receivable - Financing Contracts	316,797	316,797	316,797
Accounts Receivable - Others	509,247	509,247	509,247
Due From (To) Other Funds	2,817,997	2,817,997	2,817,997
Inventories	-	-	-
Accrued Interest Receivable	23,832	23,832	23,832
Prepaid Expenses	123,026	123,026	123,026
Total Current Assets	28,012,962	15,438,898	22,716,518
NON-CURRENT ASSETS			
Restricted			
Cash and Cash Equivalents	337,562	337,562	337,562
Certificates of Deposit	-	-	-
Investment - US Treasury Obligations	-	-	-
Developer Escrow Deposits	-	-	-
Accrued Interest Receivable	-	-	-
Total Restricted Assets	337,562	337,562	337,562
Capital Assets			
Land	1,837,891	1,837,891	1,837,891
Construction in Progress	10,052,683	10,052,683	10,052,683
Wells and Reservoirs	3,494,643	3,494,643	3,494,643
Transmission and Distribution Mains	-	-	-
Service and Hydrants	-	-	-
Interceptor and Collector Systems	38,036,405	38,036,405	38,036,405
Buildings and Structures	54,910,406	54,910,406	54,910,406
Metering System	429,777	429,777	429,777
Equipment and Furnishings	39,234,655	31,775,665	22,551,923
Capacity	2,062,956	2,062,956	2,062,956
LESS: Accumulated Depreciation	(56,895,715)	(52,292,715)	(47,690,391)
Total Capital Assets	93,163,701	90,307,711	85,686,293
Other Assets			
Long-term Portion of Receivables and Financing Contracts	1,856,283	1,856,283	1,856,283
Intangible Service Concession Arrangement	-	-	-
OPEB Asset	-	-	-
Other Miscellaneous Assets	-	-	-
Facilities Planning Costs, Net	102,827	102,827	102,827
Total Other Assets	1,959,110	1,959,110	1,959,110
Total Non-Current Assets	95,460,373	92,604,383	87,982,965
TOTAL ASSETS	123,473,335	108,043,281	110,699,483
Deferred Outflows			
Pensions	256,424	256,424	256,424
Refunding Loss on Bonds	-	-	-
Total Deferred Outflows	256,424	256,424	256,424
TOTAL ASSETS AND DEFERRED OUTFLOWS	123,729,759	108,299,705	110,955,907

LEHIGH COUNTY AUTHORITY
 2020 BUDGET
 BALANCE SHEET

	SUBURBAN WASTEWATER		
	2020	2019	2018
LIABILITIES AND NET POSITION	Budget	Forecast	Actuals
Current Liabilities:			
Accounts Payable - Trade	2,434,731	2,434,731	2,434,731
Accounts Payable - Capital	150,835	150,835	150,835
Accrued Interest Payable	3,346	3,346	3,346
Notes Payable	420,205	420,205	420,205
Revenue Bonds Payable	65,572	65,572	65,572
Developer Deposits and Other	6,019	6,019	6,019
Accrued Expenses	136,100	136,100	136,100
Total Current Liabilities	3,216,808	3,216,808	3,216,808
Non-Current Liabilities			
Developer Deposits and Other	-	-	-
SCA Payable	-	-	-
Notes Payable	6,029,617	6,029,617	6,029,617
OPEB Liability	-	-	-
Net Pension Liability	351,481	351,481	351,481
Revenue Bonds Payable	17,805,006	1,010,829	1,495,329
Total Non-Current Liabilities	24,186,104	7,391,927	7,876,427
Total Liabilities	27,402,912	10,608,735	11,093,235
Net Position:			
Net investment in Capital Assets	74,351,255	75,503,868	77,675,570
Restricted Debt Service	-	-	-
Unrestricted	22,187,102	22,187,102	22,187,102
Total Net Position	96,538,357	97,690,970	99,862,672
TOTAL LIABILITIES AND NET POSITION	123,941,269	108,299,705	110,955,907
<i>Check</i>	(211,510)	-	-

**LEHIGH COUNTY AUTHORITY
2020 BUDGET
SUBURBAN WASTEWATER**

STATEMENT OF CHANGES IN NET POSITION	2020 Budget	2019 Forecast	2019 Budget
OPERATING REVENUES			
Service Charges			
WLI	7,431,565	5,427,555	5,388,061
LLRI 1	539,290	523,583	578,943
LLRI 2	17,304	16,800	79,411
CRCS	716,478	716,478	862,945
W WEINBERG	300,182	300,182	259,494
WASHINGTON TWP	1,009	1,009	425,625
LYNN TWP	394,472	394,472	423,608
WTP	-	-	-
Hauler Fees	3,264,705	3,264,705	2,152,720
Industrial Charges	3,728,124	3,728,124	3,448,917
Penalties	53,025	53,025	56,736
Excess Removal Credits	-	-	-
Total Service Charges	<u>16,446,154</u>	<u>14,425,933</u>	<u>13,676,460</u>
Rental Income	-	-	-
Miscellaneous	-	-	-
Total Operating Revenues	<u>16,446,154</u>	<u>14,425,933</u>	<u>13,676,460</u>
OPERATING EXPENSES			
Personnel			
Permanent	555,111	504,539	399,920
Overtime	19,875	52,246	20,175
Employee Benefits	316,998	266,998	175,651
Total Personnel	<u>891,984</u>	<u>823,783</u>	<u>595,746</u>
Purchase of Services			
Internal Services - Overhead & Support	464,325	392,596	298,712
Utilities	464,325	422,393	338,035
Engineering	82,000	47,231	73,000
Exceptional Strength Analyses	43,000	-	43,000
General Analyses	52,800	60,377	35,000
Maintenance Services	584,300	553,069	576,665
Fleet Management Services	18,000	15,178	21,000
Residuals	101,000	73,557	75,500
Contract Operator	5,725,909	5,553,571	5,308,393
Compliance Expense	6,819	584	7,004
Treatment & Transportation	2,977,399	2,945,445	2,649,555
Extraordinary Expenditures	-	-	-
LCA WWTP Treatment/Removals	-	-	-
Miscellaneous Services	263,878	269,297	260,115
Rental Charges	73,748	68,566	54,781
System Planning/Capital Management	6,810	4,436	4,250
I/I Rehabilitation Program	-	-	-
Total Purchases of Services	<u>10,864,313</u>	<u>10,406,300</u>	<u>9,745,010</u>

**LEHIGH COUNTY AUTHORITY
2020 BUDGET
SUBURBAN WASTEWATER**

STATEMENT OF CHANGES IN NET POSITION	2020 Budget	2019 Forecast	2019 Budget
Materials and Supplies			
Fuel	26,900	20,854	26,400
Fleet Management Supplies	1,500	1,093	1,750
Miscellaneous Materials & Supplies	254,059	200,136	222,950
Fuel & Mileage	-	-	-
Total Materials and Supplies	<u>282,459</u>	<u>222,083</u>	<u>251,100</u>
Equipment			
Equipment Purchases	177,680	183,831	172,602
Amortized Equipment	-	-	35,622
Total Equipment	<u>177,680</u>	<u>183,831</u>	<u>208,224</u>
Depreciation & Amortization	4,603,000	4,602,324	4,540,765
Total Operating Expenses	<u>16,819,436</u>	<u>16,238,321</u>	<u>15,340,845</u>
OPERATING INCOME	<u>(373,282)</u>	<u>(1,812,388)</u>	<u>(1,664,385)</u>
NON-OPERATING REVENUES			
Supply/Tapping Fees	800,000	1,744,841	800,000
Distribution Tapping Fees	-	-	-
Meter Sales	-	-	-
Inspection & Planning Review Fees	45,282	-	25,000
Project Reimbursement	-	20,282	-
Other	1,000	46,940	1,000
Total Non-Operating Revenues	<u>846,282</u>	<u>1,812,063</u>	<u>826,000</u>
NON-OPERATING (EXPENSES)			
Capital Charged to Expenses	(1,000,000)	(2,228,550)	(2,211,510)
Other Miscellaneous Expenses	-	-	-
Total Non-Operating Expenses	<u>(1,000,000)</u>	<u>(2,228,550)</u>	<u>(2,211,510)</u>
INCOME BEFORE INTEREST AND CONTRIBUTED CAPITAL	(527,000)	(2,228,875)	(3,049,895)
Interest Income	200,000	266,086	75,000
Interest (Expense)	<u>(825,613)</u>	<u>(208,913)</u>	<u>(206,346)</u>
INCOME BEFORE CONTRIBUTED CAPITAL	(1,152,613)	(2,171,702)	(3,181,241)
CONTRIBUTED CAPITAL	-	-	-
NET INCOME	<u><u>(1,152,613)</u></u>	<u><u>(2,171,702)</u></u>	<u><u>(3,181,241)</u></u>

**LEHIGH COUNTY AUTHORITY
2020 BUDGET
SUBURBAN WASTEWATER**

CASH FLOWS	2020 Budget	2019 Forecast	2019 Budget
Operating Revenues	16,446,154	14,425,933	13,676,460
Operating Expenses	(16,819,436)	(16,238,321)	(15,340,845)
Add: Depreciation Expense	4,603,000	4,602,324	4,540,765
Net Operating Cash	4,229,718	2,789,936	2,876,380
Interest Income	200,000	266,086	75,000
NET CASH AVAILABLE FOR DEBT SERVICE	4,429,718	3,056,022	2,951,380
Debt Service			
Interest Paid	(825,613)	(208,913)	(206,346)
Princial Paid	(825,823)	(484,500)	(478,130)
Total Debt Service	(1,651,436)	(693,413)	(684,476)
NET CASH AVAILABLE AFTER DEBT SERVICE	2,778,282	2,362,609	2,266,904
Non-Operating Revenues	846,282	1,812,063	826,000
Less: Project Reimbursement	-	-	(1,000)
Non-Operating Expenses	(1,000,000)	(2,228,550)	(2,211,510)
Less: Capital Charged to Expenses	1,000,000	2,228,550	2,211,510
Working Capital Changes	-	(391,228)	-
NET CASH AVAILABLE FOR CAPITAL	3,624,564	3,783,444	3,091,904
Financing & Investment Activity			
Project Reimbursements	-	-	1,000
Investments converting to Cash	-	6,455,704	3,500,000
New Borrowing	17,620,000	-	-
Cash Investments	-	-	-
Capital Spending	(8,670,500)	(11,452,292)	(11,831,010)
NET CASH FLOW TO FUND	12,574,064	(1,213,144)	(5,238,106)

**2020 BUDGET
SUBURBAN DIVISION
WASTEWATER FUND
CAPITAL EXPENDITURES**

Project	Primary Project Category	Estimated Project Cost	Estimated Costs Through 2019	2020 Budget	Estimated Costs 2021 - 2024
General:					
Annual Projects	AM - Varies	\$ 1,783,500	\$ -	\$ 320,500	\$ 1,463,000
Subtotal			-	320,500	1,463,000
LCA Wastewater Treatment Plant					
Pretreatment Plant Improvements	AM - Varies	3,500,000	-	700,000	2,800,000
Subtotal			-	700,000	2,800,000
Western Lehigh Interceptor System:					
Central Lehigh County WW Capacity Planning & Expansion	New Cust	620,000	-	620,000	-
Signatory I/I Investigation & Remediation Program	Regulatory	3,820,000	-	1,000,000	2,820,000
Spring Creek Force Main A/V Valve Replacements	Sys Imp	220,000	20,000	40,000	160,000
WLI-Trexlerstown Area Storage Facility	Regulatory	14,500,000	100,000	400,000	14,000,000
Subtotal			120,000	2,060,000	16,980,000
Little Lehigh Relief Interceptor System:					
Park Pump Station Rehabilitation/Improvements	AM - High	3,900,000	3,500,000	400,000	-
Park Pump Station Force Main Rehabilitation	AM - High	1,280,000	20,000	100,000	1,160,000
Subtotal			3,520,000	500,000	1,160,000
LCA Owned Interceptor System:					
SSES (Weisenberg, UMiT, Lowhill)	AM - High	75,000	-	75,000	-
Subtotal			-	75,000	-
Northern Lehigh Service Area:					
Wynnewood Terrace WWTP Remediation & Replacement	AM - High	4,000,000	3,300,000	700,000	-
Wynnewood I/I Investigation and Remediation Program	AM - Varies	120,000	20,000	50,000	50,000
Sand Spring WWTP Remediation & Replacement	AM - High	4,390,000	250,000	3,600,000	540,000
Heidelberg Heights I/I Investigation and Remediation Program	AM - Varies	1,425,000	300,000	275,000	850,000
Heidelberg Heights WWTP Rehabilitation	AM - High	420,000	20,000	40,000	360,000
Subtotal			3,890,000	4,665,000	1,800,000
Weisenberg Township:					
WWTP Mechanical Screen	Efficiency	275,000	-	-	275,000
Subtotal			-	-	275,000
Lynn Township					
Lynn Township WWTP Improvements & Expansion	AM - High	4,112,000	-	50,000	4,062,000
Lynn Township I/I Investigation and Remediation Program	AM - High	510,000	50,000	300,000	160,000
			50,000	350,000	4,222,000
Total Suburban Wastewater Division Capital Expenditures (Funded):			\$ 7,580,000	\$ 8,670,500	\$ 28,700,000

City Division

**LEHIGH COUNTY AUTHORITY - CITY DIVISION
2020 BUDGET
CONDENSED STATEMENTS**

	CITY DIVISION				
	2020 Budget	2019 Forecast	2019 Budget	2018 Actuals	2020 vs. 2019 FC
INCOME STATEMENT (\$)					
Operating Revenues	38,712,488	37,621,337	37,589,912	34,644,662	1,091,151
Operating Expenses	24,769,350	23,985,365	23,634,713	23,075,025	(783,985)
Operating Income	13,943,138	13,635,972	13,955,199	11,569,637	307,166
Non-Operating Revenues (Expenses)	76,884	105,583	566,200	58,994	(28,699)
Income Before Interest	14,020,022	13,741,555	14,521,399	11,628,631	278,467
Interest Income	900,000	1,164,612	400,000	1,047,630	(264,612)
Interest Expense	(19,356,023)	(18,943,851)	(18,956,576)	(18,810,413)	(412,172)
Income Before Capital Contributions	(4,436,001)	(4,037,684)	(4,035,177)	(6,134,152)	(398,317)
Capital Contributions	-	-	-	-	-
Net Income	(4,436,001)	(4,037,684)	(4,035,177)	(6,134,152)	(398,317)
CASH FLOWS - INDIRECT (\$)					
Net Cash Provided By (Used In) Operating Activities	19,823,138	19,515,972	19,835,199	10,277,073	307,166
Net Cash Provided By (Used In) Non-Capital Financing Activities	366,742	639,750	(116,200)	536,070	(273,008)
Net Cash Provided By (Used In) Capital and Related Financing Activities	(18,772,114)	(18,120,154)	(18,115,261)	(35,763,073)	(651,960)
Net Cash Provided By (Used In) Investing Activities	-	-	-	3,999,840	-
Net Increase (Decrease) in Cash	1,417,766	2,035,568	1,603,738	(20,950,090)	(617,802)
Cash - Beginning of Year	54,166,491	52,130,923	52,130,923	54,346,013	2,035,568
Cash - End of Year	55,584,257	54,166,491	53,734,661	33,395,923	1,417,766
CASH FLOW - DIRECT (\$)					
Operating Revenues	38,712,488	37,621,337	37,589,912	34,644,662	1,091,151
Operating Expenses (ex D&A)	(18,889,350)	(18,105,365)	(17,754,713)	(17,210,592)	(783,985)
Cash From Operations	19,823,138	19,515,972	19,835,199	17,434,070	307,166
Interest Received	900,000	1,164,612	400,000	1,047,630	(264,612)
Cash Available for Debt Service	20,723,138	20,680,584	20,235,199	18,481,700	42,554
Debt Service	(16,816,914)	(14,961,810)	(14,956,576)	(31,782,722)	(1,855,104)
Net Cash Available After Debt Service	3,906,224	5,718,774	5,278,623	(13,301,022)	(1,812,550)
Non-Operating Revenues (Expenses)	544,800	376,541	(268,800)	3,501,111	168,259
Changes in Working Capital	-	-	-	(7,156,997)	-
Net Cash Available For Capital	4,451,024	6,095,315	5,009,823	(16,956,908)	(1,644,291)
Financing & Investment Activity	1,781,742	(334,862)	1,963,800	22,595,807	2,116,604
Capital Spending	(4,815,000)	(3,724,885)	(5,369,885)	(7,853,989)	(1,090,115)
Net Cash Flow	1,417,766	2,035,568	1,603,738	(2,215,090)	(617,802)
Beginning Balance	35,431,491	33,395,923	33,395,923	54,346,013	2,035,568
Ending Balance	36,849,257	35,431,491	34,999,661	52,130,923	1,417,766
DEBT SERVICE COVERAGE RATIO	1.24	1.58	1.31	1.66	(0.34)
BALANCE SHEET (\$)					
	2020 Budget	2019 Forecast	2018 Actuals		
Assets and Deferred Outflows					
Cash and Cash Equivalents	8,092,976	6,675,210	4,639,642		
Investments - Unrestricted	-	-	-		
Other Current Assets	11,229,982	11,229,982	11,229,982		
Cash and Cash Equivalents - Restricted	47,491,281	47,491,281	47,491,281		
Investments - Restricted	3,940,640	3,940,640	3,940,640		
Other Restricted Assets	-	-	-		
Capital Assets, net of Accumulated Depreciation	35,464	383,380	999,453		
Other Long-Term Assets	235,354,949	241,854,949	246,854,949		
Deferred Outflows	1,891,432	1,891,432	1,891,432		
Total Assets and Deferred Outflows	308,036,724	313,466,874	317,047,379		
Liabilities and Net Position					
Current Liabilities	5,143,326	5,143,326	5,143,326		
Long-Term Liabilities	362,624,526	363,618,675	363,161,496		
Net Position	(59,731,128)	(55,295,127)	(51,257,443)		
Total Liabilities and Net Position	308,036,724	313,466,874	317,047,379		

**LEHIGH COUNTY AUTHORITY - CITY DIVISION
2020 BUDGET
CASH FLOW (DIRECT)**

\$USD	2020 Budget	2019 Forecast	2019 Budget	2018 Actuals	2020 vs. 2019FC
OPERATING REVENUES					
Charges for Services	38,637,488	37,546,337	37,514,912	34,590,898	1,091,151
Rent	-	-	-	-	-
Other income	75,000	75,000	75,000	53,764	-
Total Operating Revenues	38,712,488	37,621,337	37,589,912	34,644,662	1,091,151
OPERATING EXPENSES (CASH BASED)					
Salaries and Wages	(5,826,451)	(5,606,749)	(5,653,796)	(5,396,761)	(219,702)
General and Administrative	(6,890,865)	(6,761,873)	(6,407,601)	(5,713,940)	(128,992)
Utilities	(2,141,069)	(2,118,481)	(2,095,255)	(2,040,103)	(22,588)
Materials and Supplies	(1,688,624)	(1,574,483)	(1,597,216)	(1,267,835)	(114,141)
Miscellaneous Services	(2,330,341)	(2,031,779)	(1,988,845)	(2,782,126)	(298,562)
Treatment and Transportation	(12,000)	(12,000)	(12,000)	(9,827)	-
Total Operating Expenses	(18,889,350)	(18,105,365)	(17,754,713)	(17,210,592)	(783,985)
CASH FROM OPERATIONS	19,823,138	19,515,972	19,835,199	17,434,070	307,166
Interest Received	900,000	1,164,612	400,000	1,047,630	(264,612)
CASH AVAILABLE FOR DEBT SERVICE	20,723,138	20,680,584	20,235,199	18,481,700	42,554
DEBT SERVICE					
Interest and Fees Paid	(15,373,982)	(14,961,810)	(14,956,576)	(13,047,722)	(412,172)
Principal Paid	(1,442,932)	-	-	(18,735,000)	(1,442,932)
Total Debt Service	(16,816,914)	(14,961,810)	(14,956,576)	(31,782,722)	(1,855,104)
NET CASH AVAILABLE AFTER DEBT SERVICE	3,906,224	5,718,774	5,278,623	(13,301,022)	(1,812,550)
	1.23	1.38	1.35	0.58	(0.15)
NON-OPERATING REVENUES (EXPENSES)					
Tapping and Capital Recovery Fees	316,500	315,294	324,000	1,360,605	1,206
Meter Sales	13,200	13,159	13,200	8,397	41
Inspection, Plan Reviews, and Project Reimbursements	2,495,100	199,846	1,852,000	913,550	2,295,254
Other Income	35,000	34,742	22,000	1,587,086	258
Less: Project Reimbursement	(2,315,000)	(190,000)	(2,480,000)	(372,527)	(2,125,000)
Other Expense	(2,782,916)	(453,958)	(1,645,000)	(3,525,992)	(2,328,958)
Less: Expensed Capex	2,782,916	457,458	1,645,000	3,529,992	2,325,458
Total Non-Operating Revenues (Expenses)	544,800	376,541	(268,800)	3,501,111	168,259
Changes in Assets and Liabilities	-	-	-	(7,156,997)	-
NET CASH AVAILABLE FOR CAPITAL	4,451,024	6,095,315	5,009,823	(16,956,908)	(1,644,291)
FINANCING AND INVESTMENT ACTIVITY					
Grants Received	-	-	-	-	-
New Borrowing	-	-	-	18,735,000	-
Investments Converted to Cash	-	-	-	3,999,840	-
New Investments From Cash	-	-	-	-	-
Annual Lease Payments	(533,258)	(524,862)	(516,200)	(511,560)	(8,396)
Project Reimbursements	2,315,000	190,000	2,480,000	372,527	2,125,000
Total Financing & Investment Activity	1,781,742	(334,862)	1,963,800	22,595,807	2,116,604
CAPITAL SPENDING					
Net Capital Spending	(2,032,084)	(3,267,427)	(3,724,885)	(4,323,997)	1,235,343
Add: Expensed Capex	(2,782,916)	(457,458)	(1,645,000)	(3,529,992)	(2,325,458)
Total Capital Spending	(4,815,000)	(3,724,885)	(5,369,885)	(7,853,989)	(1,090,115)
NET CASH FLOW TO FUND	1,417,766	2,035,568	1,603,738	(2,215,090)	(617,802)

**LEHIGH COUNTY AUTHORITY - CITY DIVISION
2020 BUDGET
CASH FLOW (DIRECT)**

\$USD	2020 Budget	2019 Forecast	2019 Budget	2018 Actuals	2020 vs. 2019FC
DEBT SERVICE RATIO (INDENTURE BASED)					
Total Operating Revenues	38,712,488	37,621,337	37,589,912	34,644,662	1,091,151
Total Operating Expenses (Cash Based)	(18,889,350)	(18,036,655)	(17,680,046)	(17,056,166)	(852,695)
Interest Income	900,000	1,164,612	400,000	1,047,630	(264,612)
Annual Lease Payment (City)	(533,258)	(524,862)	(516,200)	(511,560)	(8,396)
Total Non-Operating Revenues (Expenses)	<u>715,040</u>	<u>376,695</u>	<u>(268,621)</u>	<u>3,501,111</u>	<u>338,345</u>
Cash Available For Debt Service	20,904,920	20,601,127	19,525,045	21,625,677	303,793
Total Debt Service	<u>16,816,914</u>	<u>13,047,722</u>	<u>14,956,576</u>	<u>13,047,722</u>	<u>3,769,192</u>
Debt Service Ratio	<u>1.24</u>	<u>1.58</u>	<u>1.31</u>	<u>1.66</u>	<u>(0.34)</u>
CAPITAL COVERAGE RATIO					
Net Available for Capital	6,766,024	6,285,315	7,489,823	2,150,619	480,709
Total Capex	<u>4,815,000</u>	<u>3,724,885</u>	<u>5,369,885</u>	<u>7,853,989</u>	<u>1,090,115</u>
Capital Coverage Ratio	<u>1.41</u>	<u>1.69</u>	<u>1.39</u>	<u>0.27</u>	<u>(0.28)</u>

LEHIGH COUNTY AUTHORITY - CITY DIVISION
2020 BUDGET
CASH FLOW BRIDGE - 2020 BUDGET vs. 2019 FORECAST
\$USD

NET CASH FLOW PER 2019 FORECAST 2,035,568

Revenues

Volume	-	NO MONTHLY BILLING and No budgeted volume increase
Base rate increase on rate payer base	389,292	2.5% increase per concession agreement
CPI increase on rate payer base	218,005	1.4% per compliance (based upon an inflation index)
CCRC - Water	188,243	Based upon completed projects that meet lease criteria
CCRC - Wastewater	144,310	Based upon completed projects that meet lease criteria
Other Water Sales	279,590	Increase in other water sales
Wastewater revenues - cost based	536,189	3.0% inflation effect built into revenue
Municipal Wastewater	(664,478)	Lower signatory flows and loads
Total Revenues	<u>1,091,151</u>	

Operating expenses

Personnel Costs		
Headcount from last year	(50,000)	Catch up for full year of headcount brought on board in 2019
Wage increases	(169,702)	3.0% wage pool
Benefits increase	(95,942)	4.0% increase in employee insurance costs
Charging re-allocation	-	Not budgeting any re-allocation of labor
Discretionary spending		
Inflation	(206,966)	2.0% inflation rate used across all spending categories
Real spending		
Utilities	19,394	Reduction in utility usage
Materials and supplies	(81,030)	Spending increase of 5.1%
Services	(252,870)	Spending increase of 12.4%
Internal Services Charged In	53,131	Net reduction in Internal Services Charged in
Total operating expenses	<u>(783,985)</u>	

Interest income (264,612) Assuming a reduction in overall interest rates

Debt Service

Additional interest expense	(412,172)	Based upon series A&B along with Loan from Fulton Bank
Additional principal payments	(1,442,932)	
Total Debt service	<u>(1,855,104)</u>	

Non-Operating Revenues (Expenses)

Capital Recovery Fees	1,247	Staying conservative
Planning and Inspection reviews	170,512	Staying conservative
Project Reimbursement	2,125,000	From COA
Expenses	(3,500)	Not repeating in 2020
Annual Lease Payments	(8,396)	CPI Index effect
Total Non-Operating Revenues (Expenses)	<u>2,284,863</u>	

Capital Spending/Funding

Capex (1,090,115) Based upon Capex plan

Net Changes (617,802)

NET CASH FLOW PER 2020 BUDGET 1,417,766

LEHIGH COUNTY AUTHORITY - CITY DIVISION
2020 BUDGET
STATEMENT OF CHANGES IN NET POSITION

\$USD	<u>2020 Budget</u>	<u>2019 Forecast</u>	<u>2019 Budget</u>	<u>2018 Actuals</u>	<u>2020 vs. 2019 FC</u>
OPERATING REVENUES					
Charges for Services	38,637,488	37,546,337	37,514,912	34,590,898	1,091,151
Rent	-	-	-	-	-
Other Operating Income	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>53,764</u>	-
Total Operating Revenues	<u>38,712,488</u>	<u>37,621,337</u>	<u>37,589,912</u>	<u>34,644,662</u>	<u>1,091,151</u>
OPERATING EXPENSES					
Salaries and Wages	5,826,451	5,606,749	5,653,796	5,396,761	(219,702)
General and Administrative	6,890,865	6,761,873	6,407,601	5,713,940	(128,992)
Utilities	2,141,069	2,118,481	2,095,255	2,040,103	(22,588)
Materials and Supplies	1,688,624	1,574,483	1,597,216	1,267,835	(114,141)
Miscellaneous Services	2,330,341	2,031,779	1,988,845	2,782,126	(298,562)
Treatment and Transportation	12,000	12,000	12,000	9,827	-
Depreciation and Amortization	<u>5,880,000</u>	<u>5,880,000</u>	<u>5,880,000</u>	<u>5,864,433</u>	-
Total Operating Expenses	<u>24,769,350</u>	<u>23,985,365</u>	<u>23,634,713</u>	<u>23,075,025</u>	<u>(783,985)</u>
Operating Income (Loss)	<u>13,943,138</u>	<u>13,635,972</u>	<u>13,955,199</u>	<u>11,569,637</u>	<u>307,166</u>
NON-OPERATING REVENUES (EXPENSES)					
Tapping and Capital Recovery Fees	316,500	315,294	324,000	1,360,605	1,206
Meter Sales	13,200	13,159	13,200	8,397	41
Inspection, Plan Reviews, and Project Reimbursements	2,495,100	199,846	1,852,000	913,550	2,295,254
Other Income	35,000	34,742	22,000	1,587,086	258
Other Expense	<u>(2,782,916)</u>	<u>(457,458)</u>	<u>(1,645,000)</u>	<u>(3,810,644)</u>	<u>(2,325,458)</u>
Total Non-Operating Revenues (Expenses)	<u>76,884</u>	<u>105,583</u>	<u>566,200</u>	<u>58,994</u>	<u>(28,699)</u>
Income Before Interest	14,020,022	13,741,555	14,521,399	11,628,631	278,467
Interest Income	900,000	1,164,612	400,000	1,047,630	(264,612)
Interest Expense	<u>(19,356,023)</u>	<u>(18,943,851)</u>	<u>(18,956,576)</u>	<u>(18,810,413)</u>	<u>(412,172)</u>
Increase (Decrease) in Net Position Before Capital Contributions	<u>(4,436,001)</u>	<u>(4,037,684)</u>	<u>(4,035,177)</u>	<u>(6,134,152)</u>	<u>(398,317)</u>
CAPITAL CONTRIBUTIONS					
Capital Grants	-	-	-	-	-
Capital Assets Provided	-	-	-	-	-
Total Capital Contributions	-	-	-	-	-
INCREASE (DECREASE) IN NET POSITION	(4,436,001)	(4,037,684)	(4,035,177)	(6,134,152)	(398,317)
Net Position Beginning of Year	(55,295,127)	(51,257,443)	(51,257,443)	(45,123,291)	(4,037,684)
Cumulative Changes	-	-	-	-	-
NET POSITION AT END OF YEAR	<u>(59,731,128)</u>	<u>(55,295,127)</u>	<u>(55,292,620)</u>	<u>(51,257,443)</u>	<u>(4,436,001)</u>

LEHIGH COUNTY AUTHORITY - CITY DIVISION
2020 BUDGET
CASH FLOW (INDIRECT)

\$USD	<u>2020 Budget</u>	<u>2019 Forecast</u>	<u>2019 Budget</u>	<u>2018 Actuals</u>	<u>2020 vs. 2019FC</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (Loss)	13,943,138	13,635,972	13,955,199	11,569,637	307,166
Adjustments:					
Depreciation and Amortization	5,880,000	5,880,000	5,880,000	5,864,433	-
Changes in Assets and Liabilities	-	-	-	(7,156,997)	-
Net Cash Provided By (Used In) Operating Activities	<u>19,823,138</u>	<u>19,515,972</u>	<u>19,835,199</u>	<u>10,277,073</u>	<u>307,166</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Interest Received	900,000	1,164,612	400,000	1,047,630	(264,612)
Facility Improvements	-	-	-	-	-
Annual Lease Payments	(533,258)	(524,862)	(516,200)	(511,560)	(8,396)
Transfers From/To	-	-	-	-	-
Net Cash Provided By (Used In) Non-Capital Financing Activities	<u>366,742</u>	<u>639,750</u>	<u>(116,200)</u>	<u>536,070</u>	<u>(273,008)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Non-Operating Revenues Received	2,859,800	566,541	2,211,200	3,873,638	2,293,259
Capital Spending	(4,815,000)	(3,724,885)	(5,369,885)	(7,853,989)	(1,090,115)
Borrowing Proceeds	-	-	-	18,735,000	-
Interest Payments	(15,373,982)	(14,961,810)	(14,956,576)	(31,782,722)	(412,172)
Principal Payments	(1,442,932)	-	-	(18,735,000)	(1,442,932)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>(18,772,114)</u>	<u>(18,120,154)</u>	<u>(18,115,261)</u>	<u>(35,763,073)</u>	<u>(651,960)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Maturities	-	-	-	3,999,840	-
Investment Purchases	-	-	-	-	-
Interest Received on Investments	-	-	-	-	-
Net Cash Provided By (Used In) Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,999,840</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	1,417,766	2,035,568	1,603,738	(20,950,090)	(617,802)
Cash - Beginning of Year	<u>35,431,491</u>	<u>33,395,923</u>	<u>33,395,923</u>	<u>54,346,013</u>	<u>2,035,568</u>
CASH - END OF YEAR	<u><u>36,849,257</u></u>	<u><u>35,431,491</u></u>	<u><u>34,999,661</u></u>	<u><u>33,395,923</u></u>	<u><u>1,417,766</u></u>

LEHIGH COUNTY AUTHORITY - CITY DIVISION
2019 BUDGET
BALANCE SHEET

\$USD	CITY DIVISION		
	2020 Budget	2019 Forecast	2018 Actuals
ASSETS AND DEFERRED OUTFLOWS			
CURRENT ASSETS			
Cash and Cash Equivalents	8,092,976	6,675,210	4,639,642
Certificates of Deposit	-	-	-
Accounts Receivable - Customers	6,606,583	6,606,583	6,606,583
Accounts Receivable - Financing Contracts	-	-	-
Accounts Receivable - Others	4,147,552	4,147,552	4,147,552
Due From (To) Other Funds	-	-	-
Inventories	-	-	-
Accrued Interest Receivable	100,851	100,851	100,851
Prepaid Expenses	374,996	374,996	374,996
Total Current Assets	19,322,958	17,905,192	15,869,624
NON-CURRENT ASSETS			
Restricted			
Cash and Cash Equivalents	47,491,281	47,491,281	47,491,281
Certificates of Deposit	-	-	-
Investment - US Treasury Obligations	3,940,640	3,940,640	3,940,640
Developer Escrow Deposits	-	-	-
Accrued Interest Receivable	-	-	-
Total Restricted Assets	51,431,921	51,431,921	51,431,921
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	8,488,911	6,456,827	3,192,900
Capacity	-	-	-
LESS: Accumulated Depreciation	(8,453,447)	(6,073,447)	(2,193,447)
Total Capital Assets	35,464	383,380	999,453
Other Assets			
Long-term Portion of Receivables and Financing Contracts	-	-	-
Intangible Service Concession Arrangement	233,452,520	239,952,520	244,952,520
OPEB Asset	-	-	-
Other Miscellaneous Assets	1,902,429	1,902,429	1,902,429
Facilities Planning Costs, Net	-	-	-
Total Other Assets	235,354,949	241,854,949	246,854,949
Total Non-Current Assets	286,822,334	293,670,250	299,286,323
TOTAL ASSETS	306,145,292	311,575,442	315,155,947
Deferred Outflows			
Pensions	1,891,432	1,891,432	1,891,432
Refunding Loss on Bonds	-	-	-
Total Deferred Outflows	1,891,432	1,891,432	1,891,432
TOTAL ASSETS AND DEFERRED OUTFLOWS	308,036,724	313,466,874	317,047,379

LEHIGH COUNTY AUTHORITY - CITY DIVISION
2019 BUDGET
BALANCE SHEET

	CITY DIVISION		
	2020 Budget	2019 Forecast	2018 Actuals
LIABILITIES AND NET POSITION			
Current Liabilities:			
Accounts Payable - Trade	2,098,809	2,098,809	2,098,809
Accounts Payable - Capital	149,529	149,529	149,529
Accrued Interest Payable	1,128,362	1,128,362	1,128,362
Notes Payable	-	-	-
Revenue Bonds Payable	1,230,893	1,230,893	1,230,893
Developer Deposits and Other	26,016	26,016	26,016
Accrued Expenses	509,717	509,717	509,717
Total Current Liabilities	5,143,326	5,143,326	5,143,326
Non-Current Liabilities			
Developer Deposits and Other	-	-	-
SCA Payable	46,842,091	46,393,308	45,936,129
Notes Payable	-	-	-
OPEB Liability	2,020,079	2,020,079	2,020,079
Net Pension Liability	1,250,814	1,250,814	1,250,814
Revenue Bonds Payable	311,169,773	312,612,705	312,612,705
Total Non-Current Liabilities	361,282,757	362,276,906	361,819,727
Deferred Inflows			
Pensions	1,341,769	1,341,769	1,341,769
Total Liabilities	367,767,852	368,762,001	368,304,822
Net Position:			
Net investment in Capital Assets	853,964	383,380	999,453
Restricted Debt Service	-	-	-
Unrestricted	(60,585,092)	(55,678,507)	(52,256,896)
Total Net Position	(59,731,128)	(55,295,127)	(51,257,443)
TOTAL LIABILITIES AND NET POSITION	308,036,724	313,466,874	317,047,379
Check	-	-	-

**LEHIGH COUNTY AUTHORITY
2020 BUDGET
CITY DIVISION**

STATEMENT OF CHANGES IN NET POSITION	2020 Budget	2019 Forecast	2019 Budget
OPERATING REVENUES			
CITY WATER			
Residential/Industrial/Commercial	15,646,200	15,058,903	15,079,270
Penalties	296,738	285,600	270,342
Capital Cost Recovery	1,002,000	813,757	798,222
Fire Service	76,053	73,198	80,377
Other Water Sales	3,669,946	3,390,356	3,588,128
Other Income	421,061	421,061	454,827
Total City Water	<u>21,111,998</u>	<u>20,042,875</u>	<u>20,271,166</u>
CITY WASTEWATER			
User Charges - Municipal	6,419,939	6,897,428	7,038,722
User Charges - Residential & Commercial	9,302,597	8,953,397	8,913,336
User Charges - Hauler	76,647	76,647	73,939
Capital Cost Recovery	395,000	250,690	253,662
Penalties	160,044	154,037	141,831
Industrial Pretreatment Revenues	95,615	95,615	116,585
Leachate Program Revenues	1,040,598	1,040,598	667,792
Other Income	35,050	35,050	37,879
Total City Wastewater	<u>17,525,490</u>	<u>17,503,462</u>	<u>17,243,746</u>
Total Service Charges	38,637,488	37,546,337	37,514,912
Rental Income	-	-	-
Miscellaneous	75,000	75,000	75,000
TOTAL OPERATING REVENUES	<u>38,712,488</u>	<u>37,621,337</u>	<u>37,589,912</u>
OPERATING EXPENSES			
PERSONNEL			
Permanent	5,074,757	4,876,949	4,904,757
Overtime	751,694	729,800	749,039
Employee Benefits	2,495,623	2,399,681	2,359,314
Total Personnel	<u>8,322,074</u>	<u>8,006,430</u>	<u>8,013,110</u>
PURCHASE OF SERVICES			
Internal Services (Including Lab)	4,395,242	4,362,192	4,048,287
Utilities	2,141,069	2,118,481	2,095,255
Engineering	31,500	11,775	16,000
Contract Operating Services	95,700	133,063	95,700
Residuals Services	374,580	384,231	419,830
General Analyses	18,000	12,400	18,000
Maintenance Services	1,083,518	818,936	819,245
Fleet Management Services	157,000	186,643	152,000
Extraordinay Expenditures	30,000	25,176	25,000
Industrial Meter Testing & Repair	6,000	3,000	6,000
Miscellaneous Services	534,043	456,555	437,070
Treatment & Transportation	12,000	12,000	12,000
I/I Rehabilitation Program	-	-	-
Total Purchases of Services	<u>8,878,652</u>	<u>8,524,452</u>	<u>8,144,387</u>

**LEHIGH COUNTY AUTHORITY
2020 BUDGET
CITY DIVISION**

STATEMENT OF CHANGES IN NET POSITION	2020 Budget	2019 Forecast	2019 Budget
MATERIALS & SUPPLIES			
Pump Supplies	28,750	26,655	26,750
Fuel	75,500	88,823	-
Purification Chemicals & Supplies	757,354	744,363	752,500
Distribution & Transmission Supplies	95,500	184,104	186,000
Collection System Supplies	89,300	22,881	-
Fleet Management Supplies	29,050	21,210	26,550
Miscellaneous Materials & Supplies	406,930	352,949	355,630
Fuel & Mileage	36,000	8,816	112,500
Total Materials and Supplies	<u>1,518,384</u>	<u>1,449,801</u>	<u>1,459,930</u>
EQUIPMENT			
Equipment Purchases	170,240	124,682	137,286
Amortized Equipment	-	-	-
Total Equipment	<u>170,240</u>	<u>124,682</u>	<u>137,286</u>
DEPRECIATION & AMORTIZATION	<u>5,880,000</u>	<u>5,880,000</u>	<u>5,880,000</u>
TOTAL OPERATING EXPENSES	<u>24,769,350</u>	<u>23,985,365</u>	<u>23,634,713</u>
OPERATING INCOME	<u>13,943,138</u>	<u>13,635,972</u>	<u>13,955,199</u>
NON-OPERATING REVENUES			
CITY WATER			
Supply/Tapping Fees	18,500	18,337	18,000
Distribution Tapping Fees	13,200	13,159	12,000
Meter Sales	192,000	191,901	200,000
Inspection & Planning Review Fees	20,000	19,842	20,000
Project Reimbursement	85,000	-	-
Other	35,000	34,742	22,000
Total City Water	<u>363,700</u>	<u>277,981</u>	<u>272,000</u>
CITY WASTEWATER			
Allocation Fees	106,000	105,055	106,000
Inspection & Planning Review Fees	160,100	160,004	187,000
Project Reimbursement	2,230,000	20,000	1,645,000
Other	-	-	-
Total City Wastewater	<u>2,496,100</u>	<u>285,059</u>	<u>1,938,000</u>
TOTAL NON-OPERATING REVENUES	<u>2,859,800</u>	<u>563,040</u>	<u>2,210,000</u>
NON-OPERATING (EXPENSES)			
Capital Charged to Expenses	(2,782,916)	(460,958)	(1,645,000)
Other Miscellaneous Expenses	-	3,500	1,200
TOTAL NON-OPERATING (EXPENSES)	<u>(2,782,916)</u>	<u>(457,458)</u>	<u>(1,643,800)</u>
INCOME BEFORE INTEREST AND CONTRIBUTED CAPITAL	14,020,022	13,741,554	14,521,399
Interest Income	900,000	1,164,612	400,000
Interest (Expense)	<u>(19,356,023)</u>	<u>(18,943,851)</u>	<u>(18,956,576)</u>
INCOME BEFORE CONTRIBUTED CAPITAL	(4,436,001)	(4,037,684)	(4,035,177)

**LEHIGH COUNTY AUTHORITY
2020 BUDGET
CITY DIVISION**

<u>STATEMENT OF CHANGES IN NET POSITION</u>	<u>2020 Budget</u>	<u>2019 Forecast</u>	<u>2019 Budget</u>
CONTRIBUTED CAPITAL	-	-	-
NET INCOME	<u>(4,436,001)</u>	<u>(4,037,684)</u>	<u>(4,035,177)</u>

**LEHIGH COUNTY AUTHORITY
2020 BUDGET
CITY DIVISION**

CASH FLOWS	2020 Budget	2019 Forecast	2019 Budget
Operating Revenues	38,712,488	37,621,337	37,589,912
Operating Expenses	(24,769,350)	(23,985,365)	(23,634,713)
Add: Depreciation Expense	5,880,000	5,880,000	5,880,000
Net Operating Cash	19,823,138	19,515,972	19,835,199
Interest Income	900,000	1,164,612	400,000
City Annual Payment	(533,258)	(524,862)	(516,200)
Net Cash Available For Debt Service	<u>20,189,880</u>	<u>20,155,722</u>	<u>19,718,999</u>
Debt Service			
Interest Paid	(15,373,982)	(14,961,810)	(14,956,576)
Financing Fees Paid	-	-	-
Princial Paid	(1,442,932)	-	(18,735,000)
Total Debt Service	<u>(16,816,914)</u>	<u>(14,961,810)</u>	<u>(33,691,576)</u>
NET CASH AVAILABLE AFTER DEBT SERVICE	3,372,966	5,193,912	(13,972,577)
Non-Operating Revenues	2,859,800	563,041	2,210,000
Less: Project Reimbursement	(2,315,000)	(190,000)	(1,645,000)
Non-Operating Expenses	(2,782,916)	(453,958)	(1,643,800)
Less: Capital Charged to Expenses	2,782,916	457,458	1,645,000
Working Capital Changes	-	-	-
NET CASH AVAILABLE FOR CAPITAL	3,917,766	5,570,453	(13,406,377)
Financing & Investment Activity			
Project Reimbursements	2,315,000	190,000	1,645,000
Investments converting to Cash	-	-	-
New Borrowing	-	-	18,735,000
Cash Investments	-	-	-
Capital Spending	<u>(4,815,000)</u>	<u>(3,724,885)</u>	<u>(5,369,885)</u>
NET CASH FLOW TO FUND	<u>1,417,766</u>	<u>2,035,568</u>	<u>1,603,738</u>

**2020 BUDGET
CITY DIVISION
WATER FUND
CAPITAL EXPENDITURES**

Project	Primary Project Category	Estimated Project Cost	Estimated Costs Through 2019	2020 Budget	Estimated Costs 2021 - 2024
<u>LCA Funded Projects</u>					
Annual Projects	AM - Varies	8,640,000	-	972,500	7,667,500
Various Water System Related Studies	CA/OS	300,000	-	-	300,000
Sub-total Allentown Division Water Capital Funded by LCA			-	972,500	7,967,500
<u>City Funded Projects</u>					
Iron/AMR Meter Project ⁽¹⁾	CA/OS	85,000	-	85,000	-
Sub-total Allentown Division Water Capital Funded by the City			-	85,000	-
Administration Fund Capital Allocation				317,500	1,270,000
Total Allentown Division Water Capital Expenditures (Funded):				\$ 1,375,000	\$ 9,237,500

(1) "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.

**2020 BUDGET
CITY DIVISION
WASTEWATER SYSTEM
CAPITAL EXPENDITURES**

Project	Primary Project Category	Estimated Project Cost	Estimated Costs Through 2019	2020 Budget	Estimated Costs 2021 - 2024
<u>LCA Funded Projects</u>					
Annual Projects	AM - High	9,060,000	-	1,210,000	7,850,000
Various Wastewater System Related Studies	CA/OS	300,000	-	-	300,000
Sub-total Allentown Division Wastewater Capital Funded by LCA			\$ -	\$ 1,210,000	\$ 8,150,000
<u>City Funded Projects</u>					
Regional Flow Management Strategy ⁽¹⁾	Regulatory	3,145,000	-	730,000	2,415,000
WWTP Interim Blending Pumping System ⁽¹⁾	Regulatory	1,500,000	-	1,500,000	-
Sub-total Allentown Division Wastewater Capital Funded by the City			\$ -	\$ 2,230,000	\$ 2,415,000
Total Allentown Division Wastewater Capital Expenditures (Funded):			\$ -	\$ 3,440,000	\$ 10,565,000

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

**2020 BUDGET
ADMINISTRATION
CAPITAL EXPENDITURES**

Project	Primary Project Category	Estimated Project Cost	Estimated Costs Through 2019	2020 Budget	Estimated Costs 2021 - 2024
<u>LCA Funded Projects</u>					
SCADA Programming, Hardware Upgrades, Software & Training	AM - Varies	815,000	115,000	150,000	550,000
Computer System Hardware & Software Upgrades	AM - High	410,000	70,000	140,000	200,000
GIS Upgrades & Application Development	Efficiency	360,000	60,000	50,000	250,000
Information Technology Master Plan Update	Planning	415,000	40,000	125,000	250,000
Document Management	Efficiency	295,000	20,000	200,000	75,000
Disaster Recovery/Security Upgrades	Efficiency	200,000	50,000	25,000	125,000
CMMS Upgrades	Efficiency	265,000	90,000	25,000	150,000
Sub-total Administration Capital Funded by LCA			\$ 445,000	\$ 715,000	\$ 1,600,000
Total Administration Capital Expenditures (Funded):			\$ 445,000	\$ 715,000	\$ 1,600,000