

REI - City of Philadelphia LOCs

Questions and Answers

Questions Related to Philadelphia International Airport:

1. Provide FY 2021 Aviation Annual Disclosure Report (PDF), including the statistical section debt service coverage table, enplanements, airline market share, etc.
Our FY 2021 annual report will be available by 2/25/2022. Attached please find preliminary figures from the Airport System Financial Report for FY 2021, which includes the Airport's Rate Covenant Compliance Report.
2. Provide operating revenues (airline and non-airline revenues), operating expenses/interdepartmental expenses, and PFC revenues for debt service on a monthly basis for FY2019, FY2020 and FY2021. Please ensure that the total for each item requested matches the total reported in the Aviation Annual Disclosure Report. If not, please explain why the difference.
We do not produce financial statements on a monthly basis. Our FY 2021 annual report will be available by 2/25/2022.
3. Please share the most recent consultant report detailing multi-year financial including debt service coverage and enplaned passenger projections.
See Appendix I in the City of Philadelphia Airport Series 2021 Official Statement available on EMMA.
4. The current airline agreement expires June 30, 2022. Have negotiations started on a new agreement?
Yes
What is the expected tenor and any changes from the current residual agreement?
At this time, PHL does not anticipate any major changes from the current residual agreement.
5. Please provide unaudited or draft numbers for FYE 6/30/2021 for the Balance Sheet and Income Statement for the Aviation Division.
See response to Question 1.
6. Please provide a rate covenant calculation and breakdown for FYE 6/30/2021.
Attached please find preliminary figures from the Airport System Financial Report for FY 2021, which includes the Airport's Rate Covenant Compliance Report.
7. Please provide a breakdown of what federal stimulus monies and amounts (CAREs Act, Coronavirus Relief Act or American Rescue Plan Act) are being applied to FYE 6/30/2021 numbers.
For FY 2021, the Airport applied \$62.6 million of CAREs Act funding.

8. Please confirm Series 2005C-1&2 and the Commercial Paper Notes are at the Senior lien or on parity with the Senior lien level.
Confirmed, the CP is on parity with the other outstanding bonds.
9. Per the recent 2021 Official Statement, the AUL's expire 6/30/2022. Is the Aviation Division in negotiations for extension of the Residual AUL agreements? For what tenor are the renewed agreements being considered and are they being considered for renewal with similar terms and conditions for the signatory airlines?
See response to Question 4.
10. Please provide an estimated draw schedule for the Commercial Paper program. Additionally, with the CP Program at \$350MM with \$165.7MM outstanding, what sizing would the Airport be amenable to for a Line of Credit alternative?
At this time, we expect an initial draw of the CP of about \$40.3 million (this is the amount CP outstanding associated with the expiring LOCs). The Airport is looking for up to \$165.7 million of LOCs for CP, and \$60.4 million for the Series 2005C1&2 VRDBs.

Questions Related to Philadelphia Gas Works:

1. FY 2021 Rate Covenant Calculation

PGW has a mandatory debt service coverage ratio of 1.5 times debt service on the Senior 1998 Ordinance Bonds. At August 31, 2021, PGW's debt service coverage on the Senior 1998 Ordinance Bonds was 2.7 times. PGW publishes a Comprehensive Annual Financial Report that provides 10 years of data in many categories. The FY 2020 version is on PGW's website. The FY 2021 version is not yet available. The link to the report is: https://www.pgworks.com/uploads/pdfs/2020_Comprehensive_Annual_Financial_Report.pdf

2. 5-Year Projected CAPEX with sources funding (Bond Proceeds/DISC/Internal Funds). Next planned debt issuance.

**Capital spending and sources of funds by fiscal year
(Amounts in thousands of dollars)**

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Capital Spending	\$165,595	\$154,784	\$147,496	\$147,728	\$155,078
Funding sources:					
CIF – Bond Proceeds	\$93,595	\$78,784	\$21,262	\$74,728	\$70,578
DSIC	\$37,000	\$37,000	\$37,000	\$37,000	\$37,000
IGF	\$35,000	\$39,000	\$37,234	\$36,000	\$47,500
TXCP			\$52,000		

3. 5-Year Projected Rate Covenant Projections

The most recent financial forecast projected a \$45.0 million base rate increase in FY 2023 and an additional base rate increase of \$35.0 million in FY 2026. As a result of significant reductions in costs and decreased headcount, PGW has delayed filing the rate case for FY 2023. The development of a revised forecast will determine the timing and amount of any future rate increases. The five-year forecast detailed PGW debt service coverage in the 2.3 to 2.6 range.

4. LNG Expansion Update

- a. Has PGW finalized the P3 project with Passyunk Energy Center, LLC? If so, can any specifics be shared?

The P3 project has not been finalized, and there is no specific timeline to share.

- b. Is PGW in negotiations with any other LNG projects?

There are no negotiations for additional LNG projects currently planned.

- c. Does PGW plan to issue any debt or use any significant internal funds for any LNG projects?

PGW's capital forecast includes approximately \$16.0 million for plant upgrades annually. The FY 2023 capital budget includes an additional \$14.5 million to replace the "cold box," which is used in the liquefaction process. The FY 2027 capital budget includes \$170.0 million to replace the current liquefier. This project is expected to be completed in FY 2030.

5. Next Planned Base Rate increase

The most recent financial forecast projected a \$45.0 million base rate increase in FY 2023 and an additional base rate increase of \$35.0 million in FY 2026. As a result of significant reductions in costs and decreased headcount, PGW has delayed filing the rate case for FY 2023. The development of a revised forecast will determine the timing and amount of any future rate increases. However, PGW is considering a base rate increase to be effective in December 2023.

6. A regulatory asset exists as it relates to COVID-19 expenses & delinquent accounts. Please expand upon how these costs will be recouped via the PGW's rates and timing of the rate increase.

PGW anticipates that all PUC authorized expenses/regulatory asset amounts relating to COVID-19 will be recouped through rates in future base rate case increase requests. PGW intends to file for the recovery of the regulatory asset as a part of the Company's next planned base rate increase filing.

7. Has/Will PGW receive(d) any CARES/ARPA funds

PGW has an Outstanding FEMA/PEMA claim but has not yet received any funds related to CARES/ARPA.

8. Are swaps being amended to a basis other than LIBOR

Not at this time.

9. Hedging Strategy for rising natural gas prices

Financial hedging is inconsistent with PGW's least cost mandate from our regulators (PUC, City Council and the Philadelphia Gas Commission). PGW engages in physical hedging through the purchase of natural gas in the summer when prices are generally lower. The natural gas purchased in these summer months is injected into storage for future use. PGW uses its storages and LNG on the coldest days of the year greatly minimizing the need for purchasing higher priced natural gas.

10. Update/ Financial Impact of Vicinity contract

PGW is currently in a proceeding in front of the Public Utility Commission with Vicinity related to a new contract. PGW received approximately \$2.5 million from Vicinity during FY 2021. While PGW cannot predict the outcome of the matter before the PUC, the financial impact of variability either way should not have significant impact on PGW's finances or rates.

11. Expected CP usage

PGW does not anticipate using the commercial paper program for working capital throughout the five-year forecast period. PGW does anticipate using the commercial paper capital project notes in the forecast period, as noted in the response to number 2, in the amount of \$52.0 million in FY 2024. The notes would be paid down with a subsequent revenue bond issuance in FY 2025.

12. According to the OS, 8th Series C Bonds are senior and both of the CP notes are subordinate

The 8th Series C Bonds are Senior Bonds under the 1998 Ordinance. The CP Subordinate Series Notes (capital project notes) were issued under the first-class city revenue bond act and the 1998 Ordinance as "Subordinate Bonds." The CP Series Notes are issued under a different statute (the municipal inventory and receivables act) and a different ordinance. Under Section 4.02 of the 1998 General Ordinance, the Subordinate Bonds and the CP notes are on parity with each other and are subordinate in right of payment from pledged gas works revenues to net operating expenses, Senior Bonds and certain other obligations.

13. Out of the \$120.0 million CP program, is any CP currently outstanding? Are there plans to issue CP in the near future?

There are no CP notes outstanding. PGW does not anticipate using the commercial paper program for working capital throughout the five-year forecast period. PGW does anticipate using the commercial paper capital project notes in the forecast period, as noted in the response to number 2, in the amount of \$52.0 million in FY 2024. The notes would be paid down with a subsequent revenue bond issuance in FY 2025.

14. Is the \$120.0 million CP program Capital Project Notes or Revenue Notes?

Pursuant to the provisions of the City of Philadelphia Note Ordinances, PGW may sell short-term notes to either support working capital requirements or pay the costs of certain capital projects and other project costs. PGW may issue short-term notes in a principal amount, which, together with interest, may not exceed \$150.0 million outstanding to support working capital requirements. PGW may also issue additional short-term notes in an aggregate principal amount, which may not exceed \$120.0 million outstanding at any time to pay the costs of certain capital projects and other project costs. As of December 1, 2017, all notes are supported by a Note Purchase and Credit Agreement and a security interest in PGW's revenues. Prior to that, all notes were supported by two irrevocable letters of credit and a security interest in PGW's revenues. The Note Purchase and Credit Agreement supporting PGW's combined commercial paper programs set the maximum level of outstanding notes plus interest at \$120.0 million in 2021 and 2020, respectively. The commitment amount is \$120.0 million under the current credit agreement. The expiration date of the credit agreement is June 21, 2022.

15. What are the gas bill collection rates for FY 2021 and FY 2020?

24-month rolling collection rate:	12-month rolling collection rate:
August 2021 – 96.12%	August 2021 – 95.64%
August 2020 – 96.60%	August 2020 – 96.62%

16. Does PGW expect to write off the \$113.0 million of uncollectable accounts?

The accumulated provision for uncollectible accounts at August 31, 2021 reflects a balance of \$113.2 million. This is an "accounting estimate" of the value of customer accounts that may not be collectable. When subtracted from the gross accounts receivable, the resulting value is the estimate of the Net realizable value of the accounts receivable balance at a point in time. It is NOT a detailed list of individual customer accounts. Therefore, it is not something that will be written off in the normal course of business.

PGW has followed the PUC moratorium regarding customer shut-offs of gas services who otherwise would be eligible for shut-off. Net write-offs for FY 2021 were \$11.4 million as compared to \$30.4 million in FY 2020 and \$29.6 million in FY 2019. Accounts are written off when the account has no payments for 90 days and is physically shut-off at the curb or in the premise.

17. Has there been any other PUC moratorium on gas-shutoff after it ended on March 2021?

PGW commenced customer shut-offs after the moratorium ended March 31, 2021. The regular winter moratorium commenced on December 1, 2021 and will continue until March 31, 2022.

18. Can you share the debt service coverage calculation for FY 2021 and FY 2022?

Please utilize the link in the response to question 1. Go to page 111 of the document for the debt service calculation for the last 10 years. The calculation for FY 2021 is available in the attached file.

19. What are expected terms of the commercial paper program - changes to current structure?

No changes are contemplated at this time and PGW welcomes all informed guidance that may be available.

20. What are most current capital expenditure projections?

Please see the response to question 2.

21. What are plans for grant funding and accessing capital markets?

PGW is investigating the availability of any and all grant funds that may be available for infrastructure improvement. Please see the response to question 13 regarding PGW's next entry into the capital markets for a new money issuance.

22. Please provide latest updates on collection rates, planning/insurance covering ransomware, and COVID-planning

The 24-month rolling collection rate at the end of December 2021 was 97.0%.

Through a series of executive orders, changes to work schedules, and a greatly expanded telework program, PGW was able to ensure not only that all critical and essential functions have been covered, but support functions were also delivered to ensure the safe and reliable delivery of natural gas to the citizens of Philadelphia.

As part of prior pandemic planning PGW had an available inventory of personal protective equipment (PPE), namely N95 respirator masks, Comfo II half face respirators, hand sanitizing stations and disinfect wipe dispensers. Through these combined efforts PGW was able to protect our work force and customers.

PGW aggressively worked to ensure that employees became vaccinated, hosting on-site vaccination clinics and providing financial incentives for participation. Over 70% of the workforce is now vaccinated.

PGW continues to monitor the Covid situation and adapt to changing circumstances as required. Most recently, a temporary escalation of work from home and additional masking requirements were implemented during the Omicron surge. PGW leadership partnered with union leadership on joint communications stressing the importance of vaccinations, proper safety protocols, and the compliance with quarantine and isolation rules.

The Company maintains Cyber (Privacy) Liability coverage for costs arising from a data or security breach. For more detail, please use the link in the response to question 1 and navigate to "Note (14) Risk Management" on page 82.

Airport Attachment



CITY OF PHILADELPHIA

OFFICE OF THE DIRECTOR OF FINANCE

Room 1330 Municipal Services Building
1401 John F. Kennedy Boulevard
Philadelphia, PA 19102
(215) 686-6140
FAX (215) 568-1947

ROB DUBOW
Director of Finance

November 23, 2021

U.S. Bank National Association, Fiscal Agent
Global Corporate Trust
Two Liberty Place
50 South 16th Street, Suite 2000
Philadelphia, PA 19102-1199

Attention: Stacy L. Mitchell, Vice President

**Subject: FINANCIAL REPORT ON THE AIRPORT SYSTEM OF THE CITY OF
PHILADELPHIA PURSUANT TO THE AMENDED AND RESTATED GENERAL
AIRPORT REVENUE BOND ORDINANCE (BILL NO. 1099 OF 1995)**

Dear Ms. Mitchell:

Pursuant to Section 5.05 of the Amended and Restated General Airport Revenue Bond Ordinance (Bill No. 950282), I transmit and file with your bank as Fiscal Agent of the Airport Revenue Bonds issued thereunder, a report on the operation of the Airport System of the City for the Fiscal Year ended June 30, 2021, complying with the requirements of that section of the ordinance. The report is accompanied by a certificate of the Director of Commerce and the Airport's Chief Executive Officer that the Airport System of the City is in good operating condition.

I hereby certify that as of the date of this report, the City has complied with all of the covenants in said ordinance and in all ordinances supplemental thereto.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rob Dubow'.

Rob Dubow
Director of Finance

Enclosures



November 19, 2021

Mr. Rob Dubow
Director of Finance
1401 John F. Kennedy Boulevard
Room 1330 Municipal Services Building
Philadelphia, PA 19102-1693

Subject: Financial Report on the Airport System of
the City of Philadelphia for the Fiscal Year
Ended June 30, 2021

Dear Mr. Dubow:

Pursuant to Section 5.05 of the Amended and Restated General Airport Revenue Bond Ordinance (Bill No. 950282), I transmit and file with your bank as Fiscal Agent of the Airport Revenue Bonds issued thereunder, a report on the operation of the Airport System of the City for the Fiscal Year ended June 30, 2021, complying with the requirements of that section of the ordinance.

I hereby certify that as of the date of this report, the Airport System is in good operating condition. Also, the City has complied with all of the covenants in said ordinance and in all ordinances supplemental thereto.

DocuSigned by:

A handwritten signature in black ink that reads "Rochelle L. Cameron".

Rochelle L. Cameron, CPA
Chief Executive Officer

DocuSigned by:

A handwritten signature in black ink that reads "Michael Rashid".

Concur:

Michael A. Rashid
Director of Commerce

Enclosure

CITY OF PHILADELPHIA
AIRPORT SYSTEM
FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2021

CITY OF PHILADELPHIA
AIRPORT SYSTEM
FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2021

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CITY OF PHILADELPHIA
AIRPORT SYSTEM
BASIS OF PRESENTATION
(UNAUDITED)

1. The accompanying statements, presented for the purpose of demonstrating compliance with the Amended and Restated General Airport Revenue Bond Ordinance (Bill #950282), are prepared on the accrual basis of accounting adjusted to meet the particular requirements of the Amended and Restated General Airport Revenue Bond Ordinance. On this basis of accounting, revenues are recorded as they are earned. Equipment purchases and other capital outlays funded from operations are charged to expense in the year of acquisition. Principal payments on debt are recorded as an element of expense in lieu of depreciation.

The accompanying statements are reconcilable to the Aviation Fund statements presented in the annual report of the City of Philadelphia which are prepared in conformity with generally accepted accounting principles for an enterprise fund.

2. Section 5.01 of the Amended and Restated General Airport Revenue Bond Ordinance specifies that rate covenant compliance be calculated by measuring the sufficiency of pledged Amounts Available for Debt Service, including Project Revenues, Passenger Facility Charge (PFC) Revenues Available for Debt Service and that portion of the Aviation Operating Fund balance attributable to Amounts Available for Debt Service.

CITY OF PHILADELPHIA
AIRPORT SYSTEM
STATEMENT OF REVENUE, EXPENSE, AND NET REVENUE
FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

<u>Revenue</u>	<u>Total Airport System</u>
Airline Revenues	
Space rentals	\$ 109,670,489
Landing fees	79,570,417
Ramp Area rentals	321,009
International Common Use Fees	<u>29,623,489</u>
	\$ 219,185,404
Other operating revenue	
Concession fees	\$ 29,656,649
Parking	-
CARES Act grant	37,589,111
Other	<u>43,412,380</u>
	\$ 110,658,140
Interest income	1,015,000
PFC revenues available for debt service	<u>49,620,818</u>
 Total Revenue	 \$ 381,449,498
 <u>Expense</u>	
Operating Expenses (Note 1)	
Net Operating expenses	\$ 130,128,359
Interdepartmental charges	<u>109,798,278</u>
	\$ 239,926,637
Required Renewal Fund deposit (Note 2)	-
Debt Service	
Revenue Bonds	\$ 127,330,557
Interest income offset	(3,000,054)
General Obligation Bonds	<u>-</u>
	\$ 124,330,503
Fund Requirements (Note 3)	
Bond Redemption and Improvement Requirement	\$ -
O&M Requirement	<u>1,000,000</u>
	<u>\$ 1,000,000</u>
 Total Expense	 <u>\$ 365,257,140</u>
 Net revenue (deficit)	 <u><u>\$ 16,192,358</u></u>

CITY OF PHILADELPHIA
AIRPORT SYSTEM
COST CENTER SUMMARY OF OPERATIONS
FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

Revenue	Total Airport System	Terminal Area	Airfield Area	Other Buildings and Areas	Northeast Philadelphia Airport	Ramp Area	Outside Terminal Area	Airport Services
Airline Revenues								
Space rentals	\$ 109,670,489	\$ 109,670,489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Landing fees	79,570,417	-	79,570,417	-	-	-	-	-
Ramp Area rentals	321,009	22,346	-	-	-	298,663	-	-
International common use fees	29,623,489	29,623,489	-	-	-	-	-	-
	\$ 219,185,404	\$ 139,316,324	\$ 79,570,417	\$ -	\$ -	\$ 298,663	\$ -	\$ -
Other operating revenue								
Concession fees	29,656,649	19,400,744	926,054	-	-	-	9,329,851	-
Parking	-	-	-	-	-	-	-	-
CARES Act grant	37,589,111	-	4,000,000	-	157,000	-	33,432,111	-
Other	43,412,380	16,147,152	2,929,026	14,251,103	1,918,103	-	5,431,118	2,735,878
	\$ 110,658,140	\$ 35,547,896	\$ 7,855,080	\$ 14,251,103	\$ 2,075,103	\$ -	\$ 48,193,080	\$ 2,735,878
Interest income	1,015,000	455,178	161,536	91,276	21,767	-	285,243	-
PFC revenues available for debt service	49,620,818	49,620,818	-	-	-	-	-	-
Contribution for carrier incentive program	970,136	325,356	644,780	-	-	-	-	-
	\$ 381,449,498	\$ 225,265,572	\$ 88,231,813	\$ 14,342,379	\$ 2,096,870	\$ 298,663	\$ 48,478,323	\$ 2,735,878
Expense								
Operating expenses								
Net Operating expenses	\$ 130,128,359	\$ 76,061,970	\$ 25,015,307	\$ 9,062,764	\$ 1,761,793	\$ -	\$ 18,226,525	\$ -
Interdepartmental charges	109,798,278	55,363,157	30,908,230	3,402,916	3,791,421	-	13,596,676	2,735,878
	\$ 239,926,637	\$ 131,425,127	\$ 55,923,537	\$ 12,465,680	\$ 5,553,214	\$ -	\$ 31,823,201	\$ 2,735,878
Required Renewal Fund deposit	-	-	-	-	-	-	-	-
Debt service								
Revenue bonds	\$ 127,330,557	\$ 95,638,229	\$ 22,197,516	\$ 8,387,955	\$ 460,761	\$ 307,673	\$ 338,423	\$ -
Interest income offset	(3,000,054)	(2,351,874)	(550,993)	(66,396)	(11,955)	(9,010)	(9,826)	-
General Obligation bonds	-	-	-	-	-	-	-	-
	\$ 124,330,503	\$ 93,286,355	\$ 21,646,523	\$ 8,321,559	\$ 448,806	\$ 298,663	\$ 328,597	\$ -
Fund Requirements								
Bond Redemption and Improvement Requirement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
O&M Requirement	1,000,000	554,090	235,775	52,556	23,412	-	134,167	-
	\$ 1,000,000	\$ 554,090	\$ 235,775	\$ 52,556	\$ 23,412	\$ -	\$ 134,167	\$ -
	\$ 365,257,140	\$ 225,265,572	\$ 77,805,835	\$ 20,839,795	\$ 6,025,432	\$ 298,663	\$ 32,285,965	\$ 2,735,878
Total expenses								
Net revenue (deficit)	\$ 16,192,358	\$ -	\$ 10,425,978	\$ (6,497,416)	\$ (3,928,562)	\$ -	\$ 16,192,358	\$ -

CITY OF PHILADELPHIA
AIRPORT SYSTEM
SCHEDULE OF RATE COVENANT COMPLIANCE
FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

Test 1 (a)

Amounts Available for Debt Service (AADS)	
Project Revenues	\$ 331,828,680
Other amounts available for Debt Service	
PFC revenues available for debt service	49,620,818
Operating Fund Balance attributable to AADS (Note 1)	160,842,939
	<u>\$ 542,292,437</u>
Less:	
Net Operating Expenses	\$ 130,128,359
Required Sinking Fund Reserve deposit	-
Required Renewal Fund deposit	-
	<u>\$ 130,128,359</u>
 Fund available for Revenue Bond debt service coverage	 \$ 412,164,078
 Revenue Bond debt service	 \$ 127,330,557
Less: Interest income offset	<u>(3,000,054)</u>
 Net Revenue Bond debt service	 \$ 124,330,503
 Revenue Bond debt service coverage	 3.32
 Coverage requirement	 1.50

Test 2 (b)

Amounts Available for Debt Service (AADS)	
Project Revenues	\$ 331,828,680
Other amounts available for Debt Service	
PFC revenues available for debt service	49,620,818
Operating Fund Balance attributable to AADS (Note 1)	160,842,939
	<u>\$ 542,292,437</u>
Less:	
Operating Expenses	\$ 239,926,637
Required Sinking Fund Reserve deposit	-
Required Renewal Fund deposit	-
	<u>\$ 239,926,637</u>
 Funds available for debt service coverage	 \$ 302,365,800
 Total debt service	 \$ 127,330,557
Less: Interest income offset	<u>(3,000,054)</u>
 Net debt service	 \$ 124,330,503
 Total debt service coverage	 2.43
 Coverage requirement	 1.00

a. Pursuant to Section 5.01 (a) (1) of the Amended and Restated General Airport Revenue Bond Ordinance.

b. Pursuant to Section 5.01 (a) (2) of the Amended and Restated General Airport Revenue Bond Ordinance.

CITY OF PHILADELPHIA
AIRPORT SYSTEM
REPORT NOTES
FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

Notes to Page 2:

1. Operating Expenses, as defined in Section 2.01 of the Amended and Restated General Airport Revenue Bond Ordinance, exclude debt service (interest and principal payments) and depreciation expense as a period cost.
2. As defined in Section 4.13 of the Amended and Restated General Airport Revenue Bond Ordinance, withdrawals from the Renewal Fund shall be reimbursed from Project Revenues in an amount not to exceed \$500,000 in any fiscal year.
3. The Bond Redemption and Improvement Account and the O&M (Operations and Maintenance) Account were established pursuant to provisions of the Airline Agreement.

Note to Page 4:

1. Operating Fund Balance Attributable to Amounts Available for Debt Service consists of the Bond Redemption and Improvement Account, the O&M Account and other Aviation funds as of July 1, 2020.

PGW Attachment

PHILADELPHIA GAS WORKS
ANALYSIS OF FUNDS AVAILABLE
TO COVER DEBT SERVICE
FISCAL YEAR 2021
(Dollars in Thousands)

	<u>ACTUAL</u> <u>2020-21</u>
Funds Provided by Operating Revenue, Other Income, & Interest	
Operating Revenue	\$ 646,747
Other Income	1,295
AFUDC (Interest)	2,413
Total Funds Provided by Revenue, Other Income, & Interest	<u>650,455</u>
Less: Funds Applied to Operating Expenses	
Operating Expenses (Net)	434,043
Less: Operating Expenditures Not Requiring Expenditures of Funds	46,075
Funds Applied to Operating Expenses	<u>387,968</u>
Funds Available to Cover Debt Service	262,487
Revenue Bonds Debt Service (1998 Ordinance Bonds)	97,383
Debt Service Coverage Rate - 1998 Ordinance Bonds	<u>2.7x</u>
Net Available After Prior Debt Service	\$ 165,104