



CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY
BUDGETED REVENUE, EXPENSES AND NET INCOME
FOR THE YEAR ENDING AUGUST 31, 2014

VERSION 1



CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY
BUDGETED REVENUE, EXPENSES AND NET INCOME
FOR THE YEAR ENDING AUGUST 31, 2014

Version 1
 2 Merit Steps

	Budget Year Ending August 31, <u>2013</u>	Unaudited 10 Months Ended June 30, <u>2013</u>	Budget Year Ending August 31, <u>2014</u>
REVENUE			
Operating Revenue			
Metered water sales	\$ 24,900,000	\$ 18,595,455	\$ 24,900,000
Wastewater treatment sales	14,138,100	11,185,699	14,138,100
Street light fees	1,275,000	1,076,873	1,304,000
Water connection fees	982,100	1,491,050	1,037,000
Sewer tap fees	1,940,000	3,598,396	2,205,000
Transfer fees	170,000	149,800	185,000
Forfeited discounts and penalties	682,000	514,856	675,000
Customer repairs & service charges	120,000	79,941	96,000
Total Operating Revenue	<u>44,207,200</u>	<u>36,692,071</u>	<u>44,540,100</u>
Non-Operating Revenue			
Interest earnings			
Sinking Funds	77,000	79,475	77,000
Construction Fund	-	-	-
Revenue Fund	63,000	65,945	38,000
Gain on sale of assets	-	25,967	-
Contributions from Customers	18,000	22,494	18,000
Miscellaneous	115,000	121,448	127,000
Total Non-Operating Revenue	<u>273,000</u>	<u>315,329</u>	<u>260,000</u>
TOTAL REVENUE	<u>\$ 44,480,200</u>	<u>\$ 37,007,400</u>	<u>\$ 44,800,100</u>
EXPENSES			
Operating Expenses			
Water Purchases and Production			
Purchased water	\$ 54,000	\$ 38,695	\$ 54,000
Water production:			
Salaries and wages	1,016,400	851,248	1,082,000
Payroll taxes	77,800	62,543	82,800
Group insurance	210,000	170,063	226,000
OPEB	45,900	38,250	53,345
Pension	122,900	102,349	118,100
Billing and accounting	16,000	12,701	16,000
Regulatory actions	-	-	-
Continuing education	33,000	20,991	33,000
Insurance - other than group	52,000	45,354	44,000
Lab fees and supplies	53,000	38,824	53,000
Miscellaneous	1,500	619	1,500
Office supplies	4,000	2,455	5,000
Operating supplies	230,000	163,027	247,500
Power	1,150,000	903,014	1,170,000
Professional fees	10,000	5,712	10,000
Repairs and maintenance - lines and meters	3,000	-	3,000
Repairs - other	8,400	4,287	8,400
Maintenance - other	238,000	168,330	255,000

See Accompanying Summary of Significant Budget Assumptions



CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY
BUDGETED REVENUE, EXPENSES AND NET INCOME
FOR THE YEAR ENDING AUGUST 31, 2014

	Budget Year Ending August 31, <u>2013</u>	Unaudited 10 Months Ended June 30, <u>2013</u>	Budget Year Ending August 31, <u>2014</u>
Operating Expenses (continued)			
Water Purchases and Production			
(continued)			
Water production (continued):			
Postage	\$ 500	\$ 76	\$ 500
Small tools and equipment	3,900	3,102	3,000
Stream Monitoring	123,000	85,300	54,800
Telephone	15,000	14,450	18,000
Uniforms	8,000	4,675	6,500
Computer Equipment & Maintenance	-	-	4,000
Vehicle expense-Fuel	<u>24,000</u>	<u>18,223</u>	<u>22,000</u>
Operating Expenses Before Depreciation	3,500,300	2,754,288	3,571,445
 Depreciation	 <u>1,390,700</u>	 <u>1,158,910</u>	 <u>1,384,600</u>
	<u>4,891,000</u>	<u>3,913,198</u>	<u>4,956,045</u>
 Wastewater Treatment			
Purchased wastewater treatment	\$ 776,000	\$ 587,150	\$ 776,000
Wastewater treatment:			
Salaries and wages	2,307,100	1,790,625	2,385,400
Payroll taxes	176,500	130,985	182,500
Group insurance	486,000	373,737	530,000
OPEB	119,340	99,450	144,345
Pension	290,500	226,350	319,400
Billing and accounting	16,000	12,701	16,000
Environmental compliance	-	-	-
Regulatory actions	20,000	15,563	20,000
Continuing education	51,000	26,622	38,200
Insurance - other than group	122,700	108,899	119,000
Lab fees and supplies	65,500	33,504	77,500
Miscellaneous	3,500	3,893	3,500
Office supplies	13,800	4,869	12,100
Operating supplies	1,216,300	966,539	1,216,000
Postage	1,400	891	1,400
Power	1,400,000	1,048,004	1,400,000
Professional fees	20,000	10,329	10,000
Repairs and maintenance - lines and meters	20,000	-	20,000
Repairs - other	63,500	52,714	66,500
Maintenance - other	1,188,000	949,157	1,284,000
Small tools and equipment	15,000	12,280	9,800
Telephone	32,000	24,840	36,600
Uniforms	17,000	11,963	17,000
Computer Equipment & Maintenance	-	-	7,500
Vehicle expense-Fuel	<u>88,000</u>	<u>70,642</u>	<u>85,000</u>
Operating Expenses Before Depreciation	8,509,140	6,561,704	8,777,745
Depreciation	<u>2,100,200</u>	<u>1,750,160</u>	<u>2,135,000</u>
	<u>10,609,340</u>	<u>8,311,864</u>	<u>10,912,745</u>

See Accompanying Summary of Significant Budget Assumptions



CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY
BUDGETED REVENUE, EXPENSES AND NET INCOME
FOR THE YEAR ENDING AUGUST 31, 2014

	Budget Year Ending August 31, <u>2013</u>	Unaudited 10 Months Ended June 30, <u>2013</u>	Budget Year Ending August 31, <u>2014</u>
Operating Expenses (continued)			
Distribution and Administration			
Salaries and wages	\$ 5,722,100	\$ 4,719,330	\$ 6,161,000
Payroll taxes	437,800	338,396	471,400
Group insurance	1,353,000	1,118,531	1,531,000
OPEB	293,760	244,800	348,310
Pension	703,500	586,181	770,700
Bad debts	110,000	(2,830)	110,000
Billing and accounting	380,000	310,995	380,000
Consumer reports and regulatory actions	7,800	-	-
Continuing education	63,000	35,866	50,000
Contract services	629,600	498,614	613,000
Directors' fees and expenses	60,200	47,066	60,200
Insurance - other than group	297,200	263,236	297,000
Lab/environmental supplies	12,000	2,779	8,500
Legal and audit	75,000	54,823	91,000
Miscellaneous	35,000	17,284	35,000
Office supplies	29,200	28,258	37,100
Operating supplies	68,000	52,115	69,500
Postage	11,300	8,214	11,300
Power	173,500	89,942	162,100
Professional fees	193,000	169,457	180,500
Property taxes	26,000	21,963	26,000
Public Education (External)	2,500	534	2,500
Repairs and maintenance - lines and meters	454,800	296,221	380,300
Maintenance - other	503,000	348,101	489,500
Repairs - other	227,500	169,370	220,000
Small tools	32,000	15,269	27,000
Stream Restoration	7,400	-	-
Telephone	68,000	46,094	73,300
Toilet rebate	30,000	11,700	30,000
Uniforms	23,500	18,604	23,500
Computer Equipment & Maintenance	-	-	10,500
Vehicle expense-Fuel	366,000	280,267	346,500
Water tests	<u>10,500</u>	<u>6,300</u>	<u>10,500</u>
Operating Expenses Before Depreciation and Capitalization of Salaries	12,406,160	9,797,479	13,027,210
Depreciation	<u>7,252,100</u>	<u>6,043,340</u>	<u>7,280,200</u>
Operating Expenses Before Capitalization of Salaries	19,658,260	15,840,819	20,307,410
Capitalization of salaries	(268,221)	-	(432,009)
	<u>19,390,039</u>	<u>15,840,819</u>	<u>19,875,401</u>
Streetlights	<u>975,000</u>	<u>804,775</u>	<u>1,008,700</u>
Stores	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Expenses	<u>35,865,379</u>	<u>28,870,656</u>	<u>36,752,891</u>

See Accompanying Summary of Significant Budget Assumptions



CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY
BUDGETED REVENUE, EXPENSES AND NET INCOME
FOR THE YEAR ENDING AUGUST 31, 2014

	Budget Year Ending August 31, <u>2013</u>	Unaudited 10 Months Ended June 30, <u>2013</u>	Budget Year Ending August 31, <u>2014</u>
Non-Operating Expenses:			
Interest	\$ 8,300,700	\$ 6,609,719	\$ 7,575,226
Arbitrage rebate	-	-	-
Paying agent fees	20,000	19,035	20,000
Amortization Expense	<u>116,600</u>	<u>203,579</u>	<u>232,700</u>
Total Non-Operating Expenses	<u>8,437,300</u>	<u>6,832,333</u>	<u>7,827,926</u>
TOTAL EXPENSES	<u>44,302,679</u>	<u>35,702,989</u>	<u>44,580,817</u>
NET INCOME	<u>\$ 177,521</u>	<u>\$ 1,304,411</u>	<u>\$ 219,283</u>

See Accompanying Summary of Significant Budget Assumptions



CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY
BUDGETED EARNINGS COVERAGE BASED UPON BUDGETED
REVENUE AND EXPENSE FOR THE YEAR
ENDING AUGUST 31, 2014

	Budget Year Ending August 31, <u>2013</u>	Budget Year Ending August 31, <u>2014</u>
Operating Revenue	\$ 44,207,200	\$ 44,540,100
Less Operating Expenses	<u>35,865,379</u>	<u>36,752,891</u>
	8,341,821	7,787,209
Add:		
Interest earnings -		
Sinking Funds	77,000	77,000
Revenue Fund	63,000	38,000
Miscellaneous income	115,000	127,000
Gain on sale of assets	-	-
Contributions from Customers	18,000	18,000
Depreciation	<u>10,743,000</u>	<u>10,799,800</u>
Income Available For (Bond) Debt Service	<u>\$ 19,357,821</u>	<u>\$ 18,847,009</u>
Required Bond Debt Service	<u>\$ 14,446,953</u>	<u>\$ 14,416,027</u>
Earnings Coverage - Estimated	<u>1.34</u>	<u>1.31</u>
Earnings Coverage - Required	<u>1.20</u>	<u>1.20</u>
Income Available For (Bond) Debt Service	\$ 19,357,821	\$ 18,847,009
Less:		
Water connection fees	(982,100)	(1,037,000)
Sewer tap fees	<u>(1,940,000)</u>	<u>(2,205,000)</u>
Income Available For (Bond) Debt Service Less Tap-On Fees	<u>\$ 16,435,721</u>	<u>\$ 15,605,009</u>
Earnings Coverage - Estimated	<u>1.14</u>	<u>1.08</u>
Earnings Coverage - Required	<u>1.00</u>	<u>1.00</u>

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CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY
FUNDS AVAILABLE FOR CAPITAL EXPENDITURE
BASED UPON BUDGETED REVENUE AND EXPENSE
FOR THE YEAR ENDING AUGUST 31, 2014

	Budget Year Ending August 31, <u>2013</u>	Unaudited 10 Months Ended June 30, <u>2013</u>	Budget Year Ending August 31, <u>2014</u>
Operating Revenue	\$ 44,207,200	\$ 36,692,071	\$ 44,540,100
Less Operating Expenses	<u>35,865,379</u>	<u>28,870,656</u>	<u>36,752,891</u>
	8,341,821	7,821,414	7,787,209
Add:			
Depreciation	10,743,000	8,952,410	10,799,800
Interest earnings - Revenue Fund	63,000	65,945	38,000
Miscellaneous income	115,000	121,448	127,000
Gain on sale of assets	-	25,967	-
Contributions from Customers	18,000	22,494	18,000
Deduct:			
Sinking fund deposits	(14,441,510)	(10,778,237)	(14,416,450)
Paying agent fees	(20,000)	(19,035)	(20,000)
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Funds Available For Capital Expenditures From Current Year Operations	<u>\$ 4,819,311</u>	<u>\$ 6,212,406</u>	<u>\$ 4,333,559</u>

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