

CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY  
BUDGETED REVENUE, EXPENSES AND NET INCOME  
FOR THE YEAR ENDING AUGUST 31, 2012

\*FY 2011 OPEB was amended on 8/29/2011  
Amendment not reflected in Draft of  
Budget Comparison

	Budget Year Ending August 31, <u>2011</u>	Unaudited 10 Months Ended June 30, <u>2011</u>	Budget Year Ending August 31, <u>2012</u>
<b>REVENUE</b>			
Operating Revenue			
Metered water sales	\$ 23,720,000	\$ 20,264,734	\$ 23,720,000
Wastewater treatment sales	14,138,100	11,547,812	14,138,100
Street light fees	1,256,000	1,051,646	1,264,000
Water connection fees	982,100	636,250	982,100
Sewer tap fees	1,740,000	1,397,025	1,740,000
Transfer fees	186,700	134,700	170,000
Forfeited discounts and penalties	721,000	578,435	700,000
Customer repairs & service charges	298,000	98,867	124,500
Total Operating Revenue	<u>43,041,900</u>	<u>35,709,469</u>	<u>42,838,700</u>
Non-Operating Revenue			
Interest earnings			
Sinking Funds	80,700	79,475	76,300
Construction Fund	-	-	-
Revenue Fund	94,300	62,084	47,300
Gain on sale of assets	-	28,798	-
Miscellaneous	122,100	104,822	115,000
Total Non-Operating Revenue	<u>297,100</u>	<u>275,179</u>	<u>238,600</u>
<b>TOTAL REVENUE</b>	<u>\$ 43,339,000</u>	<u>\$ 35,984,648</u>	<u>\$ 43,077,300</u>
<b>EXPENSES</b>			
Operating Expenses			
Water Purchases and Production			
Purchased water	46,000	38,049	45,000
Water production:			
Salaries and wages	959,800	798,707	998,100
Payroll taxes	73,400	58,683	76,400
Group insurance	153,200	130,501	170,700
OPEB	62,000	46,945	80,900
Pension	157,300	98,585	106,800
Billing and accounting	14,400	11,467	14,400
Regulatory actions	-	2,075	-
Continuing education	20,000	18,732	29,000
Insurance - other than group	60,600	52,407	41,900
Lab fees and supplies	51,500	42,263	55,500
Miscellaneous	1,500	989	1,500
Office supplies	1,500	2,523	1,500
Operating supplies	330,000	209,420	275,000
Power	1,200,000	875,762	1,156,000
Professional fees	10,000	1,428	10,000
Repairs and maintenance - lines and meters	3,000		3,000
Repairs - other	10,400	4,396	5,800
Maintenance - other	295,000	178,632	250,000

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, 2012

	Budget Year Ending August 31, <u>2011</u>	Unaudited 10 Months Ended June 30, <u>2011</u>	Budget Year Ending August 31, <u>2012</u>
Operating Expenses (continued)			
Water Purchases and Production (continued)			
Water production (continued):			
Postage	\$ 500	\$ 67	\$ 500
Small tools and equipment	2,000	1,200	2,000
Stream Monitoring	123,000	92,100	123,000
Telephone	15,000	12,151	15,000
Uniforms	7,000	4,760	5,000
Vehicle expense	<u>17,200</u>	<u>16,789</u>	<u>21,000</u>
Operating Expenses Before Depreciation	3,614,300	2,698,631	3,488,000
Depreciation	<u>1,278,400</u>	<u>1,065,360</u>	<u>1,308,000</u>
	<u>4,892,700</u>	<u>3,763,991</u>	<u>4,796,000</u>
Wastewater Treatment			
Purchased wastewater treatment	662,000	588,265	738,000
Wastewater treatment:			
Salaries and wages	2,182,600	1,700,327	2,172,000
Payroll taxes	167,000	123,856	166,200
Group insurance	455,500	316,284	402,000
OPEB	141,200	106,944	228,300
Pension	357,700	255,132	301,500
Billing and accounting	14,500	11,467	14,500
Environmental compliance	-		-
Regulatory actions	20,000	12,700	20,000
Continuing education	32,000	21,892	28,400
Insurance - other than group	107,100	91,157	120,800
Lab fees and supplies	46,600	42,678	45,300
Legal fees	-		-
Miscellaneous	3,500	974	3,500
Office supplies	8,500	5,682	11,500
Operating supplies	1,041,500	685,207	905,000
Postage	1,900	792	1,400
Power	1,620,000	1,099,370	1,450,000
Professional fees	10,000	3,696	20,000
Repairs and maintenance - lines and meters	20,000		20,000
Repairs - other	75,000	53,385	70,500
Maintenance - other	1,028,600	870,180	1,150,000
Small tools and equipment	8,000	2,157	20,200
Telephone	34,300	24,762	32,000
Uniforms	27,100	15,496	15,000
Vehicle expense	<u>52,200</u>	<u>57,942</u>	<u>73,000</u>
Operating Expenses Before Depreciation	8,116,800	6,090,345	8,009,100
Depreciation	<u>1,999,200</u>	<u>1,665,990</u>	<u>2,029,800</u>
	<u>10,116,000</u>	<u>7,756,335</u>	<u>10,038,900</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, 2012

	Budget Year Ending August 31, <u>2011</u>	Unaudited 10 Months Ended June 30, <u>2011</u>	Budget Year Ending August 31, <u>2012</u>
Operating Expenses (continued)			
Distribution and Administration			
Salaries and wages	\$ 5,216,100	\$ 4,296,711	\$ 5,474,000
Payroll taxes	399,000	308,776	418,800
Group insurance	1,059,200	869,873	1,149,700
OPEB	319,400	241,945	527,900
Pension	855,000	626,305	697,200
Bad debts	120,000	(6,991)	110,000
Billing and accounting	415,500	289,070	386,400
Consumer reports and regulatory actions	7,500	2,075	7,500
Continuing education	44,900	27,038	45,600
Contract services	626,300	489,777	629,600
Directors' fees and expenses	60,200	47,082	60,200
Insurance - other than group	274,300	230,491	271,100
Lab/environmental supplies	-	7,223	12,500
Lake Allatoona/Upper Etowah study	-	-	-
Legal and audit	193,500	121,756	190,000
Miscellaneous	25,000	16,591	25,000
Office supplies	39,100	23,579	33,000
Operating supplies	57,600	48,551	61,200
Postage	13,400	6,947	10,000
Power	136,200	106,867	141,000
Professional fees	85,000	43,805	90,000
Property taxes	26,000	23,852	26,000
Repairs and maintenance - lines and meters	454,800	288,861	454,800
Maintenance - other	346,900	225,378	375,000
Repairs - other	221,200	160,301	211,600
Small tools	17,500	12,949	17,400
Stream monitoring	-	-	-
Telephone	54,800	44,276	55,800
Toilet rebate	30,000	25,100	30,000
Uniforms	26,500	17,465	20,000
Vehicle expense	257,800	251,089	316,000
Water tests	-	4,800	7,000
Operating Expenses Before Depreciation and Capitalization of Salaries	11,382,700	8,851,542	11,854,300
Depreciation	6,967,100	5,805,919	7,133,700
Operating Expenses Before Capitalization of Salaries	18,349,800	14,657,461	18,988,000
Capitalization of salaries	(345,900)	-	(290,800)
	<u>18,003,900</u>	<u>14,657,461</u>	<u>18,697,200</u>
Streetlights	<u>881,000</u>	<u>755,194</u>	<u>908,000</u>
Stores	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Expenses	<u>33,893,600</u>	<u>26,932,981</u>	<u>34,440,100</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, 2012

	Budget Year Ending August 31, <u>2011</u>	Unaudited 10 Months Ended June 30, <u>2011</u>	Budget Year Ending August 31, <u>2012</u>
Non-Operating Expenses:			
Interest	\$ 8,933,400	\$ 7,447,416	\$ 8,485,900
Arbitrage rebate	-	-	-
Paying agent fees	20,000	15,259	20,000
Amortization of bond issue costs	<u>112,700</u>	<u>96,047</u>	<u>116,600</u>
Total Non-Operating Expenses	<u>9,066,100</u>	<u>7,558,722</u>	<u>8,622,500</u>
 TOTAL EXPENSES	 <u>42,959,700</u>	 <u>34,491,703</u>	 <u>43,062,600</u>
 NET INCOME	 <u>\$ 379,300</u>	 <u>\$ 1,492,945</u>	 <u>\$ 14,700</u>

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CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY  
BUDGETED REVENUE, EXPENSES AND NET INCOME  
FOR THE YEAR ENDING AUGUST 31, 2012

**Amendment # 1: OPEB Contribution**

\*FY 2011 OPEB was amended on 8/29/2011  
 Amendment not reflected in Draft of  
 Budget Comparison

	Budget Year Ending August 31, <u>2011</u>	Unaudited 10 Months Ended June 30, <u>2011</u>	Budget Year Ending August 31, <u>2012</u>
<b>REVENUE</b>			
Operating Revenue			
Metered water sales	\$ 23,720,000	\$ 20,264,734	\$ 23,720,000
Wastewater treatment sales	14,138,100	11,547,812	14,138,100
Street light fees	1,256,000	1,051,646	1,264,000
Water connection fees	982,100	636,250	982,100
Sewer tap fees	1,740,000	1,397,025	1,740,000
Transfer fees	186,700	134,700	170,000
Forfeited discounts and penalties	721,000	578,435	700,000
Customer repairs & service charges	298,000	98,867	124,500
Total Operating Revenue	<u>43,041,900</u>	<u>35,709,469</u>	<u>42,838,700</u>
Non-Operating Revenue			
Interest earnings			
Sinking Funds	80,700	79,475	76,300
Construction Fund	-	-	-
Revenue Fund	94,300	62,084	47,300
Gain on sale of assets	-	28,798	-
Miscellaneous	122,100	104,822	115,000
Total Non-Operating Revenue	<u>297,100</u>	<u>275,179</u>	<u>238,600</u>
<b>TOTAL REVENUE</b>	<u>\$ 43,339,000</u>	<u>\$ 35,984,648</u>	<u>\$ 43,077,300</u>
<b>EXPENSES</b>			
Operating Expenses			
Water Purchases and Production			
Purchased water	46,000	38,049	45,000
Water production:			
Salaries and wages	959,800	798,707	998,100
Payroll taxes	73,400	58,683	76,400
Group insurance	153,200	130,501	170,700
OPEB	62,000	46,945	48,803
Pension	157,300	98,585	106,800
Billing and accounting	14,400	11,467	14,400
Regulatory actions	-	2,075	-
Continuing education	20,000	18,732	29,000
Insurance - other than group	60,600	52,407	41,900
Lab fees and supplies	51,500	42,263	55,500
Miscellaneous	1,500	989	1,500
Office supplies	1,500	2,523	1,500
Operating supplies	330,000	209,420	275,000
Power	1,200,000	875,762	1,156,000
Professional fees	10,000	1,428	10,000
Repairs and maintenance - lines and meters	3,000		3,000
Repairs - other	10,400	4,396	5,800
Maintenance - other	295,000	178,632	250,000

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CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY  
BUDGETED REVENUE, EXPENSES AND NET INCOME  
FOR THE YEAR ENDING AUGUST 31, 2012

	Budget Year Ending August 31, <u>2011</u>	Unaudited 10 Months Ended June 30, <u>2011</u>	Budget Year Ending August 31, <u>2012</u>
Operating Expenses (continued)			
Water Purchases and Production (continued)			
Water production (continued):			
Postage	\$ 500	\$ 67	\$ 500
Small tools and equipment	2,000	1,200	2,000
Stream Monitoring	123,000	92,100	123,000
Telephone	15,000	12,151	15,000
Uniforms	7,000	4,760	5,000
Vehicle expense	<u>17,200</u>	<u>16,789</u>	<u>21,000</u>
Operating Expenses Before Depreciation	3,614,300	2,698,631	3,455,903
Depreciation	<u>1,278,400</u>	<u>1,065,360</u>	<u>1,308,000</u>
	<u>4,892,700</u>	<u>3,763,991</u>	<u>4,763,903</u>
Wastewater Treatment			
Purchased wastewater treatment	662,000	588,265	738,000
Wastewater treatment:			
Salaries and wages	2,182,600	1,700,327	2,172,000
Payroll taxes	167,000	123,856	166,200
Group insurance	455,500	316,284	402,000
OPEB	141,200	106,944	137,715
Pension	357,700	255,132	301,500
Billing and accounting	14,500	11,467	14,500
Environmental compliance	-	-	-
Regulatory actions	20,000	12,700	20,000
Continuing education	32,000	21,892	28,400
Insurance - other than group	107,100	91,157	120,800
Lab fees and supplies	46,600	42,678	45,300
Legal fees	-	-	-
Miscellaneous	3,500	974	3,500
Office supplies	8,500	5,682	11,500
Operating supplies	1,041,500	685,207	905,000
Postage	1,900	792	1,400
Power	1,620,000	1,099,370	1,450,000
Professional fees	10,000	3,696	20,000
Repairs and maintenance - lines and meters	20,000	-	20,000
Repairs - other	75,000	53,385	70,500
Maintenance - other	1,028,600	870,180	1,150,000
Small tools and equipment	8,000	2,157	20,200
Telephone	34,300	24,762	32,000
Uniforms	27,100	15,496	15,000
Vehicle expense	<u>52,200</u>	<u>57,942</u>	<u>73,000</u>
Operating Expenses Before Depreciation	8,116,800	6,090,345	7,918,515
Depreciation	<u>1,999,200</u>	<u>1,665,990</u>	<u>2,029,800</u>
	<u>10,116,000</u>	<u>7,756,335</u>	<u>9,948,315</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, 2012

	Budget Year Ending August 31, <u>2011</u>	Unaudited 10 Months Ended June 30, <u>2011</u>	Budget Year Ending August 31, <u>2012</u>
Operating Expenses (continued)			
Distribution and Administration			
Salaries and wages	\$ 5,216,100	\$ 4,296,711	\$ 5,474,000
Payroll taxes	399,000	308,776	418,800
Group insurance	1,059,200	869,873	1,149,700
OPEB	319,400	241,945	318,482
Pension	855,000	626,305	697,200
Bad debts	120,000	(6,991)	110,000
Billing and accounting	415,500	289,070	386,400
Consumer reports and regulatory actions	7,500	2,075	7,500
Continuing education	44,900	27,038	45,600
Contract services	626,300	489,777	629,600
Directors' fees and expenses	60,200	47,082	60,200
Insurance - other than group	274,300	230,491	271,100
Lab/environmental supplies	-	7,223	12,500
Lake Allatoona/Upper Etowah study	-	-	-
Legal and audit	193,500	121,756	190,000
Miscellaneous	25,000	16,591	25,000
Office supplies	39,100	23,579	33,000
Operating supplies	57,600	48,551	61,200
Postage	13,400	6,947	10,000
Power	136,200	106,867	141,000
Professional fees	85,000	43,805	90,000
Property taxes	26,000	23,852	26,000
Repairs and maintenance - lines and meters	454,800	288,861	454,800
Maintenance - other	346,900	225,378	375,000
Repairs - other	221,200	160,301	211,600
Small tools	17,500	12,949	17,400
Stream monitoring	-	-	-
Telephone	54,800	44,276	55,800
Toilet rebate	30,000	25,100	30,000
Uniforms	26,500	17,465	20,000
Vehicle expense	257,800	251,089	316,000
Water tests	-	4,800	7,000
Operating Expenses Before Depreciation and Capitalization of Salaries	11,382,700	8,851,542	11,644,882
Depreciation	6,967,100	5,805,919	7,133,700
Operating Expenses Before Capitalization of Salaries	18,349,800	14,657,461	18,778,582
Capitalization of salaries	(345,900)	-	(290,800)
	<u>18,003,900</u>	<u>14,657,461</u>	<u>18,487,782</u>
Streetlights	<u>881,000</u>	<u>755,194</u>	<u>908,000</u>
Stores	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Expenses	<u>33,893,600</u>	<u>26,932,981</u>	<u>34,108,000</u>

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CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY  
BUDGETED REVENUE, EXPENSES AND NET INCOME  
FOR THE YEAR ENDING AUGUST 31, 2012

	Budget Year Ending August 31, <u>2011</u>	Unaudited 10 Months Ended June 30, <u>2011</u>	Budget Year Ending August 31, <u>2012</u>
Non-Operating Expenses:			
Interest	\$ 8,933,400	\$ 7,447,416	\$ 8,485,900
Arbitrage rebate	-	-	-
Paying agent fees	20,000	15,259	20,000
Amortization of bond issue costs	<u>112,700</u>	<u>96,047</u>	<u>116,600</u>
Total Non-Operating Expenses	<u>9,066,100</u>	<u>7,558,722</u>	<u>8,622,500</u>
 TOTAL EXPENSES	 <u>42,959,700</u>	 <u>34,491,703</u>	 <u>42,730,500</u>
 NET INCOME	 <u>\$ 379,300</u>	 <u>\$ 1,492,945</u>	 <u>\$ 346,800</u>

See Accompanying Summary of Significant Budget Assumptions.