



CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY
BUDGETED REVENUE, EXPENSES AND CHANGE IN NET POSITION
FOR THE YEAR ENDING AUGUST 31, 2015



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BUDGETED REVENUE, EXPENSES AND CHANGE IN NET POSITION
FOR THE YEAR ENDING AUGUST 31, 2015

	Budget Year Ending August 31, <u>2014</u>	Unaudited 10 Months Ended June 30, <u>2014</u>	Budget Year Ending August 31, <u>2015</u>
REVENUE			
Operating Revenue			
Metered water sales	\$ 24,900,000	\$ 19,220,453	\$ 25,300,000
Wastewater treatment sales	14,138,100	11,722,517	14,800,000
Street light fees	1,304,000	1,100,360	1,339,000
Water connection fees	1,037,000	1,649,250	1,467,100
Sewer tap fees	2,205,000	3,536,373	3,276,000
Transfer fees	185,000	164,300	195,000
Forfeited discounts and penalties	675,000	544,579	687,000
Customer repairs & service charges	96,000	63,136	295,000
Total Operating Revenue	<u>44,540.100</u>	<u>38,000.967</u>	<u>47,359.100</u>
Non-Operating Revenue			
Interest earnings			
Sinking Funds	77,000	79,475	77,000
Construction Fund	-	-	-
Revenue Fund	38,000	29,272	38,000
Gain on sale of assets	-	30,023	-
Contributions from Customers	18,000	34,676	25,000
Miscellaneous	127,000	111,153	131,000
Total Non-Operating Revenue	<u>260,000</u>	<u>284,600</u>	<u>271,000</u>
TOTAL REVENUE	<u>\$ 44,800.100</u>	<u>\$ 38,285.567</u>	<u>\$ 47,630.100</u>
EXPENSES			
Operating Expenses			
Water Purchases and Production			
Purchased water	\$ 54,000	\$ 41,794	\$ 54,000
Water production:			
Salaries and wages	1,082,000	863,204	1,069,000
Payroll taxes	82,800	63,298	82,000
Group insurance	226,000	175,854	238,000
OPEB	53,345	44,454	43,455
Pension	118,100	98,352	114,700
Billing and accounting	16,000	13,399	17,000
Regulatory actions	-	-	-
Continuing education, memberships, dues	33,000	29,122	36,000
Insurance - other than group	44,000	38,559	43,000
Lab fees and supplies	53,000	48,131	56,000
Miscellaneous	1,500	1,894	2,500
Office supplies	5,000	2,788	1,600
Operating supplies	247,500	177,946	255,000
Power	1,170,000	919,408	1,200,000
Professional fees	10,000	1,640	10,000
Repairs and maintenance - lines and meters	3,000	-	3,000
Repairs - other	8,400	10,132	14,000
Maintenance - other	255,000	164,052	310,000

See Accompanying Summary of Significant Budget Assumptions



CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY
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FOR THE YEAR ENDING AUGUST 31, 2015

	Budget Year Ending August 31, <u>2014</u>	Unaudited 10 Months Ended June 30, <u>2014</u>	Budget Year Ending August 31, <u>2015</u>
Operating Expenses (continued)			
Water Purchases and Production			
(continued)			
Water production (continued):			
Postage	\$ 500	\$ 66	\$ 500
Small tools and equipment	3,000	737	3,000
Stream Monitoring	54,800	27,400	54,800
Telephone	18,000	14,622	19,000
Uniforms	6,500	4,175	6,000
Computer Equipment & Maintenance	4,000	108	4,000
Vehicle expense-Fuel	<u>22,000</u>	<u>15,637</u>	<u>22,000</u>
Operating Expenses Before Depreciation	3,571,445	2,756,769	3,658,555
 Depreciation	 <u>1,384,600</u>	 <u>1,153,820</u>	 <u>1,406,495</u>
	<u>4,956,045</u>	<u>3,910,589</u>	<u>5,065,050</u>
 Wastewater Treatment			
Purchased wastewater treatment	\$ 776,000	\$ 597,872	\$ 755,000
Wastewater treatment:			
Salaries and wages	2,385,400	1,825,348	2,450,400
Payroll taxes	182,500	133,577	187,500
Group insurance	530,000	394,703	543,000
OPEB	144,345	120,288	124,932
Pension	319,400	266,129	329,700
Billing and accounting	16,000	13,399	17,000
Environmental compliance	-	-	-
Regulatory actions	20,000	3,500	20,000
Continuing education, memberships, dues	38,200	36,665	51,000
Insurance - other than group	119,000	101,059	123,000
Lab fees and supplies	77,500	46,197	70,000
Miscellaneous	3,500	434	3,500
Office supplies	12,100	7,583	12,300
Operating supplies	1,216,000	877,655	1,160,800
Postage	1,400	743	1,400
Power	1,400,000	1,172,713	1,430,000
Professional fees	10,000	10,894	10,000
Repairs and maintenance - lines and meters	20,000	-	20,000
Repairs - other	66,500	44,191	60,000
Maintenance - other	1,284,000	958,268	1,270,200
Small tools and equipment	9,800	4,389	10,400
Telephone	36,600	22,562	32,000
Uniforms	17,000	10,177	15,000
Computer Equipment & Maintenance	7,500	2,791	7,500
Vehicle expense-Fuel	<u>85,000</u>	<u>64,430</u>	<u>85,000</u>
Operating Expenses Before Depreciation	8,777,745	6,715,567	8,789,632
Depreciation	<u>2,135,000</u>	<u>1,779,127</u>	<u>2,224,648</u>
	<u>10,912,745</u>	<u>8,494,695</u>	<u>11,014,280</u>

See Accompanying Summary of Significant Budget Assumptions



CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY
BUDGETED REVENUE, EXPENSES AND CHANGE IN NET POSITION
FOR THE YEAR ENDING AUGUST 31, 2015

	Budget Year Ending August 31, <u>2014</u>	Unaudited 10 Months Ended June 30, <u>2014</u>	Budget Year Ending August 31, <u>2015</u>
Operating Expenses (continued)			
Distribution and Administration			
Salaries and wages	\$ 6,161,000	\$ 5,014,395	\$ 6,424,700
Payroll taxes	471,400	360,912	491,500
Group insurance	1,531,000	1,131,280	1,671,000
OPEB	348,310	290,258	309,615
Pension	770,700	642,182	817,000
Bad debts	110,000	(1,147)	100,000
Billing and accounting	380,000	329,395	380,000
Consumer reports and regulatory actions	-	-	-
Continuing education, memberships, dues	50,000	37,270	68,000
Contract services	613,000	506,015	622,000
Directors' fees and expenses	60,200	47,172	60,200
Insurance - other than group	297,000	252,538	308,000
Lab/environmental supplies	8,500	6,439	8,500
Legal and audit	91,000	55,125	91,000
Miscellaneous	35,000	25,100	35,000
Office supplies	37,100	25,639	37,500
Operating supplies	69,500	62,929	73,000
Postage	11,300	8,170	11,300
Power	162,100	82,940	155,000
Professional fees	180,500	112,807	193,000
Property taxes	26,000	15,897	20,000
Public Outreach	2,500	2,462	2,500
Repairs and maintenance - lines and meters	380,300	290,123	385,000
Maintenance - other	489,500	408,501	582,000
Repairs - other	220,000	198,054	265,000
Service Charges	-	-	228,000
Small tools	27,000	18,457	30,000
Stream Restoration	-	-	-
Telephone	73,300	56,616	80,600
Toilet rebate	30,000	17,800	30,000
Uniforms	23,500	18,100	23,500
Computer Equipment & Maintenance	10,500	2,816	10,500
Vehicle expense-Fuel	346,500	281,920	346,500
Water tests	<u>10,500</u>	<u>9,850</u>	<u>10,500</u>
Operating Expenses Before Depreciation and Capitalization of Salaries	13,027,210	10,310,013	13,870,415
Depreciation	<u>7,280,200</u>	<u>6,066,836</u>	<u>7,474,500</u>
Operating Expenses Before Capitalization of Salaries	20,307,410	16,376,849	21,344,915
Capitalization of salaries	(432,009)	-	(430,439)
	<u>19,875,401</u>	<u>16,376,849</u>	<u>20,914,476</u>
Streetlights	<u>1,008,700</u>	<u>861,337</u>	<u>1,057,000</u>
Stores	-	-	-
Total Operating Expenses	<u>36,752,891</u>	<u>29,643,471</u>	<u>38,050,806</u>

See Accompanying Summary of Significant Budget Assumptions



CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY
BUDGETED REVENUE, EXPENSES AND CHANGE IN NET POSITION
FOR THE YEAR ENDING AUGUST 31, 2015

	Budget Year Ending August 31, <u>2014</u>	Unaudited 10 Months Ended June 30, <u>2014</u>	Budget Year Ending August 31, <u>2015</u>
Non-Operating Expenses:			
Interest	\$ 7,575,226	\$ 6,331,086	\$ 7,299,695
Arbitrage rebate	-	-	-
Paying agent fees	20,000	16,332	20,000
Amortization Expense (Cost of Issuance)	<u>232,700</u>	<u>-</u>	<u>-</u>
Total Non-Operating Expenses	<u>7,827,926</u>	<u>6,347,418</u>	<u>7,319,695</u>
TOTAL EXPENSES	<u>44,580,817</u>	<u>35,990,889</u>	<u>45,370,501</u>
CHANGE IN NET POSITION	<u>\$ 219,283</u>	<u>\$ 2,294,678</u>	<u>\$ 2,259,599</u>

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CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY
BUDGETED EARNINGS COVERAGE BASED UPON BUDGETED
REVENUE AND EXPENSE FOR THE YEAR
ENDING AUGUST 31, 2015

	Budget Year Ending August 31, <u>2014</u>	Budget Year Ending August 31, <u>2015</u>
Operating Revenue	\$ 44,540,100	\$ 47,359,100
Less Operating Expenses	<u>36,752,891</u>	<u>38,050,806</u>
	7,787,209	9,308,294
Add:		
Interest earnings -		
Sinking Funds	77,000	77,000
Revenue Fund	38,000	38,000
Miscellaneous income	127,000	131,000
Gain on sale of assets	-	-
Contributions from Customers	18,000	25,000
Depreciation	<u>10,799,800</u>	<u>11,105,643</u>
Income Available For (Bond) Debt Service	<u>\$ 18,847,009</u>	<u>\$ 20,684,937</u>
Required Bond Debt Service	<u>\$ 14,416,027</u>	<u>\$ 14,421,102</u>
Earnings Coverage - Estimated	<u>1.31</u>	<u>1.43</u>
Earnings Coverage - Required	<u>1.20</u>	<u>1.20</u>
Income Available For (Bond) Debt Service	\$ 18,847,009	\$ 20,684,937
Less:		
Water connection fees	(1,037,000)	(1,467,100)
Sewer tap fees	<u>(2,205,000)</u>	<u>(3,276,000)</u>
Income Available For (Bond) Debt Service Less Tap-On Fees	<u>\$ 15,605,009</u>	<u>\$ 15,941,837</u>
Earnings Coverage - Estimated	<u>1.08</u>	<u>1.11</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, 2015

	Budget Year Ending August 31, <u>2014</u>	Unaudited 10 Months Ended June 30, <u>2014</u>	Budget Year Ending August 31, <u>2015</u>
Operating Revenue	\$ 44,540,100	\$ 38,000,967	\$ 47,359,100
Less Operating Expenses	<u>36,752,891</u>	<u>29,643,471</u>	<u>38,050,806</u>
	7,787,209	8,357,496	9,308,294
Add:			
Depreciation	10,799,800	8,999,784	11,105,643
Interest earnings -			
Revenue Fund	38,000	29,272	38,000
Miscellaneous income	127,000	111,153	131,000
Gain on sale of assets	-	30,023	-
Contributions from Customers	18,000	34,676	25,000
Deduct:			
Sinking fund deposits	(14,416,450)	(10,778,237)	(14,416,027)
Paying agent fees	(20,000)	(16,332)	(20,000)
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Funds Available For Capital Expenditures From Current Year Operations	\$ 4,333,559	\$ 6,767,836	\$ 6,171,910

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