



CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY  
BUDGETED REVENUE, EXPENSES AND CHANGE IN NET POSITION  
FOR THE YEAR ENDING AUGUST 31, 2016



**CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY**  
**BUDGETED REVENUE, EXPENSES AND CHANGE IN NET POSITION**  
**FOR THE YEAR ENDING AUGUST 31, 2016**

	Budget Year Ending August 31, <u>2015</u>	Unaudited 10 Months Ended June 30, <u>2015</u>	Budget Year Ending August 31, <u>2016</u>
<b>REVENUE</b>			
<b>Operating Revenue</b>			
Metered water sales	\$ 25,300,000	\$ 20,701,849	\$ 25,900,000
Wastewater treatment sales	14,800,000	12,667,650	15,500,000
Street light fees	1,339,000	1,116,538	1,370,000
Water connection fees	1,467,100	2,104,950	2,720,000
Sewer tap fees	3,276,000	4,899,465	4,950,000
Transfer fees	195,000	168,925	200,000
Forfeited discounts and penalties	687,000	556,715	690,000
Customer repairs & service charges	295,000	198,856	240,000
Total Operating Revenue	<u>47,359,100</u>	<u>42,414,948</u>	<u>51,570,000</u>
<b>Non-Operating Revenue</b>			
<b>Interest earnings</b>			
Sinking Funds	77,000	74,845	77,000
Construction Fund	-	-	-
Revenue Fund	38,000	38,911	45,000
Gain on sale of assets	-	33,465	-
Contributions from Customers	25,000	42,926	46,000
Miscellaneous	131,000	124,094	133,000
Total Non-Operating Revenue	<u>271,000</u>	<u>314,241</u>	<u>301,000</u>
TOTAL REVENUE	<u>\$ 47,630,100</u>	<u>\$ 42,729,188</u>	<u>\$ 51,871,000</u>
<b>EXPENSES</b>			
<b>Operating Expenses</b>			
<b>Water Purchases and Production</b>			
Purchased water	\$ 54,000	\$ 45,953	\$ 58,000
<b>Water production:</b>			
Salaries and wages	1,069,000	859,698	1,033,400
Payroll taxes	82,000	63,404	79,100
Group insurance	238,000	180,362	238,000
OPEB	43,455	36,212	73,675
Pension	114,700	95,555	105,500
Billing and accounting	17,000	14,199	18,000
Regulatory actions	-	-	-
Continuing education, memberships, dues	36,000	33,620	39,000
Insurance - other than group	43,000	33,456	38,900
Lab fees and supplies	56,000	37,371	56,500
Miscellaneous	2,500	597	2,500
Office supplies	1,600	718	3,500
Operating supplies	255,000	204,569	265,000
Power	1,200,000	922,227	1,264,000
Professional fees	10,000	1,627	10,000
Repairs and maintenance - lines and meters	3,000	-	3,000
Repairs - other	14,000	5,932	12,000
Maintenance - other	310,000	233,865	315,000

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, 2016**

	Budget Year Ending August 31, <u>2015</u>	Unaudited 10 Months Ended June 30, <u>2015</u>	Budget Year Ending August 31, <u>2016</u>
<b>Operating Expenses (continued)</b>			
<b>Water Purchases and Production</b>			
<b>(continued)</b>			
<b>Water production (continued):</b>			
Postage	\$ 500	\$ -	\$ 500
Small tools and equipment	3,000	3,036	3,000
Stream Monitoring	54,800	27,400	54,800
Telephone/Data Usage	19,000	14,453	21,000
Uniforms	6,000	4,269	6,000
Computer Equipment & Maintenance	4,000	654	7,000
Vehicle expense-Fuel	<u>22,000</u>	<u>11,102</u>	<u>15,000</u>
Operating Expenses Before Depreciation	3,658,555	2,830,281	3,722,375
Depreciation	<u>1,406,495</u>	<u>1,172,080</u>	<u>1,401,500</u>
	<u>5,065,050</u>	<u>4,002,362</u>	<u>5,123,875</u>
 <b>Wastewater Treatment</b>			
Purchased wastewater treatment	\$ 755,000	\$ 646,094	\$ 791,000
<b>Wastewater treatment:</b>			
Salaries and wages	2,450,400	1,986,974	2,536,100
Payroll taxes	187,500	144,974	194,000
Group insurance	543,000	476,832	651,000
OPEB	124,932	104,110	230,845
Pension	329,700	274,719	330,400
Billing and accounting	17,000	14,199	19,000
Regulatory actions	20,000	1,312	20,000
Continuing education, memberships, dues	51,000	43,922	47,000
Insurance - other than group	123,000	96,248	122,000
Lab fees and supplies	70,000	45,077	60,000
Miscellaneous	3,500	1,121	3,500
Office supplies	12,300	5,015	11,800
Operating supplies	1,160,800	795,484	987,300
Postage	1,400	930	1,400
Power	1,430,000	1,163,052	1,460,000
Professional fees	10,000	4,678	10,000
Repairs and maintenance - lines and meters	20,000	-	20,000
Repairs - other	60,000	62,733	78,000
Maintenance - other	1,270,200	1,064,741	1,338,700
Small tools and equipment	10,400	10,355	11,800
Telephone/Data Usage	32,000	25,135	32,500
Uniforms	15,000	11,294	15,000
Computer Equipment & Maintenance	7,500	3,735	7,500
Vehicle expense-Fuel	<u>85,000</u>	<u>48,238</u>	<u>65,000</u>
Operating Expenses Before Depreciation	8,789,632	7,030,974	9,043,845
Depreciation	<u>2,224,648</u>	<u>1,853,874</u>	<u>2,198,800</u>
	<u>11,014,280</u>	<u>8,884,848</u>	<u>11,242,645</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, 2016**

	Budget Year Ending August 31, <u>2015</u>	Unaudited 10 Months Ended June 30, <u>2015</u>	Budget Year Ending August 31, <u>2016</u>
<b>Operating Expenses (continued)</b>			
<b>Distribution and Administration</b>			
Salaries and wages	\$ 6,424,700	\$ 5,212,090	\$ 6,505,400
Payroll taxes	491,500	373,383	497,700
Group insurance	1,671,000	1,346,764	1,803,000
OPEB	309,615	258,011	584,480
Pension	817,000	680,826	836,500
Bad debts	100,000	(602)	100,000
Billing and accounting	380,000	329,943	421,000
Continuing education, memberships, dues	68,000	60,353	83,000
Contract services	622,000	515,390	636,000
Directors' fees and expenses	60,200	47,322	60,200
Insurance - other than group	308,000	239,656	308,500
Lab/environmental supplies	8,500	4,899	8,500
Legal and audit	91,000	85,739	95,000
Miscellaneous	35,000	22,970	35,000
Office supplies	37,500	29,468	34,700
Operating supplies	73,000	61,834	83,000
Postage	11,300	8,445	11,300
Power	155,000	97,926	160,500
Professional fees	193,000	137,398	193,000
Property taxes	20,000	15,866	20,000
Public Outreach	2,500	1,616	2,500
Repairs and maintenance - lines and meters	385,000	460,056	500,000
Maintenance - other	582,000	444,979	564,000
Repairs - other	265,000	229,959	310,000
Service Charges	228,000	215,429	265,000
Small tools	30,000	17,836	29,000
Telephone/Data Usage	80,600	73,454	96,000
Toilet rebate	30,000	19,700	30,000
Uniforms	23,500	19,411	30,000
Computer Equipment & Maintenance	10,500	2,232	17,500
Vehicle expense-Fuel	346,500	231,080	292,000
Water tests	10,500	7,000	-
Operating Expenses Before Depreciation and Capitalization of Salaries	13,870,415	11,250,432	14,612,780
Depreciation	7,474,500	6,228,739	7,752,000
Operating Expenses Before Capitalization of Salaries	21,344,915	17,479,171	22,364,780
Capitalization of salaries	(430,439)	-	(395,376)
	20,914,476	17,479,171	21,969,404
Streetlights	1,057,000	874,847	1,067,000
Stores	-	-	-
<b>Total Operating Expenses</b>	<b>38,050,806</b>	<b>31,241,226</b>	<b>39,402,924</b>

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**CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY**  
**BUDGETED REVENUE, EXPENSES AND CHANGE IN NET POSITION**  
**FOR THE YEAR ENDING AUGUST 31, 2016**

	Budget Year Ending August 31, <u>2015</u>	Unaudited 10 Months Ended June 30, <u>2015</u>	Budget Year Ending August 31, <u>2016</u>
Non-Operating Expenses:			
Interest	\$ 7,299,695	\$ 6,075,456	\$ 7,258,990
Arbitrage rebate	-	-	-
Paying agent fees	20,000	16,332	20,000
Amortization Expense	-	-	<u>241,230</u>
Total Non-Operating Expenses	<u>7,319,695</u>	<u>6,091,788</u>	<u>7,520,220</u>
<b>TOTAL EXPENSES</b>	<u>45,370,501</u>	<u>37,333,014</u>	<u>46,923,144</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ 2,259,599</u>	<u>\$ 5,396,174</u>	<u>\$ 4,947,856</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, 2016**

	Budget Year Ending August 31, <u>2015</u>	Budget Year Ending August 31, <u>2016</u>
Operating Revenue	\$ 47,359,100	\$ 51,570,000
Less Operating Expenses	<u>38,050,806</u>	<u>39,402,924</u>
	9,308,294	12,167,076
Add:		
Interest earnings -		
Sinking Funds	77,000	77,000
Revenue Fund	38,000	45,000
Miscellaneous income	131,000	133,000
Gain on sale of assets	-	-
Contributions from Customers	25,000	46,000
Depreciation	<u>11,105,643</u>	<u>11,352,300</u>
Income Available For (Bond) Debt Service	<u>\$ 20,684,937</u>	<u>\$ 23,820,376</u>
Required Bond Debt Service	<u>\$ 14,421,102</u>	<u>\$ 14,413,552</u>
Earnings Coverage - Estimated	<u>1.43</u>	<u>1.65</u>
Earnings Coverage - Required	<u>1.20</u>	<u>1.20</u>
Income Available For (Bond) Debt Service	\$ 20,684,937	\$ 23,820,376
Less:		
Water connection fees	(1,467,100)	(2,720,000)
Sewer tap fees	<u>(3,276,000)</u>	<u>(4,950,000)</u>
Income Available For (Bond) Debt Service Less Tap-On Fees	<u>\$ 15,941,837</u>	<u>\$ 16,150,376</u>
Earnings Coverage - Estimated	<u>1.11</u>	<u>1.12</u>
Earnings Coverage - Required	<u>1.00</u>	<u>1.00</u>



**CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY**  
**FUNDS AVAILABLE FOR CAPITAL EXPENDITURE**  
**BASED UPON BUDGETED REVENUE AND EXPENSE**  
**FOR THE YEAR ENDING AUGUST 31, 2016**

	Budget Year Ending August 31, <u>2015</u>	Unaudited 10 Months Ended June 30, <u>2015</u>	Budget Year Ending August 31, <u>2016</u>
Operating Revenue	\$ 47,359,100	\$ 42,414,948	\$ 51,570,000
Less Operating Expenses	<u>38,050,806</u>	<u>31,241,226</u>	<u>39,402,924</u>
	9,308,294	11,173,721	12,167,076
Add:			
Depreciation	11,105,643	9,254,693	11,352,300
Interest earnings - Revenue Fund	38,000	38,911	45,000
Miscellaneous income	131,000	124,094	133,000
Gain on sale of assets	-	33,465	-
Contributions from Customers	25,000	42,926	46,000
Deduct:			
Sinking fund deposits	(14,416,027)	(12,013,362)	(14,406,366)
Paying agent fees	(20,000)	(16,332)	(20,000)
	<u>6,171,910</u>	<u>8,638,116</u>	<u>9,317,010</u>
Funds Available For Capital Expenditures From Current Year Operations	<u>\$ 6,171,910</u>	<u>\$ 8,638,116</u>	<u>\$ 9,317,010</u>

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