



**CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY**  
**BUDGETED REVENUE, EXPENSES AND CHANGE IN NET POSITION**  
**FOR THE YEAR ENDING AUGUST 31, 2017**

	Budget Year Ending August 31, <u>2016</u>	Unaudited 10 Months Ended June 30, <u>2016</u>	Budget Year Ending August 31, <u>2017</u>
<b>REVENUE</b>			
<b>Operating Revenue</b>			
Metered water sales	\$ 25,900,000	\$ 21,587,017	\$ 26,800,000
Wastewater treatment sales	15,500,000	13,141,648	15,900,000
Street light fees	1,370,000	1,129,653	1,398,000
Water connection fees	2,720,000	2,342,900	2,890,000
Sewer tap fees	4,950,000	4,783,355	5,692,500
Transfer fees	200,000	174,425	220,000
Forfeited discounts and penalties	690,000	583,195	717,000
Customer repairs & service charges	240,000	207,849	250,000
Total Operating Revenue	<u>51,570,000</u>	<u>43,950,042</u>	<u>53,867,500</u>
<b>Non-Operating Revenue</b>			
<b>Interest earnings</b>			
Sinking Funds	77,000	74,845	90,500
Construction Fund	-	-	-
Revenue Fund	45,000	89,205	120,000
Amortization of Bond Premiums, net	-	720,432	1,209,200
Gain on sale of assets	-	34,299	-
Contributions from Customers	46,000	51,383	58,000
Miscellaneous	133,000	175,889	134,000
Total Non-Operating Revenue	<u>301,000</u>	<u>1,146,052</u>	<u>1,611,700</u>
<b>TOTAL REVENUE</b>	<u>\$ 51,871,000</u>	<u>\$ 45,096,094</u>	<u>\$ 55,479,200</u>
<b>EXPENSES</b>			
<b>Operating Expenses</b>			
<b>Water Purchases and Production</b>			
Purchased water	\$ 58,000	\$ 54,885	\$ 68,000
<b>Water production:</b>			
Salaries and wages	1,033,400	827,149	1,092,000
Payroll taxes	79,100	61,288	83,600
Group insurance	238,000	190,046	281,000
OPEB	73,675	61,396	64,860
Pension	105,500	87,865	115,905
Billing and accounting	18,000	16,832	22,000
Regulatory actions	-	-	-
Continuing education, memberships, dues	39,000	32,179	40,000
Insurance - other than group	38,900	30,765	39,000
Lab fees and supplies	56,500	35,859	56,500
Miscellaneous	2,500	1,040	2,500
Office supplies	3,500	2,585	2,000
Operating supplies	265,000	199,094	315,000
Power	1,264,000	939,276	1,200,000
Professional fees	10,000	1,572	10,000
Repairs and maintenance - lines and meters	3,000	-	3,000
Repairs - other	12,000	4,827	10,000
Maintenance - other	315,000	148,689	280,000

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, 2017

	Budget Year Ending August 31, <u>2016</u>	Unaudited 10 Months Ended June 30, <u>2016</u>	Budget Year Ending August 31, <u>2017</u>
Operating Expenses (continued)			
Water Purchases and Production			
(continued)			
Water production (continued):			
Postage	\$ 500	\$ 822	\$ 1,500
Small tools and equipment	3,000	1,635	3,000
Stream Monitoring	54,800	28,500	57,750
Telephone/Data Usage	21,000	19,141	24,000
Uniforms	6,000	4,136	6,000
Computer Equipment & Maintenance	7,000	332	4,000
Vehicle expense-Fuel	<u>15,000</u>	<u>7,471</u>	<u>10,000</u>
Operating Expenses Before			
Depreciation	3,722,375	2,757,384	3,791,615
Depreciation	<u>1,401,500</u>	<u>1,167,893</u>	<u>1,510,565</u>
	<u>5,123,875</u>	<u>3,925,277</u>	<u>5,302,180</u>
Wastewater Treatment			
Purchased wastewater treatment	\$ 791,000	\$ 629,111	\$ 780,000
Wastewater treatment:			
Salaries and wages	2,536,100	2,075,260	2,774,100
Payroll taxes	194,000	151,523	212,200
Group insurance	651,000	494,332	680,000
OPEB	230,845	192,371	198,905
Pension	330,400	275,309	355,440
Billing and accounting	19,000	16,832	22,000
Regulatory actions	20,000	15,125	20,000
Continuing education, memberships, dues	47,000	45,184	59,000
Insurance - other than group	122,000	97,058	119,500
Lab fees and supplies	60,000	46,513	69,000
Miscellaneous	3,500	2,579	3,500
Office supplies	11,800	5,934	11,000
Operating supplies	987,300	621,777	1,185,000
Postage	1,400	1,010	2,300
Power	1,460,000	1,188,776	1,515,000
Professional fees	10,000	8,874	15,000
Repairs and maintenance - lines			
and meters	20,000	-	20,000
Repairs - other	78,000	41,931	71,000
Maintenance - other	1,338,700	1,175,582	1,525,000
Small tools and equipment	11,800	8,249	14,000
Telephone/Data Usage	32,500	28,270	36,500
Uniforms	15,000	11,923	15,000
Computer Equipment & Maintenance	7,500	2,286	7,500
Vehicle expense-Fuel	<u>65,000</u>	<u>35,762</u>	<u>50,500</u>
Operating Expenses Before			
Depreciation	9,043,845	7,171,572	9,761,445
Depreciation	<u>2,198,800</u>	<u>1,832,361</u>	<u>2,458,500</u>
	<u>11,242,645</u>	<u>9,003,933</u>	<u>12,219,945</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, 2017

	Budget Year Ending August 31, <u>2016</u>	Unaudited 10 Months Ended June 30, <u>2016</u>	Budget Year Ending August 31, <u>2017</u>
Operating Expenses (continued)			
Distribution and Administration			
Salaries and wages	\$ 6,505,400	\$ 5,410,456	\$ 6,913,200
Payroll taxes	497,700	388,204	528,900
Group insurance	1,803,000	1,455,547	1,928,000
OPEB	584,480	487,067	510,235
Pension	836,500	697,059	911,783
Bad debts	100,000	(395)	100,000
Billing and accounting	421,000	331,015	410,000
Continuing education, memberships, dues	83,000	63,774	93,800
Contract services	636,000	526,348	655,000
Directors' fees and expenses	60,200	46,979	60,200
Insurance - other than group	308,500	245,187	306,600
Lab/environmental supplies	8,500	5,257	8,500
Legal and audit	95,000	61,948	95,000
Miscellaneous	35,000	18,663	35,000
Office supplies	34,700	25,149	35,000
Operating supplies	83,000	61,271	80,500
Postage	11,300	6,763	10,000
Power	160,500	127,809	166,500
Professional fees	193,000	125,432	235,000
Property taxes	20,000	15,371	20,000
Public Outreach	2,500	1,168	2,500
Repairs and maintenance - lines and meters	500,000	255,848	324,000
Maintenance - other	564,000	459,033	625,000
Repairs - other	310,000	222,354	308,000
Merchant & Service Fees	265,000	262,545	330,000
Small tools	29,000	21,752	27,000
Telephone/Data Usage	96,000	76,263	104,000
Toilet rebate	30,000	25,800	30,000
Uniforms	30,000	21,001	38,500
Computer Equipment & Maintenance	17,500	2,867	14,000
Vehicle expense-Fuel	292,000	169,261	218,000
	292,000	169,261	218,000
Operating Expenses Before Depreciation and Capitalization of Salaries	14,612,780	11,616,795	15,124,218
Depreciation	7,752,000	6,460,004	8,845,900
Operating Expenses Before Capitalization of Salaries	22,364,780	18,076,799	23,970,118
Capitalization of salaries	(395,376)	-	(418,602)
	21,969,404	18,076,799	23,551,516
Streetlights	1,067,000	885,549	1,082,000
Total Operating Expenses	39,402,924	31,891,557	42,155,641

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BUDGETED REVENUE, EXPENSES AND CHANGE IN NET POSITION  
FOR THE YEAR ENDING AUGUST 31, 2017

	Budget Year Ending August 31, <u>2016</u>	Unaudited 10 Months Ended June 30, <u>2016</u>	Budget Year Ending August 31, <u>2017</u>
Non-Operating Expenses:			
Interest	\$ 7,258,990	\$ 5,930,186	\$ 6,762,750
Arbitrage rebate	-	-	-
Paying agent fees	20,000	14,644	22,000
Amortization Expense - Deferred Amt. on Refunding	241,230	395,960	589,520
Cost of Issuance Expense	-	413,838	-
Total Non-Operating Expenses	<u>7,520,220</u>	<u>6,754,627</u>	<u>7,374,270</u>
TOTAL EXPENSES	<u>46,923,144</u>	<u>38,646,184</u>	<u>49,529,911</u>
CHANGE IN NET POSITION	<u>\$ 4,947,856</u>	<u>\$ 6,449,910</u>	<u>\$ 5,949,289</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, 2017

	Budget Year Ending August 31, 2016	Budget Year Ending August 31, 2017
Operating Revenue	\$ 51,570,000	\$ 53,867,500
Less Operating Expenses	<u>39,402,924</u>	<u>42,155,641</u>
	12,167,076	11,711,859
Add:		
Interest earnings -		
Sinking Funds	77,000	90,500
Revenue Fund	45,000	120,000
Miscellaneous income	133,000	134,000
Gain on sale of assets	-	-
Contributions from Customers	46,000	58,000
Depreciation	<u>11,352,300</u>	<u>12,814,965</u>
Income Available For (Bond) Debt Service	<u>\$ 23,820,376</u>	<u>\$ 24,929,324</u>
Required Bond Debt Service	<u>\$ 14,413,552</u>	<u>\$ 14,210,602</u>
Earnings Coverage - Estimated	<u>1.65</u>	<u>1.75</u>
Earnings Coverage - Required	<u>1.20</u>	<u>1.20</u>
Income Available For (Bond) Debt Service	\$ 23,820,376	\$ 24,929,324
Less:		
Water connection fees	(2,720,000)	(2,890,000)
Sewer tap fees	<u>(4,950,000)</u>	<u>(5,692,500)</u>
Income Available For (Bond) Debt Service Less Tap-On Fees	<u>\$ 16,150,376</u>	<u>\$ 16,346,824</u>
Earnings Coverage - Estimated	<u>1.12</u>	<u>1.15</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, 2017

	Budget Year Ending August 31, <u>2016</u>	Unaudited 10 Months Ended June 30, <u>2016</u>	Budget Year Ending August 31, <u>2017</u>
Operating Revenue	\$ 51,570,000	\$ 43,950,042	\$ 53,867,500
Less Operating Expenses	<u>39,402,924</u>	<u>31,891,557</u>	<u>42,155,641</u>
	12,167,076	12,058,485	11,711,859
Add:			
Depreciation	11,352,300	9,460,257	12,814,965
Interest earnings - Revenue Fund	45,000	89,205	120,000
Miscellaneous income	133,000	175,889	134,000
Gain on sale of assets	-	34,299	-
Contributions from Customers	46,000	51,383	58,000
Deduct:			
Sinking fund deposits	(14,406,366)	(11,858,470)	(14,201,950)
Paying agent fees	(20,000)	(14,644)	(22,000)
	<u>9,317,010</u>	<u>9,996,403</u>	<u>10,614,874</u>
Funds Available For Capital Expenditures From Current Year Operations	<u>\$ 9,317,010</u>	<u>\$ 9,996,403</u>	<u>\$ 10,614,874</u>

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