Budgeted Revenue, Expenses, and Change in Net Position For the Fiscal Year Ended August 31, 2027



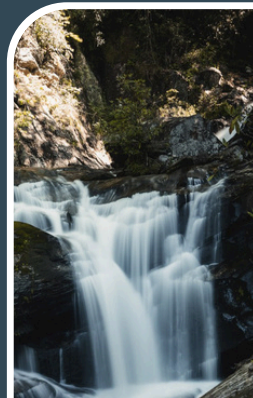


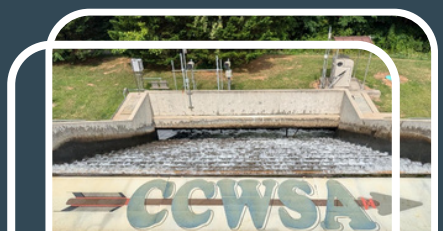












Cherokee County Water & Sewerage Authority

CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY
BUDGETED REVENUE, EXPENSES AND CHANGE IN NET POSITION
FOR THE YEAR ENDING AUGUST 31, 2027

	Budget Year Ending August 31, 2026	Unaudited 10 Months Ended June 30, 2026	Estimated Year End August 31, 2026	Budget Year Ending August 31, 2027	% Change 2026/2027 Budget
REVENUE					
Operating Revenue					
Metered water sales	$ 44,855,000	$ 36,882,273	$ 45,571,820	$ 47,600,000	
Wastewater treatment sales	27,200,000	21,858,441	26,687,500	28,200,000	
Street light fees	1,858,000	1,559,494	1,872,870	1,989,000	
Water connection fees**	900,000	889,785	1,055,835	750,000	
Transfer fees/Account Activation Fees	180,000	141,950	175,400	180,000	
Forfeited discounts and penalties	831,000	628,142	752,150	840,000	
Customer repairs & service charges	300,000	235,660	274,500	295,000	
Total Operating Revenue	76,124,000	62,195,745	76,390,075	79,854,000	4.90%
**FY 2027 Water Connections- 30% is allocated to Operating Revenues~ 70% is allocated to Capital Contributions					
Non-Operating Revenue					
Interest earnings					
Sinking Funds	299,000	-		278,000	
Construction Fund	1,539,000	1,315,332	1,578,400	675,000	
Revenue Fund	3,470,000	2,764,495	3,317,000	2,508,000	
Amortization of Bond Premiums; net	1,757,000	3,607,401	4,328,881	1,044,300	
Gain on sale of assets	-	162,434	195,000		
Miscellaneous	375,000	338,114	405,700	375,000	
Total Non-Operating Revenue	7,440,000	8,187,776	9,824,981	4,880,300	
TOTAL REVENUE	$ 83,564,000	$ 70,383,521	$ 86,215,056	$ 84,734,300	1.40%
EXPENSES					
Operating Expenses					
Water Purchases and Production					
Purchased water	$ 160,000	$ 28,207		$ 160,000	
Water production:					
Salaries and wages	1,877,000	1,427,207		1,970,000	
Payroll taxes	143,600	104,935		150,700	
Group insurance	460,000	364,083		528,000	
OPEB	17,834	14,862		17,714	
Pension	218,465	182,055		266,900	
Billing and accounting	25,000	21,051		27,000	
Regulatory actions	-				
Continuing education, memberships, dues ,contribut	49,000	36,985		51,000	
Insurance - other than group	62,000	42,049		69,500	
Lab fees and supplies	96,000	51,405		110,500	
Miscellaneous	4,000	338		4,000	
Office supplies	2,000	1,000		4,600	
Operating supplies	529,000	386,970		554,000	
Power	1,800,000	1,275,602		1,800,000	
Professional fees	10,000	3,106		10,000	
Repairs and maintenance - lines and meters	3,000	-		3,000	
Repairs - other	18,000	17,984		18,000	
Maintenance - other	906,000	363,096		1,085,000	

CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY
BUDGETED REVENUE, EXPENSES AND CHANGE IN NET POSITION
FOR THE YEAR ENDING AUGUST 31, 2027

	Budget Year Ending August 31, 2026	Unaudited 10 Months Ended June 30, 2026	Estimated Year End August 31, 2026	Budget Year Ending August 31, 2027	% Change 2026/2027 Budget
Operating Expenses (continued)					
Water Purchases and Production *(continued)*					
Water production (continued):					
Postage	$ 2,000	$ 409		$ 2,000	
Small tools and equipment	8,000	1,853		7,000	
Stream Monitoring	83,000	79,950		104,000	
Telephone/Data Usage	40,000	26,082		44,000	
Uniforms	15,000	8,963		15,000	
Computer Equipment & Maintenance	10,000	-		20,000	
Vehicle expense-Fuel	20,000	14,067		21,000	
Operating Expenses Before Depreciation	6,558,899	4,452,259	5,342,710	7,042,914	7.38%
Depreciation	1,900,000	1,583,330	1,899,996	1,913,000	
	8,458,899	6,035,589	7,242,706	8,955,914	5.88%
Wastewater Treatment					
Purchased wastewater treatment	$ 1,040,000	$ 828,524		$ 1,085,000	
Wastewater treatment:					
Salaries and wages	5,237,000	4,112,892		5,617,500	
Payroll taxes	400,700	305,630		429,700	
Group insurance	1,415,000	1,132,905		1,666,000	
OPEB	72,451	60,376		69,816	
Pension	887,515	739,596		1,051,700	
Billing and accounting	25,000	21,051		27,000	
Regulatory actions	50,000	3,375		50,000	
Continuing education, memberships, dues, contribut	69,000	62,728		107,000	
Insurance - other than group	252,500	170,793		273,200	
Lab fees and supplies	180,000	109,341		180,000	
Miscellaneous	10,000	5,866		10,000	
Office supplies	25,000	15,596		31,000	
Operating supplies	1,612,000	1,304,838		1,724,000	
Postage	2,000	768		2,000	
Power	2,275,000	1,812,254		2,375,000	
Professional fees	25,000	17,404		25,000	
Repairs and maintenance - lines and meters	20,000	-		20,000	
Repairs - other	128,000	123,130		138,000	
Maintenance - other	4,625,000	3,894,853		5,320,000	
Small tools and equipment	38,000	16,188		50,000	
Telephone/Data Usage	87,000	67,076		91,800	
Uniforms	40,000	37,388		45,000	
Computer Equipment & Maintenance	15,000	3,950		26,500	
Vehicle expense-Fuel	93,000	76,833		121,500	
Operating Expenses Before Depreciation	18,624,166	14,923,355	17,908,026	20,536,716	10.27%
Depreciation	4,900,000	4,083,330	4,899,996	4,879,000	
	23,524,166	19,006,685	22,808,022	25,415,716	8.04%

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, 2027

	Budget Year Ending August 31, 2026	Unaudited 10 Months Ended June 30, 2026	Estimated Year End August 31, 2026	Budget Year Ending August 31, 2027	% Change 2026/2027 Budget
Operating Expenses *(continued)*					
Distribution and Administration					
Salaries and wages	$ 13,443,000	$ 10,817,090		$ 14,051,000	
Payroll taxes	1,028,400	788,759		1,075,000	
Group insurance	4,090,000	3,237,254		4,700,000	
OPEB	178,341	148,617		167,767	
Pension	2,185,000	1,820,544		2,527,200	
Bad debts	100,000	(704)		100,000	
Billing and accounting	505,000	447,576		545,000	
Continuing education, memberships, dues, contributions	204,000	127,104		233,000	
Contract services	1,006,000	1,014,631		754,000	
Directors' fees and expenses	60,000	47,019		60,000	
Insurance - other than group	622,000	432,742		656,500	
Lab/environmental supplies	47,500	32,138		47,500	
Legal and audit	160,000	76,894		160,000	
Miscellaneous	40,000	37,456		42,000	
Office supplies	48,000	22,832		62,000	
Operating supplies	117,000	95,839		117,000	
Postage	15,000	9,431		15,000	
Power	435,000	324,931		425,000	
Professional fees	450,000	150,945		375,000	
Property taxes	24,000	18,657		24,000	
Public Outreach	17,000	13,787		17,000	
Repairs, maintenance, small line extensions - lines and meters	640,000	578,120		660,000	
Maintenance - other	1,447,000	851,174		1,581,200	
Repairs - other	620,000	581,496		630,000	
Merchant & Service Fees	795,000	671,453		813,000	
Small tools	185,000	113,921		148,000	
Stream Monitoring	-				
Telephone/Data Usage	199,000	151,472		205,000	
Toilet Rebate/Smart Leak Detection Program	-	-		-	
Uniforms	86,000	65,117		90,000	
Computer Equipment & Maintenance	150,000	92,293		49,000	
Vehicle expense-Fuel	534,000	434,321		680,000	
Operating Expenses Before Depreciation and Capitalization of Salaries	29,431,241	23,202,910	27,843,492	31,010,167	5.36%
Depreciation	10,990,000	9,158,330	10,989,996	10,816,000	
Operating Expenses Before Capitalization of Salaries	40,421,241	32,361,240	38,833,488	41,826,167	
Capitalization of salaries	(1,541,000)	-	(1,541,000)	(1,400,000)	
	38,880,241	32,361,240	37,292,488	40,426,167	3.98%
Street lights expense	1,550,000	1,282,715	1,539,000	1,588,000	2.45%
Total Operating Expenses	72,413,306	58,686,229	68,882,216	76,385,797	5.49%

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, 2027

	Budget Year Ending August 31, 2026	Unaudited 10 Months Ended June 30, 2026	Estimated Year End August 31, 2026	Budget Year Ending August 31, 2027	% Change 2026/2027 Budget
Non-Operating Expenses:					
Interest	$ 6,585,000	$ 5,498,434		$ 5,722,991	
Amortization Expense - Deferred Amt. on Refunding	322,365	2,015,872		135,910	
Cost of Issuance Expense		282,472		-	
Total Non-Operating Expenses	6,907,365	7,796,777	9,356,000	5,858,901	
TOTAL EXPENSES	79,320,671	66,483,006	78,238,216	82,244,698	3.69%
Excess Before Contributions	4,243,329	3,900,515	7,976,840	2,489,602	
Capital Contributions					
Contributions from Customers	-	169,104		-	
Sewer tap fees	4,400,000	4,258,898	4,950,000	3,050,000	
Water connection fees	2,100,000	2,076,165	2,463,615	1,750,000	
Total Capital Contributions	6,500,000	6,504,167	7,413,615	4,800,000	-26.15%
CHANGE IN NET POSITION	$ 10,743,329	$ 10,404,682	$ 15,390,455	$ 7,289,602	-32.15%

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, 2027

	Budget Year Ending August 31, 2026	Budget Year Ending August 31, 2027
Operating Revenue	$ 76,124,000	$ 79,854,000
Less Operating Expenses	72,413,306	76,385,797
	3,710,694	3,468,203
Add:		
Interest earnings -		
Sinking Funds	299,000	278,000
Revenue Fund	3,470,000	2,508,000
Miscellaneous income	375,000	375,000
Gain on sale of assets	-	-
Capital Contributions	6,500,000	4,800,000
Depreciation	17,790,000	17,608,000
Income Available For (Bond) Debt Service	$ 32,144,694	$ 29,037,203
Required Bond Debt Service	$ 18,111,398	$ 17,971,576
Earnings Coverage - Estimated	1.77	1.62
Earnings Coverage - Required	1.20	1.20
Income Available For (Bond) Debt Service	$ 32,144,694	$ 29,037,203
Less:		
Water connection fees	(3,000,000)	(2,500,000)
Sewer tap fees	(4,400,000)	(3,050,000)
Income Available For (Bond) Debt Service Less Tap-On Fees	$ 24,744,694	$ 23,487,203
Earnings Coverage - Estimated	1.37	1.31
Earnings Coverage - Required	1.00	1.00

See Accompanying Summary of Significant Budget Assumptions

CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY
FUNDS AVAILABLE FOR CAPITAL EXPENDITURE
BASED UPON BUDGETED REVENUE AND EXPENSE
FOR THE YEAR ENDING AUGUST 31, 2027

	Budget Year Ending August 31, 2026	Unaudited 10 Months Ended June 30, 2026	Budget Year Ending August 31, 2027
Operating Revenue	$ 76,124,000	$ 62,195,745	$ 79,854,000
Less Operating Expenses	72,413,306	58,686,229	76,385,797
	3,710,694	3,509,516	3,468,203
Add:			
Depreciation	17,790,000	14,824,990	17,608,000
Interest earnings - Revenue Fund	3,470,000	2,764,495	2,508,000
Miscellaneous income	375,000	338,114	375,000
Gain on sale of assets	-	162,434	-
Capital Contributions	6,500,000	6,504,167	4,800,000
Deduct:			
Sinking fund deposits	(18,111,397)	(17,512,675)	(17,971,576)
Funds Available For Capital Expenditures From Current Year Operations	$ 13,734,297	$ 10,591,042	$ 10,787,627

See Accompanying Summary of Significant Budget Assumptions