

# Budgeted Revenue, Expenses, and Change in Net Position For the Fiscal Year Ended August 31, 2026



# CCWSA

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, 2026

	Budget Year Ending August 31, <u>2025</u>	Unaudited 10 Months Ended June 30, <u>2025</u>	Budget Year Ending August 31, <u>2026</u>
<b>REVENUE</b>			
Operating Revenue			
Metered water sales	\$ 40,225,000	\$ 32,120,820	\$ 44,855,000
Wastewater treatment sales	24,760,000	19,801,431	27,200,000
Street light fees	1,739,000	1,354,395	1,858,000
Water connection fees**	1,050,000	800,610	900,000
Transfer fees/Account Activation Fees	180,000	142,449	180,000
Forfeited discounts and penalties	786,000	599,640	831,000
Customer repairs & service charges	<u>335,000</u>	<u>220,894</u>	<u>300,000</u>
Total Operating Revenue	<u>69,075,000</u>	<u>55,040,239</u>	<u>76,124,000</u>
**FY 2026 Water Connections- 30% is allocated to Operating Revenues~ 70% is allocated to Capital Contributions			
Non-Operating Revenue			
Interest earnings			
Sinking Funds	175,000	3,394	299,000
Construction Fund	560,000	1,589,053	1,539,000
Revenue Fund	4,990,000	3,908,478	3,470,000
Amortization of Bond Premiums; net	1,808,935	1,507,445	1,757,000
Gain on sale of assets	-	73,658	-
Miscellaneous	<u>375,000</u>	<u>325,862</u>	<u>375,000</u>
Total Non-Operating Revenue	<u>7,908,935</u>	<u>7,407,890</u>	<u>7,440,000</u>
 TOTAL REVENUE	 <u>\$ 76,983,935</u>	 <u>\$ 62,448,130</u>	 <u>\$ 83,564,000</u>
<b>EXPENSES</b>			
Operating Expenses			
Water Purchases and Production			
Purchased water	\$ 108,000	\$ 38,298	\$ 160,000
Water production:			
Salaries and wages	1,799,600	1,400,889	1,877,000
Payroll taxes	137,700	102,777	143,600
Group insurance	330,000	298,417	460,000
OPEB	16,930	14,108	17,834
Pension	204,288	170,214	218,465
Billing and accounting	22,000	19,844	25,000
Regulatory actions	-	-	-
Continuing education, memberships, dues ,contributions	45,000	35,470	49,000
Insurance - other than group	45,840	47,273	62,000
Lab fees and supplies	98,000	49,120	96,000
Miscellaneous	4,000	501	4,000
Office supplies	2,000	683	2,000
Operating supplies	482,000	363,119	529,000
Power	1,720,000	1,258,262	1,800,000
Professional fees	10,000	2,809	10,000
Repairs and maintenance - lines and meters	3,000	378	3,000
Repairs - other	18,000	7,141	18,000
Maintenance - other	<u>965,000</u>	<u>678,295</u>	<u>906,000</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, 2026

	Budget Year Ending August 31, <u>2025</u>	Unaudited 10 Months Ended June 30, <u>2025</u>	Budget Year Ending August 31, <u>2026</u>
Operating Expenses (continued)			
Water Purchases and Production			
<i>(continued)</i>			
Water production (continued):			
Postage	\$ 2,000	\$ 119	\$ 2,000
Small tools and equipment	6,800	1,748	8,000
Stream Monitoring	78,000	55,550	83,000
Telephone/Data Usage	40,000	26,469	40,000
Uniforms	10,000	8,461	15,000
Computer Equipment & Maintenance	12,600	2,228	10,000
Vehicle expense-Fuel	<u>23,000</u>	<u>14,877</u>	<u>20,000</u>
Operating Expenses Before			
Depreciation	6,183,758	4,597,048	6,558,899
Depreciation	<u>1,842,000</u>	<u>1,535,002</u>	<u>1,900,000</u>
	<u>8,025,758</u>	<u>6,132,050</u>	<u>8,458,899</u>
Wastewater Treatment			
Purchased wastewater treatment	\$ 997,000	\$ 790,110	\$ 1,040,000
Wastewater treatment:			
Salaries and wages	5,349,800	3,924,658	5,237,000
Payroll taxes	409,300	291,090	400,700
Group insurance	1,272,000	926,759	1,415,000
OPEB	68,776	57,313	72,451
Pension	829,922	691,698	887,515
Billing and accounting	22,000	19,844	25,000
Regulatory actions	50,000	-	50,000
Continuing education, memberships, dues, contributions	60,000	68,106	69,000
Insurance - other than group	186,225	192,102	252,500
Lab fees and supplies	164,000	71,793	180,000
Miscellaneous	10,000	6,804	10,000
Office supplies	11,000	6,569	25,000
Operating supplies	1,765,000	1,313,475	1,612,000
Postage	2,000	270	2,000
Power	2,295,000	1,845,271	2,275,000
Professional fees	25,000	11,412	25,000
Repairs and maintenance - lines			
and meters	20,000	3,221	20,000
Repairs - other	108,000	118,764	128,000
Maintenance - other	5,055,000	3,819,944	4,625,000
Small tools and equipment	22,300	9,110	38,000
Telephone/Data Usage	91,000	66,843	87,000
Uniforms	33,000	35,766	40,000
Computer Equipment & Maintenance	65,000	19,672	15,000
Vehicle expense-Fuel	<u>97,000</u>	<u>65,391</u>	<u>93,000</u>
Operating Expenses Before			
Depreciation	19,008,323	14,355,985	18,624,166
Depreciation	<u>3,906,700</u>	<u>3,255,598</u>	<u>4,900,000</u>
	<u>22,915,023</u>	<u>17,611,583</u>	<u>23,524,166</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, 2026

	Budget Year Ending August 31, <u>2025</u>	Unaudited 10 Months Ended June 30, <u>2025</u>	Budget Year Ending August 31, <u>2026</u>
Operating Expenses ( <i>continued</i> )			
Distribution and Administration			
Salaries and wages	\$ 12,933,000	\$ 10,306,829	\$ 13,443,000
Payroll taxes	989,400	749,003	1,028,400
Group insurance	3,445,000	2,631,233	4,090,000
OPEB	165,061	137,551	178,341
Pension	1,991,813	1,659,774	2,185,000
Bad debts	100,000	(1,791)	100,000
Billing and accounting	500,000	419,223	505,000
Continuing education, memberships, dues, contributions	194,000	144,039	204,000
Contract services	1,242,000	1,037,880	1,006,000
Directors' fees and expenses	60,000	47,078	60,000
Insurance - other than group	446,940	468,022	622,000
Lab/environmental supplies	47,500	21,615	47,500
Legal and audit	158,000	96,812	160,000
Miscellaneous	40,000	40,887	40,000
Office supplies	64,000	24,234	48,000
Operating supplies	116,000	83,570	117,000
Postage	12,000	11,019	15,000
Power	363,000	332,227	435,000
Professional fees	450,000	196,226	450,000
Property taxes	24,000	19,412	24,000
Public Outreach	16,500	14,956	17,000
Repairs, maintenance, small line extensions - lines and meters	575,000	557,496	640,000
Maintenance - other	999,000	817,224	1,447,000
Repairs - other	479,000	471,428	620,000
Merchant & Service Fees	794,000	643,900	795,000
Small tools	122,000	109,699	185,000
Stream Monitoring	-	-	-
Telephone/Data Usage	210,000	152,866	199,000
Toilet Rebate/Smart Leak Detection Program	15,000	300	-
Uniforms	65,000	64,119	86,000
Computer Equipment & Maintenance	34,000	11,399	150,000
Vehicle expense-Fuel	550,000	351,197	534,000
Operating Expenses Before Depreciation and Capitalization of Salaries	27,201,214	21,619,427	29,431,241
Depreciation	10,373,500	8,644,589	10,990,000
Operating Expenses Before Capitalization of Salaries	37,574,714	30,264,016	40,421,241
Capitalization of salaries	(1,027,267)	-	(1,541,000)
	<u>36,547,447</u>	<u>30,264,016</u>	<u>38,880,241</u>
Street lights expense	1,508,000	1,254,254	1,550,000
Total Operating Expenses	<u>68,996,228</u>	<u>55,261,903</u>	<u>72,413,306</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, 2026

	Budget Year Ending August 31, <u>2025</u>	Unaudited 10 Months Ended June 30, <u>2025</u>	Budget Year Ending August 31, <u>2026</u>
Non-Operating Expenses:			
Interest	\$ 7,070,382	\$ 5,925,266	\$ 6,585,000
Amortization Expense - Deferred Amt. on Refunding	322,365	268,636	322,365
Cost of Issuance Expense			
Total Non-Operating Expenses	<u>7,392,747</u>	<u>6,193,902</u>	<u>6,907,365</u>
 <b>TOTAL EXPENSES</b>	 <u>76,388,975</u>	 <u>61,455,805</u>	 <u>79,320,671</u>
 Excess Before Contributions	 <u>594,960</u>	 <u>992,325</u>	 <u>4,243,329</u>
Capital Contributions			
Contributions from Customers	-	119,189	-
Sewer tap fees	5,000,000	4,294,168	4,400,000
Water connection fees	<u>2,450,000</u>	<u>1,868,090</u>	<u>2,100,000</u>
Total Capital Contributions	<u>7,450,000</u>	<u>6,281,447</u>	<u>6,500,000</u>
<b>CHANGE IN NET POSITION</b>	<u><u>\$ 8,044,960</u></u>	<u><u>\$ 7,273,771</u></u>	<u><u>\$ 10,743,329</u></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, 2026

	Budget Year Ending August 31, <u>2025</u>	Budget Year Ending August 31, <u>2026</u>
Operating Revenue	\$ 69,075,000	\$ 76,124,000
Less Operating Expenses	<u>68,996,228</u>	<u>72,413,306</u>
	78,772	3,710,694
Add:		
Interest earnings -		
Sinking Funds	175,000	299,000
Revenue Fund	4,990,000	3,470,000
Miscellaneous income	375,000	375,000
Gain on sale of assets	-	-
Capital Contributions	7,450,000	6,500,000
Depreciation	<u>16,122,200</u>	<u>17,790,000</u>
Income Available For (Bond) Debt Service	<u>\$ 29,190,972</u>	<u>\$ 32,144,694</u>
Required Bond Debt Service	<u>\$ 16,617,805</u>	<u>\$ 18,111,398</u>
Earnings Coverage - Estimated	<u>1.76</u>	<u>1.77</u>
Earnings Coverage - Required	<u>1.20</u>	<u>1.20</u>
 Income Available For (Bond) Debt Service	 \$ 29,190,972	 \$ 32,144,694
Less:		
Water connection fees	(3,500,000)	(3,000,000)
Sewer tap fees	<u>(5,000,000)</u>	<u>(4,400,000)</u>
Income Available For (Bond) Debt Service Less Tap-On Fees	<u>\$ 20,690,972</u>	<u>\$ 24,744,694</u>
Earnings Coverage - Estimated	<u>1.25</u>	<u>1.37</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, 2026

	Budget Year Ending August 31, <u>2025</u>	Unaudited 10 Months Ended June 30, <u>2025</u>	Budget Year Ending August 31, <u>2026</u>
Operating Revenue	\$ 69,075,000	\$ 55,040,239	\$ 76,124,000
Less Operating Expenses	<u>68,996,228</u>	<u>55,261,903</u>	<u>72,413,306</u>
	78,772	(221,664)	3,710,694
Add:			
Depreciation	16,122,200	13,435,188	17,790,000
Interest earnings - Revenue Fund	4,990,000	3,908,478	3,470,000
Miscellaneous income	375,000	325,862	375,000
Gain on sale of assets	-	73,658	-
Capital Contributions	7,450,000	6,281,447	6,500,000
Deduct:			
Sinking fund deposits	<u>(16,583,941)</u>	<u>(13,556,103)</u>	<u>(18,111,397)</u>
Funds Available For Capital Expenditures From Current Year Operations	<u>\$ 12,432,031</u>	<u>\$ 10,246,866</u>	<u>\$ 13,734,297</u>

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