



CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY
BUDGETED REVENUE, EXPENSES AND CHANGE IN NET POSITION
FOR THE YEAR ENDING AUGUST 31, 2019

| | Budget Year Ending August 31, <u>2018</u> | Unaudited 10 Months Ended June 30, <u>2018</u> | Budget Year Ending August 31, <u>2019</u> |
|---|--|---|--|
| REVENUE | | | |
| Operating Revenue | | | |
| Metered water sales | \$ 27,800,000 | \$ 22,062,715 | \$ 28,000,000 |
| Wastewater treatment sales | 16,600,000 | 13,833,386 | 17,000,000 |
| Street light fees | 1,434,000 | 1,200,895 | 1,474,000 |
| Water connection fees | 3,315,000 | 3,005,050 | 3,383,000 |
| Sewer tap fees | 6,300,000 | 6,673,046 | 6,525,000 |
| Transfer fees | 216,000 | 172,775 | 213,000 |
| Forfeited discounts and penalties | 710,400 | 580,410 | 726,000 |
| Customer repairs & service charges | 250,000 | 193,395 | 225,000 |
| Total Operating Revenue | <u>56,625,400</u> | <u>47,721,672</u> | <u>57,546,000</u> |
| Non-Operating Revenue | | | |
| Interest earnings | | | |
| Sinking Funds | 96,300 | 74,845 | 122,000 |
| Construction Fund | - | | - |
| Revenue Fund | 415,000 | 482,435 | 679,400 |
| Amortization of Bond Premiums, net | 1,152,000 | 959,950 | 1,104,500 |
| Gain on sale of assets | - | 60,133 | - |
| Contributions from Customers | 61,000 | 40,671 | 50,000 |
| Miscellaneous | 145,000 | 347,551 | 385,000 |
| Total Non-Operating Revenue | <u>1,869,300</u> | <u>1,965,584</u> | <u>2,340,900</u> |
| TOTAL REVENUE | <u>\$ 58,494,700</u> | <u>\$ 49,687,256</u> | <u>\$ 59,886,900</u> |
| EXPENSES | | | |
| Operating Expenses | | | |
| Water Purchases and Production | | | |
| Purchased water | \$ 68,000 | \$ 50,916 | \$ 68,000 |
| Water production: | | | |
| Salaries and wages | 1,147,000 | 942,068 | 1,193,000 |
| Payroll taxes | 87,800 | 69,330 | 91,300 |
| Group insurance | 337,200 | 231,132 | 287,000 |
| OPEB | 78,232 | 65,193 | 35,294 |
| Pension | 124,020 | 103,255 | 123,030 |
| Billing and accounting | 24,000 | 19,472 | 24,000 |
| Regulatory actions | - | | - |
| Continuing education, memberships, dues | 40,000 | 26,055 | 40,000 |
| Insurance - other than group | 39,500 | 32,598 | 38,415 |
| Lab fees and supplies | 64,000 | 18,665 | 64,000 |
| Miscellaneous | 2,500 | 1,291 | 2,500 |
| Office supplies | 3,500 | 1,291 | 3,500 |
| Operating supplies | 315,000 | 200,131 | 300,000 |
| Power | 1,300,000 | 1,021,046 | 1,300,000 |
| Professional fees | 10,000 | 2,341 | 10,000 |
| Repairs and maintenance - lines and meters | 3,000 | - | 3,000 |
| Repairs - other | 10,000 | 9,415 | 12,000 |
| Maintenance - other | 280,000 | 267,315 | 300,000 |

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, 2019

| | Budget Year Ending August 31, <u>2018</u> | Unaudited 10 Months Ended June 30, <u>2018</u> | Budget Year Ending August 31, <u>2019</u> |
|---|--|---|--|
| Operating Expenses (continued) | | | |
| Water Purchases and Production (continued) | | | |
| Water production (continued): | | | |
| Postage | \$ 1,000 | \$ 554 | \$ 1,000 |
| Small tools and equipment | 3,000 | 4,343 | 3,000 |
| Stream Monitoring | 57,750 | 14,825 | 62,000 |
| Telephone/Data Usage | 34,000 | 26,309 | 34,000 |
| Uniforms | 6,000 | 5,451 | 7,000 |
| Computer Equipment & Maintenance | 4,000 | - | 5,000 |
| Vehicle expense-Fuel | <u>12,500</u> | <u>12,729</u> | <u>19,000</u> |
| Operating Expenses Before Depreciation | 4,052,002 | 3,125,724 | 4,026,039 |
| Depreciation | <u>1,410,300</u> | <u>1,175,228</u> | <u>1,430,300</u> |
| | <u>5,462,302</u> | <u>4,300,952</u> | <u>5,456,339</u> |
| Wastewater Treatment | | | |
| Purchased wastewater treatment | \$ 813,000 | \$ 652,962 | \$ 822,000 |
| Wastewater treatment: | | | |
| Salaries and wages | 3,256,500 | 2,383,996 | 3,294,000 |
| Payroll taxes | 249,200 | 174,284 | 252,000 |
| Group insurance | 791,200 | 586,443 | 781,000 |
| OPEB | 283,591 | 236,326 | 130,147 |
| Pension | 449,600 | 374,625 | 453,665 |
| Billing and accounting | 24,000 | 19,472 | 24,000 |
| Regulatory actions | 20,000 | 12,250 | 20,000 |
| Continuing education, memberships, dues | 63,500 | 38,111 | 65,100 |
| Insurance - other than group | 144,000 | 118,046 | 141,650 |
| Lab fees and supplies | 60,500 | 53,217 | 65,000 |
| Miscellaneous | 3,500 | 6,767 | 3,500 |
| Office supplies | 20,000 | 7,667 | 24,900 |
| Operating supplies | 1,002,200 | 816,154 | 1,106,200 |
| Postage | 2,300 | 185 | 2,300 |
| Power | 1,550,000 | 1,348,491 | 1,820,000 |
| Professional fees | 15,000 | 8,485 | 20,000 |
| Repairs and maintenance - lines and meters | 20,000 | 1,549 | 20,000 |
| Repairs - other | 76,000 | 52,274 | 82,000 |
| Maintenance - other | 1,675,500 | 1,488,473 | 1,836,500 |
| Small tools and equipment | 14,300 | 9,785 | 15,300 |
| Telephone/Data Usage | 38,800 | 27,801 | 39,500 |
| Uniforms | 20,000 | 15,813 | 20,000 |
| Computer Equipment & Maintenance | 14,000 | 7,419 | 12,000 |
| Vehicle expense-Fuel | <u>52,000</u> | <u>46,065</u> | <u>71,000</u> |
| Operating Expenses Before Depreciation | 10,658,691 | 8,486,664 | 11,121,762 |
| Depreciation | <u>2,324,500</u> | <u>1,937,086</u> | <u>2,407,600</u> |
| | <u>12,983,191</u> | <u>10,423,750</u> | <u>13,529,362</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, 2019

| | Budget Year Ending August 31, <u>2018</u> | Unaudited 10 Months Ended June 30, <u>2018</u> | Budget Year Ending August 31, <u>2019</u> |
|---|--|---|--|
| Operating Expenses (continued) | | | |
| Distribution and Administration | | | |
| Salaries and wages | \$ 7,306,800 | \$ 6,221,147 | \$ 7,814,000 |
| Payroll taxes | 559,000 | 447,576 | 597,750 |
| Group insurance | 2,357,800 | 1,665,439 | 2,135,000 |
| OPEB | 616,077 | 513,398 | 284,559 |
| Pension | 976,610 | 813,931 | 991,910 |
| Bad debts | 100,000 | 35 | 100,000 |
| Billing and accounting | 400,000 | 326,140 | 406,000 |
| Continuing education, memberships, dues | 94,800 | 80,798 | 115,000 |
| Contract services | 665,000 | 551,664 | 678,000 |
| Directors' fees and expenses | 60,200 | 47,277 | 60,000 |
| Insurance - other than group | 310,900 | 256,622 | 309,710 |
| Lab/environmental supplies | 10,000 | 12,511 | 15,500 |
| Legal and audit | 95,000 | 70,192 | 95,000 |
| Miscellaneous | 35,000 | 23,924 | 35,000 |
| Office supplies | 35,300 | 26,081 | 40,500 |
| Operating supplies | 82,600 | 61,679 | 85,700 |
| Postage | 10,000 | 7,266 | 10,000 |
| Power | 168,500 | 129,325 | 170,000 |
| Professional fees | 312,000 | 243,543 | 255,000 |
| Property taxes | 20,000 | 14,931 | 24,000 |
| Public Outreach | 4,500 | 3,274 | 4,500 |
| Repairs and maintenance - lines and meters | 517,000 | 275,048 | 462,000 |
| Maintenance - other | 743,000 | 482,390 | 737,000 |
| Repairs - other | 339,000 | 329,440 | 345,700 |
| Merchant & Service Fees | 448,000 | 355,334 | 448,000 |
| Small tools | 33,300 | 27,310 | 41,500 |
| Stream Monitoring | 15,600 | 10,600 | 15,600 |
| Telephone/Data Usage | 117,000 | 87,792 | 121,500 |
| Toilet rebate and valve replacement program | 30,000 | 16,200 | 30,000 |
| Uniforms | 35,500 | 24,597 | 35,500 |
| Computer Equipment & Maintenance | 32,000 | 18,859 | 23,000 |
| Vehicle expense-Fuel | 243,500 | 235,194 | 350,000 |
| Operating Expenses Before Depreciation and Capitalization of Salaries | 16,773,987 | 13,379,517 | 16,836,929 |
| Depreciation | 7,978,200 | 6,648,824 | 8,222,400 |
| Operating Expenses Before Capitalization of Salaries | 24,752,187 | 20,028,340 | 25,059,329 |
| Capitalization of salaries | (311,325) | - | (473,395) |
| | 24,440,862 | 20,028,340 | 24,585,934 |
| Streetlights | 1,099,000 | 906,972 | 1,100,200 |
| Total Operating Expenses | 43,985,355 | 35,660,014 | 44,671,835 |

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, 2019

| | Budget Year Ending August 31, <u>2018</u> | Unaudited 10 Months Ended June 30, <u>2018</u> | Budget Year Ending August 31, <u>2019</u> |
|---|--|---|--|
| Non-Operating Expenses: | | | |
| Interest | \$ 6,426,717 | \$ 5,380,581 | \$ 6,067,178 |
| Amortization Expense - Deferred Amt. on Refunding | 589,520 | 491,264 | 589,520 |
| Cost of Issuance Expense | - | - | - |
| Total Non-Operating Expenses | <u>7,016,237</u> | <u>5,871,845</u> | <u>6,656,698</u> |
| TOTAL EXPENSES | <u>51,001,592</u> | <u>41,531,859</u> | <u>51,328,533</u> |
| CHANGE IN NET POSITION | <u>\$ 7,493,108</u> | <u>\$ 8,155,397</u> | <u>\$ 8,558,367</u> |



CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY
BUDGETED EARNINGS COVERAGE BASED UPON BUDGETED
REVENUE AND EXPENSE FOR THE YEAR ENDING AUGUST 31, 2019

| | Budget Year Ending August 31, <u>2018</u> | Budget Year Ending August 31, <u>2019</u> |
|---|--|--|
| Operating Revenue | \$ 56,625,400 | \$ 57,546,000 |
| Less Operating Expenses | <u>43,985,355</u> | <u>44,671,835</u> |
| | 12,640,045 | 12,874,165 |
| Add: | | |
| Interest earnings - | | |
| Sinking Funds | 96,300 | 122,000 |
| Revenue Fund | 415,000 | 679,400 |
| Miscellaneous income | 145,000 | 385,000 |
| Gain on sale of assets | - | - |
| Contributions from Customers | 61,000 | 50,000 |
| Depreciation | <u>11,713,000</u> | <u>12,060,300</u> |
| Income Available For (Bond) Debt Service | <u>\$ 25,070,345</u> | <u>\$ 26,170,865</u> |
| Required Bond Debt Service | <u>\$ 14,211,352</u> | <u>\$ 13,997,277</u> |
| Earnings Coverage - Estimated | <u>1.76</u> | <u>1.87</u> |
| Earnings Coverage - Required | <u>1.20</u> | <u>1.20</u> |
| | | |
| Income Available For (Bond) Debt Service | \$ 25,070,345 | \$ 26,170,865 |
| Less: | | |
| Water connection fees | (3,315,000) | (3,383,000) |
| Sewer tap fees | <u>(6,300,000)</u> | <u>(6,525,000)</u> |
| Income Available For (Bond) Debt Service Less Tap-On Fees | <u>\$ 15,455,345</u> | <u>\$ 16,262,865</u> |
| Earnings Coverage - Estimated | <u>1.09</u> | <u>1.16</u> |
| Earnings Coverage - Required | <u>1.00</u> | <u>1.00</u> |

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, 2019

| | Budget Year Ending August 31, <u>2018</u> | Unaudited 10 Months Ended June 30, <u>2018</u> | Budget Year Ending August 31, <u>2019</u> |
|---|--|---|--|
| Operating Revenue | \$ 56,625,400 | \$ 47,721,672 | \$ 57,546,000 |
| Less Operating Expenses | <u>43,985,355</u> | <u>35,660,014</u> | <u>44,671,835</u> |
| | 12,640,045 | 12,061,658 | 12,874,165 |
| Add: | | | |
| Depreciation | 11,713,000 | 9,761,138 | 12,060,300 |
| Interest earnings - Revenue Fund | 415,000 | 482,435 | 679,400 |
| Miscellaneous income | 145,000 | 347,551 | 385,000 |
| Gain on sale of assets | - | 60,133 | - |
| Contributions from Customers | 61,000 | 40,671 | 50,000 |
| Deduct: | | | |
| Sinking fund deposits | (14,193,508) | (11,845,668) | (13,969,110) |
| | <u>10,780,537</u> | <u>10,907,918</u> | <u>12,079,755</u> |
| Funds Available For Capital Expenditures From Current Year Operations | <u>\$ 10,780,537</u> | <u>\$ 10,907,918</u> | <u>\$ 12,079,755</u> |

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