



CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY  
BUDGETED REVENUE, EXPENSES AND CHANGE IN NET POSITION  
FOR THE YEAR ENDING AUGUST 31, 2018

	Budget Year Ending August 31, <u>2017</u>	Unaudited 10 Months Ended June 30, <u>2017</u>	Budget Year Ending August 31, <u>2018</u>
<b>REVENUE</b>			
Operating Revenue			
Metered water sales	\$ 26,800,000	\$ 22,815,794	\$ 27,800,000
Wastewater treatment sales	15,900,000	13,713,582	16,600,000
Street light fees	1,398,000	1,169,321	1,434,000
Water connection fees	2,890,000	2,723,400	3,315,000
Sewer tap fees	5,692,500	5,386,784	6,300,000
Transfer fees	220,000	172,650	216,000
Forfeited discounts and penalties	717,000	584,439	710,400
Customer repairs & service charges	250,000	204,758	250,000
Total Operating Revenue	<u>53,867,500</u>	<u>46,770,728</u>	<u>56,625,400</u>
Non-Operating Revenue			
Interest earnings			
Sinking Funds	90,500	74,845	96,300
Construction Fund	-		-
Revenue Fund	120,000	223,500	415,000
Amortization of Bond Premiums, net	1,209,200	1,007,686	1,152,000
Gain on sale of assets	-	45,652	-
Contributions from Customers	58,000	135,210	61,000
Miscellaneous	134,000	163,093	145,000
Total Non-Operating Revenue	<u>1,611,700</u>	<u>1,649,985</u>	<u>1,869,300</u>
TOTAL REVENUE	<u>\$ 55,479,200</u>	<u>\$ 48,420,713</u>	<u>\$ 58,494,700</u>
<b>EXPENSES</b>			
Operating Expenses			
Water Purchases and Production			
Purchased water	\$ 68,000	\$ 53,739	\$ 68,000
Water production:			
Salaries and wages	1,092,000	886,113	1,147,000
Payroll taxes	83,600	64,913	87,800
Group insurance	281,000	226,102	337,200
OPEB	64,860	54,050	78,232
Pension	115,905	96,588	124,020
Billing and accounting	22,000	17,610	24,000
Regulatory actions	-	-	-
Continuing education, memberships, dues	40,000	40,207	40,000
Insurance - other than group	39,000	33,559	39,500
Lab fees and supplies	56,500	26,456	64,000
Miscellaneous	2,500	172	2,500
Office supplies	2,000	1,339	3,500
Operating supplies	315,000	228,897	315,000
Power	1,200,000	1,033,765	1,300,000
Professional fees	10,000	2,313	10,000
Repairs and maintenance - lines and meters	3,000	145	3,000
Repairs - other	10,000	7,564	10,000
Maintenance - other	280,000	164,538	280,000

See Accompanying Summary of Significant Budget Assumptions



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	Budget Year Ending August 31, <u>2017</u>	Unaudited 10 Months Ended June 30, <u>2017</u>	Budget Year Ending August 31, <u>2018</u>
Operating Expenses (continued)			
Water Purchases and Production (continued)			
Water production (continued):			
Postage	\$ 1,500	\$ 589	\$ 1,000
Small tools and equipment	3,000	1,593	3,000
Stream Monitoring	57,750	28,874	57,750
Telephone/Data Usage	24,000	25,767	34,000
Uniforms	6,000	4,285	6,000
Computer Equipment & Maintenance	4,000	592	4,000
Vehicle expense-Fuel	<u>10,000</u>	<u>10,274</u>	<u>12,500</u>
Operating Expenses Before Depreciation	3,791,615	3,010,044	4,052,002
Depreciation	<u>1,439,700</u>	<u>1,258,804</u>	<u>1,410,300</u>
	<u>5,231,315</u>	<u>4,268,849</u>	<u>5,462,302</u>
Wastewater Treatment			
Purchased wastewater treatment	\$ 780,000	\$ 654,816	\$ 813,000
Wastewater treatment:			
Salaries and wages	2,774,100	2,241,338	3,256,500
Payroll taxes	212,200	164,101	249,200
Group insurance	680,000	499,187	791,200
OPEB	198,905	165,754	283,591
Pension	355,440	296,220	449,600
Billing and accounting	22,000	17,610	24,000
Regulatory actions	20,000	19,000	20,000
Continuing education, memberships, dues	59,000	49,347	63,500
Insurance - other than group	119,500	100,444	144,000
Lab fees and supplies	69,000	61,558	60,500
Miscellaneous	3,500	2,844	3,500
Office supplies	11,000	8,530	20,000
Operating supplies	1,185,000	776,327	1,002,200
Postage	2,300	481	2,300
Power	1,515,000	1,190,156	1,550,000
Professional fees	15,000	11,045	15,000
Repairs and maintenance - lines and meters	20,000	-	20,000
Repairs - other	71,000	57,435	76,000
Maintenance - other	1,525,000	1,175,797	1,675,500
Small tools and equipment	14,000	9,021	14,300
Telephone/Data Usage	36,500	28,985	38,800
Uniforms	15,000	13,291	20,000
Computer Equipment & Maintenance	7,500	5,244	14,000
Vehicle expense-Fuel	<u>50,500</u>	<u>41,157</u>	<u>52,000</u>
Operating Expenses Before Depreciation	9,761,445	7,589,690	10,658,691
Depreciation	<u>2,415,000</u>	<u>2,048,750</u>	<u>2,324,500</u>
	<u>12,176,445</u>	<u>9,638,440</u>	<u>12,983,191</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, 2018

	Budget Year Ending August 31, <u>2017</u>	Unaudited 10 Months Ended June 30, <u>2017</u>	Budget Year Ending August 31, <u>2018</u>
Operating Expenses (continued)			
Distribution and Administration			
Salaries and wages	\$ 6,913,200	\$ 5,851,645	\$ 7,306,800
Payroll taxes	528,900	421,331	559,000
Group insurance	1,928,000	1,579,413	2,357,800
OPEB	510,235	425,196	616,077
Pension	911,783	759,798	976,610
Bad debts	100,000	(2,284)	100,000
Billing and accounting	410,000	323,215	400,000
Continuing education, memberships, dues	93,800	63,591	94,800
Contract services	655,000	540,802	665,000
Directors' fees and expenses	60,200	47,147	60,200
Insurance - other than group	306,600	258,762	310,900
Lab/environmental supplies	8,500	3,929	10,000
Legal and audit	95,000	61,555	95,000
Miscellaneous	35,000	29,453	35,000
Office supplies	35,000	25,080	35,300
Operating supplies	80,500	65,970	82,600
Postage	10,000	6,710	10,000
Power	166,500	126,849	168,500
Professional fees	235,000	151,022	312,000
Property taxes	20,000	18,068	20,000
Public Outreach	2,500	2,448	4,500
Repairs and maintenance - lines and meters	324,000	460,412	517,000
Maintenance - other	625,000	349,366	743,000
Repairs - other	308,000	256,229	339,000
Merchant & Service Fees	330,000	308,500	448,000
Small tools	27,000	23,770	33,300
Stream Monitoring			15,600
Telephone/Data Usage	104,000	80,103	117,000
Toilet rebate and valve replacement program	30,000	18,425	30,000
Uniforms	38,500	20,574	35,500
Computer Equipment & Maintenance	14,000	4,922	32,000
Vehicle expense-Fuel	218,000	190,821	243,500
Operating Expenses Before Depreciation and Capitalization of Salaries	15,124,218	12,472,822	16,773,987
Depreciation	7,920,900	7,371,583	7,978,200
Operating Expenses Before Capitalization of Salaries	23,045,118	19,844,406	24,752,187
Capitalization of salaries	(418,602)	-	(311,325)
	22,626,516	19,844,406	24,440,862
Streetlights	1,082,000	884,533	1,099,000
Total Operating Expenses	41,116,276	34,636,227	43,985,355

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BUDGETED REVENUE, EXPENSES AND CHANGE IN NET POSITION  
FOR THE YEAR ENDING AUGUST 31, 2018

	Budget Year Ending August 31, <u>2017</u>	Unaudited 10 Months Ended June 30, <u>2017</u>	Budget Year Ending August 31, <u>2018</u>
Non-Operating Expenses:			
Interest	\$ 6,762,750	\$ 5,658,835	\$ 6,426,717
Arbitrage rebate	-	-	-
Paying agent fees	22,000	15,756	
Amortization Expense - Deferred Amt. on Refunding	589,520	491,264	589,520
Cost of Issuance Expense	-	-	-
Total Non-Operating Expenses	<u>7,374,270</u>	<u>6,165,855</u>	<u>7,016,237</u>
<b>TOTAL EXPENSES</b>	<u>48,490,546</u>	<u>40,802,083</u>	<u>51,001,592</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ 6,988,654</u>	<u>\$ 7,618,630</u>	<u>\$ 7,493,108</u>



CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY  
BUDGETED EARNINGS COVERAGE BASED UPON BUDGETED  
REVENUE AND EXPENSE FOR THE YEAR ENDING AUGUST 31, 2018

	Budget Year Ending August 31, <u>2017</u>	Budget Year Ending August 31, <u>2018</u>
Operating Revenue	\$ 53,867,500	\$ 56,625,400
Less Operating Expenses	<u>41,116,276</u>	<u>43,985,355</u>
	12,751,224	12,640,045
Add:		
Interest earnings -		
Sinking Funds	90,500	96,300
Revenue Fund	120,000	415,000
Miscellaneous income	134,000	145,000
Gain on sale of assets	-	-
Contributions from Customers	58,000	61,000
Depreciation	<u>11,775,600</u>	<u>11,713,000</u>
Income Available For (Bond) Debt Service	<u>\$ 24,929,324</u>	<u>\$ 25,070,345</u>
Required Bond Debt Service	<u>\$ 14,210,602</u>	<u>\$ 14,211,352</u>
Earnings Coverage - Estimated	<u>1.75</u>	<u>1.76</u>
Earnings Coverage - Required	<u>1.20</u>	<u>1.20</u>
Income Available For (Bond) Debt Service	\$ 24,929,324	\$ 25,070,345
Less:		
Water connection fees	(2,890,000)	(3,315,000)
Sewer tap fees	<u>(5,692,500)</u>	<u>(6,300,000)</u>
Income Available For (Bond) Debt Service Less Tap-On Fees	<u>\$ 16,346,824</u>	<u>\$ 15,455,345</u>
Earnings Coverage - Estimated	<u>1.15</u>	<u>1.09</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, 2018

	Budget Year Ending August 31, <u>2017</u>	Unaudited 10 Months Ended June 30, <u>2017</u>	Budget Year Ending August 31, <u>2018</u>
Operating Revenue	\$ 53,867,500	\$ 46,770,728	\$ 56,625,400
Less Operating Expenses	<u>41,116,276</u>	<u>34,636,227</u>	<u>43,985,355</u>
	12,751,224	12,134,501	12,640,045
Add:			
Depreciation	11,775,600	10,679,138	11,713,000
Interest earnings -			
Revenue Fund	120,000	223,500	415,000
Miscellaneous income	134,000	163,093	145,000
Gain on sale of assets	-	45,652	-
Contributions from Customers	58,000	135,210	61,000
Deduct:			
Sinking fund deposits	(14,201,950)	(11,815,311)	(14,193,508)
Paying agent fees	(22,000)	(15,756)	(22,000)
	<u>                            </u>	<u>                            </u>	<u>                            </u>
Funds Available For Capital Expenditures From Current Year Operations	<u>\$ 10,614,874</u>	<u>\$ 11,550,025</u>	<u>\$ 10,758,537</u>