



Budgeted Revenue, Expenses and Change in Net Position For the Fiscal Year Ended August 31, 2020



*Photos Provided by Environmental Affairs Annual Student Photo Contest



CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY
BUDGETED REVENUE, EXPENSES AND CHANGE IN NET POSITION
FOR THE YEAR ENDING AUGUST 31, 2020

	Budget Year Ending August 31, <u>2019</u>	Unaudited 10 Months Ended June 30, <u>2019</u>	Budget Year Ending August 31, <u>2020</u>
REVENUE			
Operating Revenue			
Metered water sales	\$ 28,000,000	\$ 23,903,989	\$ 29,000,000
Wastewater treatment sales	17,000,000	14,799,602	17,700,000
Street light fees	1,474,000	1,227,310	1,503,000
Water connection fees	3,383,000	2,498,746	2,868,000
Sewer tap fees	6,525,000	5,088,650	6,594,000
Transfer fees	213,000	161,770	205,000
Forfeited discounts and penalties	726,000	587,879	709,000
Customer repairs & service charges	<u>225,000</u>	<u>193,819</u>	<u>225,000</u>
Total Operating Revenue	<u>57,546,000</u>	<u>48,461,766</u>	<u>58,804,000</u>
Non-Operating Revenue			
Interest earnings			
Sinking Funds	122,000	74,845	137,000
Construction Fund	-	-	-
Revenue Fund	679,400	817,022	859,000
Amortization of Bond Premiums, net	1,104,500	920,411	943,900
Gain on sale of assets	-	98,706	-
Contributions from Customers	50,000	26,588	-
Miscellaneous	<u>385,000</u>	<u>380,141</u>	<u>375,000</u>
Total Non-Operating Revenue	<u>2,340,900</u>	<u>2,317,713</u>	<u>2,314,900</u>
TOTAL REVENUE	<u>\$ 59,886,900</u>	<u>\$ 50,779,479</u>	<u>\$ 61,118,900</u>
EXPENSES			
Operating Expenses			
Water Purchases and Production			
Purchased water	\$ 68,000	\$ 62,304	\$ 78,000
Water production:			
Salaries and wages	1,193,000	955,684	1,253,300
Payroll taxes	91,300	70,599	95,900
Group insurance	287,000	216,717	291,200
OPEB	35,294	29,036	34,782
Pension	123,030	102,523	119,165
Billing and accounting	24,000	19,203	24,000
Regulatory actions	-	-	-
Continuing education, memberships, dues	40,000	28,158	40,000
Insurance - other than group	38,415	33,342	41,800
Lab fees and supplies	64,000	23,593	79,000
Miscellaneous	2,500	387	2,500
Office supplies	3,500	880	2,000
Operating supplies	300,000	207,527	300,000
Power	1,300,000	1,017,504	1,365,000
Professional fees	10,000	2,449	10,000
Repairs and maintenance - lines and meters	3,000	-	3,000
Repairs - other	12,000	5,804	12,000
Maintenance - other	300,000	151,040	603,000

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, 2020

	Budget Year Ending August 31, <u>2019</u>	Unaudited 10 Months Ended June 30, <u>2019</u>	Budget Year Ending August 31, <u>2020</u>
Operating Expenses (continued)			
Water Purchases and Production			
<i>(continued)</i>			
Water production (continued):			
Postage	\$ 1,000	\$ 567	\$ 1,000
Small tools and equipment	3,000	3,441	8,500
Stream Monitoring	62,000	30,400	63,000
Telephone/Data Usage	34,000	25,118	37,000
Uniforms	7,000	5,268	7,000
Computer Equipment & Maintenance	5,000	1,675	24,000
Vehicle expense-Fuel	<u>19,000</u>	<u>10,777</u>	<u>15,000</u>
Operating Expenses Before Depreciation	4,026,039	3,003,993	4,510,147
Depreciation	<u>1,430,300</u>	<u>1,191,890</u>	<u>1,523,400</u>
	<u>5,456,339</u>	<u>4,195,883</u>	<u>6,033,547</u>
Wastewater Treatment			
Purchased wastewater treatment	\$ 822,000	\$ 592,839	\$ 709,000
Wastewater treatment:			
Salaries and wages	3,294,000	2,524,467	3,436,800
Payroll taxes	252,000	184,049	262,900
Group insurance	781,000	626,769	821,200
OPEB	130,147	105,439	132,609
Pension	453,665	378,053	454,316
Billing and accounting	24,000	19,203	24,000
Regulatory actions	20,000	-	20,000
Continuing education, memberships, dues	65,100	57,324	59,000
Insurance - other than group	141,650	123,143	159,350
Lab fees and supplies	65,000	64,708	75,000
Miscellaneous	3,500	5,816	3,500
Office supplies	24,900	4,607	18,000
Operating supplies	1,106,200	930,964	1,179,000
Postage	2,300	546	2,500
Power	1,820,000	1,372,822	1,785,000
Professional fees	20,000	11,993	26,000
Repairs and maintenance - lines and meters	20,000	-	20,000
Repairs - other	82,000	58,401	82,000
Maintenance - other	1,836,500	1,666,341	2,049,000
Small tools and equipment	15,300	11,346	14,500
Telephone/Data Usage	39,500	33,583	47,300
Uniforms	20,000	17,749	20,000
Computer Equipment & Maintenance	12,000	5,516	44,000
Vehicle expense-Fuel	<u>71,000</u>	<u>49,023</u>	<u>70,000</u>
Operating Expenses Before Depreciation	11,121,762	8,844,702	11,514,975
Depreciation	<u>2,407,600</u>	<u>2,006,295</u>	<u>3,346,200</u>
	<u>13,529,362</u>	<u>10,850,996</u>	<u>14,861,175</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, 2020

	Budget Year Ending August 31, <u>2019</u>	Unaudited 10 Months Ended June 30, <u>2019</u>	Budget Year Ending August 31, <u>2020</u>
Operating Expenses (continued)			
Distribution and Administration			
Salaries and wages	\$ 7,814,000	\$ 6,396,398	\$ 8,113,100
Payroll taxes	597,750	460,888	620,700
Group insurance	2,135,000	1,641,159	2,200,500
OPEB	284,559	229,210	282,609
Pension	991,910	826,587	968,215
Bad debts	100,000	(360)	100,000
Billing and accounting	406,000	325,964	406,000
Continuing education, memberships, dues	115,000	93,140	120,000
Contract services	678,000	559,415	690,000
Directors' fees and expenses	60,000	47,109	60,000
Insurance - other than group	309,710	269,498	339,600
Lab/environmental supplies	15,500	20,399	30,000
Legal and audit	95,000	72,030	95,000
Miscellaneous	35,000	22,957	35,000
Office supplies	40,500	24,344	32,000
Operating supplies	85,700	61,791	91,000
Postage	10,000	8,578	12,000
Power	170,000	115,243	160,000
Professional fees	255,000	165,669	562,000
Property taxes	24,000	20,238	24,000
Public Outreach	4,500	3,867	5,100
Repairs, maintenance, small line extensions - lines and meters	462,000	216,156	325,000
Maintenance - other	737,000	527,577	727,000
Repairs - other	345,700	309,520	350,000
Merchant & Service Fees	448,000	395,026	497,000
Small tools	41,500	20,714	62,000
Stream Monitoring	15,600	-	10,000
Telephone/Data Usage	121,500	102,026	136,700
Toilet rebate program	30,000	15,295	10,000
Uniforms	35,500	25,925	35,500
Computer Equipment & Maintenance	23,000	13,186	31,000
Vehicle expense-Fuel	350,000	231,964	290,000
Operating Expenses Before Depreciation and Capitalization of Salaries	16,836,929	13,221,514	17,421,024
Depreciation	<u>8,222,400</u>	<u>6,852,006</u>	<u>8,475,000</u>
Operating Expenses Before Capitalization of Salaries	25,059,329	20,073,520	25,896,024
Capitalization of salaries	(473,395)	-	(433,895)
	<u>24,585,934</u>	<u>20,073,520</u>	<u>25,462,129</u>
Streetlights	<u>1,100,200</u>	<u>916,647</u>	<u>1,103,000</u>
Total Operating Expenses	<u>44,671,835</u>	<u>36,037,047</u>	<u>47,459,851</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, 2020

	Budget Year Ending August 31, <u>2019</u>	Unaudited 10 Months Ended June 30, <u>2019</u>	Budget Year Ending August 31, <u>2020</u>
Non-Operating Expenses:			
Interest	\$ 6,067,178	\$ 5,081,065	\$ 5,659,380
Amortization Expense - Deferred Amt. on Refunding	589,520	491,264	589,520
Cost of Issuance Expense	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-Operating Expenses	<u>6,656,698</u>	<u>5,572,328</u>	<u>6,248,900</u>
 TOTAL EXPENSES	 <u>51,328,533</u>	 <u>41,609,375</u>	 <u>53,708,751</u>
 CHANGE IN NET POSITION	 <u>\$ 8,558,367</u>	 <u>\$ 9,170,104</u>	 <u>\$ 7,410,149</u>



CHEROKEE COUNTY WATER AND SEWERAGE AUTHORITY
BUDGETED EARNINGS COVERAGE BASED UPON BUDGETED
REVENUE AND EXPENSE FOR THE YEAR ENDING AUGUST 31, 2020

	Budget Year Ending August 31, <u>2019</u>	Budget Year Ending August 31, <u>2020</u>
Operating Revenue	\$ 57,546,000	\$ 58,804,000
Less Operating Expenses	<u>44,671,835</u>	<u>47,459,851</u>
	12,874,165	11,344,149
Add:		
Interest earnings -		
Sinking Funds	122,000	137,000
Revenue Fund	679,400	859,000
Miscellaneous income	385,000	375,000
Gain on sale of assets	-	-
Contributions from Customers	50,000	-
Depreciation	<u>12,060,300</u>	<u>13,344,600</u>
Income Available For (Bond) Debt Service	<u>\$ 26,170,865</u>	<u>\$ 26,059,749</u>
Required Bond Debt Service	<u>\$ 13,997,277</u>	<u>\$ 13,999,678</u>
Earnings Coverage - Estimated	<u>1.87</u>	<u>1.86</u>
Earnings Coverage - Required	<u>1.20</u>	<u>1.20</u>
Income Available For (Bond) Debt Service	\$ 26,170,865	\$ 26,059,749
Less:		
Water connection fees	(3,383,000)	(2,868,000)
Sewer tap fees	<u>(6,525,000)</u>	<u>(6,594,000)</u>
Income Available For (Bond) Debt Service Less Tap-On Fees	<u>\$ 16,262,865</u>	<u>\$ 16,597,749</u>
Earnings Coverage - Estimated	<u>1.16</u>	<u>1.19</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, 2020

	Budget Year Ending August 31, <u>2019</u>	Unaudited 10 Months Ended June 30, <u>2019</u>	Budget Year Ending August 31, <u>2020</u>
Operating Revenue	\$ 57,546,000	\$ 48,461,766	\$ 58,804,000
Less Operating Expenses	<u>44,671,835</u>	<u>36,037,047</u>	<u>47,459,851</u>
	12,874,165	12,424,719	11,344,149
Add:			
Depreciation	12,060,300	10,050,191	13,344,600
Interest earnings - Revenue Fund	679,400	817,022	859,000
Miscellaneous income	385,000	380,141	375,000
Gain on sale of assets	-	98,706	-
Contributions from Customers	50,000	26,588	-
Deduct:			
Sinking fund deposits	<u>(13,969,110)</u>	<u>(11,638,610)</u>	<u>(13,942,166)</u>
 Funds Available For Capital Expenditures From Current Year Operations	 <u>\$ 12,079,755</u>	 <u>\$ 12,158,758</u>	 <u>\$ 11,980,583</u>

See Accompanying Summary of Significant Budget Assumptions