



2014 Budget



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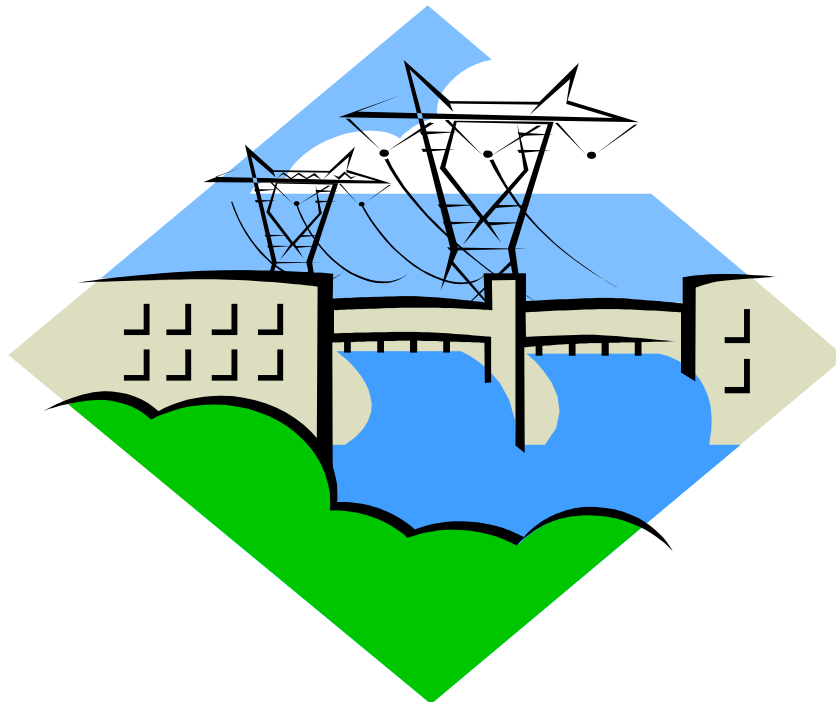
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About The Budget

- FY 2013 metered water sales are projected to increase by approximately 2.50% compared to 2012 YTD actual sales. When sales to JCWSA's wholesale customers is considered, the increase from 2012 to 2013 is 2.29%. Metered sewer sales for the FY 2013 are expected to increase by approximately 2.50% compared to FY 2012 actual sales.

The projected increases for 2013 are attributed to the relaxation of the drought restrictions by the Upper Oconee Basin Water Authority in 2013.

The Authority management expects over-all metered water sales to increase by approximately 2.50% in 2014 compared to 2013 metered sales as the steady but slow growth of residential and industrial customer usage still continues to be the trend.

- The FY 2014 Annual Budget of \$9,002,445 is an increase of \$559,804 or 6.63% from the FY 2013 budget. The primary increases and decreases for the FY 2014 annual budget are:
 - The debt service requirement decrease of (\$113,073) or -7.83% from FY 2013 is due primarily to the decrease in interest expense after the refunding of the GEFA2002 loan and 1999A bond issue to the 2011 A&B bond issues.
 - The operating expense increase of \$511,336 or 17.63% is due in large part to the increase in the maintenance and operating (M&O) charges on the UOBWA monthly invoice for 2014 of approximately \$9,250 per month. The other major contributor to the increase in operating cost for 2014 is the requirement by the Georgia DOT to relocate a portion of the Hwy. 129 main line. The relocation expense is expected to be approximately

\$294,000. JCWSA expects to be reimbursed by GDOT for this expense in the amount of \$179,000.

- Salaries and Benefits are projected to increase by \$61,682 or 3.93% for FY 2014. This increase is attributable to the addition of one employee in the finance department, a replacement employee in water field operations, and the inclusion of the worker's compensation insurance benefit in the Salaries and Benefits budget line item. The worker's compensation insurance benefit expense was shown in Other Operating Expenses in years past due to its placement in the chart of accounts. The JCWSA Chart of Accounts has been revised effective January 1, 2014 to be in compliance with the Uniform Chart of Accounts required for government entities and recommended for use by enterprise funds in accordance with HB 491, thus making it easier to group general ledger accounts in the appropriate account class.

The Authority has been able to run its operations with a lean staff while providing excellent service for its customer base. Compared to a survey done on local governments in the US¹, the average percentage of the total budget spent on salaries and benefits is approximately 41%. Comparing this percentage to the Authority's spending at 18.13% of the total budget shows that efforts are continuously made to keep these costs down.

¹Source: Center on Budget and Policy Priorities (<http://www.cbpp.org>)

- The FY 2014 capital outlay requests totaling \$307,450 include the following capital outlay acquisitions to be paid for out of the Capital Project funds:

○ Utility Billing IVR System	\$ 17,450
○ Parks Creek Reservoir (JCWSA continued participation)	\$ 100,000
○ Remote Meter Reading System	\$ 25,000
○ Possum Creek Liftstation Upgrade - 2014	\$ 100,000
○ Server Room Upgrade - 2014	\$ 65,000
	<u>\$ 307,450</u>

- The FY 2014 Proposed Budget is balanced in accordance with Georgia state law.



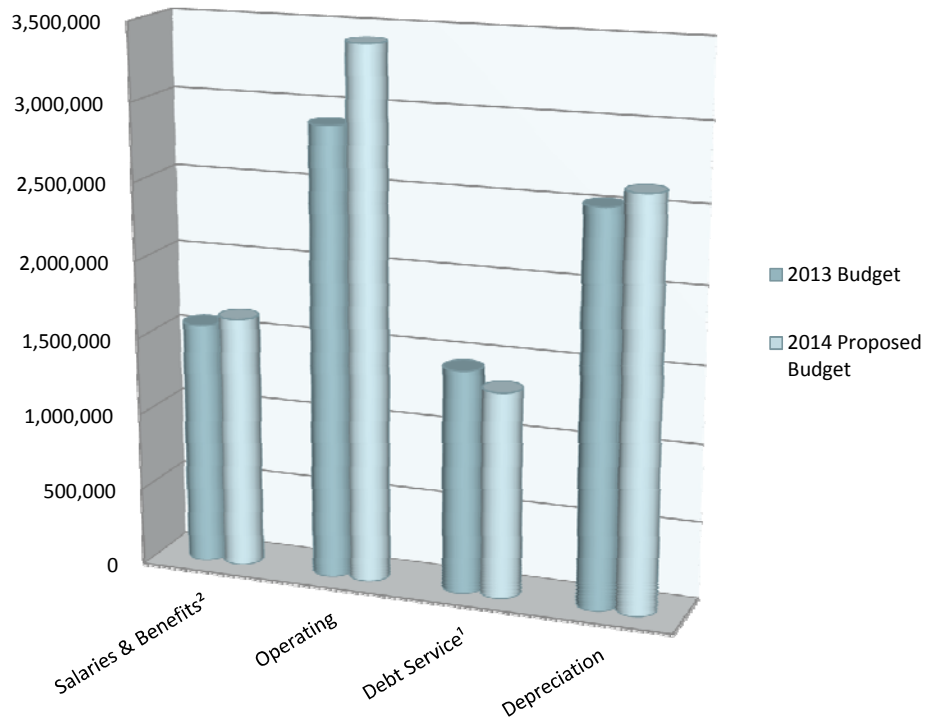
APPROVED

2014 BUDGET SUMMARY

Expense Totals

	2013 Budget	2014 Budget	Percent of Total 2014 Budget	Difference 2013-2014	Percent Change
Salaries & Benefits ²	1,570,572	1,632,254	18.13%	61,682	3.93%
Operating	2,899,883	3,411,219	37.89%	511,336	17.63%
Debt Service ¹	1,444,186	1,331,113	14.79%	(113,073)	-7.83%
Depreciation	2,528,000	2,627,859	29.19%	99,859	3.95%
TOTAL	8,442,641	9,002,445	100.00%	559,804	6.63%

Expense Comparison 2013-2014



¹ Debt Service Includes Amortization of Bond Premium/Discount & Amortization of Deferred Refunding

² The percentage change includes the inclusion of Workers Compensation Insurance. In years past, this expense was shown in other operating expenses.

Jackson County Water & Sewerage Authority 2014 Budget

	2013	2014
REVENUES		
WATER SALES-METERED	\$ 4,247,000	\$ 4,599,927
WATER SALES - WHOLESALE	697,500	600,000
SEWER SALES-METERED	366,236	396,481
SEWER SALES - JEFFERSON	75,000	-
DAMAGE FINES	500	5,000
TAMPERING FINES	1,000	-
SEPTAGE RECEIVING	1,000	-
SERVICE FEES	705,726	742,776
OTHER REVENUES	346,358	361,000
TOTAL REVENUES	<u>6,440,320</u>	<u>6,705,184</u>
COST OF SALES		
WATER PURCHASES	1,275,000	1,565,000
REPAIRS	134,500	525,000
OTHER COST OF SALES	703,950	619,000
TOTAL COST OF SALES	<u>2,113,450</u>	<u>2,709,000</u>
GROSS PROFIT	<u>4,326,870</u>	<u>3,996,184</u>
EXPENSES		
SALARIES & BENEFITS	1,570,572	1,632,254
MAINTENANCE	168,000	-
PROFESSIONAL SERVICES	25,000	61,000
OTHER OPERATING EXPENSES	547,850	590,525
CONTINGENCY EXPENSES	45,583	50,694
TOTAL EXPENSES	<u>2,357,005</u>	<u>2,334,473</u>
NET INCOME FROM OPERATIONS	<u>1,969,865</u>	<u>1,661,711</u>
OTHER INCOME(EXPENSES)		
INTEREST INCOME-CASH ACCOUNTS	10,209	4,796
INTEREST INCOME-2006ABONDS	50	50
INTEREST INCOME-99&2000A BONDS	60	-
INTEREST INCOME - 2011 A&B BONDS	-	-
INTEREST INCOME - UOBWA BONDS	5,000	5,000
INTERGOVT. REV.-NON-OPERATING	1,987,005	1,972,416
TOTAL OTHER INCOME(EXPENSE)	<u>2,002,324</u>	<u>1,982,262</u>
CONSTRUCTION RELATED INCOME(EXPENSE)		
SPLOST PROCEEDS	-	-
FEDERAL GOVERNMENT GRANTS - CAPITAL	-	300,000
INTEREST CAPITALIZED	-	15,000
DEBT INTEREST EXPENSE	(1,445,268)	-
AMORTIZATION OF BOND PREM/DISCOUNT	82,862	-
AMORTIZATION OF ISSUANCE COST	(39,799)	-
AMORTIZATION OF DEFERRED REFUNDING	(41,981)	-
BOND INTEREST & ISSUANCE EXPENSE*	-	(1,331,113)
ASSET DEPRECIATION EXPENSE	(2,200,000)	(2,300,000)
INTANGIBLE ASSET AMORTIZATION	(328,000)	(327,859)
TOTAL CONSTRUCTION RELATED	<u>(3,972,185)</u>	<u>(3,643,972)</u>
NET INCOME	<u>\$ -</u>	<u>\$ -</u>

2014 CAPITAL OUTLAY

		<u>Purpose for Request</u>	<u>Funding Source</u>
Finance Department Requests			
Utility Billing IVR System (Inbound and Outbound)	\$ 17,450	Improvements to billing/payment system	Capital Reserves
	<u>17,450</u>		
Water Department Requests			
Remote Meter Reading System	25,000	Improvements to water system	Capital Reserves
Parks Creek Reservoir (JCWSA continued participation)	100,000	Expansion of water capacity for JCWSA	Capital Reserves
	<u>125,000</u>		
Sewer Department Requests			
Possum Creek Liftstation Upgrade -2014	100,000	Improvements to sewer system	Capital Reserves
	<u>100,000</u>		
Communications/GIS Requests			
Server Room Upgrade - 2014	65,000	Network Space/Improvements	Capital Reserves
	<u>65,000</u>		
Engineering Department Requests			
Total Capital Outlay Requests	\$ <u>307,450</u>		

JCWSA

RECONCILIATION OF CAPITAL OUTLAY

AND FUNDING SOURCE(S)

2014

Net Income	\$	-
Cash - Capital Reserve Fund (reserved for 2014 Capital Outlay)		307,450
Total cash and cash equivalents		<u>307,450</u>
Capital Outlay Requests		
Utility Billing IVR System (inbound and outbound)		17,450
Remote Meter Reading System		25,000
Parks Creek Reservoir (JCWSA continued participation)		100,000
Possum Creek Liftstation Upgrade - 2014		100,000
Server Room Upgrade - 2014		65,000
Total Reconciliation of Debt Requirement/Capital Improvements		<u>307,450</u>
Net Difference	\$	<u><u>-</u></u>

JCWSA Operating Summary Comparison 2010-2014

	FY2010 Actual	FY2011 Actual	FY2012 Actual	FY2013 Estimate	FY2014 Budget
Operating Revenue	6,075,930	6,944,417	6,610,378	6,437,910	6,714,184
Operating & Maintenance Expense	2,991,537	3,671,247	3,856,791	3,356,268	4,450,158
Customer Acct/ Service & General and Admin Expense	394,845	408,431	607,014	479,856	591,316
Total Operating & Maintenance Expense	3,386,382	4,079,678	4,463,805	3,836,124	5,041,474
Operating Income Before Depreciation	2,689,548	2,864,739	2,146,573	2,601,786	1,672,710
Depreciation	2,495,197	2,524,223	2,528,000	2,585,014	2,627,859
Operating Income	194,351	340,516	(381,427)	16,772	(955,149)
Other Income(Expense)					
Interest Income	102,328	88,241	12,090	9,885	9,846
Interest Expense	(1,793,018)	(1,652,967)	(1,404,387)	(1,391,948)	(1,333,113)
Gain(Loss) on Sale of Assets	0	(2,771)	734	0	6,000
Intergovt. Non-operating Income	2,958,831	2,728,284	1,986,772	1,892,936	2,272,416
Project Cost Abandon	0	(687,484)	0	0	0
Total Other Income(Expense)	1,268,141	473,303	595,209	510,873	955,149
Net Income(Loss)	<u>1,462,492</u>	<u>813,819</u>	<u>213,782</u>	<u>527,645</u>	<u>0</u>

