

Approved 11/13/2014



2015 Budget



Table of Contents

JCWSA 2015 Budget Document

About the Budget.....page 1
2015 Budget Summary.....page 3
JCWSA 2015 Approved Budget.....page 4





About The Budget

- FY 2014 metered water sales are projected to increase by approximately 12.74% compared to 2013 YTD actual sales. Considering sales to JCWSA's wholesale customers, the increase from 2013 to 2014 is expected to be 15.72%. Metered sewer sales for the FY 2014 are expected to increase by approximately 18.70% compared to FY 2013 actual sales.

The projected increases for 2014 are attributed to a slight increase in the number of residential customers by approximately 2%. Toyota's expansion of its TD Automotive Compressor facility increased both water and sewer sales in 2014. This increase is expected to continue into 2015. Wholesale water sales increased to the City of Braselton in 2014 as well.

The 2015 Proposed Budget includes a 6% increase to water and sewer rates as recommended by an independent consultant and presented to the JCWSA Board in 2014. This percentage increase was recommended to prepare for repairs and maintenance issues of the JCWSA associated with ongoing GDOT relocation projects, increasing needs of the aging water and sewer system, and ongoing repair and maintenance issues associated with the Bear Creek Reservoir. Additional annual increases of 7% are expected for 2016 and 2017 in order to ready the JCWSA for ongoing operational needs.

- The FY 2015 Annual Budget of \$9,392,387 is an increase of \$389,942 or 4.33% from the FY 2014 budget. The primary increases and decreases for the FY 2015 annual budget are:
 - The debt service requirement decrease of (\$69,296) or -5.21% from FY 2014 is due to decreased principal as the debt continues to be paid down.
 - The operating expense (net) increase of \$269,996 or 7.91% is due in large part to the increase in projected water purchases, and repair and

maintenance costs for JCWSA ongoing needs as discussed above. The Georgia DOT requires relocation to a portion of the Hwy. 129 main line. The relocation expense is expected to be approximately \$250,000. Tank maintenance expenses are expected to increase in 2014 to \$140,000 due to a required interior wash down of the East Jackson and Talmo tanks, and the exterior painting of the Dry Pond Tank.

- Salaries and Benefits are projected to increase by \$233,822 or 14.33% for FY 2015. This increase is attributable to the addition of three employees in the water department. The field operation needs to properly maintain and service the water system necessitates the addition of these employees. These additions will help keep down the cost of overtime as well as help relieve the present field staff of working under unsafe conditions due to lack of rest and over work.
- The Authority continues 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 19.87% (including the proposed three additional employees) of the total budget shows that efforts are continuously made to keep these costs down while still providing a safe work environment and excellent level of service.

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

- The FY 2015 Proposed Budget is balanced in accordance with Georgia state law.

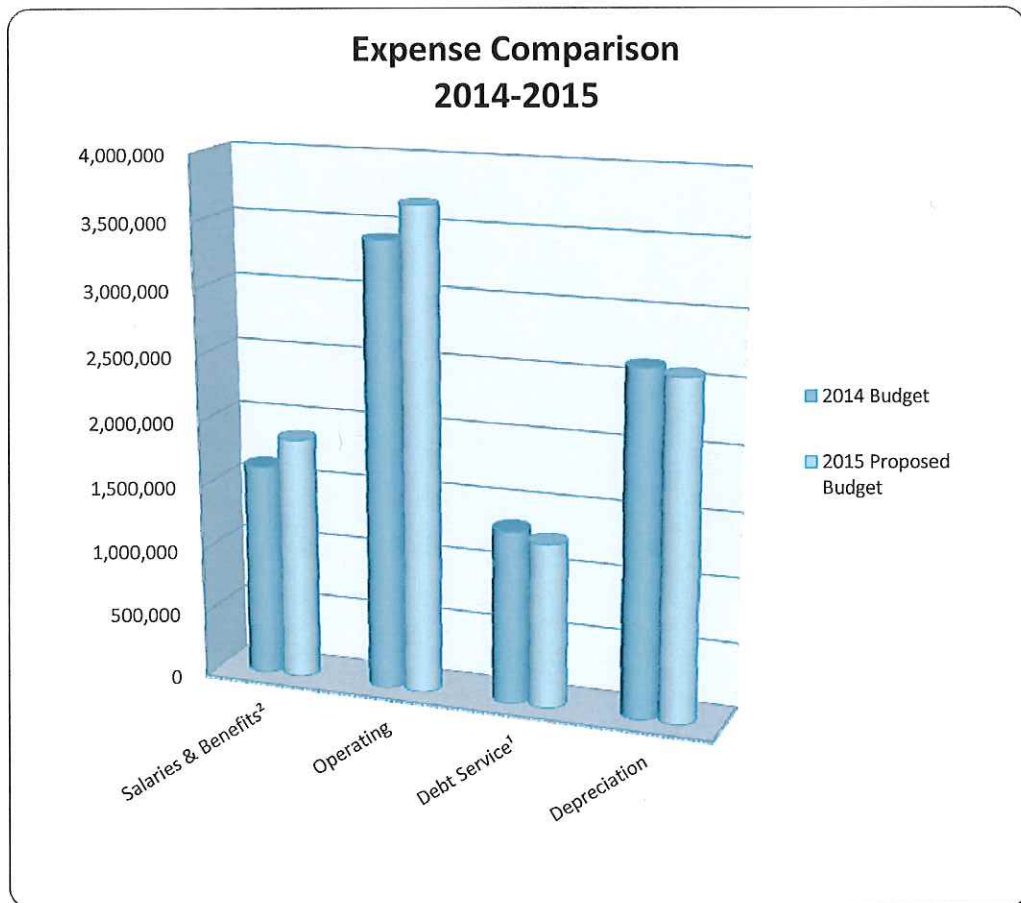


APPROVED

2015 BUDGET SUMMARY

Expense Totals

	2014 Budget	2015 Budget	Percent of Total 2015 Budget	Difference 2014-2015	Percent Change
Salaries & Benefits ²	1,632,254	1,866,076	19.87%	233,822	14.33%
Operating	3,411,219	3,681,215	39.19%	269,996	7.91%
Debt Service ¹	1,331,113	1,261,817	13.43%	(69,296)	-5.21%
Depreciation	2,627,859	2,583,279	27.50%	(44,580)	-1.70%
TOTAL	9,002,445	9,392,387	100.00%	389,942	4.33%



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

² The percentage change includes the inclusion of Workers Compensation Insurance and Accrued Vacation Payable estimate.

Jackson County Water & Sewerage Authority

2015 Approved Budget

	2014	2015
REVENUES		
WATER SALES-METERED	\$ 4,599,927	\$ 5,186,779
WATER SALES - WHOLESALE	600,000	1,040,000
SEWER SALES-METERED	396,481	571,546
DAMAGE/TAMPERING/THEFT FINES	5,000	8,000
SERVICE FEES	742,776	843,672
OTHER REVENUES	361,000	153,500
TOTAL REVENUES	<u>6,705,184</u>	<u>7,803,497</u>
COST OF SALES		
WATER PURCHASES	1,565,000	1,808,000
REPAIRS/MAINTENANCE	525,000	635,000
OTHER COST OF SALES	619,000	597,000
TOTAL COST OF SALES	<u>2,709,000</u>	<u>3,040,000</u>
GROSS PROFIT	<u>3,996,184</u>	<u>4,763,497</u>
EXPENSES		
SALARIES & BENEFITS	1,632,254	1,866,076
PROFESSIONAL SERVICES	61,000	84,000
OTHER OPERATING EXPENSES	590,525	539,075
CONTINGENCY EXPENSES	50,694	18,140
TOTAL EXPENSES	<u>2,334,473</u>	<u>2,507,291</u>
NET INCOME FROM OPERATIONS	<u>1,661,711</u>	<u>2,256,206</u>
OTHER INCOME(EXPENSES)		
INTEREST INCOME-CASH ACCOUNTS	4,796	8,200
INTEREST INCOME-2006ABONDS	50	50
INTEREST INCOME - 2011 A&B BONDS	-	-
INTEREST INCOME - UOBWA BONDS	5,000	5,000
INTERGOVT. REV.-NON-OPERATING	1,972,416	1,565,640
TOTAL OTHER INCOME(EXPENSE)	<u>1,982,262</u>	<u>1,578,890</u>
CONSTRUCTION RELATED INCOME(EXPENSE)		
FEDERAL GOVERNMENT GRANTS - CAPITAL	300,000	-
INTEREST CAPITALIZED	15,000	10,000
BOND INTEREST & ISSUANCE EXPENSE*	(1,331,113)	(1,261,817)
ASSET DEPRECIATION EXPENSE	(2,300,000)	(2,255,420)
INTANGIBLE ASSET AMORTIZATION	(327,859)	(327,859)
TOTAL CONTRUCTION RELATED	<u>(3,643,971)</u>	<u>(3,835,096)</u>
NET INCOME	<u>\$ -</u>	<u>\$ -</u>