



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

WATER AND SEWER
AUTHORITY OF
CABARRUS COUNTY

CONCORD, NORTH CAROLINA

WSACC



ISO 14001:2004 ♦ NC Star Public Sector ♦ OHSAS 18001:2007

WSACC

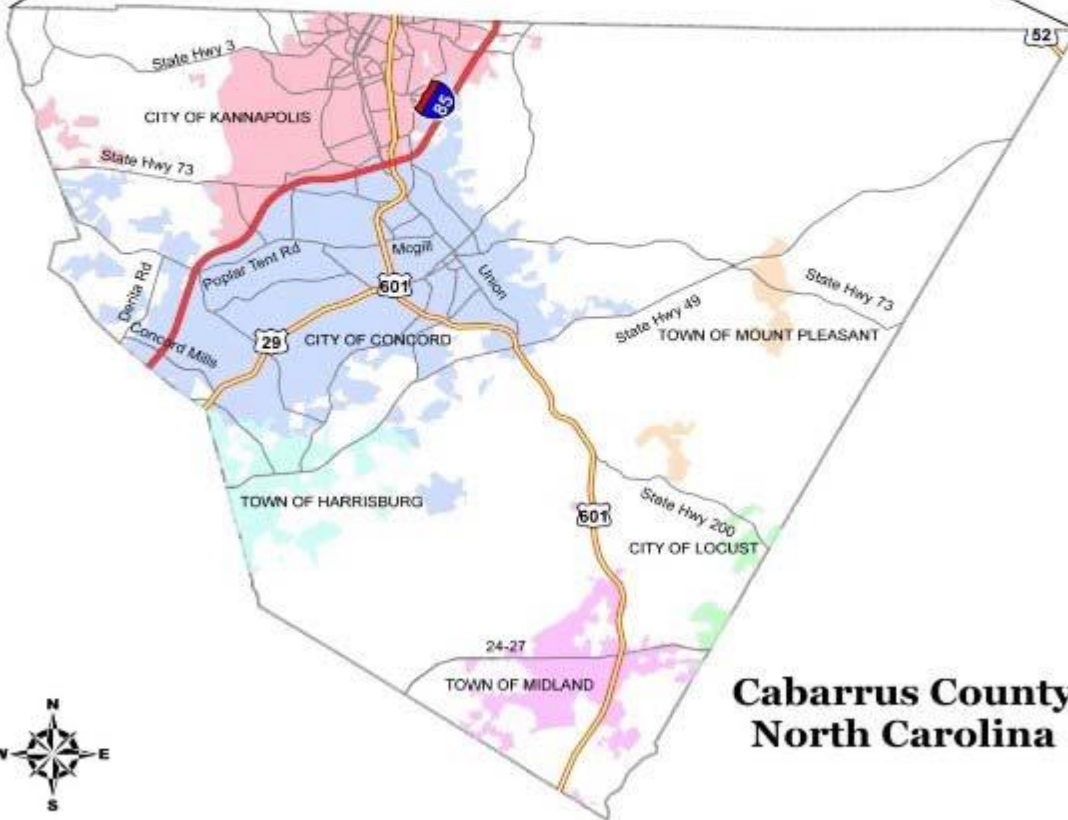
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WATER & SEWER AUTHORITY
OF CABARRUS COUNTY
CONCORD, NORTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

PREPARED BY

FINANCE DEPARTMENT



Cabarrus County North Carolina

Prepared by Cabarrus County GIS

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**WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2022**

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WSACC



WATER AND SEWER AUTHORITY
OF CABARRUS COUNTY

Introductory Section

October 26, 2022

**The Board of Directors and Citizens of Cabarrus County
Water and Sewer Authority of Cabarrus County
Concord, North Carolina**

State law requires that all local governments and public authorities annually publish, within four months of the close of the fiscal year, a complete set of financial statements. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby submit the Annual Comprehensive Financial Report of the Water and Sewer Authority of Cabarrus County (WSACC) for the fiscal year ended June 30, 2022.

The Annual Comprehensive Financial Report consists of management's representations concerning the finances of WSACC. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of WSACC has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of WSACC's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, WSACC's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

WSACC's financial statements have been audited by Potter and Company, CPAs, P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of WSACC for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that WSACC's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. WSACC's MD&A can be found immediately following the independent auditor's report.

Profile of the Water & Sewer Authority of Cabarrus County

WSACC was established and organized on April 8, 1992, by an agreement of the governing bodies of the Cities of Concord and Kannapolis, the Towns of Harrisburg and Mt. Pleasant, and the County of Cabarrus. WSACC was created to operate and maintain a regional interceptor sewer system and the Rocky River Regional Wastewater Treatment Plant (RRRWTP). Assets were transferred to WSACC, and operations started as a separate entity on July 1, 1992. WSACC is a legally separate governmental entity providing no financial benefit or imposing any burden from, or to, another individual entity, and, therefore, is neither a component unit of, nor financially accountable for, any other organization.

The Bylaws of WSACC require a nine-member Board of Directors, comprised of representatives from the governing bodies of each organizing jurisdiction within Cabarrus County. The Board of Directors is made up of two members from Cabarrus County, two members from the City of Concord, two members from the City of Kannapolis, one member from the Town of Harrisburg, one member from the Town of Mt. Pleasant, and one at-large seat which is appointed by Cabarrus County upon advisement from the other political jurisdictions.

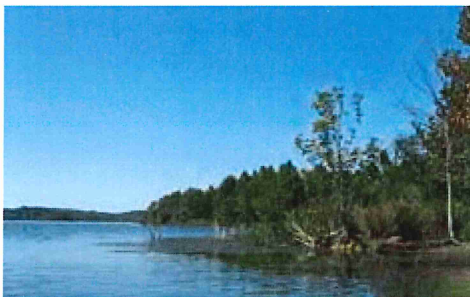
WSACC currently operates and maintains the RRRWWTP, the Muddy Creek Wastewater Treatment Plant (MCWWTP), and the Coddle Creek Reservoir/Lake Howell.

The RRRWWTP is currently a two-stage 26.5 million gallons per day (MGD), ninety-five percent pure oxygen activated sludge, biological wastewater treatment facility that provides treatment services for the represented jurisdictions. The average billable flow of the RRRWWTP in FY 2021-22 was 19.100 MGD. Functions performed by the staff consist of plant operations, maintenance, laboratory analysis, industrial and groundwater monitoring samples, and administering the industrial pretreatment program.



The MCWWTP is a 300,000 gallon/day activated sludge treatment facility that serves the Midland area. The existence and location of this treatment plant played an instrumental part in Corning, Inc.'s decision to locate a fiber optic plant in the Midland area.

The Coddle Creek Reservoir/Lake Howell is a 1,300-acre impoundment that provides a raw water supply for the Coddle Creek Water Treatment Plant and the Kannapolis Water Treatment Plant. The drainage basin for the Coddle Creek Reservoir/Lake Howell is approximately 47 square miles in parts of Cabarrus, Rowan, and Iredell counties.



The total water impounded is approximately 5 billion gallons, which allows for a daily safe yield of approximately 16.28 million gallons. Coddle Creek Reservoir/Lake Howell was constructed by Cabarrus County and was funded by the issuance of General Obligation Bonds. WSACC took ownership of the Reservoir from Cabarrus County in March 2021. Operation and maintenance responsibilities were contractually transferred to WSACC on July 1, 1996.

WSACC also operates and maintains approximately 139 miles of interceptor sewer lines, ranging in pipe sizes from 8 inches in diameter to 72 inches in diameter. Five remote pump stations are maintained to provide wastewater transportation services. Interceptor staff is responsible for new construction design, general inspections, pump station operation and maintenance, interceptor sewer inspections, manhole rehabilitation, right-of-way maintenance, and flow monitoring.

Economic Factors Affecting Financial Condition and Outlook

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which WSACC operates.

Cabarrus County's continues to enjoy a favorable economic environment and local indicators point to continued stability. Historically, Cabarrus County's economy was primarily dependent on agriculture and the textile industry, however, the County has experienced diversification through biotechnology, healthcare, manufacturing, industrial and business parks, warehousing and distribution, entertainment and hospitality, retail and aviation.

The County is one of 10 counties located in the Charlotte-Gastonia-Concord, NCSC Metropolitan Statistical Area (the "Charlotte MSA"), which consists of Cabarrus, Gaston, Iredell, Lincoln, Mecklenburg,

Rowan and Union counties in North Carolina and Chester, Lancaster and York counties in South Carolina. The Charlotte MSA, anchored by the City of Charlotte, was the 22nd largest metropolitan statistical area in the United States as of the 2020 census.

Cabarrus County's economy has benefitted from the close proximity to Charlotte and access to major Interstate and US highways, as well as Charlotte-Douglas International Airport and major Norfolk-Southern Railway lines. Principal products and services of major businesses include electrical wiring devices, plastics, telecommunications, internet service, automotive products, beverages, food, gourmet coffee roasting and supply, printing and publishing, concrete products, lumber and wood, specialized coloring, fabricated metal and machinery products, motorsports, mobile and modular home components and corrugated packaging. Distribution, shipping and warehousing is a growing sector of the local economy. This can be traced to the many transportation projects to enhance accessibility. Cabarrus County has also evolved into a major tourist destination in North Carolina and now includes the NC Research Campus consisting of eight major NC universities whose research focuses on biotechnology and nutrition. Concord Mills has the highest number of visitors of any attraction in North Carolina and has added an aquarium to its offerings. Charlotte Motor Speedway, the ZMax Dragway and NASCAR team race shops bring in hundreds of thousands of people that shop and use lodging and restaurants. This has also led to the development of other facilities such as Embassy Suites/Concord Convention Center, Great Wolf Lodge and many other limited-service hotels.

Local municipalities have engaged in short-range and long-range planning to provide the necessary infrastructure to accommodate future growth within Cabarrus County. Local business leaders cooperate in economic recruiting and development efforts. The Cabarrus Economic Development Commission serves as the primary recruiting and marketing entity for economic development.

The City of Kannapolis started a Downtown Revitalization project in 2016. Atrium Health Ballpark, home to minor league baseball's Kannapolis Cannon Ballers, is the centerpiece of the transformation along with the revamped West Avenue streetscape. The VIDA district includes 284 apartments, as well as commercial/retail space and a public parking deck. More than 30 businesses are now open on West Avenue including restaurants, boutiques, and a brewery. The City has reached an agreement with Right Field Development, which has begun construction on a mixed-use district adjacent to the ballpark consisting of offices, a restaurant, condos, and potentially a hotel.

The City of Concord started a Downtown Revitalization project in 2020. Lansing Melbourne Group's Novi mixed-use projects represent an estimated \$70 million of private investment and will add nearly 300 new market-rate and workforce apartments, commercial retail space, and a rooftop restaurant to the heart of downtown. The city's streetscape project will replace aging utility infrastructure and improve pedestrian walkability, recreation, and outdoor dining opportunities. In early 2023, Cabarrus County's new courthouse and public plaza will open.

Challenges for the Future

WSACC continues to prioritize increasing operating revenues through minimal rate increases. While substantial progress has been made over the past several fiscal years, staff continue to search for opportunities for additional cost savings in operations. Several large maintenance projects that were deferred for many years were completed in FY 2022 and additional ones are now beginning to increase overall efficiency and reduce future repair and maintenance costs. The current system has experienced unprecedented growth from new construction throughout the County, resulting in the need for expansion from 26.5 to 34 MGD faster than anticipated. Capacity allocations are a significant challenge WSACC is facing moving forward. The expansion of the Rocky River Waste Water Treatment Plant to 30 MGD is currently under construction and the plan to expand to 34 MGD has started. The work to expand to 30 MGD is expected to be completed in the spring of 2024 to meet the demands of the County. After 20 years without any new debt issuance, WSACC issued \$65.79 million in revenue bonds in May 2022. To complete the projects, more funds were required than the system development fees and current WSACC

reserves can provide. The need to issue debt came at an opportune time when WSACC is within three years of paying off all existing debt.

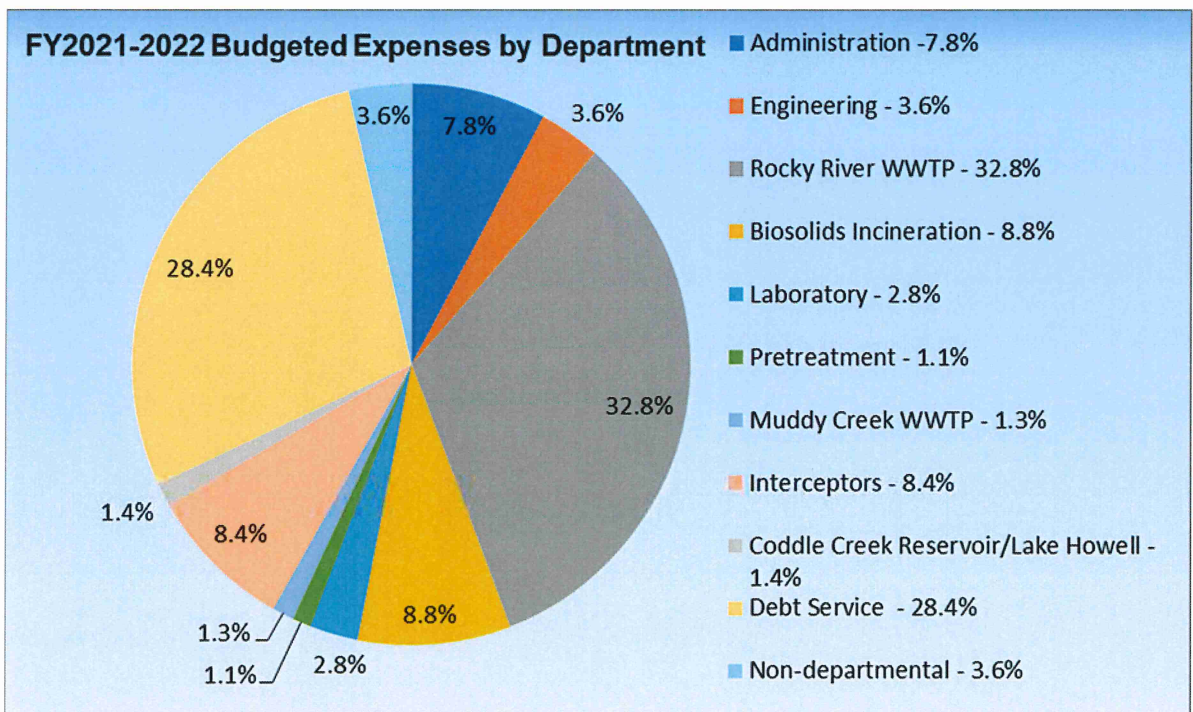
Long-Term Financial Planning

WSACC seeks to consistently maintain a strong financial position. This objective requires regular long-term planning of operating and capital requirements. As Cabarrus County has seen explosive residential growth on the west side of the County and in Kannapolis, WSACC must carefully weigh the costs of capital expansion versus the potential revenues to serve this area. A greater importance has been placed on the consistent forecast modeling of the Capital Improvement Program (CIP) as WSACC must make decisions regarding the timing of projects and prioritizing projects. The CIP looks ahead to project and plan for any capital needs in the future.

WSACC also uses a variety of inputs in the development of long-term financial planning. First, detailed records are maintained regarding wet weather and dry weather flows in each of the interceptor lines. This information is integrated into a hydraulic model which is used to forecast when interceptor lines will require paralleling or treatment plants expanded. Information from the hydraulic model is used in the development of the preliminary six-year CIP. Once the information is assembled to determine WSACC’s capital needs, an evaluation is done to determine what projects can be built on a pay-as-you-go basis and what projects must be financed. A rate model that allows for the forecasting of rates ten years into the future is used to determine the affordability of the planned capital program. Final adjustments are made to the six-year CIP, and it is submitted to the Board of Directors for final approval.

Budget Highlights

The fiscal year 2022-2023 Annual Budget was adopted by the WSACC Board of Directors on April 21, 2022. The budget ordinance was presented in accordance with the Local Government Budget and Fiscal Control Act (N.C.G.S. 159-8 (a)). The annual budget is the foundation for WSACC’s financial planning and control. The general operating budget for the fiscal year beginning July 1, 2022 totals \$20,455,276. The main increase to the budget was for the additional debt service due to the issuance of the revenue bonds. Debt service was 19.0% of the budget in FY22 compared to 28.4% of the budget in FY23.



The operating budget continues to sustain WSACC's long tradition of financial strength, balanced with infrastructure and services that support increasing the economic development activity and growth of Cabarrus County.

Awards and Acknowledgements

WSACC received the Government Finance Officers Association of the United States and Canada (GFOA) award for the Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This was the 24th consecutive year that WSACC has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must also satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In summary, this Annual Comprehensive Financial Report provides a source of information to citizens, the Board, other government agencies, all of whom rely upon it for decision making and the opportunity to learn more about WSACC's financial condition.

The preparation of this report would not have been possible without the dedicated efforts of Shelley Farris and Sandy Cain whose contributions reflect the high standards we have set for ourselves. Much appreciation is also due to the accounting staff from Cabarrus County who assisted in providing portions of the statistical and economic data. We would also like to thank the Board of Directors for their continued interest in, and support of, WSACC's pursuit of financial reporting excellence.

Respectfully submitted,



Wendi Heglar, CPA
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Water and Sewer Authority of Cabarrus County
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

WSACC

.....
WATER AND SEWER AUTHORITY
OF CABARRUS COUNTY

LIST OF PRINCIPAL OFFICIALS

Board Members

Michael Legg, <i>Chairman</i>	Jeff Corley, <i>Vice-Chairman</i>
Darrell Hinnant	Jonathan Marshall
David Phillips	Robert Ritchie
Jim Sells	Rob Donham
Lynn Shue	

Executive Director

Michael Wilson

Secretary to the Board

Tammy Garifo

Treasurer to the Board

Shelley Farris

Department Heads

Engineering Director

Chad VonCannon

Deputy Executive Director-Administration

Robin Moore

Finance Director

Wendi Heglar

Environmental Compliance Manager

Beverly Metcalf

Maintenance Manager

Chris Carpenter

Facilities Director

Mark Fowler

Utility Interceptor Systems Supervisor

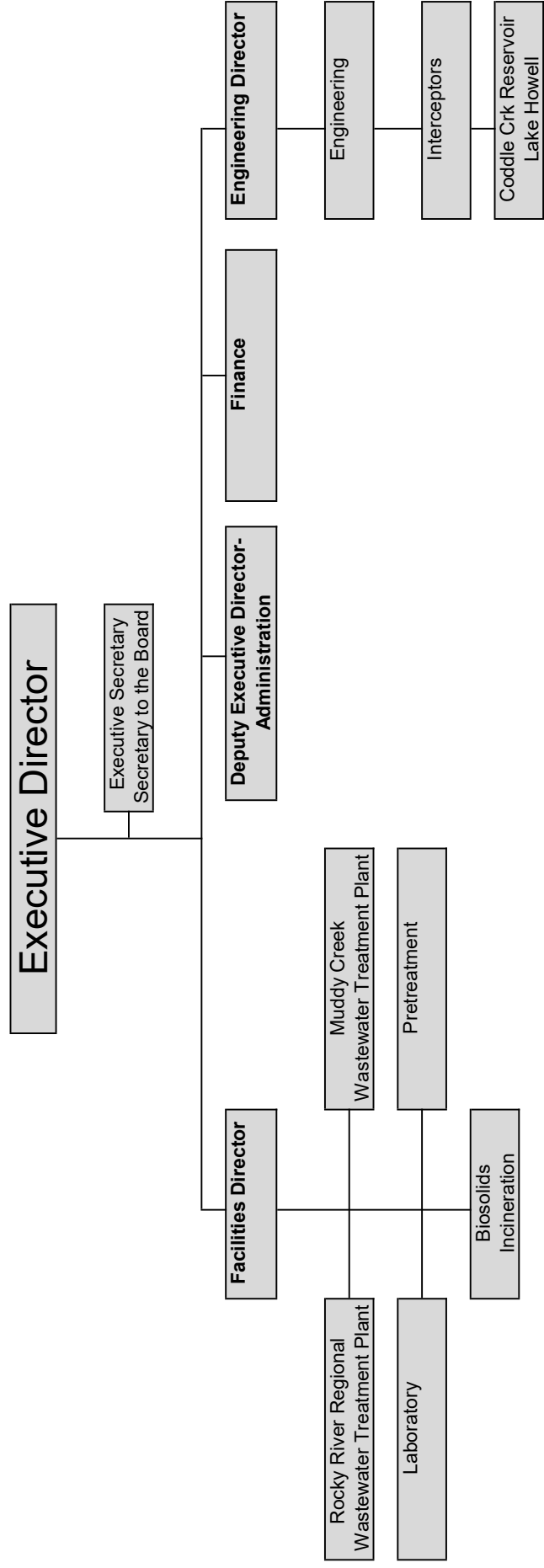
Joseph Lyles

Wastewater Operations Manager

James Sims

Water and Sewer Authority of Cabarrus County

Organizational Structure



WSACC



WATER AND SEWER AUTHORITY
OF CABARRUS COUNTY

Financial Section



POTTER & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To The Board of Directors
Water & Sewer Authority of Cabarrus County
Concord, North Carolina

Opinion

We have audited the accompanying financial statements of the business-type activity and each major fund of the **Water & Sewer Authority of Cabarrus County** as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the **Water & Sewer Authority of Cabarrus County's** basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the **Water & Sewer Authority of Cabarrus County** as of June 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Water & Sewer Authority of Cabarrus County**, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Water & Sewer Authority of Cabarrus County's** ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, **misrepresentations**, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **Water & Sewer Authority of Cabarrus County's** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Water & Sewer Authority of Cabarrus County's** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other **matters**, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the **Management's Discussion and Analysis and Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions and the Other Postemployment Benefits (OPEB) Schedule of Changes in Total OPEB Liability and Related Ratios** be presented to supplement the basic financial statements. Such information is the responsibility of management and, **although** not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of **preparing** the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the **Water & Sewer Authority of Cabarrus County's** basic financial statements. The budget and actual schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the **budget** and actual schedules are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Information

Management is responsible for the other information in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does not cover the other **information**, and we do not express an opinion or any form of assurance thereon.

October 26, 2022
Monroe, North Carolina

Potts & Company

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Water and Sewer Authority of Cabarrus County (WSACC), we offer readers of WSACC's financial statements this narrative overview and analysis of the financial activities of WSACC for the fiscal year ended June 30, 2022. We encourage readers to read the information presented here in conjunction with the transmittal letter at the front of this report and the additional information that we have provided in WSACC's financial statements, which follow this narrative.

Financial Highlights

In Fiscal Year 2021-22, WSACC maintained a strong financial position for its enterprise operating fund. Key performance indicators were revenue stability and overall positive departmental budget variances.

- WSACC was rated by rating agencies for the issuance of the revenue bonds. Fitch rated WSACC as AA and Moody's assigned WSACC an Aa2 rating. These positive ratings directly impacted the low interest rates received for the revenue bonds.
- The assets and deferred outflows of resources of WSACC exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$172,474,098 (net position).
 - To support the continued growth in Cabarrus County, WSACC issued revenue bonds for \$65.8 million to fund the Rocky River Regional Waste Water Treatment Plant (RRRWWTP) expansion
 - Unrestricted net position was \$36,790,766. This amount may be used to meet any ongoing obligation and future expenditures.
 - \$5,741,049 is restricted as part of system development fees and is limited to how those funds are to be spent.
- WSACC's total net position increased by \$13,399,137 compared to an increase of \$5,967,870 in FY 21.
 - This increase is attributable to additional rate increases associated with operating revenues and an increase in capital contributions from other governments.
 - WSACC also received \$8,250,000 for a legal settlement for the Biosolids Heat to Energy Project. This was reported as an extraordinary item.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to WSACC's basic financial statements. WSACC's primary mission is to provide wholesale water and wastewater treatment services to the Citizens of Cabarrus County. WSACC does not provide other general government types of services or programs. Operational expenses, and debt payments are funded almost entirely through rates, fees, and other charges for water and wastewater treatment services. As such, WSACC is considered to be, and therefore presents its financial report as a stand-alone enterprise fund.

As a stand-alone enterprise fund, WSACC's basic financial statements consist of a *Statement of Net Position*; a *Statement of Revenues, Expenses and Changes in Net Position*; a *Statement of Cash Flows and notes to the financial statements*. These statements, together with the *Management's Discussion and Analysis*, provide both short-term and long-term financial information and implications for WSACC's financial position. To further illuminate the information contained in these statements, the *Statements of Revenues and Expenditures-Budget and Actual*, appear as supplementary information immediately following the required supplemental financial

date. In addition to this discussion and analysis, other required supplementary information, generally statistical and historical in nature, is presented.

The *Statement of Net Position*, similar to a balance sheet, presents WSACC's basic financial position through disclosure of information about WSACC's assets and liabilities. Net Position represents the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. The Statement of Net Position can be found as Exhibit A of this report.

The *Statement of Revenues, Expenses and Changes in Net Position*, similar to private sector income statements, provides information regarding WSACC's total economic resource inflow and outflow (accrual method of accounting). The difference between these inflows and outflows represents the change in Net Position which links this statement to the *Statement of Net Position*. The Statement of Revenues, Expenses and Changes in Net Position can be found as Exhibit B of this report.

The *Statement of Cash Flows* deals specifically with the flow of cash and cash equivalents arising from operating, financing, and investing activities. Because WSACC's *Statement of Revenues, Expenses and Changes in Net Position* is a measurement of the flow of total economic resources, operating income usually differs from net cash flow from operations. To enhance the reader's understanding of this difference, the *Statement of Cash Flows* also includes reconciliation between these two amounts. In accordance with accounting principles generally accepted in the United States of America, a reconciliation of cash and cash equivalents is also presented in this statement. The Statement of Cash Flows can be found as Exhibit C of this report.

The *Notes to the Financial Statements* provide additional information that explains some of the information in the financial statements and is considered essential to a full understanding of the data provided in the basic financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning WSACC's progress in funding its obligation to provide post-employment and pension benefits to its employees. This section includes detailed information related to Other Post-Employment Benefits (OPEB) and Local Government Employees' Retirement System (LGERS). Required Supplementary Information can be found as Exhibits D-F of this report.

Financial Analysis of WSACC

As noted earlier, Net Position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of WSACC exceeded its liabilities and deferred inflows by \$172,474,098 at the close of the fiscal year as compared to \$159,074,961 at the end of the previous fiscal year. The following table reflects a condensed Statement of Net Position.

NET POSITION

	2022	2021
Current assets and other non-current assets	\$ 111,756,167	\$ 37,394,212
Capital assets, net	139,050,441	133,946,506
Total assets	250,806,608	171,340,718
Deferred outflows of resources	1,656,478	1,353,939
Long-term liabilities outstanding	71,376,449	7,793,104
Other liabilities	6,071,290	4,059,635
Total liabilities	77,447,739	11,852,739
Deferred inflows of resources	2,541,249	1,766,957
Net position:		
Net investment in capital assets	129,942,283	129,863,496
Restricted	5,741,049	9,376,259
Unrestricted	36,790,766	19,835,206
Total Net Position	\$ 172,474,098	\$ 159,074,961

One of the largest portions of Net Position (75 percent) reflects WSACC's net investment in capital assets (e.g. land, buildings, interceptor sewer lines, treatment plants, and equipment); less any related debt still outstanding that was issued to acquire those items. WSACC uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although WSACC's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of WSACC's net position, \$5,741,049, represents resources that are subject to restrictions on how they are to be used.

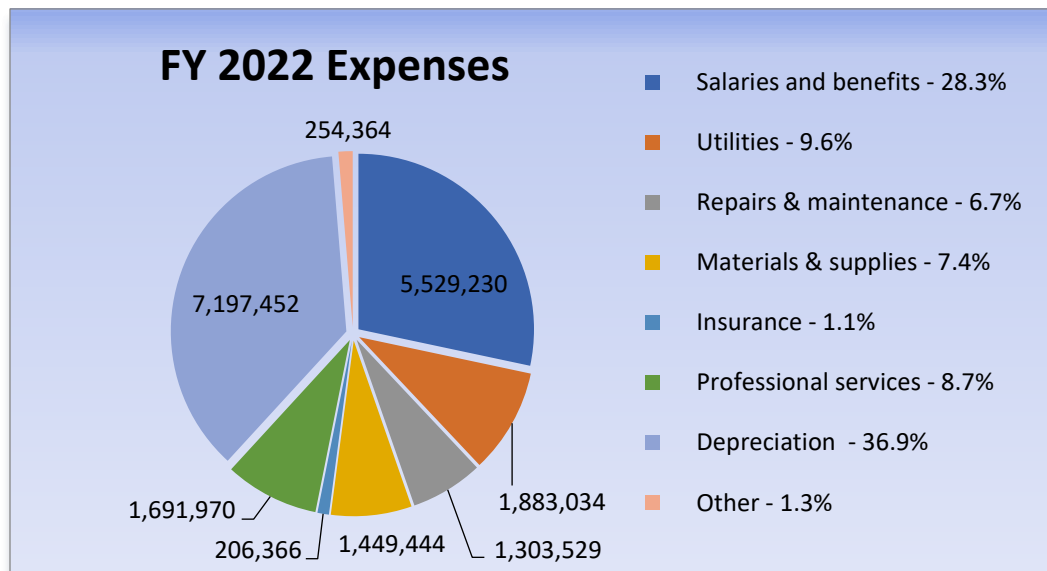
Changes in Net Position

WSACC's Net Position increased by \$13,399,137 for the fiscal year ended June 30, 2022. The following table summarizes the changes in net position.

	<u>2022</u>	<u>2021</u>
Operating revenues, charges for services	\$ 17,456,338	\$ 18,031,899
Operating expenses:		
Salaries and employee benefits	5,529,230	5,616,998
Utilities	1,883,034	1,932,460
Repairs and maintenance	1,303,529	1,321,280
Materials and supplies	1,449,444	1,389,869
Insurance	206,366	207,106
Professional services	1,691,970	1,554,391
Depreciation	7,197,452	7,399,818
Other	254,364	386,247
Total operating expenses	<u>19,515,389</u>	<u>19,808,169</u>
Operating income (loss)	<u>(2,059,051)</u>	<u>(1,776,270)</u>
Nonoperating revenue (expense)		
Gain on sale of capital assets	4,569	37,518
Interest expense	(308,341)	(156,882)
Investment earnings	47,598	70,111
Total nonoperating revenue (expense)	<u>(256,174)</u>	<u>(49,253)</u>
Income (loss) before capital contributions and extraordinary item	<u>(2,315,225)</u>	<u>(1,825,523)</u>
Capital contributions:		
Capital contributions - governments	3,037,572	1,616,297
System development fees	4,426,790	6,177,096
Total capital contributions	<u>7,464,362</u>	<u>7,793,393</u>
Extraordinary item: legal settlement	<u>8,250,000</u>	<u>-</u>
Change in net position	<u>13,399,137</u>	<u>5,967,870</u>
Total net position - beginning of the year	<u>159,074,961</u>	<u>153,107,091</u>
Total net position - end of the year	<u>\$ 172,474,098</u>	<u>\$ 159,074,961</u>

WSACC's Changes in Net Position provides information concerning what contributed to the net changes reported in the schedule of Net Position. Several financial factors that positively and negatively impacted the increase in Net Position are highlighted below.

- Total Revenues: Total operating and non-operating revenues were \$17,508,504 or \$631,024 less than the \$18,139,528 reported for the prior year.
 - Operating Revenues: Total operating revenues (which are charges for services provided to customers) decreased by three percent from the prior fiscal year. Rates for the jurisdictions did increase this fiscal year, however, extreme fluctuations in water flows compared to the previous fiscal year lead to the overall decrease. Operating revenues consist of fixed and variable treatment and interceptor revenues, sludge disposal, and raw water charges.
 - Investment Earnings: Investment earnings decreased by \$22,513 to \$47,598 for the current year compared to \$70,111 in FY 2021. WSACC continued to invest in commercial paper holdings in FY 2022. Interest earnings decreased by 32 percent from prior year due to low interest rates being offered in the market.
- Total Expenses: Total operating and non-operating expenses were \$19,823,729 or \$141,322 less than the \$19,965,051 for the prior year.
 - Operating Expenses: Total operating expenses decreased by a net \$292,780 from the prior fiscal year. All operating expenses were down compared to the prior fiscal year other than materials and supplies and professional services.
 - Interest expense increased by \$151,458 from the FY 2021 due to the revenue bonds issues for the expansion project.
 - The chart below depicts how operating funds were spent for fiscal year 2022.



- System Development Fees (SDF): WSACC began implementation of SDF in FY 2019 to replace the Capital Recovery Fee. After several years of increasing receipts of SDF, WSACC received \$4,426,790 during FY 2022 representing a decrease of 28 percent over the prior year. These funds are restricted to a specific purpose and classified as a capital

contribution. SDF Fees apply to only new connections and are used to help recover the capital cost of infrastructure necessary in providing water and sewer services.

Capital Asset and Debt Administration

Capital Assets. WSACC’s cumulative investment in capital assets as of June 30, 2022, amounted to \$139,050,441 (net of accumulated depreciation). These assets include land, buildings, improvements to land, water treatment and distribution infrastructure, sewer treatment and collection infrastructure, machinery and equipment, furniture and fixtures, and vehicles. The table below indicates the valuation of the assets by category:

CAPITAL ASSETS		
(Net of depreciation)		
	2022	2021
Land	\$ 7,861,153	\$ 7,861,153
Construction in progress	13,654,725	8,471,694
Sewer treatment and collection	105,568,353	104,946,244
Biosolids handling	6,583,475	7,135,615
Buildings and improvements	1,584,992	1,735,154
Improvements to land	324,042	389,304
Equipment	2,655,745	2,692,522
Furniture and fixtures	67,167	110,377
Vehicles	750,789	604,443
 Total	 \$ 139,050,441	 \$ 133,946,506

Major capital asset transactions during the fiscal year include the following:

- Additional construction in progress expenditures were incurred for the following projects:
 - Expansion to 30 MGD Project - \$7,822,884
 - Lower Rocky River Bar Screen Replacement - \$418,844
 - RRRWTP Electrical Distribution Improvements - \$222,800
 - Lower Coddle Creek Interceptor Project - \$276,286
 - Back Creek Interceptor Extension Project - \$144,725
 - Step 2 Aeration Basin Mixers - \$329,758
 - Lower Rocky River Additional Pump Capacity - \$1,683,604
 - Master Plan and Permitting - \$498,883

Additional information on WSACC’s capital assets can be found in Note I.E.6 and II.A.4 of the basic financial statements and the supplementary schedules.

Commitments. WSACC has construction commitments for several projects totaling \$102,565,756 at June 30, 2022 as discussed in detail in Note II.B.6. These commitments will be funded out of current debt proceeds, cash reserves and capital contributions.

Long-term Debt. As of June 30, 2022, WSACC had total debt outstanding of \$68,475,754. \$65,790,000 in revenue bonds was issued in May 2022 for the plant expansion. \$2,685,754 is state revolving loan funds. Both bonds payable are secured solely by specified revenue sources.

OUTSTANDING DEBT

	2022	2021
Bonds Payable		
Revenue bonds-direct placement	\$65,790,000	\$ -
NC Clean Water Revolving Loan from direct borrowing	2,685,754	4,083,010
Total Bonds Payable	68,475,754	4,083,010
Compensated absences	447,787	440,415
Net pension liability (LGERS)	784,741	1,793,860
Net OPEB liability	3,366,004	3,137,324
Total	\$73,074,286	\$ 9,454,609

WSACC's total debt increased by \$63,619,677 during the past fiscal year, primarily due to the issuance of revenue bonds.

WSACC has been assigned an AA bond rating from Fitch and a Aa2 from Moody's. WSACC is not a taxing authority and is not subject to any legal debt margin. Additional information regarding WSACC's long-term debt obligations can be found in Note II.B.8 - 9.

Overall Financial Position

The overall financial position of WSACC remained stable during the fiscal year ended June 30, 2022. WSACC's operating activities continued to generate positive cash flows of \$4,294,373 found in Exhibit C.

Economic Factors and Next Year's Budgets and Rates

The following key economic county indicators reflect the changing environment of WSACC's service areas. The economic climate will be the biggest factor impacting future budget recommendations.

- Cabarrus County's unemployment rate decreased from 4.40 percent in the prior year to 3.70 percent at June 30, 2022.
- Population growth experienced an increase to approximately 231,278 in Cabarrus County.
- Cabarrus County is home to a diversified business base of industries. The pace of growth within the County has increased significantly. Construction is underway to increase capacity from 26.5 MGD to 30 MGD. The planning to increase capacity to 34 MGD is in progress.

These factors, as well as others, were considered in preparing the budget for Fiscal Year 2023. On April 21, 2022, WSACC Board of Directors approved a \$20,455,276 operating budget for FY 2023. Debt service increased the overall budget by \$2.6 million due to the debt payments for the revenue bonds. Appropriations were made in the 2023 fiscal year budget for various operating expenses in the amount of \$1,286,912. Management believes that increased revenues and continued restrictions on spending will maintain a solid financial position.

Budgeted sewer flows are projected with additional increases of 500 million gallons for FY 2023 due to the extreme fluctuations in rainfall and continued housing growth within Cabarrus County. These two indicators directly impact sewer flows. Annual sewer flows for FY 2023 are estimated at 7.045 billion gallons.

Requests for Information

This financial report is designed to provide a general overview of WSACC's finances for all those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Wendi Heglar, WSACC, 232 Davidson Hwy, Concord, NC 28027, (704) 786-1783. Prior fiscal year Annual Comprehensive Financial Reports can be obtained at the following website: <http://www.wsacc.org>.

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Statement of Net Position
June 30, 2022

ASSETS

Current assets:

Cash and cash equivalents	\$ 42,957,991
Restricted cash and cash equivalents:	
System development fees	5,171,885
Unspent bond proceeds	59,367,596
Total cash and cash equivalents	<u>107,497,472</u>
Receivables:	
Accounts receivable, customers	1,846,427
Interest receivable	16,213
Restricted receivable, system development fees	569,164
Other	1,826,891
Total receivables	<u>4,258,695</u>
Total current assets	<u>111,756,167</u>

Noncurrent assets:

Capital assets:

Land and other non-depreciable assets	21,515,878
Depreciable assets, net of depreciation	117,534,563
Total capital assets	<u>139,050,441</u>
Total noncurrent assets	<u>139,050,441</u>

Total assets 250,806,608

DEFERRED OUTFLOWS OF RESOURCES

Pension deferrals	1,213,366
Other post-employment benefit deferrals	443,112
Total deferred outflows of resources	<u>1,656,478</u>

LIABILITIES

Current liabilities:

Accounts payable and accrued expenses	3,308,421
Liabilities to be paid from restricted assets	1,065,032
Current portion of compensated absences payable	268,672
Current portion of long-term debt	1,429,165
Total current liabilities	<u>6,071,290</u>

Noncurrent liabilities:

Net pension liability	784,741
Compensated absences, net of current portion	179,115
Total postemployment benefit liability	3,366,004
Long-term debt, net of current portion	67,046,589
Total noncurrent liabilities	<u>71,376,449</u>

Total liabilities 77,447,739

DEFERRED INFLOWS OF RESOURCES

Pension deferrals	1,163,061
Other post-employment benefit deferrals	1,378,188
Total deferred inflows of resources	<u>2,541,249</u>

NET POSITION

Net investment in capital assets	129,942,283
Restricted-system development fees	5,741,049
Unrestricted	36,790,766
Total net position	<u><u>\$ 172,474,098</u></u>

The notes to the financial statements are an integral part of this statement.

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Statement of Revenues, Expenses and
Changes in Net Position
For the Fiscal Year Ended June 30, 2022

Operating revenues, charges for services	<u>\$ 17,456,338</u>
Operating expenses:	
Salaries and employee benefits	5,529,230
Utilities	1,883,034
Repairs and maintenance	1,303,529
Materials and supplies	1,449,444
Insurance	206,366
Professional services	1,691,970
Depreciation	7,197,452
Other	<u>254,364</u>
Total operating expenses	<u>19,515,389</u>
Operating income (loss)	<u>(2,059,051)</u>
Nonoperating revenue (expenses):	
Gain on sale of capital assets	4,569
Interest expense	(308,341)
Investment earnings	<u>47,598</u>
Total nonoperating revenue (expenses)	<u>(256,174)</u>
Income (loss) before capital contributions and extraordinary item	<u>(2,315,225)</u>
Capital contributions:	
Capital contributions-governments	3,037,572
System development fees	4,426,790
Extraordinary item: Legal Settlement	<u>8,250,000</u>
Change in net position	13,399,137
Total net position, beginning of year	<u>159,074,961</u>
Total net position, end of year	<u><u>\$ 172,474,098</u></u>

The notes to the financial statements are an integral part of this statement.

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022

Cash flows from operating activities:	
Cash received from customers	\$ 17,081,504
Cash paid for goods and services	(7,003,910)
Cash paid to or on behalf of employees for services	(5,710,040)
Other operating expenses	<u>(73,181)</u>
Net cash provided by operating activities	<u>4,294,373</u>
 Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(10,445,938)
Principal paid on long-term debt	(1,397,256)
Interest paid on long-term debt	(104,438)
Proceeds from sale of capital assets	15,240
Proceeds from revenue bonds	65,790,000
Legal settlement for capital item	8,250,000
Capital contributions-governments	2,238,477
Capital contributions-system development fees	<u>4,140,166</u>
Net cash provided by capital and related financing activities	<u>68,486,251</u>
 Cash flows from investing activities:	
Interest on investments	<u>36,769</u>
Net cash provided by investing activities	<u>36,769</u>
Net increase in cash and cash equivalents	72,817,393
Cash and cash equivalents, beginning	<u>34,680,079</u>
Cash and cash equivalents, ending	<u><u>\$ 107,497,472</u></u>

Continued on next page

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022

**Reconciliation of operating income (loss) to net cash provided
by operating activities:**

Operating income (loss)	\$ (2,059,051)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	7,197,452
Changes in assets, liabilities and deferred outflows and inflows of resources:	
(Increase) decrease in accounts receivable	(448,015)
(Increase) decrease in deferred outflows of resources for pensions	(217,326)
(Increase) decrease in deferred outflows of resources for OPEB	(85,213)
Increase (decrease) in deferred inflows of resources for OPEB	(317,973)
Increase (decrease) in accounts payable and accrued expenses	(94,699)
Increase (decrease) in compensated absences payable	7,372
Increase (decrease) in net pension liability	(1,009,119)
Increase (decrease) in other post employment benefits liability	228,680
Increase (decrease) in deferred inflows of resources for pensions	1,092,265
	6,353,424
Total adjustments	6,353,424
	\$ 4,294,373

**Supplemental schedule of capital and related
financing activities:**

Reconciliation of acquisition and construction of capital assets	
Additions to Construction in progress	\$ 11,479,103
Regular capital outlay	832,955
Add: Prior year accounts payable	1,210,204
Add: Prior year retainage payable	29,713
Less: Current year accounts payable	(2,900,736)
Less: Current year retainage payable	(205,301)
Acquisition and construction of capital assets from Statement of Cash Flows	\$ 10,445,938
Reconciliation of capital contributions-governments	
Capital contributions - governments	\$ 3,037,572
Add: Prior year accounts receivable	589,264
Less: Current year accounts receivable	(1,388,359)
Capital contributions-governments from Statement of Cash Flows	\$ 2,238,477
Reconciliation of capital contributions-system development fees	
Capital contributions - system development fees	\$ 4,426,790
Add: Prior year accounts receivable	282,540
Less: Current year accounts receivable	(569,164)
Capital contributions-system development fees from Statement of Cash Flows	\$ 4,140,166

The notes to the financial statements are an integral part of this statement.

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Notes to the Financial Statements
June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Water and Sewer Authority of Cabarrus County conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Water and Sewer Authority of Cabarrus County (WSACC) was established and organized by the governing bodies of the Cities of Concord and Kannapolis, the Towns of Harrisburg and Mount Pleasant, and the County of Cabarrus in order to operate and maintain a regional interceptor sewer system and regional wastewater treatment plant. WSACC operates and maintains the Rocky River Regional Wastewater Treatment Plant (RRRWTP) and the Muddy Creek Wastewater Treatment Plant (MCWWTP), as well as interceptor sewer lines and auxiliary metering and pumping stations.

WSACC also owns and is responsible for the operation and maintenance of the Lake Howell Reservoir. WSACC is a public corporation of the State of North Carolina under Section 162A-3 of the North Carolina Water and Sewer Authority Act. WSACC is a jointly governed organization governed by a board appointed by the organizing bodies as follows: two members of the Cabarrus County Board of Commissioners, two members of the City of Concord City Council, two members of the City of Kannapolis City Council, one member of the Town of Harrisburg Town Council, one member of the Town of Mount Pleasant Board of Commissioners, and one member of the Cabarrus County Board of Commissioners upon advice from the other political jurisdictions.

B. Basis of Accounting-Fund Accounting

The accounts of WSACC are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

WSACC has the following fund category:

Enterprise Fund – Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises (where the intent of the governing body is that the costs-expenses, including depreciation-of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges); or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. WSACC has one Enterprise Fund, the Water and Sewer Fund. The Water and Sewer Fund (the operating fund) is consolidated with the Enterprise Capital Project Funds, and the System Development Fee Fund for financial reporting purposes.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to the fund is determined by its measurement focus. Enterprise funds are accounted for on a flow of economic resources measurement focus. With

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Notes to the Financial Statements
June 30, 2022

this measurement focus, all assets, and all liabilities associated with the operation of this fund are included on the statement of net position. Net position is the result of deducting all the liabilities and deferred inflows of resources from all the assets and deferred outflows of resources. Total net position is segregated into three components: 1) net investment in capital assets, 2) restricted, and 3) unrestricted. Operating statements present increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

The Water and Sewer Fund is maintained on a modified accrual basis during the year; however, the financial statements of WSACC have been reported on the accrual basis. Under this basis, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which WSACC gives (or receives), value without directly receiving (or giving) equal value in exchange, including grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Water and Sewer Fund distinguishes between operating revenues and expenses and non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Fund are charges to customers for sales and services. Operating expenses for the Water and Sewer Fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Budgetary Data

WSACC's budgets are adopted as required by the North Carolina General Statutes. An annual budget ordinance is adopted for the Water and Sewer Operating Fund, and the System Development Fee Fund. All annual appropriations lapse at fiscal year-end except for encumbered monies, which are carried forward into the subsequent annual budget. The budget ordinance must be adopted by July 1 of the fiscal year or the Board of Directors must adopt an interim budget that covers that time until the annual ordinance can be adopted. Project ordinances are adopted for capital projects expected to take longer than one (1) year to complete. All budgets are prepared using the modified accrual basis of accounting, which is consistent with the accounting system used to record transactions.

For the Water and Sewer Operating Fund, and the System Development Fee Fund appropriations are made at the program (departmental) level. The Executive Director is authorized to transfer monies between program budgets without limitation to carry out the objectives of each program without action by the Board of Directors. Project ordinances are adopted at the project total level with allocations made between line items for internal accounting purposes only. Expenses may not legally exceed appropriations at the fund level for annual budgets and project total for multi-year project ordinances.

During the year, multiple supplementary appropriations were made to the original budgets. Material budget amendments were for (1) legal settlement of \$8.3 million resolving a multiyear litigation regarding the Biosolids Heat to Energy Project (2) the transfer of \$8.1 million from the System Development Fee Fund to the Capital Project Funds for the plant expansion and Lower Coddle Creek Interceptor Project (3) \$65.8 million to budget the Revenue Bonds received in May 2022 for the plant expansion.

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Notes to the Financial Statements
June 30, 2022

WSACC maintains encumbrance accounts, which are considered to be "budgetary accounts." Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances outstanding at year-end do not constitute expenditures or liabilities of the current year. Funds encumbered on June 30, 2022 are authorized as part of the 2022-2023 budget appropriation by adoption of the Budget Ordinance. Encumbrances outstanding for operational expenses and construction contracts at June 30, 2022 totaled \$1,286,912.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position

1. Deposits and Investments

All deposits of WSACC are made in board-designated official depositories and are secured as required by G.S. 159-31. WSACC may designate, as an official depository, any bank whose principal office is located in North Carolina. Also, WSACC may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts and certificates of deposit.

State law [GS 159-30(c)] authorizes WSACC to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT).

WSACC's investments are reported at fair value. Non-participating interest earning contracts are accounted for at cost. The North Carolina Capital Management Trust (NCCMT) is a SEC registered money market mutual fund authorized by G.S. 159-30 (c)(8). The NCCMT Government Portfolio is a 2a-7 fund which invests in treasuries and government agencies and is rated AAAM by S&P and AAmm by Moody Investor Services. The Government Portfolio is reported at fair value.

2. Cash and Cash Equivalents

WSACC pools money to facilitate disbursement and investment and to maximize investment income and considers all cash and investments to be cash and cash equivalents.

3. Restricted Assets-Cash and Cash Equivalents

The unexpended revenue bond proceeds issued by WSACC are classified as restricted because their use is completely restricted to the purpose for which the bonds were originally issued.

System Development Fees (SDFs) are assessed by WSACC and are classified as restricted assets. This fee is assessed on the owner of a new development. State law places certain restrictions on how a local utility may spend this revenue.

4. Allowances for Doubtful Accounts

WSACC is a wholesale provider of services to municipal jurisdictions and approximately 45 septage and industrial customers. No allowance for doubtful accounts was made during the current fiscal year.

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Notes to the Financial Statements
June 30, 2022

5. Inventories

The inventories of WSACC consist of materials and supplies held for consumption and are considered immaterial for reporting on the balance sheets. The costs of these items are recorded as an expense when purchased.

6. Capital Assets

Capital assets are defined by WSACC as assets with an initial, individual cost of \$10,000 or more and an estimated useful life in excess of one year. Capital assets of WSACC are recorded at original cost at the time of acquisition. Donated capital assets received prior to July 1, 2015 are recorded at the estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Depreciation is recorded for each class of depreciable property utilizing the straight-line method over the estimated useful life of the asset.

The estimated useful lives are as follows:

<u>Description</u>	<u>Useful Life in Years</u>
Land improvements	10 - 30 years
Buildings & improvements	10 - 30 years
Equipment	2 - 10 years
Office furniture, fixtures and equipment	2 - 10 years
Vehicles	5 - 10 years
Sewer treatment and collection systems	10 - 40 years
Biosolids handling	10 - 30 years

7. Long-Term Debt

Long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position. Water and sewer revenues are meeting the debt service requirements for water and sewer debt. WSACC has no legal debt margin under North Carolina General Statutes.

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. WSACC currently has two items that meet the criterion – contributions to the pension plan and benefit payments and administrative expenses for the other post-employment benefit plan (OPEB) made in the current fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. WSACC has two items that meet the criterion for this category – pension related deferrals and OPEB related deferrals.

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Notes to the Financial Statements
June 30, 2022

9. Compensated Absences

The vacation policy of WSACC provides for the accumulation of up to thirty-six days of earned vacation leave, with such leave fully vested when earned. An expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. Accumulated earned vacation and related payroll taxes at June 30, 2022 amounted to \$447,787. See Note II.B.9, for further details.

The sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since WSACC has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

10. Net Position

Net Position for the Enterprise Fund financial statements is classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through state statute. WSACC has one item that is restricted for a specific purpose – System Development Fees.

11. Defined Benefit Pension Plans

WSACC participates in a cost-sharing, multiple-employer, defined benefit pension plan administered by the Local Governmental Employees' Retirement System (LGERS). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the LGERS and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. WSACC's employer contributions are recognized when due and WSACC has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS defined benefit pension plan. Investments are reported at fair value.

II. DETAILED NOTES

A. Assets

1. Deposits

All of WSACC's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by WSACC's agents in WSACC's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for WSACC, these deposits are considered to be held by WSACC's agent in the entity's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories

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using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with WSACC or with the escrow agent.

Because of the inability to measure the exact amount of collateral pledged for WSACC under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. WSACC has no formal policy regarding custodial credit risk for deposits but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. WSACC complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2022, the carrying amount of WSACC's bank deposits was \$15,066,479 and the bank balance was \$15,185,346. Of the bank balances at June 30, 2022, \$250,000 was covered by FDIC insurance and \$14,935,346 was collateralized under the pooling method.

2. Investments

As of June 30, 2022, WSACC's investments and maturities were as follows:

Investment Type	Valuation Measurement Method	Fair Value	Maturity	Rating
Commercial Paper:				
Credit Suisse	Fair Value - Level 2	\$ 1,970,951	12/19/2022	A1,P1
JP Morgan	Fair Value - Level 2	1,960,886	1/30/2023	A1,P1
Natixis	Fair Value - Level 2	2,445,395	2/24/2023	A1,P1
Credit Agricole	Fair Value - Level 2	2,926,797	3/24/2023	A1,P1
NC Capital Management Trust- Government Portfolio	Fair Value - Level 1	<u>83,126,964</u>	N/A	AAAm, AAmf
Total:		<u>\$ 92,430,993</u>		

All investments are measured using the market approach; using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2: Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices.

Interest Rate Risk. WSACC has no formal investment policy regarding interest rate risk. As a means of limiting exposure to fair value losses arising from rising interest rates, WSACC's internal investment policy limits maturities to 12 months or less. WSACC's internal policy also requires purchases of securities to be laddered with staggered maturity dates.

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Credit Risk. WSACC has no formal policy regarding credit risk but has internal management procedures that limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2022, WSACC's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's AAMf by Moody Investor Services. The Government Portfolio is reported at fair value.

Concentration of Credit Risk. WSACC's investment policy places a limit of no more than 25% of the total portfolio with any one issuer of commercial paper. Credit Suisse, Natixis, JP Morgan, and Credit Agricole commercial papers represent 2.13%, 2.12%, 2.65%, and 3.17% respectively of the total investment portfolio.

3. Receivables

The amounts presented in the Statement of Net Position for receivables consisted of the following for the year ended June 30, 2022:

	<u>Customers</u>	<u>Interest</u>	<u>System Development Fees</u>	<u>Other</u>	<u>Total</u>
Enterprise Fund	<u>\$ 1,846,427</u>	<u>\$16,213</u>	<u>\$ 569,164</u>	<u>\$1,826,891</u>	<u>\$4,258,695</u>

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4. Capital Assets

Capital assets activity consisted of the following for the year ended June 30, 2022:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 7,861,153	\$ -	\$ -	\$ 7,861,153
Construction in progress	8,471,694	11,479,103	(6,296,072)	13,654,725
Total capital assets not being depreciated	<u>16,332,847</u>	<u>11,479,103</u>	<u>(6,296,072)</u>	<u>21,515,878</u>
Capital assets being depreciated:				
Sewer treatment and collection	205,524,371	6,524,070	-	212,048,441
Biosolids handling	10,667,388	-	-	10,667,388
Buildings and improvements	3,098,475	14,159	-	3,112,634
Improvements to land	920,554	-	-	920,554
Equipment	6,175,420	317,091	-	6,492,511
Furniture and fixtures	3,013,889	-	(416,224)	2,597,665
Vehicles	1,337,349	273,707	(93,311)	1,517,745
Total capital assets being depreciated	<u>230,737,446</u>	<u>7,129,027</u>	<u>(509,535)</u>	<u>237,356,938</u>
Less accumulated depreciation for:				
Sewer treatment and collection	100,578,127	5,901,961	-	106,480,088
Biosolids Handling	3,531,773	552,140	-	4,083,913
Buildings and improvements	1,363,321	164,321	-	1,527,642
Improvements to land	531,250	65,262	-	596,512
Equipment	3,482,898	353,868	-	3,836,766
Furniture and fixtures	2,903,512	43,210	(416,224)	2,530,498
Vehicles	732,906	116,690	(82,640)	766,956
Total accumulated depreciator	<u>113,123,787</u>	<u>7,197,452</u>	<u>(498,864)</u>	<u>119,822,375</u>
Total capital assets being depreciated, net	<u>117,613,659</u>	<u>(68,425)</u>	<u>(10,671)</u>	<u>117,534,563</u>
Total capital assets, net	<u><u>\$ 133,946,506</u></u>	<u><u>\$ 11,410,678</u></u>	<u><u>\$ (6,306,743)</u></u>	<u><u>\$ 139,050,441</u></u>

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B. Liabilities

1. Accounts Payable and Accrued Expenses

The amounts presented in the Statement of Net Position for payables consisted of the following for the year ended June 30, 2022:

Vendors	Accrued Expenses	Total
\$ 2,674,218	\$ 634,203	\$ 3,308,421

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. WSACC is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS is comprised of general employees and local law enforcement officers (LEOs) of participating local government entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Government Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, NC 27699-1410, or by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. WSACC employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. WSACC's contractually required contribution rate for the

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year ended June 30, 2022, was 11.35% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from WSACC were \$450,839 for the year ended June 30, 2022.

Refunds of Contributions – WSACC employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual’s right to employer contributions, or any other benefit provided by LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, WSACC reported a liability of \$784,741 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021, utilizing update procedures incorporating the actuarial assumptions. WSACC’s proportion of the net pension liability was based on a projection of its long-term share of future payroll covered by the pension plan; relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2022, WSACC’s proportion was 0.05117% (measured as of June 30, 2021, which was an increase of 0.00097% from its proportion measured as of June 30, 2021 (measured as of June 30, 2020).

For the year ended June 30, 2022, WSACC recognized pension expense of \$316,664. At June 30, 2022, WSACC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 249,654	\$ -
Changes of assumptions	493,018	-
Net difference between projected and actual earnings on pension plan investments		1,121,159
Changes in proportion and differences between WSACC contributions and proportionate share of contributions	19,855	41,902
WSACC contributions subsequent to the measurement date	450,839	-
Total	<u>\$ 1,213,366</u>	<u>\$ 1,163,061</u>

\$450,839 reported as deferred outflows of resources related to pensions resulting from WSACC’s contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022.

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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year ended June 30:	
2023	\$ 52,587
2024	(31,615)
2025	(78,424)
2026	(343,082)
2027	-
Thereafter	-
	<u>\$ (400,534)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent	
Salary increases	3.5 percent to 8.10 percent, including inflation and productivity factor	
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation	

The plan currently uses mortality rates-based *RP-2014 Total Data Set for Health Annuitants Mortality Table* that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study as of December 31, 2014. Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2020 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of WSACC’s proportionate share of the net pension liability to changes in the discount rate. The following presents WSACC’s proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what WSACC’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
WSACC's proportionate share of the net pension liability (asset)	\$ 3,046,300	\$ 784,741	\$ (1,076,390)

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued Annual Comprehensive Financial Report for the State of North Carolina.

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3. Supplemental Retirement Income Plan 401(k)

All permanent full-time employees of WSACC participate in the Supplemental Retirement Income 401 (k) Plan, a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan and investment earnings. NC G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the NC General Assembly. Authority to set contribution requirements have been delegated to WSACC's governing board by the Assembly. The Supplemental Retirement Income Plan is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan 401(k). That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, NC 27699-1410, or by calling (919) 981-5454.

Funding Policy. Each month WSACC contributes an amount equal to 4 percent of each covered employee's salary. All amounts contributed to the plan are vested immediately. Employees may also make voluntary contributions to the plan. Contributions for the year ended June 30, 2022, were \$337,764 which consisted of \$147,971 from WSACC and \$189,793 from employees.

4. Other Postemployment Benefits (OPEB)-Healthcare Benefits

Plan Description - Under the terms of a WSACC resolution, WSACC administers the Healthcare Benefits Plan (HCB Plan), a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for all retirees of WSACC who participate in the North Carolina Local Governmental Employees' Retirement System (System). WSACC's Board has the authority to establish and amend benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits provided – As of July 1, 2004, this plan provides postemployment healthcare benefits to retirees of WSACC, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System), elect to forfeit one to two days of annual leave each year as prescribed in the resolution, and meet the criteria listed below. WSACC's contributions are financed on a pay-as-you-go basis. WSACC pays the cost of coverage for these benefits through private insurers. Also, WSACC's retirees can purchase coverage for their dependents at WSACC's group rates. A separate report was not issued for the plan.

Employees hired prior to July 1, 2004, must meet the following requirements to receive HCB Plan benefits:

<u>Years of Service with WSACC and Membership to LGERS</u>	<u>% of Retiree Health Insurance WSACC Pays</u>
Qualified retirement with 10 or more years of service with WSACC	100%
Qualified retirement with less than 10 years of service with WSACC	50%

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Employees hired on or after July 1, 2004, must meet the following requirements to receive HCB Plan benefits:

<u>Years of Service with WSACC and Membership to LGERS</u>	<u>% of Retiree Health Insurance WSACC Pays</u>
Qualified retirement with 20 or more years of service with WSACC	100%
Qualified retirement with less than 20 years of service with WSACC	50%

WSACC's contribution will cease when the retiree becomes eligible for Medicare (or reaches the age where they would have had such benefits had they been qualified for Social Security).

Membership of the HCB Plan consisted of the following at June 30, 2021, the date of the latest actuarial valuation:

	<u>Employees</u>
Retirees and dependents receiving benefits	11
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	54
Total	<u>65</u>

Total OPEB Liability. WSACC's total OPEB Liability of \$3,366,004 was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2020.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases, including wage inflation	3.25% - 8.41%
Municipal Bond Index Rate	
Prior Measurement Date	2.21%
Measurement Date	2.16%
Health Care cost trend rates – Pre-Medicare/Drug	7.00% for 2020 decreasing to ultimate rate of 4.50% by 2030

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WSACC selected a Municipal Bond Index Rate equal to the June average of the Bond Buyer 20-Year General Obligation Bond Index published by The Bond Buyer, and the discount rate used to measure the Total OPEB Liability (TOL) is the Municipal Bond Index Rate as of the measurement date.

Changes in the Total OPEB Liability (TOL)

Total OPEB Liability at July 1, 2021	<u>\$ 3,137,324</u>
Service Cost at the end of the year	156,614
Interest on the TOL and cash flows	71,638
Change in benefit terms	-
Difference between expected and actual experience	(31,490)
Changes of assumptions or other inputs	137,327
Benefit payments and implicit subsidy credit	<u>(105,409)</u>
Net Changes	228,680
Total OPEB Liability at June 30, 2022	<u>\$ 3,366,004</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 2.21% to 2.16%.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014, adopted by the LGERS Board.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2020 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2020 valuation.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of WSACC, determined using the discount rate of 2.16%, as well as what WSACC's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	<u>\$3,669,934</u>	<u>\$3,366,004</u>	<u>\$3,090,978</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate. The following presents the total OPEB liability of WSACC, determined using current health care cost trend rates, as well as what WSACC's total OPEB liability would be if it were determined using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates.

	1% Decrease	Current Rate	1% Increase
Total OPEB Liability	<u>\$2,994,375</u>	<u>\$3,366,004</u>	<u>\$3,807,852</u>

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OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB. For the year ended June 30, 2022, WSACC recognized OPEB expense of \$(53,847). At June 30, 2022, WSACC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,316,889
Changes of assumptions or other inputs	324,078	61,299
Benefit payments and administrative expenses subsequent to the measurement date	119,034	-
Total	\$ 443,112	\$ 1,378,188

\$119,034 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2023	\$ (282,099)
2024	(282,099)
2025	(253,141)
2026	(103,016)
2027	(92,530)
Thereafter	(41,225)

5. Other Employment Benefits

a. Death Benefit Plan

WSACC has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan); a multi-employer State administered cost-sharing plan funded on a one-year term cost basis. Lump sum death benefits are provided to beneficiaries of employees: 1) who die in active service after one year of contributing membership in the System, or 2) who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death. This payment is equal to the employee's twelve highest month's salary in a row during the twenty-four months prior to his/her death, but the benefit will be a minimum of \$25,000 to a maximum of \$50,000. All death benefit payments are made from the Death Benefit Plan. WSACC has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. WSACC considers these contributions to be immaterial.

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b. Life Insurance

WSACC pays the full cost of a life insurance policy for all regular full-time employees and all regular part-time employees who work a minimum of thirty hours per week. Dependent coverage is offered through payroll deduction. Employee's coverage is equivalent to the employee's previous year's salary up to a maximum of \$50,000, payable to the designated beneficiary of the employee.

6. Commitments

WSACC had several outstanding or planned construction projects as of June 30, 2022. Cash reserves and bond proceeds will fund these projects which are evidenced by contractual commitments shown below:

<u>Capital Projects</u>	<u>Remaining Commitments</u>
Master Plan Project	\$ 3,152,926
Rocky River Expansion to 30MGD	95,635,786
Lower Back Creek Interceptor Rehab	2,565,890
Lower Coddle Creek Interceptor Project	272,699
Back Creek Interceptor Extension Project	109,794
Lower Rocky River Pump Capacity	828,661
Total Capital Project Commitments	<u>\$ 102,565,756</u>

7. Risk Management

WSACC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. WSACC has obtained commercial property insurance coverage of \$96,543,402 and general liability coverage of \$3 million per occurrence. Excess insurance coverage is purchased by WSACC to protect against large workers compensations claims that exceed certain dollar levels. WSACC participates in a risk-financing pool administered by the North Carolina League of Municipalities for workers' compensation with coverage up to statutory limits. Specific information on the limits of the reinsurance, excess and stop loss policies purchased can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available upon request. Health and dental coverage is provided to all full-time employees through commercial coverage.

WSACC is eligible and has purchased commercial flood insurance for Flood Zone Z with a \$50,000 deductible per occurrence and a \$5 million coverage limit.

There have been no reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

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In accordance with G.S. 159-29, WSACC's employees who have access to \$100 or more at any given time of WSACC's funds are performance bonded through a commercial surety bond. The Executive Director and Finance Director are bonded for \$100,000 each. The remaining employees who have access to funds are bonded under a blanket bond for \$50,000.

8. Long-Term Obligations

WSACC has contractually obligated itself to repay the following bonds payable debt as of June 30, 2022:

a. NC Clean Water Revolving Loan from Direct Borrowing

	<u>Principal Outstanding</u>
2001 SRF RRRWWTP Phase I Upgrade Loan for \$5,687,110 to finance the RRRWWTP Upgrade and Expansion- Phase I Project due in annual installments ranging from \$389,337 to \$380,287 through May 1, 2023; interest payable semi-annually at 2.55%.	\$ 356,880
2003 SRF RRRWWTP Phase II Upgrade Loan for \$9,165,777 to finance the RRRWWTP Upgrade and Expansion- Phase II Project due in annual installments ranging from \$585,188 to \$590,056 through May 1, 2025; interest payable semi-annually at 2.55%.	1,136,460
2003 SRF Cold Water Interceptor Loan for \$5,675,313 to finance the Cold Water Interceptor Phase II Project due in annual installments ranging from \$333,593 to \$369,432 through May 1, 2025; interest payable semi-annually at 2.66%.	710,395
2005 SRF Back Creek Parallel Interceptor Loan for \$3,213,455 to finance the Back Creek Parallel Interceptor Phase II Project due in annual installments ranging from \$252,008 to \$190,993 through May 1, 2025; interest payable semi-annually at 2.42%.	<u>482,019</u>
Total NC Clean Water Revolving Loans	<u><u>\$ 2,685,754</u></u>

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,429,165	\$ 68,641	\$ 1,497,806
2024	1,095,916	32,027	1,127,943
2025	<u>160,673</u>	<u>3,888</u>	<u>164,561</u>
Total Maturities	<u><u>\$ 2,685,754</u></u>	<u><u>\$104,556</u></u>	<u><u>\$ 2,790,310</u></u>

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Notes to the Financial Statements
June 30, 2022

b. Revenue Bonds - Direct Placement

\$65,790,000 Revenue Bonds, Series 2022 A&B, issued to finance the RRRWWTP Expansion to 30 MGD. Principal installments are due annually on June 1 with semiannual interest payments due on December 1 and June 1, at an annual interest rate of 3.35% for 2022A and 3.00% for 2022B.

\$65,790,000

Annual debt service requirements to maturity for revenue bonds are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 2,133,663	\$ 2,133,663
2024	-	2,098,685	2,098,685
2025	2,005,000	2,098,685	4,103,685
2026	2,070,000	2,038,185	4,108,185
2027	2,130,000	1,975,735	4,105,735
2028-2032	11,655,000	8,875,325	20,530,325
2033-2037	13,520,000	7,009,725	20,529,725
2038-2042	15,790,000	4,740,585	20,530,585
2043-2047	<u>18,620,000</u>	<u>1,912,683</u>	<u>20,532,683</u>
Total Maturities	<u>\$ 65,790,000</u>	<u>\$32,883,271</u>	<u>\$98,673,271</u>

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Notes to the Financial Statements
June 30, 2022

WSACC has been in compliance with the covenants as to rates, fees, rentals, and charges in Section 6.6 of the Bond Order, authorizing the issuance of the Revenue Bonds, Series 2022 A&B adoption. Section 6.6 of the Bond Order requires the debt service parity coverage ratio to be no less than 120% and the total debt service coverage ratio to be no less than 100%.

WSACC believes it is in compliance with all such covenants for fiscal year ended June 30, 2022. Since the revenue bonds were issued in May 2022 there is no senior debt to include in this years' calculation. The calculation for the various debt service coverage ratios for the year ended June 30, 2022 is as follows:

Revenues	\$ 17,456,338
20% surplus fund at June 30, 2022	7,358,153
Current Expenses	<u>12,317,937</u>
Net revenues and surplus available for debt service	<u><u>\$ 12,496,554</u></u>

Senior debt service 120%	\$ -
Subordinate debt service	<u>1,501,694</u>
Total Debt Service Adjusted	<u><u>\$ 1,501,694</u></u>

Coverage Test 1 **832%**

Revenues	\$ 17,456,338
Current Expenses	<u>12,317,937</u>
Net revenues available for debt service	<u><u>\$ 5,138,401</u></u>

Senior debt service	\$ -
Subordinate debt service	<u>1,501,694</u>
Total Debt Service	<u><u>\$ 1,501,694</u></u>

Coverage Test 2 **342%**

Note: Current expenses do not include depreciation

WSACC has pledged future water and sewer customer revenues, net of specified operating expenses, to repay \$65,790,000 million in water and sewer system revenue bonds issued in May 2022. Proceeds from the bonds will provide financing for the RRRWWTP expansion. The bonds are payable solely from water and sewer customer net revenues and are payable through 2047.

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Notes to the Financial Statements
June 30, 2022

9. Changes in Long-Term Debt

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Bonds Payable					
Revenue bond-direct placement	\$ -	\$ 65,790,000	\$ -	\$ 65,790,000	\$ -
NC Clean Water Revolving Loan from direct borrowing	4,083,010	-	1,397,256	2,685,754	1,429,165
Total Bonds Payable	4,083,010	65,790,000	1,397,256	68,475,754	1,429,165
Compensated absences	440,415	142,311	134,939	447,787	268,672
Net pension liability (LGERS)	1,793,860		1,009,119	784,741	-
Net OPEB liability	3,137,324	228,680		3,366,004	-
Total	\$ 9,454,609	\$ 66,160,991	\$ 2,541,314	\$ 73,074,286	\$ 1,697,837

WSACC accounts for compensated absences on a LIFO basis, assuming that employees are taking leave time as it is earned.

10. Net investment in Capital Assets

WSACC's net investment in capital assets at June 30, 2022 is calculated as follows:

Net capital assets	<u>\$ 139,050,441</u>
Total debt	68,475,754
Less:	
Unexpended bond proceeds	<u>59,367,596</u>
Total capital debt	<u>9,108,158</u>
Net investment in capital assets	<u><u>\$ 129,942,283</u></u>

III. OTHER

A. Transactions with Related Parties and Major Customers

As of June 30, 2022, the Water and Sewer Authority of Cabarrus County's major customers included the Cities of Concord and Kannapolis, the Towns of Harrisburg and Mount Pleasant and Charlotte-Mecklenburg Utilities Department. Although not a user of wastewater treatment services, Cabarrus County is a related party by virtue of joint governance of WSACC (see Note I. A. *Reporting Entity*).

The City of Concord is related to WSACC as one of its governing members. Wastewater treatment charges of \$6,999,383 and raw water charges of \$225,583 are attributable to the City of Concord. A customer receivable of \$624,432 was due from the City of Concord as of June 30, 2022.

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Notes to the Financial Statements
June 30, 2022

Wastewater charges of \$3,160,456 and raw water charges of \$48,876 and a customer receivable of \$530,136 are attributable to the City of Kannapolis, also a related party by virtue of joint governance, for the year ended June 30, 2022.

The Towns of Harrisburg and Mount Pleasant are also members of the joint governance. Wastewater charges and total customer receivables from the Towns of Harrisburg and Mount Pleasant were \$1,119,483 and \$167,818 and \$94,377 and \$18,059, respectively, as of June 30, 2022.

Cabarrus County (County) acts as an agent for WSACC in the collection of system development fees. These fees are collected at the time a building permit is issued by the County and remitted to WSACC on a monthly basis. Total collections remitted by the County to WSACC were \$4,426,790 including a receivable of \$569,164 at June 30, 2022.

Wastewater charges of \$3,480,604, capital contributions of \$3,037,572 and a customer receivable of \$1,677,114 are attributable to the Charlotte-Mecklenburg Utilities Department as of June 30, 2022. WSACC has contracts with Charlotte-Mecklenburg Utilities Department for \$53.3 million for their capital contributions to the current capital projects.

B. Claims, Judgments, and Contingencies

At June 30, 2022, WSACC was a defendant to various lawsuits. In the opinion of management and WSACC's attorney, the ultimate effect of these legal matters will not have a material effect on WSACC's overall net position.

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak"). In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that COVID-19 will have on WSACC's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, WSACC is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year ending June 30, 2023.

C. Extraordinary item

On September 13, 2021, WSACC entered into a Settlement Agreement and Release resolving a multiyear litigation matter regarding the Biosolids Heat to Energy Project. WSACC received \$8,250,000 in settlement proceeds. This item is reported as an extraordinary item in Exhibit B in the financial statements.

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Notes to the Financial Statements
June 30, 2022

D. Subsequent Events

In September 2022, WSACC was awarded an additional \$7,125,000 from State Fiscal Recovery Fund funded by the American Rescue Plan Act. WSACC will use the total \$42,125,000 awarded from this grant to partially fund the Lower Coddle Creek Parallel Interceptor Project.

Management has evaluated subsequent events through October 31, 2022, the date the financial statements were available to be issued.

WSACC



WATER AND SEWER AUTHORITY
OF CABARRUS COUNTY

Required Supplemental Financial Data

This section contains additional information required by generally accepted accounting principles.

- Schedule of Proportionate Share of Net Pension Liability (Asset) for Local Government Employees' Retirement System
- Schedule of Contributions to Local Government Employees' Retirement System
- Schedule of Changes in the Total OPEB Liability and Related Ratios

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Schedule of the Proportionate Share of the Net Pension Liability (Asset)
Local Government Employees' Retirement System
Required Supplementary Information
Last Nine Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
WSACC's proportionate share of the net pension liability (asset) %	0.05117%	0.05020%	0.05354%	0.05444%	0.06030%	0.05919%	0.05817%	0.0542%	0.0542%
WSACC's proportionate share of the net pension liability (asset) \$	\$ 784,741	\$ 1,793,860	\$ 1,462,136	\$ 1,291,503	\$ 921,217	\$ 1,256,209	\$ 261,063	\$ (315,750)	\$ 653,318
WSACC's covered payroll	\$ 3,779,065	\$ 3,627,671	\$ 3,621,805	\$ 3,418,426	\$ 3,579,929	\$ 3,634,417	\$ 3,772,941	\$ 3,591,247	\$ 3,517,369
WSACC's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	20.77%	49.45%	40.37%	37.78%	25.73%	34.56%	6.92%	(8.79)%	18.57%
Plan fiduciary net pension as a percentage of the total pension liability (asset)	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

*The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Schedule of Contributions
Local Government Employees' Retirement System
Required Supplementary Information
Last Nine Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 450,839	\$ 383,575	\$ 324,677	\$ 280,690	\$ 256,382	\$ 259,545	\$ 244,597	\$ 259,811	\$ 248,678
Contributions in relation to the contractually required contribution	\$ 450,839	\$ 383,575	\$ 324,677	\$ 280,690	\$ 256,382	\$ 259,545	\$ 244,597	\$ 259,811	\$ 248,678
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WSACC's covered payroll	\$ 3,972,149	\$ 3,779,065	\$ 3,627,671	\$ 3,621,805	\$ 3,418,426	\$ 3,579,929	\$ 3,634,417	\$ 3,772,941	\$ 3,591,247
Contributions as a percentage of covered payroll	11.35%	10.15%	8.95%	7.75%	7.50%	7.25%	6.73%	6.89%	6.92%

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Schedule of Changes in Total OPEB Liability and Related Ratios
Healthcare Benefits Plan
For the Years Ended June 30, 2022, 2021, 2020, 2019 and 2018

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 156,614	\$ 169,568	\$ 157,648	\$ 191,823	\$ 205,506
Interest	71,638	136,187	137,874	160,580	138,957
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(31,490)	(949,006)	(70,802)	(1,230,131)	(51,681)
Changes of assumptions	137,327	134,691	114,060	95,986	(201,889)
Benefit payments	(105,409)	(149,951)	(172,875)	(196,277)	(197,464)
Net change in total OPEB liability	228,680	(658,511)	165,905	(978,019)	(106,571)
Total OPEB liability - beginning	3,137,324	3,795,835	3,629,930	4,607,949	4,714,520
Total OPEB liability - ending	<u>\$ 3,366,004</u>	<u>\$ 3,137,324</u>	<u>\$ 3,795,835</u>	<u>\$ 3,629,930</u>	<u>\$ 4,607,949</u>
Covered employee payroll	\$ 3,579,985	\$ 3,579,985	\$ 3,276,121	\$ 3,276,121	\$ 3,283,627
Total OPEB liability as a percentage of covered employee payroll	94.02%	87.64%	115.86%	110.80%	140.33%

Notes to Schedule:

No assets are accumulated in a trust to pay related benefits that meets the criteria in paragraph 4 of GASB Statement 75.

Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

<u>Rate</u>	2.16%	2.21%	3.50%	3.89%	3.56%
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WSACC



WATER AND SEWER AUTHORITY
OF CABARRUS COUNTY

Supplementary Schedules

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Water and Sewer Operating Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Operating revenues:				
Charges for services	\$ 16,733,659	\$ 16,858,659	\$ 17,456,338	\$ 597,679
Non-operating revenues:				
Proceeds from sale of capital assets	-	-	15,240	15,240
Investment earnings	<u>100,000</u>	<u>100,000</u>	<u>41,909</u>	<u>(58,091)</u>
Total revenues	<u>16,833,659</u>	<u>16,958,659</u>	<u>17,513,487</u>	<u>554,828</u>
Operating expenditures:				
Administration	1,439,827	1,980,841	1,822,251	158,590
Engineering	722,902	698,459	641,995	56,464
Rocky River Regional Treatment Plant	5,848,614	6,195,055	6,058,796	136,259
Biosolids Incineration	1,522,282	1,790,693	1,302,624	488,069
Laboratory	534,187	581,654	515,305	66,349
Pretreatment	217,261	224,984	199,248	25,736
Muddy Creek Treatment Plant	240,097	300,761	238,831	61,930
Interceptors	1,264,329	1,777,846	1,195,432	582,414
Coddle Creek Reservoir/Lake Howell	274,459	502,096	339,054	163,042
Nondepartmental	<u>616,259</u>	<u>8,478,310</u>	<u>305,716</u>	<u>8,172,594</u>
Total operating expenditures	<u>12,680,217</u>	<u>22,530,699</u>	<u>12,619,252</u>	<u>9,911,447</u>
Non-operating expenditures:				
Debt service interest	104,441	104,441	104,438	3
Debt service principal	3,101,201	2,170,371	1,397,256	773,115
Capital outlay	<u>947,800</u>	<u>1,220,310</u>	<u>832,955</u>	<u>387,355</u>
Total non-operating expenditures	<u>4,153,442</u>	<u>3,495,122</u>	<u>2,334,649</u>	<u>1,160,473</u>
Total expenditures	<u>16,833,659</u>	<u>26,025,821</u>	<u>14,953,901</u>	<u>11,071,920</u>
Revenues over (under) expenditures	<u>-</u>	<u>(9,067,162)</u>	<u>2,559,586</u>	<u>11,626,748</u>
Capital contributions:				
Capital contributions from governments	<u>-</u>	<u>-</u>	<u>3,037,572</u>	<u>3,037,572</u>
Other financing sources (uses)				
Transfers to capital projects funds	-	(6,339,896)	(6,339,896)	-
Legal settlement	<u>-</u>	<u>8,250,000</u>	<u>8,250,000</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>1,910,104</u>	<u>1,910,104</u>	<u>-</u>
Revenues, and other financing sources over (under) expenditures and other financing uses	<u>-</u>	<u>(7,157,058)</u>	<u>7,507,262</u>	<u>14,664,320</u>
Appropriated fund balance	<u>-</u>	<u>7,157,058</u>	<u>-</u>	<u>(7,157,058)</u>
Revenues, other sources and appropriated fund balance over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,507,262</u>	<u>\$ 7,507,262</u>

Continued on next page

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Water and Sewer Operating Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2022

Reconciliation from budgetary basis (modified accrual)
to full accrual basis:

Revenues, capital contributions, other sources and appropriated fund balance over expenditures and other uses	\$ 7,507,262
Depreciation	(7,197,452)
Interest in capital project fund	5,689
Interfund transfers	6,339,896
Increase in accrued interest expense	(203,902)
Capital outlay	832,955
Book value of capital assets sold	(10,671)
System development fees	4,426,790
Increase in compensated absences accrual	(7,372)
Increase in deferred outflows of resources-pensions	217,326
Increase in deferred outflows of resources-OPEB	85,213
Decrease in net pension liability	1,009,119
Increase in deferred inflows of resources-pensions	(1,092,265)
Decrease in deferred inflows of resources-OPEB	317,973
Increase in other post employment benefits liability	(228,680)
Debt principal payments	<u>1,397,256</u>
Change in net position	<u><u>\$ 13,399,137</u></u>

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
System Development Fee Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Non-operating revenues:				
System development fees	\$ 3,200,000	\$ 3,200,000	\$ 4,426,790	\$ 1,226,790
Total revenues	<u>3,200,000</u>	<u>3,200,000</u>	<u>4,426,790</u>	<u>1,226,790</u>
Other financing sources (uses):				
Fund Balance Retained	(3,200,000)	-	-	-
Transfers out:				
Capital Projects Fund	<u>-</u>	<u>(8,062,000)</u>	<u>(8,062,000)</u>	<u>-</u>
Total	<u>(3,200,000)</u>	<u>(8,062,000)</u>	<u>(8,062,000)</u>	<u>-</u>
Revenues and other financing sources under other financing uses	<u>-</u>	<u>(4,862,000)</u>	<u>(3,635,210)</u>	<u>1,226,790</u>
Appropriated fund balance	<u>-</u>	<u>4,862,000</u>	<u>-</u>	<u>(4,862,000)</u>
Revenues, other sources and appropriated fund balance under expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,635,210)</u>	<u>\$ (3,635,210)</u>

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
CAPITAL PROJECT # 00-21
Expansion to 30 MGD Project
From inception and for the fiscal year ended June 30, 2022

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Interest on bond proceeds	\$ -	\$ -	\$ 5,689	\$ 5,689	\$ 5,689
Total revenues	-	-	5,689	5,689	5,689
Expenditures:					
Capital outlay-public works:					
Engineering	1,997,070	458,688	538,381	997,069	1,000,001
Construction	102,221,180	-	6,745,484	6,745,484	95,475,696
Other	385,423	-	16,248	16,248	369,175
Debt issuance cost	550,000	-	522,771	522,771	27,229
Total expenditures	105,153,673	458,688	7,822,884	8,281,572	96,872,101
Deficiency of revenues under expenditures	(105,153,673)	(458,688)	(7,817,195)	(8,275,883)	96,877,790
Other financing sources (uses):					
Proceeds from revenue bonds	65,790,000	-	65,790,000	65,790,000	-
Contributions - Charlotte Mecklenburg Utilities	38,985,223	-	2,564,777	2,564,777	(36,420,446)
Transfer from system development fund	378,450	600,000	(221,550)	378,450	-
Total other financing sources (uses)	105,153,673	600,000	68,133,227	68,733,227	(36,420,446)
Excess (deficit) of other financing sources over expenditures and other financing (uses)	\$ -	\$ 141,312	\$ 60,316,032	\$ 60,457,344	\$ 60,457,344

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
CAPITAL PROJECT # 00-22
Expansion to 34 MGD Project
From inception and for the fiscal year ended June 30, 2022

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Expenditures:					
Capital outlay-public works:					
Engineering	7,812,250	-	-	-	7,812,250
Total expenditures	7,812,250	-	-	-	7,812,250
Deficiency of revenues under expenditures	(7,812,250)	-	-	-	(7,812,250)
Other financing sources:					
Contributions - Charlotte Mecklenburg Utilities	3,124,900	-	-	-	(3,124,900)
Proceeds from revenue bonds	4,687,350	-	-	-	(4,687,350)
Total other financing sources	7,812,250	-	-	-	(7,812,250)
Excess (deficit) of other financing sources over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
CAPITAL PROJECT # 10-01
Inflow/Infiltration Identification and Reduction
From inception and for the fiscal year ended June 30, 2022

	Project <u>Authorization</u>	<u>Actual</u>			Variance Positive (Negative)
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
Capital outlay-public works:					
Engineering	\$ 389,643	\$ 389,642	\$ 1	\$ 389,643	\$ -
Engineering Support	357	357	-	357	-
Interceptor Support	45,071	45,071	-	45,071	-
Construction	<u>400,304</u>	<u>397,647</u>	<u>2,657</u>	<u>400,304</u>	<u>-</u>
Total expenditures	<u>835,375</u>	<u>832,717</u>	<u>2,658</u>	<u>835,375</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(835,375)</u>	<u>(832,717)</u>	<u>(2,658)</u>	<u>(835,375)</u>	<u>-</u>
Other financing sources (uses):					
Transfer to operating fund	(19,625)	-	(19,625)	(19,625)	-
Transfer from operating fund	<u>855,000</u>	<u>855,000</u>	<u>-</u>	<u>855,000</u>	<u>-</u>
Total other financing sources (uses)	<u>835,375</u>	<u>855,000</u>	<u>(19,625)</u>	<u>835,375</u>	<u>-</u>
Excess (deficit) of other financing sources over expenditures and other financing (uses)	<u>\$ -</u>	<u>\$ 22,283</u>	<u>\$ (22,283)</u>	<u>\$ -</u>	<u>\$ -</u>

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
CAPITAL PROJECT # 12-00
RRRWWTP Expansion Design Study
From inception and for the fiscal year ended June 30, 2022

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Expenditures:					
Engineering	\$ 972,672	\$ 972,672	\$ -	\$ 972,672	\$ -
Other	16,513	16,513	-	16,513	-
Total expenditures	989,185	989,185	-	989,185	-
Deficiency of revenues under expenditures	(989,185)	(989,185)	-	(989,185)	-
Other financing sources:					
Contributions - Charlotte Mecklenburg Utilities	486,718	486,718	-	486,718	-
Transfer from system development fund	502,467	500,000	2,467	502,467	-
Total other financing sources	989,185	986,718	2,467	989,185	-
Excess (deficit) of other financing sources over expenditures	\$ -	\$ (2,467)	\$ 2,467	\$ -	\$ -

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
CAPITAL PROJECT # 12-01
Lower Rocky River Bar Screen Replacement Project
From inception and for the fiscal year ended June 30, 2022

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Expenditures:					
Engineering	\$ 174,397	\$ 146,863	\$ 27,534	\$ 174,397	\$ -
Lines and stations	<u>1,244,953</u>	<u>853,642</u>	<u>391,310</u>	<u>1,244,952</u>	<u>1</u>
Total expenditures	<u>1,419,350</u>	<u>1,000,505</u>	<u>418,844</u>	<u>1,419,349</u>	<u>1</u>
Deficiency of revenues under expenditures	<u>(1,419,350)</u>	<u>(1,000,505)</u>	<u>(418,844)</u>	<u>(1,419,349)</u>	<u>1</u>
Other financing sources (uses):					
Transfer to operating fund	(427,908)	-	(427,908)	(427,908)	-
Transfer from operating fund	<u>1,847,258</u>	<u>1,847,257</u>	<u>-</u>	<u>1,847,257</u>	<u>(1)</u>
Total other financing sources (uses)	<u>1,419,350</u>	<u>1,847,257</u>	<u>(427,908)</u>	<u>1,419,349</u>	<u>(1)</u>
Excess (deficit) of other financing sources over expenditures and other financing (uses)	<u>\$ -</u>	<u>\$ 846,752</u>	<u>\$ (846,752)</u>	<u>\$ -</u>	<u>\$ -</u>

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
CAPITAL PROJECT # 17-00
Muddy Creek NPDES Permit Project
From inception and for the fiscal year ended June 30, 2022

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Expenditures:					
Capital outlay-public works:					
Engineering	\$ 81,103	\$ 81,102	\$ 1	\$ 81,103	\$ -
Other	8,010	8,010	-	8,010	-
Total expenditures	<u>89,113</u>	<u>89,112</u>	<u>1</u>	<u>89,113</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(89,113)</u>	<u>(89,112)</u>	<u>(1)</u>	<u>(89,113)</u>	<u>-</u>
Other financing sources (uses):					
Transfer to capital project fund	(111,324)	-	(111,326)	(111,326)	(2)
Transfer from capital recovery fund	<u>200,437</u>	<u>200,439</u>	<u>-</u>	<u>200,439</u>	<u>2</u>
Total other financing sources (uses)	<u>89,113</u>	<u>200,439</u>	<u>(111,326)</u>	<u>89,113</u>	<u>-</u>
Excess (deficit) of other financing sources over expenditures and other financing (uses)	<u>\$ -</u>	<u>\$ 111,327</u>	<u>\$ (111,327)</u>	<u>\$ -</u>	<u>\$ -</u>

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
CAPITAL PROJECT # 17-01
Rocky River WWTP Electrical Distribution Improvements
From inception and for the fiscal year ended June 30, 2022

	Actual			Total to Date	Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year		
Expenditures:					
Capital outlay-public works:					
Engineering	\$ 585,740	\$ 362,940	\$ 222,800	\$ 585,740	\$ -
Other	6,099	6,099	-	6,099	-
	<u>591,839</u>	<u>369,039</u>	<u>222,800</u>	<u>591,839</u>	<u>-</u>
Total expenditures					
	<u>591,839</u>	<u>369,039</u>	<u>222,800</u>	<u>591,839</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(591,839)</u>	<u>(369,039)</u>	<u>(222,800)</u>	<u>(591,839)</u>	<u>-</u>
Other financing sources (uses):					
Transfer to operating fund	(86,161)	-	(86,161)	(86,161)	-
Transfer from operating fund	678,000	678,000	-	678,000	-
	<u>591,839</u>	<u>678,000</u>	<u>(86,161)</u>	<u>591,839</u>	<u>-</u>
Total other financing sources (uses)					
	<u>591,839</u>	<u>678,000</u>	<u>(86,161)</u>	<u>591,839</u>	<u>-</u>
Excess (deficit) of other financing sources over expenditures and other financing (uses)	<u>\$ -</u>	<u>\$ 308,961</u>	<u>\$ (308,961)</u>	<u>\$ -</u>	<u>\$ -</u>

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
CAPITAL PROJECT # 82-02
Lower Back Creek Rehabilitation
From inception and for the fiscal year ended June 30, 2022

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Expenditures:					
Capital outlay-public works:					
Engineering	\$ 173,000	\$ -	\$ 33,567	\$ 33,567	\$ 139,433
Lines and stations	<u>3,399,112</u>	<u>-</u>	<u>45,093</u>	<u>45,093</u>	<u>3,354,019</u>
Total expenditures	<u>3,572,112</u>	<u>-</u>	<u>78,660</u>	<u>78,660</u>	<u>3,493,452</u>
Deficiency of revenues under expenditures	<u>(3,572,112)</u>	<u>-</u>	<u>(78,660)</u>	<u>(78,660)</u>	<u>3,493,452</u>
Other financing sources:					
Transfer from operating fund	<u>3,572,112</u>	<u>-</u>	<u>3,572,112</u>	<u>3,572,112</u>	<u>-</u>
Total other financing sources	<u>3,572,112</u>	<u>-</u>	<u>3,572,112</u>	<u>3,572,112</u>	<u>-</u>
Excess of other financing sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$3,493,452</u>	<u>\$3,493,452</u>	<u>\$ 3,493,452</u>

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
CAPITAL PROJECT # 19-01
Lower Coddle Creek Interceptor Project
From inception and for the fiscal year ended June 30, 2022

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
State Fiscal Recovery Fund: American Rescue Plan Act	\$ 35,000,000	\$ -	\$ -	\$ -	\$ (35,000,000)
Total revenues	<u>35,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(35,000,000)</u>
Expenditures:					
Capital outlay-public works:					
Engineering	1,080,595	1,014,825	45,403	1,060,228	20,367
Construction	43,033,550	-	-	-	43,033,550
Right of ways	550,000	-	176,094	176,094	373,906
Other	<u>203,405</u>	<u>74,000</u>	<u>54,789</u>	<u>128,789</u>	<u>74,616</u>
Total expenditures	<u>44,867,550</u>	<u>1,088,825</u>	<u>276,286</u>	<u>1,365,111</u>	<u>43,502,439</u>
Deficiency of revenues under expenditures	<u>(9,867,550)</u>	<u>(1,088,825)</u>	<u>(276,286)</u>	<u>(1,365,111)</u>	<u>8,502,439</u>
Other financing sources:					
Transfer from system development fee fund	<u>9,867,550</u>	<u>1,584,000</u>	<u>8,283,550</u>	<u>9,867,550</u>	<u>-</u>
Total other financing sources	<u>9,867,550</u>	<u>1,584,000</u>	<u>8,283,550</u>	<u>9,867,550</u>	<u>-</u>
Excess of other financing sources over expenditures	<u>\$ -</u>	<u>\$ 495,175</u>	<u>\$ 8,007,264</u>	<u>\$ 8,502,439</u>	<u>\$ 8,502,439</u>

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
CAPITAL PROJECT # 19-02
Back Creek Interceptor Extension Project
From inception and for the fiscal year ended June 30, 2022

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Expenditures:					
Capital outlay-public works:					
Engineering	\$ 1,200,200	\$ 916,256	\$ 10,038	\$ 926,294	\$ 273,906
Lines and station	10,417,125	-	-	-	10,417,125
Right of ways	374,000	208,844	134,207	343,051	30,949
Other	408,675	239,070	480	239,550	169,125
	<u>12,400,000</u>	<u>1,364,170</u>	<u>144,725</u>	<u>1,508,895</u>	<u>10,891,105</u>
Total expenditures					
Deficiency of revenues under expenditures	<u>(12,400,000)</u>	<u>(1,364,170)</u>	<u>(144,725)</u>	<u>(1,508,895)</u>	<u>10,891,105</u>
Other financing sources:					
Contributions - Charlotte Mecklenburg Utilities	10,292,000	1,129,580	-	1,129,580	(9,162,420)
Transfer from system development fee fund	<u>2,108,000</u>	<u>2,108,000</u>	<u>-</u>	<u>2,108,000</u>	<u>-</u>
Total other financing sources	<u>12,400,000</u>	<u>3,237,580</u>	<u>-</u>	<u>3,237,580</u>	<u>(9,162,420)</u>
Excess (deficit) of other financing sources over expenditures	<u>\$ -</u>	<u>\$ 1,873,410</u>	<u>\$ (144,725)</u>	<u>\$ 1,728,685</u>	<u>\$ 1,728,685</u>

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
CAPITAL PROJECT # 19-03
Lower Rocky River Interceptor Rehab Project
From inception and for the fiscal year ended June 30, 2022

	Project <u>Authorization</u>	Actual			Variance Positive (Negative)
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
Capital outlay-public works:					
Engineering	\$ 114,620	\$ 114,620	\$ -	\$ 114,620	\$ -
Lines and stations	1,589,343	1,589,343	-	1,589,343	-
Other	<u>760</u>	<u>760</u>	<u>-</u>	<u>760</u>	<u>-</u>
Total expenditures	<u>1,704,723</u>	<u>1,704,723</u>	<u>-</u>	<u>1,704,723</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(1,704,723)</u>	<u>(1,704,723)</u>	<u>-</u>	<u>(1,704,723)</u>	<u>-</u>
Other financing sources (uses):					
Transfer to operating fund	(375,289)	-	(375,289)	(375,289)	-
Transfer from operating fund	<u>2,080,012</u>	<u>2,080,012</u>	<u>-</u>	<u>2,080,012</u>	<u>-</u>
Total other financing sources (uses)	<u>1,704,723</u>	<u>2,080,012</u>	<u>(375,289)</u>	<u>1,704,723</u>	<u>-</u>
Excess (deficit) of other financing sources over expenditures and other financing (uses)	<u>\$ -</u>	<u>\$ 375,289</u>	<u>\$ (375,289)</u>	<u>\$ -</u>	<u>\$ -</u>

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
CAPITAL PROJECT # 19-04
Step 2 Aeration Basin Mixer Project
From inception and for the fiscal year ended June 30, 2022

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Expenditures:					
Capital outlay-public works:					
Plant and systems	\$ 666,358	\$ 336,600	\$ 329,758	\$ 666,358	\$ -
Other	<u>132</u>	<u>132</u>	<u>-</u>	<u>132</u>	<u>-</u>
Total expenditures	<u>666,490</u>	<u>336,732</u>	<u>329,758</u>	<u>666,490</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(666,490)</u>	<u>(336,732)</u>	<u>(329,758)</u>	<u>(666,490)</u>	<u>-</u>
Other financing sources:					
Transfer from operating fund	<u>666,490</u>	<u>664,000</u>	<u>2,490</u>	<u>666,490</u>	<u>-</u>
Total other financing sources	<u>666,490</u>	<u>664,000</u>	<u>2,490</u>	<u>666,490</u>	<u>-</u>
Excess (deficit) of other financing sources over expenditures	<u>\$ -</u>	<u>\$ 327,268</u>	<u>\$ (327,268)</u>	<u>\$ -</u>	<u>\$ -</u>

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
CAPITAL PROJECT # 19-05
Lower Rocky River Additional Pump Capacity
From inception and for the fiscal year ended June 30, 2022

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Expenditures:					
Capital outlay-public works:					
Engineering	350,836	231,736	89,848	321,584	29,252
Lines and stations	2,430,488	-	1,585,894	1,585,894	844,594
Other	30,000	6,264	7,862	14,126	15,874
Total expenditures	<u>2,811,324</u>	<u>238,000</u>	<u>1,683,604</u>	<u>1,921,604</u>	<u>889,720</u>
Deficiency of revenues under expenditures	<u>(2,811,324)</u>	<u>(238,000)</u>	<u>(1,683,604)</u>	<u>(1,921,604)</u>	<u>889,720</u>
Other financing sources:					
Contributions - Charlotte Mecklenburg Utilities	880,000	-	472,795	472,795	(407,205)
Transfer from capital project fund	111,324	-	111,324	111,324	-
Transfer from system development fee	<u>1,820,000</u>	<u>1,820,000</u>	<u>-</u>	<u>1,820,000</u>	<u>-</u>
Total other financing sources	<u>2,811,324</u>	<u>1,820,000</u>	<u>584,119</u>	<u>2,404,119</u>	<u>(407,205)</u>
Excess (deficit) of other financing sources over expenditures	<u>\$ -</u>	<u>\$ 1,582,000</u>	<u>\$ (1,099,485)</u>	<u>\$ 482,515</u>	<u>\$ 482,515</u>

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
CAPITAL PROJECT # 82-03
Master Plan and Permitting
From inception and for the fiscal year ended June 30, 2022

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Expenditures:					
Capital outlay-public works:					
Engineering	\$ 3,671,809	\$ -	\$ 498,883	\$ 498,883	\$ 3,172,926
Total expenditures	<u>3,671,809</u>	<u>-</u>	<u>498,883</u>	<u>498,883</u>	<u>3,172,926</u>
Deficiency of revenues under expenditures	<u>(3,671,809)</u>	<u>-</u>	<u>(498,883)</u>	<u>(498,883)</u>	<u>3,172,926</u>
Other financing sources:					
Transfer from operating fund	<u>3,671,809</u>	<u>-</u>	<u>3,671,809</u>	<u>3,671,809</u>	<u>-</u>
Total other financing sources	<u>3,671,809</u>	<u>-</u>	<u>3,671,809</u>	<u>3,671,809</u>	<u>-</u>
Excess of other financing sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$3,172,926</u>	<u>\$3,172,926</u>	<u>\$ 3,172,926</u>

WSACC



WATER AND SEWER AUTHORITY
OF CABARRUS COUNTY

Statistical Section

The information presented in this section is provided for additional analysis purposes only and has not been subjected to audit verification as presented.

Statistical Section

This part of the annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about WSACC's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how WSACC's financial performance and well-being have changed over time.

- Net Position by Component
- Changes in Net Position
- Operating Revenue by Source
- Operating Expenses
- Nonoperating Revenues and Expenses

Revenue Capacity

These schedules contain information to help the reader assess WSACC's most significant revenue sources.

- Annual Capital Contributions by Source
- Wastewater Treated, Water Produced and Related Revenues
- Volume Based Rates and Charges
- Fixed Charges
- All Sewer Customers

Debt Capacity

These schedules present information to help the reader assess the affordability of WSACC's current levels of outstanding debt and WSACC's ability to issue additional debt in the future.

- Ratios of Outstanding Debt by Type
- Revenue Available for Debt Coverage

Demographic and Economic Information

- Demographic and Economic Statistics
- Principal Employers

Operating Information

- Number of Employees by Function
- Operating and Capital Indicators

Table 1

Water and Sewer Authority of Cabarrus County
Net Position by Component
 Last Ten Fiscal Years

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net investment in capital assets	\$ 139,095,360	\$ 144,437,123	\$ 144,406,452 (a.)	\$ 128,288,274 (b.)	\$ 123,226,792 (c.)	\$ 126,506,668	\$ 126,085,008	\$ 127,734,632	\$ 129,863,496 (d.)	\$ 129,942,283
Restricted-capital recovery fees	13,795,324	14,286,060	14,610,271	13,983,356	11,578,136	6,813,402	5,329,015	2,690,786	-	-
Restricted-system development fees	-	-	-	-	-	-	2,484,238	5,619,163	9,376,259	5,741,049
Unrestricted	18,265,290	10,678,912	8,279,765	9,177,618	12,555,348	10,658,726	14,834,617	17,062,510	19,835,206	36,790,766
Total net position	\$ 171,155,974	\$ 169,402,095	\$ 167,296,488	\$ 151,449,248	\$ 147,360,276	\$ 143,978,796	\$ 148,732,878	\$ 153,107,091	\$ 159,074,961	\$ 172,474,098

Notes:

- (a.) Due to the implementation of GASB 68 in Fiscal Year 2015, the previously reported ending net position for 2014 was restated by a \$404,640 decrease.
 (b.) The significant decrease in Fiscal Year 2016 net investment in capital assets is due to the impairment loss on the Biosolids Incineration power generating project.
 (c.) The decrease in Fiscal Year 2017 is related to the transfer of assets to the Town of Mt. Pleasant as of June 30, 2017.
 (d.) In Fiscal Year 2021, a final transfer of the restricted capital recovery fees was made for debt service. This has been replaced with restricted system development fees.

Source: WSACC Accounting Records

Water and Sewer Authority of Cabarrus County
Changes in Net Position
 Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income/(Loss)	Total		Income/(Loss) before Capital Contributions	Capital Contributions		Capital Contributions System Development Fees	Capital Contributions Governments/ Developers	Extraordinary/ Special Items (a.)	Change in Net Position
				Nonoperating Revenues/(Expenses)	Operating Income/(Loss)		Capital Contributions Recovery Fees	Capital Contributions				
2013	\$ 13,023,196	\$ 16,334,748	\$ (3,311,552)	\$ (492,385)	\$ (3,803,937)	\$ 2,062,036	\$ -	\$ -	\$ 2,518,792	\$ -	\$ -	\$ 776,891
2014	13,927,805	17,491,219	(3,563,414)	(496,816)	(4,060,230)	1,888,011	-	-	418,360	-	-	(1,753,859)
2015	13,644,437	18,222,814	(4,578,377)	(423,028)	(5,001,405)	2,534,701	-	-	735,737	-	-	(1,730,967)
2016	14,959,931	18,126,982	(3,167,051)	(347,535)	(3,514,586)	2,982,505	-	-	31,040	(15,316,199)	-	(15,817,240)
2017	15,237,603	17,676,149	(2,438,546)	(236,334)	(2,674,880)	2,363,166	-	-	31,040	(3,808,298)	-	(4,088,972)
2018	15,442,545	17,629,146	(2,186,601)	32,251	(2,154,350)	2,820,587	-	-	20,000	(780,034)	-	(93,797)
2019	17,769,181	18,268,877	(499,696)	256,216	(243,480)	(2,864)	5,046,788	-	-	(46,362)	-	4,754,082
2020	17,315,052	17,971,756	(656,704)	266,542	(390,162)	-	4,764,375	-	-	-	-	4,374,213
2021	18,031,899	19,808,169	(1,776,270)	(49,253)	(1,825,523)	-	6,177,096	1,616,297	1,616,297	-	-	5,967,870
2022	17,456,338	19,515,389	(2,059,051)	(256,174)	(2,315,225)	-	4,426,790	3,037,572	3,037,572	8,250,000	-	13,399,137

Note:

(a.) The special item in FY 2016, 2018 and 2019 is related to the impairment loss on the Biosolids power generating project.
 The special item in FY 2017 is related to the loss on transfer of assets to Mt. Pleasant and additional losses from the Biosolids Incineration project.
 The extraordinary item in FY 2022 is from a multiyear litigation settlement regarding the Biosolids Heat to Energy Project.

Source: WSACC Accounting Records

Table 3

Water and Sewer Authority of Cabarrus County
Operating Revenues by Source
 Last Ten Fiscal Years

Fiscal Year	Sewer Variable Charges	Fixed Sewer Charges (d.)	Import Biosolids Tipping Charges (a.)	Liquid Raw Biosolids Charges (b.)	Electric Power Sales (c.)	Industrial Surcharges	Pretreatment Program Charges	Raw Water	Treated Water	Miscellaneous (e.)	Total Operating Revenues
2013	\$ 7,706,587	\$ 3,676,930	\$ 127,714	\$ 147,224	\$ -	\$ 397,588	\$ 200,592	\$ 428,903	\$ 276,802	\$ 60,856	\$ 13,023,196
2014	8,465,086	3,676,930	81,232	352,523	-	425,509	190,530	428,903	262,838	44,254	13,927,805
2015	7,654,482	3,676,930	372,003	369,643	138,193	521,291	187,471	428,903	275,910	19,611	13,644,437
2016	8,642,237	4,092,382	290,655	428,236	188,647	412,606	183,525	428,903	291,897	20,843	14,959,931
2017	9,024,607	4,091,564	340,218	412,867	-	407,585	187,814	274,459	237,034	261,455	15,237,603
2018	9,334,126	4,226,826	361,539	452,016	-	543,735	212,756	274,459	-	37,088	15,442,545
2019	11,708,459	4,226,798	473,615	275,005	-	586,173	201,245	274,459	-	23,427	17,769,181
2020	10,980,566	4,226,830	418,695	471,977	-	700,984	214,727	274,459	-	26,814	17,315,052
2021	11,214,155	4,449,301	398,650	615,488	-	802,633	237,691	274,459	-	39,522	18,031,899
2022	10,896,840	4,025,246	300,449	571,951	-	957,065	242,798	274,459	-	187,530	17,456,338

Notes:

Capital recovery fees, system development fees and capital contributions are shown on Table 6.

(a.) Beginning in fiscal year 2013, WSACC began charging a tipping fee for receiving and incinerating biosolids from other entities.

(b.) Septage haulers and liquid biosolids that require treatment before incineration.

(c.) Beginning in fiscal year 2015, WSACC began selling electrical power generated from its steam turbine generator. The power generation has been discontinued.

(d.) Beginning fiscal year 2016, interceptor variable revenues are combined with sewer treatment charges for accounting purposes.

(e.) For FY 2017, reimbursed costs from the City of Charlotte for a new scrubber is included in Miscellaneous.

(e.) For FY 2022, reimbursed costs and finance charges from Prime Beverage are included in Miscellaneous.

Source: WSACC Accounting Records

Table 4

Water and Sewer Authority of Cabarrus County
Operating Expenses
 Last Ten Fiscal Years

Fiscal Year	Salaries and Employee Benefits	Utilities	Repairs and Maintenance	Materials and Supplies	Insurance	Professional Services	Other	Subtotal, Expenses before Depreciation	Depreciation	Total Operating Expenses
2013	\$ 5,279,975	\$ 1,689,726	\$ 1,301,478	\$ 717,848	\$ 212,748	\$ 609,159	\$ 391,614	\$ 10,202,548	\$ 6,132,200	\$ 16,334,748
2014	5,387,492	1,614,880	1,800,684	802,028	371,456	800,809	360,544	11,137,893	6,353,326	17,491,219
2015	5,508,457	1,921,177	1,425,939	957,614	341,803	1,053,900	204,101	11,412,991	6,809,823	18,222,814
2016	5,507,509	1,741,359	1,845,327	791,002	275,697	649,648	297,052	11,107,594	7,019,388	18,126,982
2017	5,509,497	1,737,335	1,399,118	1,022,892	162,681	595,342	178,218	10,605,083	7,071,066	17,676,149
2018	5,205,783	1,777,464	1,677,492	1,043,178	168,256	682,384	345,074	10,899,631	6,729,515	17,629,146
2019	5,460,579	1,699,812	2,027,531	1,344,460	186,914	934,144	218,834	11,872,274	6,396,603	18,268,877
2020	5,782,108	1,967,530	1,470,114	1,331,342	191,834	817,121	399,793	11,959,842	6,011,914	17,971,756
2021	5,616,998	1,932,460	1,321,280	1,389,869	207,106	1,554,391	386,247	12,408,351	7,399,818	19,808,169
2022	5,529,230	1,883,034	1,303,529	1,449,444	206,366	1,691,970	254,364	12,317,937	7,197,452	19,515,389

Source: WSACC Accounting Records

Table 5

**Water and Sewer Authority of Cabarrus County
Nonoperating Revenues and Expenses
Last Ten Fiscal Years**

Fiscal Year	Interest Expense	Investment Earnings	Sale of Capital Assets	Total	
				Nonoperating Revenue	Revenue
2013	\$ (685,070)	\$ 192,685	\$ -	\$	(492,385)
2014	(612,483)	115,667	-		(496,816)
2015	(538,802)	107,731	8,043		(423,028)
2016	(466,900)	114,092	5,273		(347,535)
2017	(402,593)	162,956	3,303		(236,334)
2018	(338,379)	321,775	48,855		32,251
2019	(279,179)	515,310	20,085		256,216
2020	(216,601)	465,592	17,551		266,542
2021	(156,882)	70,111	37,518		(49,253)
2022	(308,340)	47,598	4,568		(256,174)

Source: WSACC Accounting Records

Table 6

Water and Sewer Authority of Cabarrus County
Annual Capital Contributions by Source
 Last Ten Fiscal Years

Fiscal Year	Capital Recovery	System Development	Other	Total
	Fees (a.)	Fees (b.)	Governments	
2013	\$ 2,062,036	-	\$ 2,518,792	\$ 4,580,828
2014	1,888,011	-	418,360	2,306,371
2015	2,534,701	-	735,737	3,270,438
2016	2,982,505	-	31,040	3,013,545
2017	2,363,166	-	31,040	2,394,206
2018	2,820,587	-	20,000	2,840,587
2019	(2,864)	5,046,788	-	5,043,924
2020	-	4,764,375	-	4,764,375
2021	-	6,177,096	1,616,297	7,793,393
2022	-	4,426,790	3,037,572	7,464,362

Note:

- (a.) Capital Recovery Fee collection was discontinued at the end of Fiscal Year 2018 in accordance with N.C. State Statute.
- (b.) System Development Fee collection was implemented at the beginning of Fiscal Year 2019 in accordance with procedures allowed by N.C. State Statute.

Source: WSACC Accounting Records

Table 7

Water and Sewer Authority of Cabarrus County
Wastewater Treated, Water Produced and Related Revenues
 Last Ten Fiscal Years

Fiscal Year	Million Gallons of Wastewater Treated	Million Gallons of Raw Water Produced (a.)	Thousand Gallons of Treated Water Produced (b.)(c.)	Variable/		Variable Revenue Treated Water Produced (c.)
				Fixed Revenue Raw Water Produced	Fixed Revenue Treated Water Produced	
2013	6,138	2,942	70,410	\$ 7,706,587	\$ 428,903	\$ 276,802
2014	6,871	2,808	65,944	8,465,086	428,903	262,838
2015	6,213	2,826	71,127	7,654,482	428,903	275,910
2016	6,679	2,787	66,698	8,642,237	428,903	291,897
2017	6,641	3,072	65,741	9,024,607	274,459	237,034
2018	6,544	2,852	-	9,334,126	274,459	-
2019	7,965	2,957	-	11,708,459	274,459	-
2020	7,286	3,016	-	10,980,566	274,459	-
2021	7,266	2,744	-	11,214,155	274,459	-
2022	6,972	3,092	-	10,896,840	274,459	-

Notes:

- (a.) WSACC operates the Lake Howell Reservoir and sells raw water to the Cities of Concord and Kannapolis.
- (b.) WSACC operated the Town of Mt. Pleasant's treated water operation under a contractual agreement.
- (c.) WSACC no longer operates the Mt. Pleasant Water Treatment Plant as of June 30, 2017.

Source: WSACC Accounting Records

Water and Sewer Authority of Cabarrus County
Volume Based Rates and Charges
 Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2020	2022
Wastewater:										
O & M Rate (a.)	\$ 1.2320	\$ 1.2320	\$ 1.2320	\$ 1.2950	\$ 1.3590	\$ 1.4270	\$ 1.4700	\$ 1.5070	\$ 1.5070	\$ 1.5630
Industrial Surcharges:										
BOD (b.)	\$ 0.0529	\$ 0.0529	\$ 0.0529	\$ 0.0529	\$ 0.0529	\$ 0.0529	\$ 0.0560	\$ 0.0560	\$ 0.0560	\$ 0.0560
COD (b.)	\$ 0.0954	\$ 0.0954	\$ 0.0954	\$ 0.0954	\$ 0.0954	\$ 0.0954	\$ 0.1000	\$ 0.1000	\$ 0.1000	\$ 0.1000
TSS (b.)	\$ 0.2538	\$ 0.2538	\$ 0.2538	\$ 0.2538	\$ 0.2538	\$ 0.2538	\$ 0.2670	\$ 0.2670	\$ 0.2670	\$ 0.2670
NH3-N (b.)	\$ 0.3096	\$ 0.3096	\$ 0.3096	\$ 0.3096	\$ 0.3096	\$ 0.3096	\$ 0.3250	\$ 0.3250	\$ 0.3250	\$ 0.3250
Others (b.)	\$ 0.3823	\$ 0.3823	\$ 0.3823	\$ 0.3823	\$ 0.3823	\$ 0.3823	\$ 0.4100	\$ 0.4100	\$ 0.4100	\$ 0.4100
Water:										
Treated Water (a.)(c.)	\$ 2.8300	\$ 2.8300	\$ 2.8300	\$ 3.2810	\$ 3.5100	N/A	N/A	N/A	N/A	N/A

Notes:

- (a.) Charge per 1,000 gallons.
- (b.) Charge per pound of high strength industrial waste.
- (c.) WSACC no longer operates the Mt. Pleasant Water Treatment Plant as of June 30, 2017.

Source: WSACC Accounting Records

Water and Sewer Authority of Cabarrus County
Fixed Charges
 Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Wastewater										
Treatment Fixed Charge										
City of Concord	\$1,111,397	\$1,111,397	\$1,111,397	\$1,108,497	\$1,106,002	\$1,086,548	\$1,086,548	\$1,086,550	\$1,189,757	\$1,139,703
Town of Harrisburg	118,245	118,245	118,245	117,935	117,670	115,601	115,601	115,600	126,582	121,260
Town of Mt. Pleasant	24,804	24,804	24,804	24,735	24,679	24,248	24,248	24,248	26,551	25,435
City of Kannapolis	469,239	469,239	469,239	468,026	466,972	458,746	458,746	458,745	502,319	481,201
Charlotte-Mecklenburg	490,310	490,310	490,310	489,020	487,730	561,715	561,715	561,715	615,070	589,210
Total	\$2,213,995	\$2,213,995	\$2,213,995	\$2,208,213	\$2,203,053	\$2,246,858	\$2,246,858	\$2,246,858	\$2,460,279	\$2,356,809
Interceptor Fixed Charge										
City of Concord	\$954,467	\$954,467	\$954,467	\$961,726	\$963,541	\$987,745	\$983,771	\$984,511	\$931,829	\$987,988
Town of Harrisburg	102,390	102,390	102,390	103,926	104,189	108,074	110,132	110,200	104,786	117,710
Town of Mt. Pleasant	31,409	31,409	31,409	31,024	31,027	30,563	30,540	30,517	29,686	30,786
City of Kannapolis	374,669	374,669	374,669	381,271	382,325	400,453	400,218	400,320	379,034	397,969
Charlotte-Mecklenburg (a.)	-	-	-	406,222	407,429	453,133	455,279	454,424	543,687	133,984
Total	\$1,462,935	\$1,462,935	\$1,462,935	\$1,884,169	\$1,888,511	\$1,979,968	\$1,979,940	\$1,979,972	\$1,989,022	\$1,668,437
Water										
Raw Water Fixed Charges										
City of Concord	\$ 352,523	\$ 352,523	\$ 352,523	\$ 352,523	\$ 225,583	\$ 225,583	\$ 225,583	\$ 225,583	\$ 225,583	\$ 225,583
City of Kannapolis	76,380	76,380	76,380	76,380	48,876	48,876	48,876	48,876	48,876	48,876
Total	\$ 428,903	\$ 428,903	\$ 428,903	\$ 428,903	\$ 274,459	\$ 274,459	\$ 274,459	\$ 274,459	\$ 274,459	\$ 274,459
Treated Water Fixed Charges										
Town of Mt. Pleasant (b.)	\$ 77,783	\$ 76,215	\$ 74,646	\$ 73,078	\$ 6,274	\$ -	\$ -	\$ -	\$ -	\$ -

Notes:
 Fixed charges recover debt service and certain capital outlays.
 (a.) Beginning in FY 2016, new interceptor charges were collected from Charlotte-Mecklenburg to offset capital costs.
 (b.) WSACC no longer operates the Mt. Pleasant Water Treatment Plant.

Source: WSACC Accounting Records

Table 10

Water and Sewer Authority of Cabarrus County
All Sewer Customers
 Current Year and Nine Years Ago

Customer	Fiscal Year 2022			%
	Volume Charges	Fixed Charges	Total Charges	
City of Concord	\$ 4,871,661	\$ 2,127,721	\$ 6,999,382	46.91%
City of Kannapolis	2,281,286	56,191	2,337,477	15.66%
Charlotte-Mecklenburg Utilities	2,757,410	238,970	2,996,380	20.08%
Town of Harrisburg	880,513	879,170	1,759,683	11.79%
Town of Mt. Pleasant	105,970	723,194	829,164	5.56%
Total	\$ 10,896,840	\$ 4,025,246	\$ 14,922,086	100.00%

Customer	Fiscal Year 2013			%
	Volume Charges	Fixed Charges	Total Charges	
City of Concord	\$ 3,647,218	\$ 2,065,864	\$ 5,713,082	50.19%
City of Kannapolis	1,790,325	843,908	2,634,233	23.14%
Charlotte-Mecklenburg Utilities	1,555,045	490,310	2,045,355	17.13%
Town of Harrisburg	632,688	220,635	853,323	7.50%
Town of Mt. Pleasant	81,312	56,213	137,525	1.21%
Total	\$ 7,706,587	\$ 3,676,930	\$ 11,383,517	100.00%

Source: WSACC Accounting Records

Water and Sewer Authority of Cabarrus County
Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years

Fiscal Year	State Revolving Funds Loan	Revenue Bonds	Total		As a Share of Personal Income
			Total Debt Outstanding	Debt Per Capita	
2013	\$ 24,076,444	-	\$ 24,076,444	131	0.3861%
2014	21,371,925	-	21,371,925	115	0.3010%
2015	18,622,286	-	18,622,286	99	0.2550%
2016	16,351,367	-	16,351,367	85	0.2210%
2017	13,620,244	-	13,620,244	69	0.1684%
2018	11,312,132	-	11,312,132	56	0.1278%
2019	8,954,083	-	8,954,083	43	0.0957%
2020	6,544,814	-	6,544,814	31	0.0664%
2021	4,083,010	-	4,083,010	19	0.0380%
2022	2,685,754	65,790,000	68,475,754	296	0.0000% *

Source: WSACC Accounting Records
 * Information not able to be calculated

Table 12

Water and Sewer Authority of Cabarrus County
Revenue Available for Debt Coverage
 Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Gross Revenues	Less Operating Expenses (excluding depreciation)	Net Available Revenues	Debt Service		Coverage Ratio
					Principal	Interest	
2013	\$ 13,023,196	\$ 13,023,196	\$ 10,202,548	\$ 2,820,648	\$ 2,660,528	\$ 685,070	0.84
2014	13,927,805	13,927,805	11,557,893	2,369,912	2,704,519	612,503	0.71
2015	13,644,437	13,644,437	11,412,991	2,231,446	2,749,640	551,246	0.68
2016	14,959,931	14,959,931	11,107,594	3,852,337	2,270,919	476,578	1.40
2017	15,237,603	15,237,603	10,605,083	4,632,520	2,259,425	412,219	1.73
2018	15,442,545	15,442,545	10,899,631	4,542,914	2,308,112	348,210	1.71
2019	17,769,181	17,769,181	11,872,274	5,896,907	2,358,049	289,224	2.23
2020	17,315,052	17,315,052	11,959,842	5,355,210	2,409,269	228,957	2.03
2021	18,031,899	18,031,899	12,408,351	5,623,548	2,461,804	167,371	2.14
2022	17,456,338	17,456,338	12,317,937	5,138,401	1,397,256	104,438	3.42

Source: WSACC Accounting Records

Table 13

Water and Sewer Authority of Cabarrus County
Demographic and Economic Statistics for Cabarrus County
 Last Ten Fiscal Years

Fiscal Year	Population ⁽¹⁾	Personal Income ⁽²⁾	Per Capita Income ⁽²⁾	School Enrollment ⁽³⁾	Unemployment Rate ⁽⁴⁾	Number of Building Inspections Performed ⁽⁵⁾
2013	186,446	7,025,450	38,079	35,125	8.80%	30,780
2014	187,226	7,301,723	39,000	34,763	6.00%	42,541
2015	192,103	7,399,908	38,521	34,609	5.50%	46,267
2016	196,762	8,286,025	41,103	35,376	4.60%	55,741
2017	201,590	9,085,784	43,920	36,669	3.90%	57,485
2018	206,872	9,556,853	45,220	33,877	3.80%	61,400
2019	211,342	10,089,975	46,615	32,955	4.00%	64,131
2020	216,453	11,002,886	49,679	33,579	7.60%	71,036
2021	227,065	*	*	32,555	4.40%	72,520
2022	231,278	*	*	33,565	3.70%	65,142

* Information not yet available. Information for calendar year will be made available by Cabarrus County.

Notes:

- (1) United States Census Bureau
- (2) Bureau of Economic Analysis, US Department of Commerce. Figures are for the prior calendar year.
- (3) Public Schools of North Carolina/State Board of Education reported the County Official Statements.
- (4) N.C. Employment Security Commission, Annual Average for prior calendar year.
- (5) Total number of inspections performed by Cabarrus County Inspections Department. Does not include inspections by municipalities.

Table 14

Water and Sewer Authority of Cabarrus County
Principal Employers for Cabarrus County
 Current Year and Nine Years Ago

Employer	2022			2013		
	Employees	Percentage of Total	Rank	Employees	Percentage of Total	Rank
Atrium Health (formerly Carolinas Healthcare)	5,156	4.71%	1	4,500	5.37%	1
Cabarrus County Schools	4,396	4.02%	2	3,800	4.53%	2
Cabarrus County Government	1,261	1.15%	3	950	1.13%	3
Amazon	1,176	1.07%	4	-	-	-
Wal-Mart	1,225	1.12%	5	-	-	-
City of Concord	1,123	1.03%	6	901	1.08%	4
FedEx Ground and FedEx Smartpost	1,050	0.96%	7	-	-	-
Corning	956	0.87%	8	-	-	-
Shoe Show	811	0.74%	9	550	0.66%	9
Kannapolis City Schools	745	0.68%	10	750	0.90%	7
ACN	-	-	-	500	0.60%	10
State of North Carolina	-	-	-	770	0.92%	6
S&D Coffee & Tea	-	-	-	575	0.69%	8
Connexations	-	-	-	900	1.07%	5
Total Employment	17,899	17.48%		14,196	16.94%	

Source: Cabarrus County Finance Department

Table 15

Water and Sewer Authority of Cabarrus County
Number of Employees by Function
 Last Ten Fiscal Years

	Full-Time Equivalent Positions									
	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Administration:										
Executive	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Support	2.80	3.75	3.75	4.00	4.00	4.50	4.50	5.00	5.00	5.00
Finance	2.80	2.75	2.50	2.40	2.40	2.40	2.40	3.00	3.00	3.00
Total Administration	6.60	7.50	7.25	7.40	7.40	7.90	7.90	9.00	9.00	9.00
Engineering:										
Engineering	5.00	5.00	3.00	3.00	3.00	3.00	3.00	2.50	2.50	2.50
Total Engineering	5.00	5.00	3.00	3.00	3.00	3.00	3.00	2.50	2.50	2.50
Sewer:										
Administration	4.50	4.50	4.50	4.50	4.50	4.50	4.00	4.00	4.00	4.75
Maintenance	14.00	14.00	14.00	14.00	14.00	14.00	12.75	13.25	13.25	14.00
Operators	11.50	11.50	11.50	10.75	10.00	10.00	12.00	12.00	14.00	12.00
Total Sewer	30.00	30.00	30.00	29.25	28.50	28.50	28.75	29.25	31.25	30.75
Biosolids Incineration:										
Administration	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	1.25
Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	1.30	1.30	0.25	0.25
Operators	4.00	4.00	4.00	4.00	4.00	4.00	6.00	6.00	4.00	2.00
Total Biosolids Incin.(a.)	5.00	5.00	5.00	5.00	5.00	5.00	8.30	9.30	6.25	3.50
Laboratory:										
Administration	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.50	1.50
Laboratory Analyst	2.75	2.75	2.75	2.50	2.50	2.50	2.50	3.50	3.50	3.50
Total Laboratory	3.75	3.75	3.75	3.50	3.50	3.50	3.50	5.00	5.00	5.00
Pretreatment:										
Administration	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sample Technician	0.75	0.75	0.75	0.75	0.50	0.50	0.50	0.50	0.50	0.50
Total Pretreatment	1.75	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50
Interceptors:										
Administration	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Utility Maintenance Technician	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Utility Maintenance Worker	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total Interceptors	6.00	6.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Water- Wholesale Raw:										
Administration	0.15	0.15	0.15	0.15	0.15	0.15	0.15	1.50	1.50	1.50
Reservoir Maintenance Technician	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Operators	0.00	0.00	0.00	0.00	0.00	1.50	1.50	1.50	1.50	1.50
Total Water (b.)	1.15	1.15	1.15	1.15	1.15	2.65	2.65	4.00	4.00	4.00
Total Employees	59.25	60.15	56.90	56.05	55.05	57.05	60.60	65.55	64.50	61.25

Note:

- (a.) The Biosolids Incineration Department was established in FY 2013. In July 2016, the Heat to Power portion of this department was discontinued.
- (b.) WSACC no longer maintains operations of the Mt. Pleasant Water Treatment Plant.

Source: WSACC Personnel Records

Water and Sewer Authority of Cabarrus County
Operating and Capital Indicators
 Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Wastewater:										
Miles of Sewers	139	139	139	139	139	139	139	139	139	139
Number of Treatment Plants	2	2	2	2	2	2	2	2	2	2
Treatment Capacity (MGD)	26.65	26.65	26.65	26.65	26.65	26.65	26.65	26.65	26.65	26.65
Avg Yearly Treated (MGD)	16.815	18.825	17.022	18.300	18.194	17.928	21.822	19.963	19.923	19.366
Unused Capacity (MGD)	9.835	7.825	9.628	8.35	8.456	8.722	4.828	6.687	6.727	7.284
Percentage of Capacity Utilized	63.10%	70.64%	63.87%	68.67%	68.27%	67.27%	81.88%	74.91%	74.76%	72.67%
Drinking Water:										
Reservoir Capacity (MGD)	(a.) 16.28	16.28	16.28	16.28	16.28	16.28	16.28	16.28	16.28	16.28
Raw Water Sold (MGD)	(a.) 8.060	7.693	7.743	7.636	8.416	7.814	8.101	8.263	7.518	8.471
Unused Capacity (MGD)	(a.) 8.220	8.587	8.537	8.644	7.864	8.466	8.179	8.179	8.466	8.466
Percentage of Capacity Utilized	(a.) 49.51%	47.25%	47.56%	46.90%	51.70%	48.00%	49.76%	50.76%	46.18%	52.03%

Notes:

(a.) 50 year drought-safe yield for Lake Howell Reservoir.

MGD = millions of gallons per day.
 Source: WSACC Accounting Records