



DATE: October 12, 2023
TO: Board of Directors, BCRSD
FROM: Wendy Wieggers
THROUGH: Tom Ratermann
SUBJECT: 3rd Quarter 2023 Financial Report Notes

GENERAL:

1. I will be updating the WIP account balances.
2. I will be updating and improving our class tracking in Quickbooks over the coming week to focus on Collection and Treatment costs plus Quickbooks time tracking.
3. I am attempting to streamline month end procedures by automating any processes that I can and just double checking them as I complete monthly tasks. For example, insurance prepaid adjustments are set up to automatically enter each month for 12 months.
4. Meg has taken on a large chunk of the A/P process so I can focus on ACH transaction efficiencies.
5. Lease agreement accounting methods have been updated and now focusing on new software compliance.
6. Restricted or encumbered income is being identified and accounted for.

BALANCE SHEET:

1. I moved the Money Marketing bank account to its own account to make it easier to reconcile. The account is still under "Investments" just separated out.
2. I've added "restricted funds" for F-150 SLT trucks and F-550 replacement crane truck. We've added encumbered funds for Midway-Henderson Branch Project and Brookfield Estates Addendum.
3. Total cash in bank has increased \$655,600, includes investment account.
4. A/R has increased \$50,000, mainly due to Sturgeon charges.
5. #102450: Due to accounting updates, I am reviewing the lease purchase agreement for the sewer jet and the way we accounted for it. The auditors made a large adjustment. I will take more time to review and set up procedures for new leases. I am now working on new SBITA updates. The large change in #160300, 160301 is due to accounting changes for leases/lease purchases and audit JEs.
6. I am currently updating and making current the Work in Progress accounts. No activity since August 2022 and I'm sure there are a few invoices that need to be added and projects added/removed. Working with Daniel on this.
7. Current Assets have increased due to increase in cash, the refinance, contract services and pump purchases.
8. 160700 F/A Treatment Facilities has increased due to Butch's Investments entries.
9. 160800 F/A Collection Systems has increased due to Equipment Share, Eagle's Nest, Butch's Investment, Trade Winds and Ravenwood. These increased Donated Capital.
10. A/P is lower by -\$267,000. Meg has taken the A/P process on to ensure accuracy and timeliness. I am monitoring the ACH and credit card transactions to increase efficiencies.

INCOME STATEMENT (JANUARY THROUGH SEPTEMBER 2023):

1. Total income has increased \$277,000 and total expenses have increased \$45,000 with resulting net income of a positive \$207,000.
2. Total income has increased \$277,000 due to an increase in user fees, contracted services income (Ashland), an insurance payout from an insurance claim on generator replacement (\$20,000)/truck damage (hail) and interest income.
3. User Fees are up \$122,660 but Connection Fees have decreased slightly. Contract income has increased \$54,000 and Interest Income is up \$98,000 for the calendar year 2023.

4. Personnel expenses have increased for both Operations and Admin with COLA increase for 2023 plus OT and additional staff as compared to 2022
5. I made a change in how we report Boone Electric expenses from A/P to expenses
6. Postage, printing and copy expenses are up quite a bit due to newsletter expenses plus new separation of copier expenses overage out of lease payments.
7. Treatment costs are lower by -\$109,000 mainly due to a reduction in sludge disposal expenses. In 2022, BCRSD spent \$119,000 on Trails West Nutri-Jet project but not in 2023.
8. Collection System costs show an increase due to prepaid pump adjustments, parts and pumps and repair projects Spring Park and Green Hills pump.
9. Insurance account shows an increase due to an adjustment I made bringing the balance into alignment with current insurance expenses.
10. Larger reductions in expenses: outside services, fuel, vehicle repair & maintenance, sludge disposal, computer billing, interest expense.

BUDGET VS ACTUAL

1. Total income is over budgeted amount by \$236,000, mainly in User Fees and Interest Income.
2. Payroll expenses are coming in right at budget year-to-date.
3. Boone Electric Fees will show up over budget due to changes I've made in the reporting of these expenses.
4. Materials & Supplies slightly over budget by \$14,000.
5. #532000 Bond Issuance Expense is over budget due to timing. UMB took the Admin fees for Direct loans out one month late.
6. Commercial insurance expenses show an increase due to my audit of prepaid expenses. I am making a \$9,000 adjustment to bring the account to current expense amounts. We will look at this during renewal.
7. Many expenses are currently under budget. Those over budget currently are Pressurized Pumps & Parts and Commercial Insurance.
8. Total expenses are \$270,000 under budgeted amount.

SIGNATURE:

TITLE:

DATE: