



DATE: January 12, 2024  
TO: Board of Directors, BCRSD  
FROM: Wendy Wieggers  
THROUGH: Tom Ratermann  
SUBJECT: 4th Quarter 2023 Financial Report Notes

GENERAL:

1. There will be a credit to next two automatic payments from UMB regarding 2019 SRF payments. There was an error in the payment schedules that they have corrected and I opted to have the resulting credits applied to next two payments.
2. My priorities over the next two weeks: audit preparation, account clean up, QB class updates and time tracking finalized, Deposit reconciliation with BEC for 2023.
3. I will be moving all transactions into one A/P account and cleaning up the A/P transactions.
4. 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. This has been started but we are about half way there.
5. I am currently setting up processes for subscription and lease tracking for updated accounting measures before the audit. The new guidelines are a bit confusing and I am setting up an easy to understand process.
6. In the future, I will be working on a more summarized form of financial reports to show our position at-a-glance.

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. Encumbrances:

\$628,047	Midway
\$177,750	Brookfield
\$170,047	F-250 Truck, Crane Truck Replacement
3. Total cash in bank has increased \$874,434, includes investment account.
4. Prepaid expenses have increased \$42,000 due to the purchase of large lot of pumps for 2024. Part of purchase shows in 2023 and the remainder in 2024.
5. 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. To be ready and correct before audit.
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. I will be working with Daniel on this. Is a priority to have done before audit.
7. Current Assets have increased due to increase in cash, the refinance, contract services, truck purchases and pump purchases.
8. 160600 F/A Vehicles has increased for 2023 due to truck purchases.
9. 160700 F/A Treatment Facilities has increased due to Butch's Investments entries.
10. 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.
11. Accounts Payable increased \$141,000 from prior YTD.

INCOME STATEMENT (JANUARY THROUGH DECEMBER 2023):

1. Total income has increased \$269,000 and total expenses have increased \$163,000 with resulting net income of a positive \$107,000.
2. Total income has increased \$277,000 due to an increase in user fees(\$130,000), contracted services income (Ashland-\$56,000), an insurance payout from an insurance claim on generator replacement (\$20,000)/truck damage (hail) and interest income (\$94,000).
3. Personnel expenses have increased \$119,000 for both Operations and Admin with COLA increase for 2023 plus OT and additional staff as compared to 2022 (2022 staff: Daniel, Meg, Wyatt, Wendy).
4. I moved Boone Electric expenses from A/P to expenses.
5. 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. I upgraded a few office items but these will be one-time expenses and will watch closely in 2024.
6. Dues, Training and Seminars section will be revised in January.
7. Treatment costs are lower by -\$123,000 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 (\$55,000 SAMCO 2022), sludge disposal, interest expense.

BUDGET VS ACTUAL

1. Total income is over budgeted amount by \$320,000, mainly in User Fees and Interest Income.
2. Payroll expenses are coming in under budget year-to-date.
3. Materials & Supplies slightly over budget by \$15,000 due to office updates and printing overage reporting.
4. Most utility expenses are over budgeted amount a bit.
5. Sludge disposal expenses are lower than last year but above budgeted amount for 2023 by \$25,000.
6. Overall, System Repairs & Maintenance is right at budget despite pump costs.
7. 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.
8. Wholesale treatment is under budget by \$20,000.
9. Overall, Contracted Services are below budget by \$46,000.
10. Boone Electric Fees will show up over budget due to changes I've made in the reporting of these expenses.
11. Total expenses are \$349,000 under budgeted amount.

*Wendy Wieggers*

Manager, Finance & HR

SIGNATURE:

TITLE:

1/12/23

DATE: