

MEMORANDUM

Date: August 13, 2021
To: Board of Directors
From: Paula O'Keefe, Director of Administration
Subject: Administration / Financial Update

On September 7, 2021, the Finance Committee met and discussed the following items:

- Status presentation regarding the Tyler Technologies proposal for the District's new ERP
- Discussion on future water shutoffs
- Discussion on recognizing Dick Brandt's contribution to create RMCS.

The following is the summary of the September 2021 monthly Board Financial Report. The following are highlights from various internal financial reports. Please feel free to call me before the Board meeting regarding any questions you may have relating to these reports.

Monthly Budget to Actuals

While it was reported in the August Board meeting that outstanding entries from FY 2020-21 did not impact budgetary numbers, we have recently discovered a significant amount of invoices from FY 2020-21 were either partially or completely unpaid, as well as revenues that were not entered. Staff are updating the revenue entries, which include several prior years of direct levy payments collected and have processed all outstanding FY 2020-21 A/P invoices. At the time of this report, staff were preparing lists to accrue all prior year invoices to finalize the year end close process.

Procurement and Contracts

A/P has been particularly challenging during the transition of staffing in the month of August. Staff encountered several issues with the check run process and spent many hours working with IT and Great Plains project managers correcting the situation. The situation has been corrected and we have begun processing invoices in a timely manner.

Capital Improvement Projects Updates

No updates at this time.

Reserve Fund Purchases authorized by the General Manager

No authorized purchases by the General Manager in the month of August.

Reserve Funds Balance Sheet

Staff are presenting the current totals as of August 31, 2021. It is important to note that the final reserve totals are dependent upon year end close and are not finalized for FY 2020-21 at this time.

An extensive analysis of the District's reserves, Capital Improvement Projects and reserve usage and the reserve policy is being finalized to determine the total amount of available reserves and the appropriate management and usage of funds. Pending discussion at the October Finance Committee, staff will bring forward information to the October Board meeting, discuss findings and provide recommendations to the Board for retained revenues, reserve policy changes and Capital Improvement Projects allocations and funding obligations.

FY 2021-22 - Draft Reserve Beginning Balances

TB run ending 08/31/21

<i>Reserve Descriptions</i>	<i>Account #</i>	<i>FY 2021-22 Beginning Balance July 1, 2021</i>	<i>YTD Total Debit</i>	<i>YTD Total Credit</i>	<i>Year to Date Ending Balance August 31, 2021</i>
Capital Improvement Reserve Fees - Admin	100-2510	0	0	0	0
Unreserved Fund Balance	100-2800	0	0		0
	<i>Subtotal</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Water Capital Replacement	200-2505	1,990,869	0	44,876	2,035,746
Capital Improvement Reserves Fees - Admin Alloc	200-2505-99	39,990	0	0	39,990
Capital Improvement Reserves Fees - Water	200-2510	(115,491)	0	0	(115,491)
Capital Improvement Reserves Fees - Admin Alloc	200-2510-99	210,003	0	0	210,003
Water Supply Augmentation	200-2511	2,008,948	0	7,860	2,016,809
WTP Construction Fund Reserve	200-2513	(794,549)	31,441	31,300	(794,690)
Unreserved Fund Balance	200-2800	1,340,521	76,176	23,580	1,287,926
	<i>Subtotal</i>	<i>4,680,292</i>	<i>107,616</i>	<i>107,616</i>	<i>4,680,292</i>
Sewer Capital Improvement Connection	250-2500	4,342	0	0	4,342
Sewer Capital Replacement	250-2505	3,139,652	0	62,640	3,202,292
Capital Replacement Reserve Admin	250-2505-99	29,236	0	0	29,236
Capital Improvement Reserves Fees - Sewer	250-2510	73,246	0	0	73,246
Capital Improvement Reserves Fees - Admin Alloc	250-2510-99	159,077	0	0	159,077
Unreserved Fund Balance	250-2800	1,448,601	62,640	0	1,385,961
	<i>Subtotal</i>	<i>4,854,154</i>	<i>62,640</i>	<i>62,640</i>	<i>4,854,154</i>
Drainage Capital Replacement	260-2505	78,534	0	0	78,534
Capital Improvement Reserves Fees - Admin Alloc	260-2505-99	3,866	0	0	3,866
Capital Improvement Reserves Fees - Drainage	260-2510	344,134	0	0	344,134
Capital Improvement Reserves Fees - Admin Alloc	260-2510-99	35,262	0	0	35,262
Unreserved Fund Balance	260-2800	98,254	0	0	98,254
	<i>Subtotal</i>	<i>560,049</i>	<i>0</i>	<i>0</i>	<i>560,049</i>
Capital Improvement Reserves Fees - Admin Alloc	400-2505-99	6,418	0	0	6,418
Unreserved Fund Balance	400-2800	244,476	0	0	244,476
	<i>Subtotal</i>	<i>250,894</i>	<i>0</i>	<i>0</i>	<i>250,894</i>
Capital Replacement Reserve Security	500-2505	58,468	0	0	58,468
Capital Improvement Reserves Fees - Admin Alloc	500-2505-99	7,701	0	0	7,701
Capital Improvement Reserve Fees - Security	500-2510	(41,393)	0	0	(41,393)
Capital Improvement Reserves Fees - Admin Alloc	500-2510-99	135,466	0	0	135,466
Security Impact Fee Reserves	500-2513	38,488	0	0	38,488
Unreserved Fund Balance	500-2800	339,551	0	0	339,551
	<i>Subtotal</i>	<i>538,280</i>	<i>0</i>	<i>0</i>	<i>538,280</i>
Total Reserves		10,883,668	170,257	170,257	10,883,668

Interfund Borrowing

The following are the updated totals for the repayment of the interfund borrowing as of August 31, 2021. Also included are the final totals for FY 2020-21.

<i>Inter-fund Borrowing</i>	<i>Fiscal Yr Beg Balance 7/1/2021</i>	<i>YTD Interest</i>	<i>YTD Repayment</i>	<i>Period End Balance 08/31/2021</i>
WTP Construction Loan from Sewer	573,951	106	73,420	562,215
WTP Construction Loan from WSA	191,323	24,474	24,474	187,411
<i>Total Inter-fund Borrowing</i>	765,274	24,579	97,894	749,625

Utility Billing

The District is currently working with several residents to resolve outstanding payments to bring these accounts current and in good standing. There are many residents who are not current with their bills and the District reminds all residents with past-due accounts that the District offers a payment plan to assist with bringing their accounts current. We encourage residents to work with the District to prevent additional late fee assessments.

As the water shut off moratorium is set to expire on September 30, 2021, the District is preparing to start issuing notices to all past due accounts that could be potentially shut off for non-payment. District staff are prepared to work with those residents who have significantly large past due balances through the payment plan to assist with repayment and potentially prevent water shut offs.

Aging Report

As a reminder, the Board of Directors voted to begin charging late fees on all accounts that are delinquent as of the January 25, 2021, billing cycle and interest on the balance of past due accounts at the December 16, 2020, Board Meeting. There are a total of 85 accounts that are at least two months behind on payments. The total amount due to the District for outstanding balances is \$100,122.86.

Security Service Survey

At this time, there are no financial updates to the Security Service survey in relation to cost to the District.